

CONTENTS

1. Monetary development.....	3
1.1. Factors affecting the development of the money supply.....	4
1.2. Structure of the money supply	5
1.3. Bank lending.....	7
1.4. Interest rate development in August.....	7
2. Implementation of monetary policy.....	8
3. Inflation.....	9
4. Money market.....	9
4.1. Primary market for Treasury bills.....	9
4.2. Secondary market.....	10
5. Capital market.....	11
5.1. Primary market.....	11
5.2. Secondary market.....	11
6. Interbank foreign exchange market.....	12
7. Balance of payments for January to July 1998.....	13
8. Net foreign debt of Slovakia at 31 July 1998.....	14
9. Appendices.....	15
Monetary survey	17
Balance of payments for January to July.....	18
Volume of foreign capital in the SR.....	19
Foreign capital in the SR.....	19
Inflow of foreign capital.....	20
Outflow of capital from the SR.....	21
Foreign exchange reserves	22
Gross foreign debt	22
Money supply	23
Monetary-policy instruments	24
Development of deposits	25
Development of loans.....	25
Average lending rates of commercial banks	26
Average interest rates on crown deposits and volume of crown deposits	27
Development of average interbank offered rates (BRIBOR)	28
Basic characteristics of Slovakia's foreign exchange market	29
Average monthly exchange rates of SKK	29
Gross domestic product	30
Consumer prices	31
Producer prices of selected products and materials.....	32
Inflation rate	33
Unemployment	33
State budget	34

Industrial production	35
Construction	36
Foreign trade	37

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1. Monetary development

Monetary development in September continued to be affected by the situation on the foreign exchange market. On the one hand, the financial crisis in Russia caused losses to foreign investors and reduced their interest in emerging markets, resulting in an outflow of capital. On the other, growing fears of devaluation on the part of entrepreneurial entities and the population led to increased purchasing of foreign exchange, leading to a fall in the value of the Slovak crown of 1.4% compared with the beginning of September and of 3.6% in comparison with beginning of August. Since 25 September, the crown's official exchange rate has been maintained by the NBS at the level of 5.95% in the devaluation section of the fluctuation band, and has been below the level listed in the banking sector. During this period, listings of commercial banks fluctuated at the level of 6.7% inside the devaluation band. The NBS indirectly intervened in support of the crown's exchange rate, which resulted in a negative balance of trading in NBS foreign exchange fixing.

In September, the value of the Slovak crown depreciated despite central bank intervention, ...

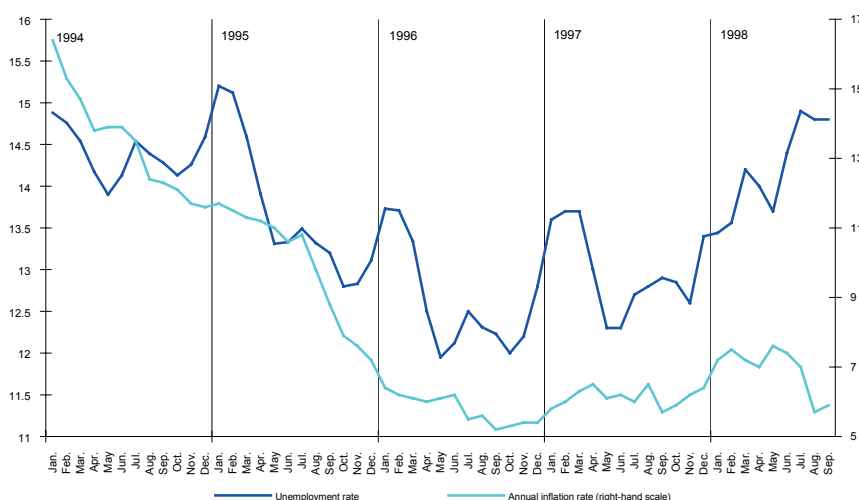
Increased foreign exchange purchasing reduced the level of crown liquidity in the banking sector and the resulting shortage exerted pressure on the price of money, despite an increase in the volume of refinancing on the part of the NBS. Over the course of September, funds were drawn from the foreign exchange reserves through foreign exchange fixing in the amount of Sk 17.2 billion (compared with Sk 8.4 billion in August) to meet the demands of commercial banks.

... which led to a fall in the foreign exchange reserves of the NBS and in the crown liquidity of commercial banks

The depreciation in the value of the crown during the previous two months has not yet affected the course of inflation, when the price level rose in September by 0.4%, representing a year-on-year increase of 5.9%. However, the developments in the area of foreign exchange were reflected in the values of monetary aggregates, especially in net foreign assets and the money supply, the year-on-year dynamics of which slowed considerably in September. Part of the deposits was converted into foreign currency, part was used for payments for imports. Some payments were made prematurely, and it is also possible that some payments collected for exports were held back abroad.

Exchange rate developments have so far only affected the values of monetary aggregates with price levels remaining unaffected

Unemployment and inflation (%)



Due to fears of devaluation on the part of entrepreneurial entities and households, the foreign exchange reserves of the National Bank of Slovakia declined by almost US\$ 1 billion during August and September. The massive central bank intervention also had a negative effect on the money and capital markets, owing to the outflow of crown resources. The situation was also complicated by the high deficit in public finances and problems in financing the current budget deficit. As the situation did

The situation on the crown and foreign exchange markets led the NBS to introduce a floating exchange rate for the Slovak crown

not change even after the parliamentary elections (25-26 September 1998), the Board of the NBS cancelled the fixed exchange rate regime and the fluctuation band of the Slovak crown, with effect from 1 October 1998. The NBS also cancelled the currency basket (consisting of 60% DEM and 40% USD) to which the exchange rate of the Slovak crown had been pegged.

1.1. Factors affecting the development of the money supply

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

At the end of September, the money supply in terms of M2 (at fixed exchange rates) reached Sk 447.1 billion, representing a slowdown in the rate of year-on-year growth from 7.8% in August to 5.6% in September. The month-on-month decline in the money supply (Sk 13.5 billion) was due mostly to a fall in net foreign assets and the situation on the foreign exchange market. Fears of currency devaluation led to the conversion of crown deposits into foreign-currency deposits (which changed the structure of M2). The decline in crown deposits was also backed by increased payments abroad.

According to preliminary data, the volume of net foreign assets in the banking sector (at fixed exchange rates) fell month-on-month by Sk 15.6 billion, due to a faster rate of decrease in foreign assets (by Sk 37.7 billion), than in foreign liabilities (by Sk 22.1 billion). The marked decline in the net foreign assets of the NBS (Sk 18.1 billion) was accompanied by a slight increase in net foreign assets of commercial banks (Sk 2.5 billion). If crown transactions with non-residents are included in net foreign assets, the month-on-month decline would be less in September, since it would not include the outflow of capital applied by non-resident banks to profit from interest rate differentials. The crown activities of non-resident banks distort the view of net foreign assets, representing a foreign source of the money supply.

In September, the foreign exchange reserves of the NBS (at fixed exchange rates) fell month-on-month by Sk 21.9 billion, due mainly to the negative balance of foreign exchange fixing (Sk 17.2 billion). Foreign liabilities of the Government and the NBS decreased by Sk 3.8 billion, while the relatively high (Sk 5.1 billion) repayments of principal (principal on NBS bonds: Sk 4.0 billion) were offset by an increase in the volume of deposits received (Sk 1.2 billion)

Foreign assets of commercial banks decreased month-on-month by Sk 15.8 billion, due mainly to decline in short-term deposits with foreign banks. Foreign liabilities of commercial banks fell month-on-month by Sk 18.3 billion, due to decline in short-term deposits received from foreign banks.

*... accompanied by an increase
in domestic assets, the
development of which is of key
importance for the conduct of
monetary policy*

Concerning the orientation and conduct of monetary policy in such non-standard situations, it is necessary take into account the development of net domestic assets as a domestic source of M2, which increased by Sk 2.1 billion month-on-month. The rate of year-on-year growth in net domestic assets reached 13.3%, representing an acceleration of 4.6% compared with the end-year figure.

With regard to net domestic assets, September saw an increase in both net credit to the Government and loans to households and enterprises. Compared with the monetary programme, the public sector was more expansive, with a rate of year-on-year growth reaching 32.4% in September. If securities held by non-residents and non-banks had been included, the volume of net credit to the Government would have totalled Sk 134.7 billion, representing a month-on-month increase of Sk 1.1 billion at a year-on-year growth rate of 40.5%. Loans to households and enterprises expanded month-on-month by Sk 3.4 billion, representing an increase from 4.0% in August to 4.5% in September on a year-on-year basis. Despite the growth in the volume of loans (Sk 17.9 billion since the beginning of 1998), the development of bank lending has so far been acceptable from the point of view of monetary policy.

*Problems in financing the
performance of the State
budget ...*

At the end of September, the performance of the State budget resulted in a deficit of Sk 8.4 billion. Budget revenue reached Sk 131.2 billion and expenditure totalled Sk 139.6 billion.

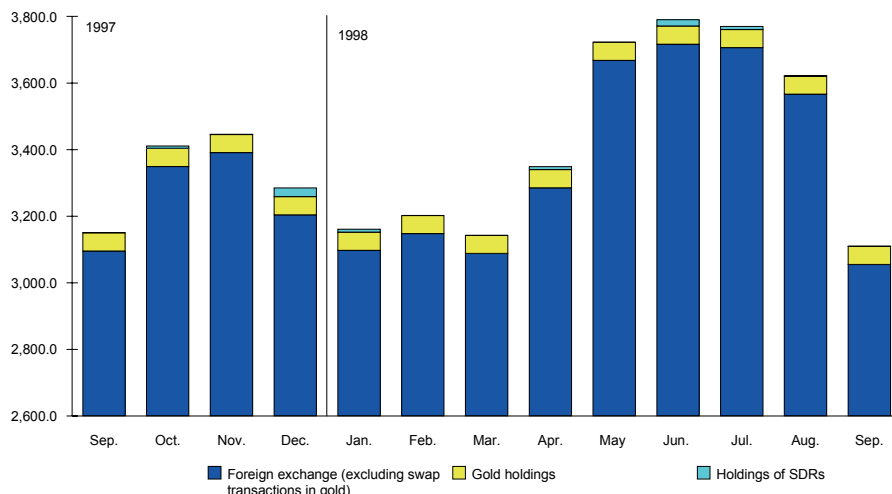
At the end of the month, the net position of the Government vis-a-vis the banking sector reached (according to preliminary data) Sk 64.5 billion, representing a month-on-month increase of approximately Sk 2.8 billion. The rise in the level of internal debt was due to problems in financing the current performance of the State budget, when, after five months, the budget deficit was again financed through Treasury bills issued almost exclusively for the portfolio of the NBS. The internal debt was also increased by a new issue of government bonds, where the accepted bids exceeded principal repayments on government bonds issued in previous years (by Sk 1.7 billion).

... lead to growth in the internal debt of the Government

At the end of September, the total foreign exchange reserves of the NBS (at current exchange rates) reached US\$ 3,110.3 million, representing a month-on-month decline of US\$ 511.2 million. The volume of foreign exchange reserves was 2.5 times greater than the average volume of monthly imports of goods and services to Slovakia during the first seven months of 1998.

Foreign exchange reserves of the NBS

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



Value of gold = 42.22 US\$/oz

1.2. Structure of the money supply

In September, the development of the M2 money supply (at fixed exchange rates) was affected by the negative expectations of the public, especially in relation to the value of the Slovak crown. Fears of currency devaluation led to the realisation of premature payments for imports and to the conversion of crown deposits into foreign currency deposits. This was reflected in a marked reduction in crown deposits, which gave rise to a month-on-month decline in the money supply (Sk 13.5 billion). The M1 aggregate fell by Sk 9.1 billion and quasi-money by Sk 4.4 billion.

Marked month-on-month decline in the money supply, ...

The rate of year-on-year increase in the M2 aggregate reached an all-time low level (5.6%) in September. From a monetary point of view, this development cannot be regarded as positive. It resulted from the extraordinary situation reflecting the increased instability of the economic environment, mainly in connection with the growing deficit in the balance of payments current account. In comparison with the previous month, the rate of year-on-year decline in M1 increased, to 4.2% in September. Quasi-money increased year-on-year by 11.4%, but its growth rate slowed in September.

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

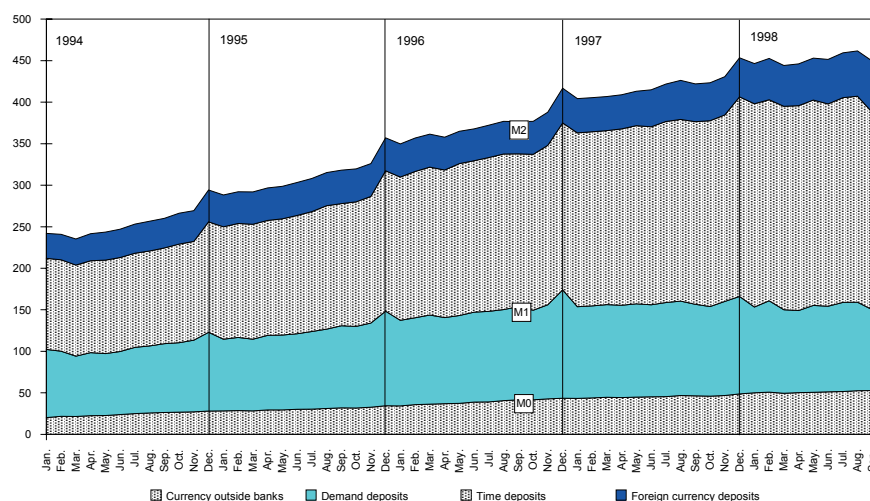
The volume of currency outside the banking sector increased by Sk 0.3 billion month-on-month. In terms of the currency issue cycle, the maximum volume of currency was recorded on 21 September, representing a four-day shift (as in August) in comparison with the standard course of currency issue.

Decline in demand deposits

Demand deposits fell month-on-month by Sk 9.4 billion, due primarily to the said premature realisation of payments for imports and the conversion of crown deposits into foreign currency deposits. In addition to the above, developments in September were affected by the payment of advances on corporate and personal income taxes (one quarter). The development of demand deposits was marked by an increase during the first ten-day period, followed by a moderate fall during the second period, and a significant reduction (almost Sk 11 billion) during the last ten days.

Development of the M2 monetary aggregate

(Sk billions)


Fall in time deposits and growth in foreign-currency deposits

Time deposits fell in September by Sk 10.3 billion, representing the sharpest month-on-month decline ever recorded. The decline was due to the same reasons as for that of demand deposits. Virtually the entire decline occurred during the last ten days of the month (Sk 9.1 billion), due to the growing pressure on the value of the crown during this period. The conversion of crown deposits into foreign currency deposits led to a marked increase (Sk 5.9 billion) in the volume of foreign currency deposits (at fixed exchange rates).

The September development was also reflected in the structure of the money supply, where the weight of the M1 aggregate decreased due primarily to decline in demand deposits. The weight of quasi-money increased, the fall in time deposits being partly offset by an increase in foreign-currency deposits.

Structure of the money supply (M2)

(%)

	1.1.1998	31.8.1998	30.9.1998	30.9.1997
Money supply [M2]	100.00	100.00	100.00	100.00
Money [M1]	36.63	34.56	33.57	37.00
Currency outside banks [M0]	10.74	11.40	11.81	10.96
Demand deposits	25.89	23.17	21.76	26.03
Quasi-money [QM]	63.37	65.44	66.43	63.00
Time deposits	53.01	53.84	53.16	51.95
Foreign currency deposits	10.36	11.59	13.26	11.06

Marked decline in crown deposits

Slovak-crown deposits, as a component of the money supply, fell by Sk 19.7 billion in September, due to decline in corporate deposits (Sk 13.4 billion) and household deposits (Sk 6.2 billion). Since the beginning of the year, the volume of crown deposits has fallen by Sk 22.8 billion, corporate deposits have declined by Sk 29.5 billion, and household deposits have grown by Sk 6.8 billion. The rate of year-on-year growth in crown deposits reached 1.5% in September. Household deposits increased by 13.6%, whilst corporate deposits declined by 19.0% year-on-year.

1.3. Bank lending

In September, 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 4.9 billion, due to growth in crown loans (Sk 3.6 billion) and foreign-currency loans (Sk 1.3 billion). At the end of September, the volume of bank loans totalled Sk 393.2 billion, of which loans in Slovak crowns accounted for Sk 339.2 billion and foreign-currency loans Sk 54.0 billion.

Growth in crown loans and foreign-currency loans

The increase in crown loans took place in the entrepreneurial sector (Sk 2.5 billion), the household sector (Sk 0.7 billion), and in the government sector (Sk 0.3 billion). Since the beginning of the year, the volume of total bank credit has increased by Sk 7.5 billion, due to growth in crown loans (Sk 0.1 billion) and foreign-currency loans (Sk 7.4 billion).

In the same period of last year, crown loans had increased month-on-month by Sk 0.7 billion and loans in foreign-currency by Sk 0.2 billion. The volume of total bank credit increased year-on-year by 1.9%; crown loans fell by 0.9%, while loans in foreign currency increased by 24.4%.

1.4. Interest rate development in August

In August, the average interest rate on the total volume of loans rose month-on-month by 0.30 points, to 16.33%. Lending rates for short-term loans increased by 0.27 points, to 19.61%; and those for medium-term loans by 0.76 points, to 17.08%. The level of interest rates on long-term loans remained virtually unchanged (12.4%).

The average interest rate on the total volume of loans rose

The average interest rate on new loans increased by 3.15 points (to 17.32%); the rate on short-term loans by 3.27 points (to 17.44%), and that on medium-term loans by 1.99 points (to 16.04%). The average lending rate for long-term loans remained unchanged (14.87%). However, the share of new medium (7.15%) and long-term loans (0.85%) of total crown loans was negligible. Interest rate levels were significantly affected by an increase in the share of loans with interest rates above the average level. Of the total volume of new loans, 57.45% were granted at fixed interest rates and 42.55% at flexible rates.

The level of interest rates on new loans rose significantly

With regard to the types of loans by purpose, average interest rates rose on operating loans by 3.59 points, to 14.68%; standard loans by 3.33 points, to 19.34%; and on overdrafts by 1.42 points, to 20.59%. These loans accounted for 83.22% of total bank credit and were mainly loans with a maturity of up to 3 months. Month-on-month decreases were recorded in average interest rates on consumer loans (by 2.48 points, to 11.57%) and bills of exchange loans (by 0.34 points, to 19.34%), which represented a mere 3.94% of the total.

Compared with the level in July, the average interest rate on total crown deposits remained unchanged in August, at the level of 9.53%. Decreases were recorded in average interest rates on short-term deposits, especially on 7-day deposits (by 1.35 points, to 11.92%); 3-month deposits (by 0.25 points, to 17.38%); and on 9-month deposits (by 0.18 points, to 18.33%). Short-term deposits accounted for 12.75% of total crown deposits.

The average interest rate on total deposits remained unchanged

As a result of a stable average rate of interest on the total volume of deposits and rise in the average rate for crown deposits (0.3 points), the nominal margin increased from 6.5% in July to 6.8% in August. The level of real interest rates on one-year deposits rose from 4.08% in July to 5.43% in August, due to a fall in the 12-month rate of consumer-price inflation (from 7.0% to 5.7%), while the average interest rate on one-year deposits increased slightly (by 0.05 points, to 11.13%).

Rise in real interest rate levels

2. Implementation of monetary policy

The implementation of monetary policy was affected by a shortage of crown liquidity at banks and its reflection in the price of money, ...

In September, monetary policy was implemented in an environment characterised by a shortage of crown resources on the interbank market, caused by purchases of foreign exchange from the NBS. As a result, the level of one-month deposit rates rose on the interbank market from 16.4% in August to 25.0% in September. In view of the need to issue government securities for financing of the current deficit and the debt service, the volume of refinancing granted to the banking sector was increased.

... despite an increase in refinancing on the part of the NBS

The favourable liquidity situation in the banking sector, resulting from the financing of repayments of government securities during the third quarter from foreign funds borrowed by the Government, changed over the course of September due to the conversion of Slovak crowns into foreign exchange by bank customers. As a result, the banking sector ran into a marked shortage of liquidity. The Central Bank granted one-day refinancing to restore the liquidity of banks and stabilise interest levels. The short-term nature of refinancing did not support purchases in NBS foreign exchange fixing by the use of long-term surplus funds.

Foreign exchange fixing at the NBS

In foreign exchange fixing, trading showed another marked increase: 115 transactions were concluded in the amount of US\$ 489.0 million (US\$ 228.9 million and DM 450.9 million), representing sales of foreign exchange by the NBS. The negative balance was due to increased instability on the foreign exchange market in the middle of August, caused by the financial crisis in Russia and the run-up to parliamentary elections. The currency basket unit increased in value from 1.0450 (31 August) to 1.0595 (30 September). The NBS intervened indirectly in favour of the Slovak crown by maintaining IDX at the level of 1.0595, while the value of the index on the market rose to the upper limit of the fluctuation band.

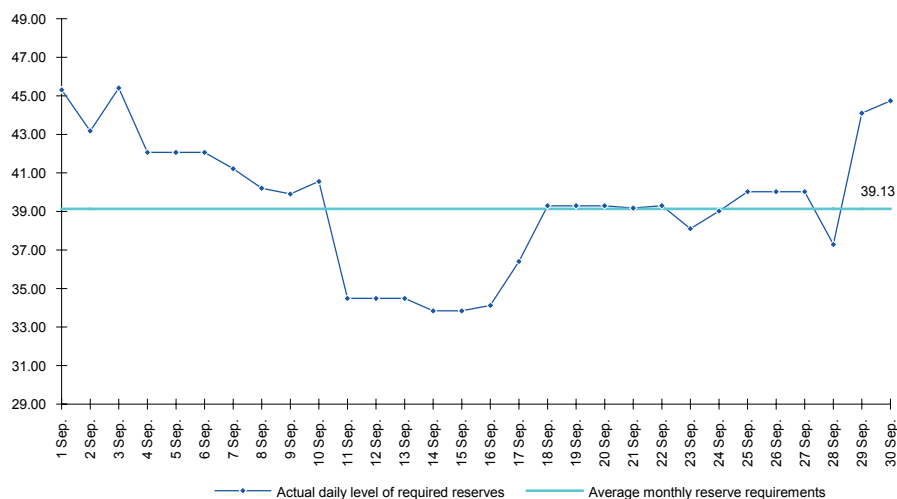
The net foreign assets of the NBS fell month-on-month by Sk 12.4 billion in average terms, and represented the main source of outflow of crown liquidity, which was replenished through monetary-policy factors. In the second half of the month, reference banks stopped listing interest rates on the interbank market and later renewed listing only for short-term deposit rates.

Reserve requirements

In September, the level of required reserves in the banking sector was set at Sk 39,134 million. By the end of the month, the reserve requirements had been fulfilled to 100.79%. At the end of the first period in September, the reserve requirements had been fulfilled to 101.04% with average excess reserves at the level of Sk 408 million. At the end of the second period, the reserve requirements had been fulfilled to 100.54% with average excess reserves amounting to Sk 213 million;

Fulfilment of reserve requirements

(Sk billions)



3. Inflation

In September, consumer prices rose by 0.4% month-on-month. The 12-month rate of inflation showed a moderate increase, from 5.7% in August to 5.9% in September.

Consumer prices rose month-on-month by 0.4%

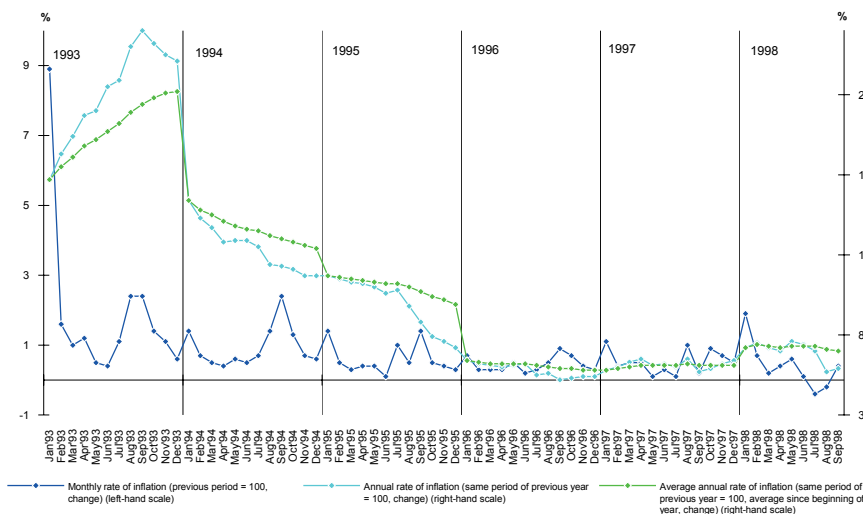
The most rapid increases were recorded in the categories of education (2.8%) and hotels, cafés, and restaurants (1.3%). The price increase was most evident in the non-tradable sector and was associated with the beginning of the school year. The rise in the price level in education was due mostly to an increase in language school fees. In the category of hotels, cafés, and restaurants, the most significant increase was recorded in the price of meals at schools and pre-school establishments.

In the category of foodstuffs and non-alcoholic beverages, prices increased by 0.6% in September, after a downward trend in price levels during the previous three months. The price increase was due mostly to a rise in the price of fruit, foodstuffs with highly variable prices (the price of vegetables incl. potatoes fell). The accelerated increase in the price of meat, bread, and grain continued, though at a rate slower than during the previous month.

The price of food and non-alcoholic beverages rose slightly

The prices of dwelling, water supply, electricity, gas, and other fuels remained unchanged. In other categories, monthly price increases ranged from 0.1% to 0.6%.

Inflation (%)



4. Money market

4.1. Primary market for Treasury bills

During the second half of September, the Ministry of Finance of the SR decided to put 27-day Treasury bills up for auction, though no Treasury-bill auction had been planned for the 3rd quarter of 1998. This decision was motivated by the unfavourable performance of the State budget and the high level of interest yields on the primary market for government bonds. At the auction, Treasury bills were placed on the short-term securities market in the total amount of Sk 1.5 billion. The last three 1997 issues of Treasury bills also fell due in September, in the amount of Sk 6.764 billion.

As September saw increased repayments of principal and yields on government securities and the new issues realised through auction did not suffice to cover the needs of the issuer, the Ministry of Finance made several so-called technical issues of Treasury bills, with a maturity of up to 7 days, for the portfolio of the NBS.

4.2. Secondary market

Open market operations of the NBS ...

In September, the National Bank of Slovakia intervened in the money market by conducting three REPO tenders for sterilisation purposes; two auctions in Central Bank bills (NBS bills), and nine REPO tenders for refinancing purposes. The average daily volume of sterilisation amounted to Sk 3.51 billion.

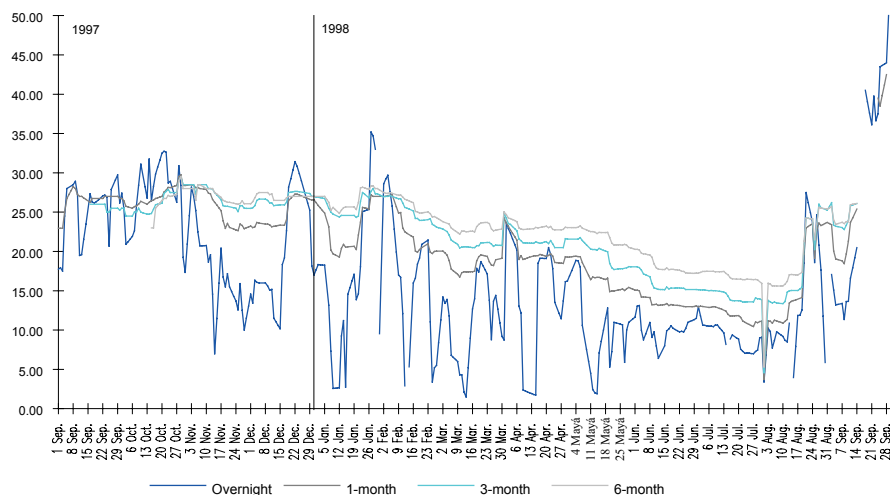
At the beginning of September, the persistent excess of liquidity was reduced by standard REPO tenders conducted for sterilisation purposes with maturities of 28 and 7 days and by two issues of NBS bills with a maturity of 84 days. In the case of REPO tenders conducted for sterilisation purposes, demand was two to three times higher than the volumes accepted at an average rate of 13.75% to 17.60%. At the first auction, bids were accepted for NBS-bills worth Sk 0.10 billion at a yield of 16.50%, while demand amounted to Sk 1.25 billion. At the second auction, bids were accepted for Sk 0.50 billion at a yield of 22.99%, with demand reaching Sk 0.85 billion. The total volume of sterilisation showed a tendency to increase, from Sk 6.35 billion at the beginning of the month to Sk 8.65 billion at the end of the first period.

Purchases of foreign exchange through NBS fixing, motivated by increased demand for foreign exchange, resulted in a shortage of liquidity during the second period. The NBS reacted to this situation by conducting 1 to 3-day REPO tenders for refinancing purposes, the amount of which reached Sk 17.07 billion at the end of the period. This generated a marked increase in the total balance of central bank intervention, up to Sk 12.22 billion on the side of refinancing, on the last day of the month. Initially, interest rates were at the level of 32.08%, later they fell to 21.70% with a gradual increase in the total volume of refinancing.

The listing of BRIBOR rates was suspended

Owing to the tense situation on the interbank market, the reference banks held a meeting on 16 September 1998. The participants agreed that purchase and sales prices should be listed on the interbank market only if the prices of deposits had been published by REUTERS. They also agreed to remove the limits on the minimum volumes of listings and the spreads between purchase and sales prices. On the following day, the listing of BRIBOR rates with longer maturities was suspended, in connection with the increase of spreads to 10% and the lifting of rates above 40%.

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



5. Capital market

5.1. Primary market

In September, four auctions were held in government bonds in accordance with the schedule for the issue of government securities. Three issues had maturity set at one year, and the remaining one at two years. The par value was set at Sk 1,000,000 for all the four issues of bonds. The issuer (Ministry of Finance of the SR) set the coupon yield at 13% p.a. (for the one-year issues) and 14% p.a. (for the two-year issues). The auctions were carried out in the American style, with unlimited issue-amounts.

Government bonds

A common feature of the September issues was the increased demand for resources on the part of the Ministry of Finance and the corresponding yield to maturity. With regard to the unfavourable performance of the State budget, the issuer had to accept bids at up to 29.95% p.a. Total demand for government bonds reached Sk 13,390 million in September (representing a decline of 49.90% compared with August), and the issuer accepted bids for 71.99% of this amount.

In September, three issues of publicly negotiable non-government bonds were made in the total amount of Sk 1,500 million: VÚB bonds (Sk 1,000 million), SCP Ružomberok bonds (Sk 300 million), and SES Timaée bonds (Sk 200 million). Since the beginning of 1998, the volume of publicly negotiable non-government bonds has reached Sk 1,899 million, representing a fall of 72.35% compared with the same period of 1997, when bonds were issued in the total amount of Sk 6,869 million.

Non-government bonds

5.2. Secondary market

In September, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 55,077 million. Price-setting anonymous transactions amounted to Sk 8,700 million, representing 15.72% of the total volume of trading, and direct transactions reached Sk 46,400 million.

Most trading took place in listed bonds (89%), followed by registered bonds (5%), shares on the free market (3%), listed shares (3%), registered shares (3%), and bonds on the registered securities market (1%).

Since the beginning of the year, securities have been traded on the BCPB floor in the amount of Sk 214,100 million, which exceeded the balance for 1997.

In September, both components of the Slovak Bond Index (SDX) recorded positive changes. The component for corporate and bank bonds closed the month at 117.56 points (+1.2%) with an average yield of 17.044% to maturity. The component of SDX for government bonds closed the month at 116.45 points (+1.06%) with an average yield of 22.268%. After a successful primary auction in September, four new issues of government bonds were incorporated into the SDX base, with a total nominal value of Sk 12.2 billion and average yield ranging from 20.551% to 29.508%.

SDX index

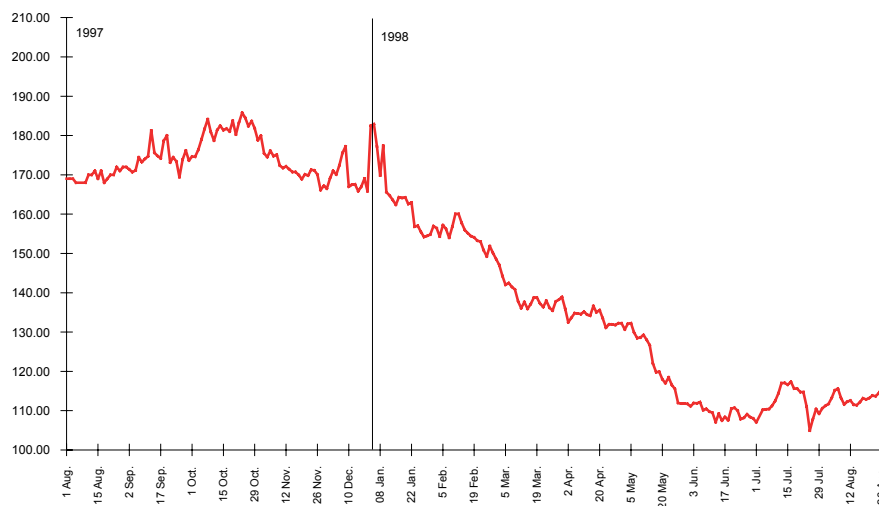
Compared with the end of the past month, the Slovak Share Index (SAX) recorded a fall of 11.24% in September: its value closed the last trading day of the month at 100.72 points, representing a fall of 42.0% on a year-on-year basis. The sharp fall in the value of SAX was caused by companies with the largest weights in the base. A systematic decrease was recorded in the average price of VSŽ shares (from Sk 417 to Sk 316), which rose to Sk 326 at the end of the month (representing a fall of 21.8% month-on-month). Decreases were also recorded in the average prices of Slovakofarma shares (a fall of 22.0%, to Sk 2,099) and VÚB shares (a fall of 21.1%, to Sk 750). In the other components of SAX, the following changes had been recorded by the end of August: Nafta (a fall of 14.7%, to Sk 360); Považske

SAX index

strojárne (a fall of 18.8%, to Sk 65); Plastika (a fall of 6.8%, to Sk 289); Slovnaft (a fall of 1.8%, to Sk 668); Figaro (a rise of 10.3%, to Sk 800); SES Tlmače (a rise of 13.7%, to Sk 216); Váhovstav (a rise of 5.6%, to Sk 450), and Závody SNP (a rise of 7.1%, to Sk 75). In fact, there is no real demand for Slovak shares, most transactions are aimed only at maintaining the rates.

Slovak Share Index - SAX

(%)



With regard to the structure of share and bondholders registered at the Securities Centre, the most significant month-on-month change was recorded in the number of bonds held by residents excluding banks (a decrease of 9.10%). Subsequently, the number of government bonds held by non-residents increased by 2.40%. With regard to securities held by domestic banks, the number of bonds decreased by 2.60%, and that of shares by 3.40%.

6. Interbank foreign exchange market

Foreign exchange market in the SR

In September, the foreign exchange market was characterised by continued growth in foreign exchange fixing and a moderate decline 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 fell month-on-month by 1.6%, from US\$ 6,732.9 million to US\$ 6,625.9 million.

Transactions between Slovak banks

The volume of trading between Slovak commercial banks fell in September by 0.3%, from US\$ 2,789.5 million (in August) to US\$ 2,779.0 million. Most trading was again concluded in US\$ (83.5%, compared with 84.6% in August), followed by DM (14.2%, compared with 11.9% in August) and other European currencies (2.3%, compared with 3.5% in August). The number of contracts increased to 1,532 (from 1,486 in August), while the average amount per contract fell from US\$ 1.9 million to US\$ 1.8 million.

Transactions between Slovak and foreign banks

The volume of trading between Slovak and foreign banks fell by 9.3%, from US\$ 3,703.8 million to US\$ 3,357.9 million, but maintained its dominant position on the country's foreign exchange market (50.67%). Most trading was again concluded in US\$ (92.6%), followed by DM (6.9%), and other European currencies (0.5%). The number of transactions decreased from 1,248 to 1,047, with an average amount of US\$ 3.2 million per contract. Trading between Slovak and foreign banks resulted in a negative balance of US\$ 62.8 million, which indicates that foreign banks purchased more foreign exchange from Slovak commercial banks than they sold.

7. Balance of payments for January to July 1998

During the period from January to July, the external relations of the Slovak Republic were characterised by continued increase in the tendencies that increase the imbalance on the current account of the balance of payments, which resulted in a deficit of Sk 43.4 billion, i.e. US\$ 1.2 billion.

The current account deficit continued to grow,

The capital and financial account of the balance of payments generated a surplus of Sk 60.3 billion, which sufficed not only to cover the deficit in the current account, but to generate an increase in central bank reserves (US\$ 437 million) as well. At the end of July, the foreign exchange reserves of the NBS reached US\$ 3.8 billion, which was 3.1 times greater than the average volume of monthly imports of goods and services to Slovakia during the first seven months of 1998.

The current account of the balance of payments continued to be affected by the balance of trade, which resulted in a deficit of Sk 43.9 billion. The performance of foreign trade in July, which led to an increase in the size of trade deficit (Sk 6.8 billion), has confirmed the trend from the first half of the year, when the average monthly volume of trade deficit reached Sk 6.2 billion.

... due mainly to the negative balance of trade

During the first seven months of 1998, Slovakia's foreign-trade turnover reached Sk 463.0 billion, of which imports accounted for Sk 253.5 billion and exports Sk 209.5 billion. The structure of exports by commodity was dominated by road vehicles (16.0%), whose share in total exports continues to rise. On the other hand, the share of iron and steel exports (11.4%) shows a tendency to decrease due to problems with the export of iron and steel, caused by recession on the world market and increased competition from other countries.

The unfavourable balance of services, which has persisted since the beginning of the year in the form of an excess of payments for services received over income from services provided, resulted in a deficit of Sk 3.9 billion at the end of July, i.e. Sk 3.7 billion more than in the same period a year earlier. More than 65% of the said increase in the services balance deficit was generated in the balance of foreign tourism, where revenues failed to increase to a significant extent even during the tourist season in July. As a result of a year-on-year fall in foreign exchange revenue from tourism (25.7%), the balance deficit increased to Sk 1.5 billion (in the same period of last year, the deficit in tourism amounted to Sk 1.0 billion).

Balance of services

The income balance resulted in a deficit of Sk 2.4 billion, which was comparable with the figure recorded in the corresponding period a year earlier. The size of the deficit was determined by the balance of interest on financial credits, which was affected substantially by the corporate sector. With regard to the individual items of the current account, surplus was achieved only in the balance of current transfers (Sk 6.9 billion).

The capital and financial account of the balance of payments generated a surplus of Sk 60.3 billion, i.e. US\$ 1.7 billion.

Surplus in the capital and financial account

During the period from January to July, foreign companies invested roughly Sk 8.3 billion in the Slovak economy, almost exclusively in the corporate sector. However, analysis of direct foreign investment shows that, since the capital interests of foreign investors (above 10%) were realised in metal-working and the processing of food and beverages in May, there has been no marked inflow of direct foreign investment into the Slovak economy.

Direct foreign investment

On the other hand, the activity of Slovak investors abroad also stabilised; the volume of direct investments abroad has increased by Sk 2.7 billion since the beginning of the year. In terms of sector, Slovak investments were made mostly in wholesale and retail trade.

Inflow of long-term capital into the government and corporate sectors

In the area of long-term capital, a significant role was played again by the government and corporate sectors, despite the fact that the inflow of long-term funds into the corporate sector continued. As a result of an issue of government bonds in the amount of almost Sk 30.0 billion, government borrowing (totalling Sk 24.8 billion excluding repayments) exceeded the net inflow of funds into the corporate sector, in the form of financial credits (Sk 20.1 billion).

The main target of short-term capital inflow was the banking sector, where short-term liabilities increased by Sk 37.9 billion during the first seven months of 1998. The structure of short-term liabilities was dominated by deposits held by non-residents with Slovak banks, which increased by Sk 21.2 billion, and by purchases of foreign exchange from foreign banks in the amount of Sk 15.8 billion.

The growth in short-term foreign exchange liabilities of commercial banks was partly offset by an increase in foreign exchange assets, particularly in short-term deposits held with foreign banks (Sk 19.7 billion). During the last few months, a moderate increase has been recorded in the volume of short-term loans granted abroad, which has grown by Sk 6.3 billion (to Sk 17.8 billion) since the beginning of the year.

8. Net foreign debt of Slovakia at 31 July 1998

The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. US\$ 11.9 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\$ 9.5 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - export claims and financial credits), reached US\$ 2.4 billion at the end of July 1998.

With regard to the structure of Slovakia's gross external debt, total gross medium and long-term foreign liabilities amounted to US\$ 6.91 billion, and short-term liabilities totalled US\$ 4.98 billion. The share of total short-term liabilities in the country's gross external debt showed a moderate increase, reaching 41.91% at the end of July.

Appendices

Monetary survey

(Sk billions)

	1997				1998								
	30.9.	31.10.	30.11.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.*
Fixed exchange rate SKK / USD	31.895	31.895	31.895	31.895	34.782	34.782	34.782	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	19.398	19.398	19.398	19.398	19.398	19.398	19.398	19.398	19.398
ASSETS													
Net foreign assets	71.0	76.8	74.0	71.4	68.3	72.3	72.6	69.7	71.3	70.4	71.1	63.4	47.8
Foreign assets	239.8	254.0	259.9	234.8	252.5	255.3	252.3	259.6	265.8	269.8	275.0	280.0	242.3
Foreign liabilities	168.8	177.2	185.9	163.4	184.2	183.0	179.7	189.9	194.5	199.4	203.9	216.6	194.5
Net domestic assets	352.3	347.9	357.4	382.5	378.6	380.2	371.9	376.8	382.2	380.6	388.2	397.2	399.3
Domestic credit	455.1	458.0	464.4	467.8	463.5	468.0	468.2	476.4	484.6	483.1	494.4	498.2	503.2
- Net credit to Government	89.2	92.3	96.9	100.5	99.3	99.5	94.9	99.3	107.2	103.9	114.4	116.5	118.1
- Net credit to FNM ^{1/}	-2.3	-2.0	-2.2	-3.0	-1.7	-0.6	-0.2	-0.2	0.4	0.5	0.4	0.4	0.4
Credit to households and enterprises	368.2	367.7	369.7	370.3	365.9	369.1	373.5	377.3	377.0	378.7	379.6	381.3	384.7
- Credit in SKK	333.8	334.7	335.4	334.6	331.1	334.5	338.8	341.5	340.6	342.2	341.2	342.5	345.7
- Credit to enterprises	314.5	315.1	315.6	314.2	310.9	314.1	318.1	320.5	319.0	320.0	318.7	319.0	321.6
- Credit to households	19.3	19.6	19.8	20.4	20.2	20.4	20.7	21.0	21.6	22.2	22.5	23.5	24.1
- Credit in foreign currency	34.4	33.0	34.3	35.7	34.8	34.6	34.7	35.8	36.4	36.5	38.4	38.8	38.9
LIABILITIES													
Liquid liabilities [M2]	423.3	424.7	431.4	453.9	446.9	452.5	444.5	446.5	453.5	451.0	459.3	460.6	447.1
Money [M1]	156.6	154.0	160.1	166.1	154.3	161.0	150.1	149.2	155.4	154.4	159.0	159.2	150.1
Currency outside banks [M0]	46.4	46.0	46.8	48.7	51.0	50.7	49.5	50.2	50.6	51.2	51.6	52.5	52.8
Demand deposits	110.2	108.0	113.3	117.4	103.3	110.3	100.6	99.0	104.8	103.2	107.4	106.7	97.3
- Households	47.9	46.0	45.8	46.2	45.7	45.1	44.0	44.5	44.7	44.6	45.3	45.1	
- Enterprises	61.3	61.1	66.6	69.6	56.3	63.5	55.6	53.9	59.2	57.7	61.1	60.5	
- Insurance companies	1.0	0.9	0.9	1.6	1.3	1.7	1.0	0.6	0.9	0.9	1.0	1.1	
Quasi-money [QM]	266.7	270.7	271.3	287.8	292.6	291.5	294.4	297.3	298.1	296.6	300.3	301.4	297.0
Time and savings deposits	219.9	223.7	224.5	240.4	244.7	242.0	245.0	246.7	247.2	243.6	246.5	248.0	237.7
- Households	159.6	164.3	168.3	182.8	185.9	188.8	190.8	192.9	194.5	196.1	197.4	196.9	
- Enterprises	42.5	42.7	39.6	41.4	41.4	35.5	35.7	36.1	34.9	32.4	34.8	37.0	
- Insurance companies	17.8	16.7	16.6	16.2	17.4	17.7	18.5	17.7	17.8	15.1	14.3	14.1	
Foreign currency deposits	46.8	47.0	46.8	47.4	47.9	49.5	49.4	50.6	50.9	53.0	53.8	53.4	59.3
- Households	39.1	39.3	39.6	40.0	39.2	38.9	38.9	39.2	39.4	39.6	40.0	40.7	
- Enterprises	7.7	7.7	7.2	7.4	8.7	10.6	10.5	11.4	11.5	13.4	13.8	12.7	
Other items net	102.8	110.1	107.0	85.3	84.9	87.8	96.3	99.6	102.4	102.5	106.2	101.0	104.0

*/ Preliminary data

1/ FNM - National Property Fund

Balance of Payments for January to July 1998

	Receipts / Credit (+)		Expenditures / Debit (-)		Balance	
	Sk million	USD million	Sk million	USD million	Sk million	USD million
Goods	209,537.0	5,999.1	253,448.0	7,256.3	-43,911.0	-1,257.2
Services	42,601.0	1,219.7	46,596.0	1,334.1	-3,995.0	-114.4
Transportation	14,999.0	429.4	9,044.0	258.9	5,955.0	170.5
Travel	7,719.0	221.0	9,204.0	263.5	-1,485.0	-42.5
Other services total	19,883.0	569.3	28,348.0	811.6	-8,465.0	-242.4
Income	9,262.0	265.2	11,667.0	334.0	-2,405.0	-68.9
Compensation of employees	446.0	12.8	134.0	3.8	312.0	8.9
Investment income	8,816.0	252.4	11,533.0	330.2	-2,717.0	-77.8
Current transfers	12,568.0	359.8	5,700.0	163.2	6,868.0	196.6
CURRENT ACCOUNT	273,968.0	7,843.8	317,411.0	9,087.6	-43,443.0	-1,243.8
Capital account	1,520.0	43.5	-231.0	-6.6	1,289.0	36.9
Financial account	547,541.1	15,698.2	-488,573.4	-13,989.2	58,967.7	1,709.1
Direct investment	120,782.8	3,458.1	-115,683.0	-3,312.0	5,099.8	146.0
<i>Abroad</i>	927.5	26.6	-3,825.0	-109.5	-2,897.5	-83.0
Equity capital and reinvested earnings	169.5	4.9	-2,897.0	-82.9	-2,727.5	-78.1
Other capital	758.0	21.7	-928.0	-26.6	-170.0	-4.9
<i>In SR</i>	119,855.3	3,431.5	-111,858.0	-3,202.5	7,997.3	229.0
Equity capital and reinvested earnings	8,889.3	254.5	-574.0	-16.4	8,315.3	238.1
Other capital	110,966.0	3,177.0	-111,284.0	-3,186.1	-318.0	-9.1
Portfolio investment	2,121.0	60.7	-4,054.3	-116.1	-1,933.3	-55.4
Assets	1,963.0	56.2	-1,840.3	-52.7	122.7	3.5
Liabilities	158.0	4.5	-2,214.0	-63.4	-2,056.0	-58.9
Other investment	424,637.3	12,179.5	-368,836.1	-10,561.1	55,801.2	1,618.4
<i>Long-term</i>	63,306.7	1,826.1	-14,952.6	-425.6	48,354.1	1,400.6
Assets	1,502.1	42.3	-106.9	-3.6	1,395.2	38.7
Liabilities	61,804.6	1,783.8	-14,845.7	-422.0	46,958.9	1,361.9
<i>Short-term</i>	361,330.6	10,353.3	-353,883.5	-10,135.5	7,447.1	217.8
Assets	136,225.5	3,899.4	-163,666.5	-4,682.3	-27,441.0	-782.9
Liabilities	225,105.1	6,453.9	-190,217.0	-5,453.2	34,888.1	1,000.8
CAPITAL AND FINANCIAL ACCOUNT	549,061.1	15,741.8	-488,804.4	-13,995.8	60,256.7	1,746.0
ERRORS AND OMISSIONS	-823,605.9	-23,602.3	821,705.1	5,361.6	-1,900.8	-65.6
OVERALL BALANCE	-576.8	-16.8	15,489.7	453.4	14,912.9	436.6
Monetary gold	0.0	0.0	-2,419.8	-69.1	-2,419.8	-69.1
Special drawing rights	576.8	16.8	0.0	0.0	576.8	16.8
Foreign exchange	0.0	0.0	-13,069.9	-384.3	-13,069.9	-384.3
<i>Currency and deposit</i>	0.0	0.0	-9,828.4	-283.8	-9,828.4	-283.8
<i>Securities</i>	0.0	0.0	-3,241.5	-100.5	-3,241.5	-100.5
Bonds and notes	0.0	0.0	-1,591.1	-50.0	-1,591.1	-50.0
Money market instruments and financial derivats	0.0	0.0	-1,650.4	-50.5	-1,650.4	-50.5
RESERVE ASSETS	576.8	16.8	-15,489.7	-453.4	-14,912.9	-436.6

Used exchange rate of: USD = 34.928 Sk

Volume of foreign capital in the SR at 30 June 1998

	Corporate sector		Banking sector		Total	
	Sk bn	%	Sk bn	%	Sk bn	%
Total volume of foreign capital	49.5	100	11.6	100	61.1	100
Structure of capital by investor						
Germany	10.8	21.8	1.3	11.2	12.1	19.8
Austria	9.4	19.0	2.5	21.6	11.9	19.5
Great Britain	7.0	14.2	0.7	6.0	7.7	12.6
USA	5.5	11.1	1.2	10.4	6.7	11.0
France	3.7	7.5	0.4	3.4	4.1	6.7
Czech Republic	3.3	6.7	2.6	22.4	5.9	9.7
The Netherlands	2.6	5.2	2.3	19.8	4.9	8.0
Gibraltar	2.4	4.8	-	-	2.4	3.9
Other countries	4.8	9.7	0.6	5.2	5.4	8.8
Structure of capital by sector						
Extraction of raw materials	0.9	1.8	-	-	0.9	1.5
Industrial production	29.1	58.8	-	-	29.1	47.6
Generation and distribution of electricity and gas	0.2	0.4	-	-	0.2	0.3
Building and construction	1.3	2.6	-	-	1.3	2.1
Wholesale and retail trade, repairs to motor vehicles	11.3	22.8	-	-	11.3	18.5
Hotels and restaurants	0.7	1.4	-	-	0.7	1.2
Transport, storage and communications	2.3	4.7	-	-	2.3	3.8
Finance and insurance	1.9	3.9	11.6	100.0	13.5	22.1
Real estate, rental and comm. services, research and development	1.6	3.2	-	-	1.6	2.6
Other public, social and pers. services	0.2	0.4	-	-	0.2	0.3

Note: Preliminary data

Foreign capital in the SR in 1993-1998

(Sk millions)

	Corporate sector						Banking sector					Total				
	1993	1994	1995	1996	1997	1998	1994	1995	1996	1997	1998	1994	1995	1996	1997	1998
As of 1 January	8,156	13,702	21,954	28,961	36,957	41,854	1,156	1,750	3,754 ^{1/}	11,388 ^{2/}	11,608	14,858	23,704	32,715	48,345	53,462
Net change	5,198	8,033	6,000	7,747	5,155	7,589	567	681	2,403	234	-8	8,600	6,681	10,150	5,389	7,581
Valuation changes	348	219	1,007	249	-258	102	27	28	218	-14	-25	246	1,035	467	-272	77
End of year ^{3/}	13,702	21,954	28,961	36,957	41,854	49,545	1,750	2,459	6,375	11,608	11,575	23,704	31,420	43,332	53,462	61,120

Note: Preliminary data

1/ Change of methodology - inclusion of CZK in the group of convertible currencies

2/ Change of methodology - inclusion of capital in Sk (in 1994-1996, only capital in foreign currency)

3/ In 1998, as of 30 June

Inflow of foreign capital during January to June 1998

	Corporate sector		Banking sector		Total	
	Sk millions	%	Sk millions	%	Sk millions	%
Inflow of foreign capital in total	7,589	100	-8	-	7,581	100
Structure of capital by country						
Great Britain	2,179	28.7	260	-	2,439	32.2
USA	2,158	28.4	14	-	2,172	28.7
Gibraltar	1,764	23.2	-	-	1,764	23.3
Germany	292	3.8	-	-	292	3.9
Holland	246	3.2	17	-	263	3.3
Belgium	210	2.8	-	-	210	2.8
Czech Republic	182	2.4	-227	-	-45	-0.6
Austria	171	2.3	32	-	203	2.7
Other countries	387	5.2	-104	-	283	3.7
Structure of capital by sector						
Industry	4,383	57.8	-	-	4,383	57.8
Building and construction	20	0.3	-	-	20	0.3
Trade	2,751	36.2	-	-	2,751	36.3
Hotels and restaurants	-15	-0.2	-	-	-15	-0.2
Transport, storage and communications	154	2.0	-	-	154	2.0
Finance and insurance	27	0.4	-8	-	19	0.2
Real estate, rental, comm. services	284	3.7	-	-	287	3.8
Other public, social and pers. services	-15	-0.2	-	-	-15	-0.2
Structure of capital by region						
Bratislava, Bratislava region	2,844	37.5	-	-	2,844	37.5
Trnava, Trenčín, and Nitra regions	376	4.9	-	-	376	4.9
Banská Bystrica and Žilina regions	52	0.7	-	-	52	0.7
Prešov and Košice regions	4,317	56.9	-	-	4,317	56.9

Note: Preliminary data

Outflow of capital from the SR at 30 June 1998

	Sk billions	%
Outflow of capital from SR in total	8.82	100.0
Structure of investment by country		
Czech Republic	4.01	45.5
Hungary	2.00	22.7
Ukraine	0.98	11.1
Yugoslavia	0.43	4.9
Russia	0.39	4.4
Austria	0.27	3.0
Germany	0.24	2.7
Bulgaria	0.22	2.5
Other countries	0.28	3.2
Structure of investment by sector		
Industry	4.32	49.0
Generation and distribution of electricity and gas	1.47	16.7
Trade	1.57	17.8
Transport, storage, and communications	0.16	1.8
Finance and insurance	0.39	4.4
Other sectors	0.91	10.3

Note: Preliminary data

Outflow of capital from the SR during January to June 1998

	Sk millions	%
Outflow of capital from SR in total	2,670	100.0
Structure of investment by country		
Hungary	1,812	67.9
Czech Republic	804	30.1
Other countries	54	2.0
Structure of investment by sector		
Industry	218	8.1
Export of electricity, gas, and water	205	7.7
Finance and insurance	1,736	65.0
Real estate, rental, comm. services	-105	-3.9
Wholesale and retail trade	614	23.0
Other sectors	2	0.1

Note: Preliminary data

Foreign Exchange Reserves

(USD millions)

End-of-period figures	1997				1998								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Official reserves of NBS	3,150.9	3,410.9	3,446.0	3,284.9	3,161.1	3,202.1	3,142.8	3,348.9	3,722.7	3,789.9	3,770.0	3,621.4	3,110.3
Reserves of commercial banks	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	4,056.1	4,269.0	3,505.7
Total	6,776.6	7,270.0	7,329.2	6,489.8	7,023.8	7,083.5	6,981.7	7,286.4	7,469.0	7,526.9	7,826.1	7,890.4	6,616.0

Gross Foreign Debt

(USD billions)

End-of-period figures	1997						1998						
	7	8	9	10	11	12	1	2	3	4	5	6	7
Total gross foreign debt	9.4	9.5	9.7	10.3	10.7	9.9*/	10.5	10.5	10.4	10.7	11.2	11.3	11.9
- official debt of the Government and the NBS	1.6	1.6	1.8	1.9	1.8	1.8	1.8	1.8	1.7	1.7	2.2	2.3	2.3
- foreign debt of enterprises	4.3	4.4	4.5	4.9	5.1	5.1	5.2	5.3	5.3	5.4	5.6	5.6	6.0
- foreign debt of commercial banks	3.2	3.3	3.3	3.4	3.6	2.9	3.5	3.4	3.4	3.5	3.3	3.3	3.6
Total gross debt per capita (in USD)	1,766	1,789	1,826	1,937	2,023	1,867	1,990	1,982	1,972	2,000	2,082	2,100	2,207

*/ 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	31.8.1998	30.9.1998 ^{*/}	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	30.9.1997	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	453.5	460.6	447.1	-13.5	-2.9	-6.4	-1.4	423.3	23.8	5.6
Money [M1]	166.1	159.2	150.1	-9.1	-5.7	-16.0	-9.6	156.6	-6.5	-4.2
Currency outside banks [M0]	48.7	52.5	52.8	0.3	0.6	4.1	8.4	46.4	6.4	13.8
Demand deposits	117.4	106.7	97.3	-9.4	-8.8	-20.1	-17.1	110.2	-12.9	-11.7
Quasi-money [QM]	287.4	301.4	297.0	-4.4	-1.5	9.6	3.3	266.7	30.3	11.4
Time deposits	240.4	248.0	237.7	-10.3	-4.2	-2.7	-1.1	219.9	17.8	8.1
Foreign currency deposits	47.0	53.4	59.3	5.9	11.0	12.3	26.2	46.8	12.5	26.7
Crown deposits	357.8	354.7	335.0	-19.7	-5.6	-22.8	-6.4	330.1	4.9	1.5
- Households	229	242.0	235.8	-6.2	-2.6	6.8	3.0	207.5	28.3	13.6
- Enterprises (incl. insurance)	128.8	112.7	99.3	-13.4	-11.9	-29.5	-22.9	122.6	-23.3	-19.0

*/ 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. 10.37% Jul. 9.05% Aug. 8.97% Sep. 15.28% 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. 24.66% Sep. 24.79% 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				Floating regime (since 1 October)
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)

	31.8.1998	30.9.1998 ^{1/}	Change
Deposits in Sk and foreign currency	446.9	434.9	-12.0
- Deposits in Slovak crowns	388.8	369.3	-19.5
of which			
- Entrepreneurial sector	101.8	90.0	-11.8
- Government sector	34.0	34.4	0.4
- Households	242.1	236.0	-6.1
- Other ^{2/}	10.9	8.9	-2.0
- Deposits in foreign currency ^{3/}	58.1	65.6	7.6

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

Development of Loans

(Sk billions)

	31.8.1998	30.9.1998 ^{1/}	Change
Loans in Sk and foreign currency	388.3	393.2	4.9
- Loans in Slovak crowns	335.6	339.2	3.6
of which			
- Entrepreneurial sector	300.9	303.4	2.5
- Government sector	8.0	8.3	0.3
- Households	23.5	24.2	0.7
- Other ^{2/}	3.2	3.3	0.1
- Loans in foreign currency ^{3/}	52.7	54.0	1.3

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							
	8	9	10	11	12	1	2	3	4	5	6	7	8
1. Total volume of loans ^{1/}	15.49	15.66	15.75	15.84	16.22	16.66	17.28	16.70	16.75	16.50	16.35	16.03	16.33
A) Loans by sector of which													
a) Enterprise sector	15.49	15.60	15.66	15.80	16.16	16.71	17.27	16.71	16.12	16.00	15.95	15.69	15.52
- Public sector	14.89	14.95	14.96	14.99	15.33	15.72	16.31	15.87	14.55	14.38	14.26	14.05	13.77
- Private sector (incl. cooperatives)	16.08	16.24	16.35	16.60	16.98	17.70	18.22	17.55	17.68	17.62	17.63	17.33	17.27
b) Households	7.74	7.69	7.86	7.53	7.37	7.51	7.48	7.50	8.55	8.32	8.12	7.86	8.83
B) Loans by term of which													
- Short-term	18.38	18.72	18.92	19.13	19.91	20.77	20.77	20.50	20.83	20.47	20.00	19.34	19.61
- Medium-term	16.00	16.10	16.06	16.35	16.41	16.61	16.47	16.58	16.64	16.67	16.58	16.32	17.08
- Long-term	11.82	11.82	11.90	11.88	11.90	12.26	13.86	12.34	12.54	12.34	12.36	12.36	12.40
2. NEW LOANS IN TOTAL	18.51	19.91	19.84	20.56	20.92	20.75	20.82	20.29	19.54	18.59	16.44	14.17	17.32
A) Loans by sector of which													
a) Enterprise sector	16.27	18.70	19.38	19.39	21.25	19.06	19.53	21.24	20.90	21.26	20.32	17.60	18.72
- Public sector	13.11	17.72	19.09	18.65	21.30	15.84	17.45	21.86	20.19	23.46	20.08	21.03	17.03
- Private sector (incl. cooperatives)	19.43	19.67	19.67	20.12	21.19	22.28	21.60	20.61	21.60	19.06	20.56	14.17	20.41
b) Households	10.11	9.96	10.07	10.43	10.18	13.59	9.99	9.99	10.70	9.68	12.19	11.07	10.06
B) Loans by term of which													
- Short-term	18.97	20.90	20.76	21.56	21.60	21.56	21.81	20.58	19.86	18.97	16.64	14.17	17.44
- Medium-term	15.39	16.80	15.78	17.60	16.30	17.56	16.88	15.26	16.43	13.64	15.21	14.05	16.04
- Long-term	16.12	15.46	16.46	15.12	15.40	13.04	13.73	15.87	14.73	16.09	14.47	14.87	14.87

1/ Excluding loans at zero interest rate

Average Interest Rates on Crown Deposits and Volume of Crown Deposits

		1997					1998							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Total deposits	a	363,937	361,401	361,865	368,269	388,784	378,097	382,397	375,142	376,340	383,200	376,843	383,662	382,098
	b	8.09	8.65	8.82	8.76	8.69	10.21	9.98	9.99	10.23	10.15	9.92	9.53	9.53
of which														
Demand deposits	a	126,628	124,935	121,642	127,027	140,524	114,600	121,846	113,384	112,544	116,557	116,798	120,198	117,812
	b	3.41	3.48	3.50	3.57	3.50	3.78	3.73	3.70	3.68	3.64	3.69	3.68	3.56
Time deposits	a	237,309	236,466	240,214	241,242	248,260	263,496	260,550	261,758	263,796	266,642	260,045	263,464	264,286
	b	10.63	11.40	11.54	11.48	11.62	13.00	12.90	12.71	13.03	12.98	12.71	12.2	12.19
- 7-day deposits	a	12,339	10,621	11,764	10,106	8,702	15,394	13,893	15,586	15,514	14,200	14,369	14,833	16,399
	b	14.67	20.43	18.54	16.46	17.10	20.48	17.35	15.47	16.97	16.20	15.01	13.27	11.92
- 1-month deposits	a	28,735	32,863	38,779	43,216	49,095	49,923	51,504	53,582	57,423	59,829	55,265	57,462	56,561
	b	12.43	15.45	15.95	15.84	16.25	18.59	18.66	18.00	18.02	17.25	16.36	15.28	15.67
- 3-month deposits	a	9,556	9,338	8,599	10,814	11,166	17,330	17,584	19,258	21,350	24,629	26,448	29,102	29,726
	b	12.61	13.30	13.08	13.37	15.04	18.85	18.74	18.68	18.98	18.77	18.45	17.63	17.38
- 6-month deposits	a	10,416	9,619	9,781	8,977	6,743	13,209	14,117	14,669	14,930	16,031	16,308	16,512	16,868
	b	10.59	10.74	11.27	11.10	11.37	15.59	16.20	16.41	16.46	16.64	16.52	15.23	15.10
- 9-month deposits	a	2,195	1,673	1,194	661	518	533	569	647	1,352	2,049	2,092	2,384	2,582
	b	11.81	12.52	12.85	15.04	16.78	17.76	17.41	18.92	18.41	19.11	18.97	18.51	18.33
- 12-month deposits	a	70,761	70,279	68,674	67,406	64,957	63,275	61,818	59,393	58,804	56,949	55,786	54,900	54,391
	b	10.38	10.49	10.52	10.63	10.51	10.69	10.67	10.73	10.81	10.82	11.04	11.08	11.13
- 18-month deposits	a	1,296	1,324	1,302	1,482	1,341	1,324	1,003	817	784	837	690	745	733
	b	10.43	10.72	10.69	10.96	11.14	11.72	12.78	12.73	12.73	13.34	12.82	12.84	13.34
- 2-year deposits	a	51,444	50,248	49,531	48,044	50,785	48,170	45,974	44,112	40,314	39,235	38,433	37,909	37,348
	b	10.86	10.84	10.84	10.79	10.77	10.80	10.76	10.80	10.64	10.66	10.66	10.68	10.69
- 3-year deposits	a	1,367	1,418	1,459	1,501	1,447	1,521	1,817	1,700	1,530	1,397	1,362	1,219	1,402
	b	12.95	12.89	12.84	12.12	12.14	12.36	12.87	12.57	12.58	12.66	12.38	12.31	12.60
- 4-year deposits	a	8,586	8,583	8,605	8,600	8,601	8,443	8,406	8,334	8,059	8,007	5,759	4,892	4,879
	b	13.13	13.14	13.13	13.13	13.13	12.90	12.98	12.60	12.58	12.98	12.86	12.93	12.93
- 5-year deposits	a	12,664	12,387	11,956	11,506	11,832	11,246	10,755	10,232	9,689	9,426	9,607	9,257	9,090
	b	13.00	12.99	13.03	12.98	12.92	13.39	13.26	10.42	13.26	13.23	13.17	9.79	9.71
- above 5 year	a	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053	33,926	34,247	34,305
	b	4.75	4.74	4.69	4.69	4.51	4.54	4.49	4.51	4.11	4.10	4.07	4.06	4.06
- short-term	a	134,001	134,393	138,791	141,180	141,182	159,663	159,484	163,136	169,373	173,687	170,269	175,194	176,528
	b	11.41	12.75	12.96	12.90	13.39	15.42	15.24	15.05	15.40	15.24	14.88	14.22	14.19
- medium-term	a	75,357	73,959	72,853	71,132	74,006	70,704	67,956	65,195	60,376	58,902	55,851	54,023	53,452
	b	11.51	11.50	11.50	11.46	11.42	11.51	11.52	11.04	11.40	11.47	11.39	10.80	10.81
- long-term	a	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053	33,926	34,247	34,305
	b	4.75	4.74	4.79	4.69	4.51	4.54	4.49	4.51	4.11	4.10	4.07	4.06	4.06
- demand and short-term	a	260,630	259,328	260,433	268,207	281,705	274,264	281,331	276,520	281,917	290,244	287,066	295,392	294,341
	b	11.02	8.26	8.52	8.48	8.45	10.56	10.26	10.40	10.73	10.59	10.33	9.93	9.94

a - Volume of deposits (\$K million)

b - Average interest rate (%)

Development of Average Interbank Offered Rates (BRIBOR)

	1997				1998								
	9 ^{1/}	10 ^{1/}	11	12	1	2	3	4	5	6	7	8	9
Overnight	25.18	27.18	17.71	18.55	16.69	17.22	11.12	15.30	9.49	10.13	9.18	14.27	27.53
1 week	26.20	27.48	22.00	21.18	19.99	21.12	15.31	18.69	13.16	11.14	10.13	14.72	30.88
2 weeks	26.09	27.28	23.06	21.71	21.03	21.60	16.67	19.11	14.43	11.86	10.76	15.19	27.09
1 month	26.51	27.00	25.52	24.42	23.07	22.82	18.70	19.93	16.52	13.54	11.97	16.15	26.30
2 months	26.50	26.59	26.61	25.54	24.57	24.43	20.03	20.78	18.66	14.97	13.06	17.05	23.87
3 months	25.66	26.17	26.93	26.48	25.80	24.06	21.30	21.58	19.54	15.93	14.33	18.00	24.93
6 months	-	26.68	27.10	26.92	26.61	26.04	23.11	23.22	21.94	18.34	16.86	19.30	25.11

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 September 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	228.9	46.8	62	260.1	53.2	53				489.0	115
Transactions among Slovak banks without participation of foreign banks	2,320.5	83.5	1,131	395.3	14.2	285	63.1	2.3	116	2,779.0	1,532
Interbank foreign exchange market fixing + transactions between Slovak banks.	2,549.4	78.0	1,193	655.4	20.1	338	63.1	1.9	116	3,268.0	1,647
Transactions between Slovak and foreign banks	3,110.4	92.6	801	230.2	6.9	217	17.4	0.5	29	3,357.9	1,047
Foreign exchange market in the SR - total	5,659.8	85.4	1,994	885.6	13.4	555	80.5	1.2	145	6,625.9	2,694

Average Monthly Exchange Rates of SKK

midpoint rate	1997				1998								
	9	10	11	12	1	2	3	4	5	6	7	8	9
FRF	5.716	5.714	5.786	5.806	5.786	5.807	5.730	5.745	5.753	5.800	5.795	5.880	6.094
1,000 ITL	19.695	19.574	19.775	19.832	19.690	19.727	19.513	19.500	19.566	19.743	19.705	19.979	20.678
100 JPY	28.542	27.861	26.883	26.722	27.177	28.092	27.248	26.483	25.416	24.821	24.881	24.348	25.849
CAD	24.829	24.352	23.757	24.229	24.424	24.593	24.745	24.497	23.705	23.784	23.561	23.039	22.897
NLG	17.063	17.019	17.190	17.250	17.197	17.271	17.045	17.100	17.126	17.256	17.232	17.480	18.112
ATS	2.731	2.724	2.753	2.763	2.755	2.767	2.731	2.737	2.742	2.765	2.761	2.802	2.904
DEM	19.217	19.173	19.376	19.438	19.379	19.467	19.211	19.257	19.297	19.449	19.427	19.711	20.432
CHF	23.354	23.189	23.845	24.022	23.854	24.123	23.595	23.215	23.163	23.350	23.076	23.564	24.820
USD	34.429	33.718	33.528	34.528	35.137	35.322	35.041	34.981	34.229	34.809	34.940	35.247	34.855
GBP	55.067	54.941	56.573	57.401	57.525	57.892	58.166	58.505	56.145	57.374	57.496	57.538	58.497
XEU	37.708	37.668	38.328	38.471	38.279	38.439	38.096	38.187	38.023	38.424	38.400	38.884	40.184
CZK	1.024	1.025	1.012	0.994	0.994	1.023	1.031	1.037	1.053	1.047	1.094	1.098	1.136

Gross Domestic Product

(Sk billions)

		1996	1997				1998		
		year	1. quarter	2. quarter	3. quarter	4. quarter	year	1. quarter	2. quarter
Gross domestic product in constant 1995 prices	a	550.8	136.0	147.3	152.4	151.1	586.8	144.4	156.3
	b	106.6	106.4	106.2	106.6	106.9	106.5	106.2	106.1
	c	-	96.2	108.3	103.5	99.1	-	95.6	108.2
Gross domestic product in current prices	a	575.7	148.7	162.6	170.2	172.4	653.9	166.2	181.6
	b	111.4	113.9	112.7	113.1	114.6	113.6	111.8	111.7
	c	-	98.9	109.3	104.7	101.3	-	96.4	109.3

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							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Goods and services	a	101.0	100.2	100.9	100.7	100.5	101.9	100.7	100.2	100.4	100.6	100.1	99.6	99.8
	b	109.6	109.9	110.8	111.5	112.1	108.4	109.1	109.4	109.8	110.5	110.6	110.2	110.0
	c	104.1	104.3	105.2	105.9	106.4	101.9	102.6	102.8	103.2	103.8	104.0	103.6	103.4
	d	106.5	105.7	105.9	106.2	106.4	107.2	107.5	107.2	107.0	107.6	107.4	107.0	105.7
of which														
foodstuff goods	a	99.9	100.1	101.0	100.7	101.0	101.9	101.2	99.8	100.6	101.4	100.0	98.5	99.1
	b	106.2	106.3	107.3	108.1	109.1	106.6	107.8	107.6	108.3	109.8	109.7	108.1	107.1
	c	101.8	101.9	102.9	103.6	104.6	101.9	103.0	102.9	103.5	104.9	104.9	103.3	102.4
	d	105.4	103.2	103.3	103.8	104.6	104.9	105.7	104.8	105.2	107.5	106.9	106.0	105.2
non-foodstuff goods	a	100.6	100.4	101.0	100.6	100.5	101.5	100.6	100.4	100.3	100.4	100.1	100.1	100.0
	b	110.3	110.7	111.8	112.5	113.0	108.0	108.7	109.1	109.4	109.8	110.0	110.1	110.1
	c	103.9	104.3	105.3	105.9	106.4	101.5	102.1	102.5	102.8	103.2	103.3	103.4	103.5
	d	105.8	105.8	106.3	106.4	106.4	107.0	107.2	107.2	107.2	106.9	106.8	106.6	106.0
public catering	a	100.0	100.2	100.5	100.6	100.3	100.4	101.2	100.7	100.2	100.4	100.9	100.2	100.3
	b	105.0	105.3	105.8	106.4	106.7	103.0	104.3	105.0	105.2	105.7	106.6	106.8	107.2
	c	101.0	101.2	101.7	102.3	102.6	100.4	101.7	102.4	102.6	103.0	103.9	104.1	104.5
	d	103.2	102.8	102.7	102.7	102.6	103.6	104.8	105.0	105.2	105.2	106.0	105.8	106.1
services	a	102.7	100.2	100.6	100.7	100.1	102.4	100.3	100.4	100.3	100.1	100.1	100.3	100.0
	b	113.0	113.2	113.9	114.6	114.8	111.3	111.6	112.1	112.4	112.5	112.7	113.0	113.1
	c	107.0	107.2	107.8	108.5	108.6	102.4	102.7	103.2	103.5	103.6	103.7	104.0	104.1
	d	108.5	108.1	108.2	108.7	108.6	110.3	110.2	110.1	109.1	108.9	108.8	108.5	105.7

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							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Industrial products	a	100.6	100.4	101.6	99.8	100.1	100.8	100.0	100.1	100.1	100.1	99.9	100.1	99.8
	b	102.5	102.9	104.5	104.3	104.4	100.8	100.8	100.9	101.0	101.1	101.0	101.1	100.9
	c	109.0	109.4	111.1	110.9	111.0	111.9	111.9	112.0	112.1	112.2	112.1	112.2	112.0
	d	104.3	104.2	104.8	104.4	104.4	104.1	103.5	104.2	103.7	104.4	104.1	103.6	102.8
	e	106.9	107.3	109.0	108.8	108.9	109.8	109.8	109.9	110.0	110.1	110.0	110.1	109.9
Building materials	a	100.9	100.4	100.4	100.5	100.3	101.6	101.5	100.6	100.8	100.4	100.2	98.9	100.0
	b	106.7	107.1	107.5	108.0	108.3	101.6	103.1	103.7	104.5	105.0	105.1	104.0	104.0
	c	113.0	113.4	113.8	114.4	114.7	116.5	118.3	119.0	119.9	120.4	120.6	119.3	119.3
	d	108.5	108.5	108.2	107.9	108.3	108.7	109.3	110.6	109.7	108.2	108.1	106.5	105.6
	e	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	107.6	105.6	102.0	99.4	98.9	102.9	102.3	100.5	102.3	103.6	104.4	101.2	100.3
	e	118.7	113.1	107.7	107.0	108.0	106.6	109.5	111.5	113.4	113.5	115.6	116.8	119.0
of which:	a	-	-	-	-	-	-	-	-	-	-	-	-	
Plant products	b	-	-	-	-	-	-	-	-	-	-	-	-	
	c	-	-	-	-	-	-	-	-	-	-	-	-	
	d	108.9	107.8	100.7	96.5	92.8	94.5	93.0	89.0	90.6	91.6	93.0	97.3	96.7
	e	123.3	117.8	108.2	108.1	109.4	110.7	111.1	107.7	109.2	110.3	115.1	116.5	119.2
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	
	b	-	-	-	-	-	-	-	-	-	-	-	-	
	c	-	-	-	-	-	-	-	-	-	-	-	-	
	d	105.6	103.4	103.4	102.6	103.5	104.8	104.9	103.1	104.0	105.1	105.9	105.7	105.4
	e	112.6	108.4	107.2	105.9	107.1	105.8	109.2	112.3	113.9	113.8	115.6	117.0	118.7

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								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Monthly rate of inflation ^{1/}	0.2	0.9	0.7	0.5	1.9	0.7	0.2	0.4	0.6	0.1	-0.4	-0.2	0.4
Annual rate of inflation ^{2/}	5.7	5.9	6.2	6.4	7.2	7.5	7.2	7.0	7.6	7.4	7.0	5.7	5.9
Average annual rate of inflation ^{3/}	6.1	6.1	6.1	6.1	7.2	7.4	7.3	7.2	7.3	7.3	7.3	7.1	7.0

(%)

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							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Number of vacancies	a	28,982	26,765	24,135	20,674	19,318	18,299	19,254	19,261	19,914	20,299	19,723	18,396	16,786
	b	-138	-2,217	-2,630	-3,461	-1,356	-1,019	955	7	653	385	-576	-1,327	-1,610
Number of unemployed	a	332,828	336,858	334,327	328,379	347,753	350,255	353,607	349,024	343,182	336,403	352,271	367,558	358,590
	b	1,121	4,030	-2,531	-5,948	19,374	25,541	3,352	-4,583	-5,842	-6,779	15,868	15,287	-8,968
Number of unemployed per vacancy	a	11	13	14	16,	18	20	19	19	18	18	19	21	23
Unemployment rate (in %)	a	12.8	13.0	12.9	12.6,	12.5	13.4	13.6	13.4	13.2	12.9	13.5	14.1	13.8

a - In the specified unit

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

State Budget

(Sk millions)

		1997				1998								
		9	10	11	12	1	2	3	4	5	6	7	8	9
State budget revenue	a	125,153	144,874	159,142	180,826	16,397	25,991	43,939	60,841	73,202	86,356	103,590	116,150	131,154
	b	73.1	84.7	93.0	105.7	9.1	14.5	24.4	33.8	40.7	48.0	57.6	64.6	72.9
State budget expenditure	a	153,121	176,138	192,632	217,825	12,923	25,753	42,835	61,105	75,608	90,224	112,527	124,803	139,600
	b	73.6	84.7	92.6	104.7	7.0	13.9	23.2	33.1	40.9	48.8	60.9	67.5	75.5
State budget balance	a	-27,968	-31,264	-33,490	-36,999	3,474	238	1,104	-264	-2,406	-3,868	-8,937	-8,653	-8,446

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

b - Budget performance in %

Industrial Production

(Sk millions)

		1997					1998							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Total industrial production	a	43,349	47,711	53,611	52,811	49,050	45,980	46,773	52,750	50,900	51,423	52,541	49,429	48,777
	b	98.5	110.1	112.4	98.5	92.9	94.3	101.7	112.8	96.5	101.0	102.2	94.1	98.7
	c	98.3	99.3	102.4	103.3	105.2	100.6	102.4	110.9	105.6	107.5	104.6	108.3	109.1
	d	364,485	412,196	465,807	518,618	567,668	45,980	92,753	145,503	196,403	247,826	300,367	349,796	398,573
	e	102.9	102.4	102.4	102.5	102.7	100.6	101.5	104.7	104.9	105.5	105.3	105.7	106.1
	f	40,129	44,047	48,879	48,112	44,586	41,585	42,593	48,021	46,280	46,648	47,668	44,393	44,771
of which														
in the private sector														
	a	31,843	35,579	40,361	39,634	36,576	33,802	35,148	40,142	39,264	39,837	42,064	38,989	37,996
	b	97.3	111.7	113.4	98.2	92.3	94.0	104.0	114.2	97.8	101.5	105.6	92.7	97.5
	c	104.5	107.8	108.3	111.0	112.9	107.5	109.6	118.0	112.3	114.4	111.8	114.3	114.7
	d	263,126	298,705	339,066	378,700	415,276	33,802	68,950	109,092	148,356	188,193	230,257	269,246	307,242
	e	111.0	110.6	110.3	110.4	110.6	107.5	108.6	111.8	112.0	112.5	112.3	112.6	112.9
	g	73.5	74.6	75.3	75.0	74.6	73.5	75.1	76.1	77.1	77.5	80.1	78.9	77.9
Labour productivity (Sk / employee)														
	a	71,419	78,371	87,959	86,848	81,307	76,113	77,815	87,996	87,016	88,237	90,310	85,322	84,620
	b	98.6	109.7	112.2	98.7	93.6	94.9	102.2	113.1	98.9	101.4	102.3	94.5	99.2
	c	100.9	101.7	104.8	105.8	108.4	101.8	104.5	113.1	109.8	111.0	102.5	113.6	114.9

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							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Total construction sector output (including output abroad)	a	6,944	6,980	8,031	7,614	6,411	4,783	5,248	6,039	6,319	6,805	7,322	7,421	7,640
	b	101.1	100.5	115.1	94.8	84.2	73.5	109.7	115.1	104.6	107.7	107.6	101.4	103.0
	c	111.8	106.6	111.4	110.2	105.8	115.2	111.2	120.2	102.9	101.4	100.5	100.5	102.4
	d	45,087	52,067	60,098	67,712	74,123	4,783	10,031	16,070	22,389	29,194	36,516	43,937	51,577
	e	109.6	109.2	109.5	109.6	109.2	115.2	113.1	115.6	111.8	109.2	107.4	106.2	105.6
	f	5,609	5,629	6,445	6,077	5,100	3,760	4,075	4,656	4,824	5,171	5,547	5,613	5,744
of which in the private sector	a	5,650	5,771	6,597	6,226	5,514	3,913	4,262	4,938	5,204	5,473	5,984	6,131	6,303
	b	101.6	102.1	114.3	94.4	88.6	74.7	108.9	115.9	105.4	105.2	109.3	102.5	102.8
	c	110.2	107.0	109.2	107.6	106.2	108.6	105.5	119.5	104.8	102.0	103.1	102.6	103.8
	d	36,858	42,629	49,226	55,452	60,966	3,913	8,175	13,113	18,317	23,790	29,774	35,905	42,208
	e	107.9	107.8	108.0	107.9	107.8	108.6	107.0	111.3	109.4	107.6	106.7	106.0	105.7
	f	81.4	82.7	82.1	81.8	86.0	81.8	81.2	81.8	82.3	80.4	81.7	82.6	82.5
	g													
Construction output in the SR	a	6,487	6,543	7,539	7,164	6,062	4,528	4,965	5,722	6,002	6,430	6,952	7,089	7,315
	b	99.9	100.9	115.2	95.0	84.6	73.4	109.7	115.2	104.9	107.1	108.1	102.0	103.2
	c	115.2	110.9	115.6	111.5	107.2	115.7	112.1	123.1	105.2	103.7	103.7	101.6	105.0
	d	42,014	48,557	56,096	63,260	69,322	4,447	9,412	15,134	21,136	27,566	34,518	41,607	48,922
	e	113.9	113.5	113.8	113.5	112.9	115.7	113.8	117.1	113.5	111.1	109.6	108.1	107.7
	f	5,240	5,277	6,051	5,717	4,823	3,560	3,855	4,412	4,582	4,886	5,267	5,362	5,500
Construction output abroad	a	457	437	492	450	349	255	283	317	317	375	370	332	325
	b	121.2	95.6	112.6	91.5	77.6	75.1	111.0	112.0	100.0	118.3	98.7	89.7	97.9
	c	78.8	68.0	71.3	92.6	86.3	107.9	97.2	83.7	73.0	72.9	63.7	81.9	66.2
	d	3,073	3,510	4,002	4,452	4,801	255	538	855	1,172	1,547	1,917	2,249	2,574
	e	72.3	71.7	71.7	73.3	74.1	107.9	102.0	94.4	87.5	83.5	78.8	79.3	77.4
	f	369,	352,	394,	360,	277,	200	220	244	242	285	280	251	244
Labour productivity per employee in Sk (of total construction output)	a	45,318	45,140	51,383	49,108	42,465	32,450	35,739	40,589	41,844	45,080	48,355	48,897	48,995
	b	100.0	99.6	113.8	95.6	86.5	75.5	110.1	113.6	103.1	107.7	107.3	101.1	100.2
	c	111.2	105.4	108.9	108.0	102.9	111.6	108.5	116.3	99.8	99.1	98.7	100.4	100.6

- 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							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Imports	a	26,060	27,975	30,556	27,097	26,480	29,747	34,770	39,445	38,149	35,570	39,967	37,496	35,975
	b	232,941	260,916	291,472	318,569	345,049	29,747	64,517	103,962	142,111	177,681	217,648	255,144	291,119
	c	110.2	109.0	107.1	104.5	101.2	-	-	-	-	-	-	-	-
of which: Czech Republic	a	6,038	6,930	7,562	6,042	5,260	5,537	7,001	7,308	7,390	6,289	7,510	6,399	6,429
	b	53,541	60,471	68,033	74,075	79,335	5,537	12,538	19,846	27,236	33,525	41,035	47,434	53,863
	d	23.2	24.8	24.7	22.3	19.9	18.6	20.1	18.5	19.4	17.7	18.8	17.1	17.9
Exports	a	24,753	26,250	27,009	26,094	20,070	24,262	29,069	33,101	29,906	29,676	33,615	30,909	29,320
	b	196,151	222,401	249,410	275,504	295,574	24,262	53,331	86,432	116,338	146,014	179,629	210,538	239,858
	c	113.7	112.6	112.0	110.4	109.2	-	-	-	-	-	-	-	-
of which: Czech Republic	a	6,576	6,765	7,681	6,552	4,735	5,711	6,273	6,812	5,983	6,138	6,836	6,053	5,755
	b	53,048	59,813	67,494	74,046	78,781	5,711	11,984	18,796	24,779	30,917	37,753	43,806	49,561
	d	26.6	25.8	28.4	25.1	23.6	23.5	21.6	20.6	20.0	20.7	20.3	19.6	19.6
Balance	a	-1,307	-1,725	-3,547	-1,003	-6,410	-5,484	-5,701	-6,344	-8,243	-5,894	-6,352	-6,587	-6,655
	b	-36,790	-38,515	-42,062	-43,065	-49,475	-5,484	-11,185	-17,529	-25,772	-31,666	-38,018	-44,605	-51,260
of which: Czech Republic	a	538	-165	119	510	-525	174	-729	-495	-1,407	-151	-674	-347	-674
	b	-493	-658	-539	-29	-554	174	-555	-1,050	-2,457	-2,608	-3,282	-3,629	-4,303

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 (%)