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MODEL CALCULATIONS OF SHORT-TERM FORECASTS OF SOCIAL AND ECONOMIC INDICES OF THE RUSSIAN FEDERATION

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INTRODUCTION TO ALL THE ISSUES

This Bulletin presents calculations of values of different economic indices of the Russian Federation in *December* of 2013 – *May* of 2014 made on the basis on the time-series models developed as a result of research carried out by the IEP in the past few years¹. The utilized method of forecasting belongs to the group of *formal* or *statistical* methods. In other words, the obtained values are not the expression of the *opinion* or *expert evaluation* of the researcher, but calculations of future values of the specific economic index made on the basis of formal models of ARIMA (p , d , q) time series with taking into account the existing trend and, in some cases, its significant changes. The presented forecasts are of inertial nature because the respective models take into account the dynamics of the data till the date of making of the forecast and, particularly, depend to a great extent on the trends which are typical of the time series in the period which is just before the time interval for which the forecast is made. The evaluations of the future values of the economic indices of the Russian Federation can be used for approval of decisions related to the economic policy provided that the general trends observed till the date on which the forecast is made in respect of each particular index do not change, that is, there will be no serious shocks or changes in the existing long-term trends.

Despite the fact that a large volume of the data related to the period prior to the 1998 crisis is available, the analysis and model building for forecasting were carried out in the period after August 1998. It was justified by outputs of the previous research² whose main conclusion was the fact that with the pre-crisis period taken into account the quality of forecasts in most cases declines. On the other hand, now it seems incorrect to use ever shorter series (after the 2008 crisis), as statistical qualities of the models built on the basis of such a short period happen to be rather low.

The evaluation of the models of the economic indices was carried out on the basis of the standard methods of analysis of time series. At the first stage, correlograms of the researched series and their first differences were analyzed in order to determine the maximum number of the delayed values which need to be included into the specifications of the model. Then, on the basis if the outputs of the analysis of the correlograms all the series were tested for weak stationarity (or stationarity around the trend) by means of the Dickey–Fuller test. In some cases, testing of series for stationarity around the segmented trend by means of the Perron and Zivot–Andrews tests for endogenous structural changes³ was carried out.

Upon division of the series into those with weak stationary, trend stationary, segmented trend stationary or difference stationary, models corresponding to each of the above types were evaluated (as regards the levels and if necessary with inclusion of the trend, segmented trend or the differences). On the basis the Akaike and Schwartz information criteria and the parameters of the rest of the models (lack of autocorrelation, homoscedasticity and normality) and the quality of in-sample-forecasts obtained by means of those models, the best one was selected. Calculations of the forecast values were carried out on the basis of the best model which was built for each economic index.

1 See, for example, R.M. Entov, S.M. Drobyshevsky, V.P. Nosko, A.D. Yudin. *The Econometric Analysis of the Time Series of the Main Macroeconomic Indices*. M., IET, 2001; R.M. Entov, V.P. Nosko, A.D. Yudin, P.A. Kadochnikov, S.S. Ponomarenko. *Problems of Forecasting of Some Macroeconomic Indices*. M., IET, 2002; V. Nosko, A. Buzaev, P. Kadochnikov, S. Ponomarenko. *Analysis of the Forecasting Parameters of Structural Models and Models with the Outputs of the Polls of Industries*. M., IET, 2003; M.Yu. Turuntseva and T.R. Kiblitckaya, *Qualitative Properties of Different Approaches to Forecasting of Social and Economic Indices of the Russian Federation*. M.: IET, 2010.

2 Ibid.

3 See.: Perron, P. Further Evidence on Breaking Trend Functions in Macroeconomic Variables, *Journal of Econometrics*, 1997, 80, pp. 355-385; Zivot, E. and D.W.K. Andrews. Further Evidence on the Great Crash, the Oil-Price Shock, and Unit-Root Hypothesis. *Journal of Business and Economic Statistics*, 1992, 10, pp. 251-270.

In addition to the above, on the basis of the models developed by the IEP *the Bulletin* presents the calculations of future values of monthly indices of the CPI, the volume of the import from all the countries and the export to all the countries on the basis of structural models (SM). The forecast values obtained on the basis of structural models can in a number of cases produce better results as compared to ARIMA-models because in building of such models the additional information on the dynamics of exogenous variables is used. In addition to the above, inclusion of structural forecasts in building of aggregated forecasts (that is, forecasts obtained as an average value by a few models) may contribute to adjustment of forecast values.

In modeling the dynamics of the consumer price index, theoretical hypotheses resulting from the monetary theory were used. Utilized as explanatory variables were: the money supply, output volume and the dynamics of the nominal RUR/USD exchange rate which defines the dynamics of the alternative cost of money safe-keeping. Also, the model for the consumer price index included the index of prices on power because that index determined to a great extent the dynamics of manufacturers' costs.

It is to be noted that the main index which may have an effect on the value of the export and the import is the real exchange rate which fluctuations result in the change in the relative value of domestic and import goods. However, in the econometric models that effect is insignificant. The most important factors which determine the dynamics of the export are the global prices on the exported resources, particularly, oil prices: price rises result in growth in export of goods. Used as a parameter of relative competitiveness of Russian goods was the level of households' income in the economy (the cost of the work force). In order to take into account seasonal fluctuations of the export, fictitious variables D12 and D01 equal to one in December and January, respectively, and zero in the other periods were introduced. The dynamics of the import is influenced by the income of households and industries; growth in income results in growth in demand in all the goods, including imported ones. The parameter of the households' income is the real disposable cash income, while that of the income of industries is the index of industrial production.

The forecast values of currency exchange rates are also based on structural models of their dependence on international oil prices.

Forecast values of explanatory variables required for making of forecasts on the basis of structural models were calculated on the basis of ARIMA (p, d, q) models.

Also, the paper presents calculations of the values of the indices of industrial production, producer price index and the index of the total number of the unemployed calculated with use of the results of the business surveys (BS) carried out by the IEP. The empirical studies show¹ that utilization of the series of the business polls as explanatory variables² in prediction models improves on average the accuracy of the forecast. Calculations of future values of those indices were made on the basis of the ADL-model (with addition of seasonal autoregressive delays).

All the calculations were carried out with use of the Eviews econometric package. ●

1 See, for example: V. Nosko, A. Buzaev, P. Kadochnikov, S. Ponomarenko. *The Analysis of Forecasting Parameters of Structural Models and Models with Business Surveys Results*. M., IEP, 2003.

2 Used as explanatory variables were the following series of the business polls: the current/expected change in production, the expected changes in the solvent demand, the current/expected price changes and the expected change in employment.

Table 1

THE OUTPUTS OF CALCULATIONS OF FORECAST VALUES OF INDICES OF INDUSTRIAL PRODUCTION¹, (%)

	Index of industrial production				IIP as regards mineral resources extraction		IIP as regards manufacturing industry		IIP as regards production and distribution of power, gas and water		IIP as regards production of food products		IIP as regards production of charred coal and oil products		IIP as regards iron and steel industry and production of finished metallurgical products		IIP as regards production of machines and equipment	
	Rosstat		NRU HSE		Rosstat		NRU HSE		Rosstat		NRU HSE		Rosstat		NRU HSE		Rosstat	
	ARIMA	BS	ARIMA	BS														
	Expected growth on the respective month of the previous year																	
December 2013	1.8	0.5	3.3	0.9	2.5	1.8	0.7	2.4	-0.7	-0.8	3.3	0.9	2.0	0.4	8.3	-0.5	-5.9	-13.8
January 2014	3.5	-0.3	3.0	0.2	3.6	0.9	-0.2	1.1	1.0	0.8	3.1	-2.0	-0.1	-1.1	13.1	0.5	-4.2	-8.5
February 2014	3.7	-0.3	4.7	0.2	4.1	1.7	0.9	1.4	4.9	5.6	4.0	-0.9	2.3	0.2	9.1	1.7	0.5	-2.0
March 2014	1.4	-0.1	4.9	0.3	3.1	1.6	-0.3	4.4	-1.3	-2.0	4.5	2.5	2.7	2.0	-2.8	0.6	2.5	5.6
April 2014	2.5	-0.3	5.0	0.2	1.6	0.6	1.7	3.6	-0.6	1.0	3.3	0.7	4.4	4.1	1.1	2.6	8.0	3.1
May 2014	3.2	1.1	5.5	1.3	1.7	1.1	2.4	3.4	3.4	3.8	5.5	2.6	-1.6	-1.7	3.3	1.2	16.1	7.1
	For reference: actual growth in 2012-2013 on the respective month of 2011-2012																	
December 2012	1.4	0.5	2.6	0.5	0.2	-0.1	1.5	-0.7	4.7	8.4	1.8	-0.1	4.0	6.3	2.0	-1.6	-0.8	-10.0
January 2013	-0.8				-1.2	0.6	-0.3	3.8	1.8	2.4	2.8	2.9	2.6	6.0	-3.0	-1.4	-16.6	-8.7
February 2013	-2.1				-2.2	-2.2	-0.1	0.4	-10.0	-10.0	0.7	1.2	-1.9	0.3	-0.4	-3.5	-4.3	-2.6
March 2013	2.6				0.6	0.7	3.4	-0.2	1.1	2.4	0.5	0.0	0.3	3.1	10.2	-0.6	-2.3	-12.5
April 2013	2.3				2.6	1.4	1.2	0.5	2.8	5.3	2.9	2.8	-1.2	-1.1	-4.7	-1.9	-1.5	-4.7
May 2013	-1.4				2.3	1.1	-4.4	-0.4	0.5	2.1	-0.7	-0.2	7.8	8.9	-5.8	0.0	-2.7	-11.2

Note: in the time spans under review, the series of the Rosstat and NRU HSE chain indices of industrial production as regards industry in general, as well as the NRU HSE chain indices of industrial production as regards manufacturing of machines and equipment are identified as stationary processes around the trend with an endogenous structural change; the series of the Rosstat and NRU HSE chain indices of industrial production as regards manufacturing industry, iron and steel industry and production of finished metal goods, as well as the NRU HSE chain indices of industrial production as regards mineral resources extraction and Rosstat chain index as regards production of machines and equipment are identified as stationary processes around the trend with two endogenous structural changes. The time series of other chain indices are stationary at levels.

1 It is to be noted that for making of forecasts so-called "raw" indices (without seasonal and calendar adjustment) were used and for that reason in most models existence of the season factor is taken into account and, as a consequence, the obtained outputs reflect the seasonal dynamics of the series.

INDUSTRIAL PRODUCTION AND RETAIL SALES

Industrial production

For building of the forecast for December 2013 – May 2014, the series of monthly data of the indices of industrial production of the Federal State Statistics Service (Rosstat) from January 2002 till September 2013, as well as the series of the base indices of industrial production of the Center for the Economic Situation under the National Research University Higher School of Economics (NRU HSE¹) in the period from January 1999 till October 2013 were used (the value of January 1995 was equal to 100%). The forecast values of the series were calculated on the basis of ARIMA-class models. The forecast values of the Rosstat and NRU HSE indices of industrial production are calculated with use of business surveys (BS) as well. The obtained outputs are shown in Table 1.

As seen from Table 1, the average growth² in the NRU HSE index of industrial production in December 2013 – May 2014 on the corresponding period of 2012 as regards industry in general amounts to 4.4%. As regards the Rosstat index of industrial production, it amounts to 2.7%. On the basis of the results of 2013, the expected annual growth in the Rosstat index of industrial production will amount to 0.7%, while that in the NRU HSE index of industrial production, to 2.1%.

In December 2013 – May 2014, the monthly average values of the Rosstat and NRU HSE indices of industrial production as regards production of primary products amount to 2.8% and 1.3%, respectively. As regards production of charred coal and oil products, the average growth in the indices of Rosstat and NRU HSE is expected at the level of 1.6% and 0.6%, respectively.

In December 2013 – May 2014, the average growth in the NRU HSE index of industrial production as regards manufacturing industry amounts to 2.7% on the corresponding period of 2012, while that in the Rosstat index, to 0.9%. The monthly average values of the Rosstat and NRU HSE indices of industrial production as regards production of food products amount to 3.9% and 0.7%, respectively. In December 2013 – May 2013, the monthly average values of the Rosstat and NRU HSE indices of industrial production as regards iron and steel industry and production of finished metal goods amount to 5.4% and 1.0%, respectively. As regards production of machines and equipment, the average growth in the indices of Rosstat and NRU HSE is expected at the level of 2.8% and (-1.4%), respectively.

In December 2013 – May 2014, the average growth in the Rosstat index of industrial production as regards production and distribution of power, gas and water amounts to 1.1% on the corresponding period of 2012, while that in the NRU HSE index, to 1.4%.

In 2013, growth in the Rosstat indices of industrial production by the type of economic activity will amount on average (by the type of economic activity) to 1.4%, while that of NRU HSE, to (-1.4%).

Retail Sales

This section (Table 2) presents forecasts of monthly retail sales made on the basis of monthly Rosstat data in the January 1999 – September 2013 period.

As seen from Table 2, in December 2013 – May 2014 the average expected growth in monthly sales volumes amounts to about 8.2% on the corresponding period of 2012-2013.

In December 2013 – May 2014, the average expected growth in monthly real sales amounts to 3.3% on the corresponding period of 2012-2013.

In 2013, the expected year-on-year growth in the specified rate of retail sales will amount to 10%, while that in real terms, to 3.6%.

1 The indices in question are calculated by E.A. Baranov and V.A. Bessonov.

2 The average growth of industrial production indices is understood here as the average value of the said indices for six forecast months.

Table 2

THE OUTPUTS OF CALCULATIONS OF FORECAST VALUES OF THE RETAIL SALES AND REAL RETAIL SALES

Forecast value according to ARIMA-model		
	Retail sales, billion Rb (in brackets – growth on the respective month of the previous year, %)	Real retail sales (as % of the respective period of the previous year)
Dec 2013	2526 (10.0)	103.0
Jan 2014	1837.4 (7.5)	103.1
Feb 2014	1817.6 (7.5)	103.5
Mar 2014	1986.1 (7.8)	103.5
Apr 2014	1993.2 (7.9)	103.4
May 2014	2054.5 (8.5)	103.6
For reference: actual value in the same months of 2012-2013		
Dec 2012	2295.4	105.0
Jan 2013	1709.4	104.4
Feb 2013	1691.4	103.2
Mar 2013	1841.6	104.5
Apr 2013	1847.2	104.2
May 2013	1893.8	103.0

Note: series of retail sales and real retail sales in the January 1999 – September 2013 period.

Table 3

THE OUTPUTS OF CALCULATIONS OF FORECAST VALUES OF THE VOLUME OF INVESTMENTS IN CAPITAL ASSETS AND REAL INVESTMENTS IN CAPITAL ASSETS

Forecast values according to ARIMA-model		
	Investments in capital assets, billion Rb (in brackets – growth on the respective month of the previous year, %)	Real investments in capital assets (as % of the respective period of the previous year)
Dec 2013	2434.3 (9.6)	98.6
Jan 2014	480.9 (-3.5)	97.9
Feb 2014	639.0 (-0.1)	97.4
Mar 2014	766.4 (2.0)	97.8
Apr 2014	744.1 (-1.1)	97.8
May 2014	1016.0 (2.1)	97.7
For reference: actual values in the same months of 2012-2013		
Dec 2012	2220.3	99.6
Jan 2013	498.3	101.1
Feb 2013	639.8	100.3
Mar 2013	751.2	99.2
Apr 2013	752.8	99.3
May 2013	995.2	100.4

Note: series of investments in capital assets in the January 1999 – September 2013 period are series of DS type.

INVESTMENTS IN CAPITAL ASSETS

Table 3 presents the outputs of calculations of forecast values of investments in capital assets in December 2013 – May 2014. The forecasts were made on the basis of time-series models with utilization of the Rosstat data of the January 1999 – September 2013 period.

The outputs in Table 3 show that in December 2013 – May 2014 the average expected growth in investments amounts to about 1.5% on the corresponding period of 2012-2013.

In December 2013 – May 2014, the average expected drop in real investments amounts to 2.1% on the corresponding period of 2012-2013.

In 2013, annual growth in the specified rate of investments in capital assets will amount to 9.6%. A drop of 0.9% in the index of real investments in capital assets is expected.

FOREIGN TRADE INDICES

Model calculations of forecast values of the export and import to countries outside the CIS and the import and export from countries outside the CIS were made on the basis of the models of time series and structural models evaluated on the basis of the monthly data in the period from September 1998 till September 2013 on the basis of the data of the Central Bank of Russia¹. The outputs of the calculations are shown in Table 4.

¹ The data on the foreign trade turnover is calculated by the CBR in accordance with the methods for making of the balance of payment in prices of the exporter-country (FOB) in billion USD.

In December 2013 – May 2014, the average expected growth in the export, import, export to countries outside the CIS and import from countries outside the CIS will amount to 6.2%, 9.6%, 4.7% and 14.1%, respectively on the corresponding period of 2012-2013. In December 2013 – May 2014, the average expected volume of the trade balance with all the countries will amount to \$93.9bn which figure is equal to a 0.4% increase as compared to the same period of 2012/2013. In general, in 2013 the average expected trade surplus with all the countries will amount to \$177.6bn which figure is equal to a 7.6% decrease as compared to 2012.

Table 4

THE OUTPUTS OF CALCULATIONS OF FORECAST VALUES OF VOLUMES OF FOREIGN TRADE TURNOVER WITH COUNTRIES OUTSIDE THE CIS

Month	Export, total				Import, total				Export to countries outside the CIS				Import from countries outside the CIS			
	Forecast values (billion USD a month)		Percentage of actual data in the respective month of the previous year		Forecast values (billion USD a month)		Percentage of actual data in the respective month of the previous year		Forecast values (billion USD a month)		Percentage of actual data in the respective month of the previous year		Forecast values (billion USD a month)		Percentage of actual data in the respective month of the previous year	
	ARIMA	SM	ARIMA	SM	ARIMA	SM	ARIMA	SM	ARIMA	SM	ARIMA	SM	ARIMA	SM	ARIMA	SM
Dec 2013	45.3	46.9	94	97	31.2	31.8	98	100	40.5	39.9	101	99	28.3	28.7	103	105
Jan 2014	41.4	42.4	107	109	25.7	26.1	119	121	35.4	34.0	108	103	21.1	22.0	115	120
Feb 2014	46.3	47.7	111	114	29.5	28.0	111	106	37.3	39.9	104	111	27.1	25.2	119	111
Mar 2014	46.6	47.2	105	106	33.1	30.3	115	106	39.3	38.5	103	101	29.0	27.3	118	111
Apr 2014	47.1	46.4	106	104	31.6	31.7	105	105	39.2	39.6	103	104	28.8	29.0	108	112
May 2014	47.0	46.1	115	112	31.4	31.9	119	121	39.3	39.7	111	112	28.0	29.1	124	129
For reference: actual values in respective months of 2012-2013 (billion USD)																
Dec 2012	48.3				31.9				40.3				27.4			
Jan 2013	38.9				21.7				32.9				18.4			
Feb 2013	41.9				26.5				36.0				22.8			
Mar 2013	44.5				28.7				38.1				24.6			
Apr 2013	44.5				30.2				38.2				25.9			
May 2013	41.0				26.4				35.4				22.6			

Note: in the period from January 1999 till September 2013, the series of the export, import, export to the countries outside the CIS and import from the countries outside the CIS were identified as stationary series in the first-order differences. In all the cases, seasonal components were included in the specification of the models.

DYNAMICS OF PRICES

The Consumer Price index and Producer Price Indices

This section presents calculations of forecast values of the consumer price index and producer price indices (as regards both the industry in general and some types of its activities under the National Industry Classification Standard (NICS)) made on the basis of the time-series models evaluated on the basis of the Rosstat data in the period from January 1999 to September 2013¹. Table 5 presents the outputs of model calculations of forecast values in December 2013 – May 2014 in accordance with ARIMA-models, structural models (SM) and models built with utilization of business surveys (BS).

In December 2013 – May 2014, the expected monthly average growth in the consumer price index will amount to 0.4%. In the above period, the producer price index is expected to grow on average at the level of 0.5% a month. Annual growth in the consumer price index on average by the two models will amount to 6.2%, while that as regards the producer price index is expected at the level of 4.3%.

1 Structural models were evaluated in the period from October 1998.

THE OUTPUTS OF CALCULATIONS OF FORECAST VALUES OF PRICE INDICES

Month	The consumer price index (ARIMA)	The consumer price index (SM)	Producer price indices:													
			PPI of industrial goods (ARIMA)	PPI of industrial goods (BS)	Mineral resources extraction	Manufacturing industry	Production of power, gas and water	Production of food products	Textile and sewing industry	Woodworking and production of wood products	Pulp and paper industry	Production of charred coal and oil products	Chemical industry	Iron and steel industry and production of finished metal goods	Production of machines and equipment	Production of transport vehicles and equipment
Forecast values (% of the previous month)																
Dec 2013	100.4	100.3	100.5	99.8	101.2	99.8	99.2	100.8	100.0	100.4	100.9	101.8	100.6	100.5	100.1	100.4
Jan 2014	101.1	100.5	101.0	101.3	102.3	100.3	102.5	100.8	100.5	100.4	100.3	102.5	100.3	101.9	100.6	101.5
Feb 2014	100.5	100.4	101.1	101.4	102.2	100.9	106.6	100.7	100.5	100.7	100.6	102.6	100.3	102.5	100.4	100.4
Mar 2014	100.4	100.2	100.6	100.3	100.8	100.8	100.5	100.8	100.5	100.2	100.5	102.3	100.5	102.0	100.0	100.7
Apr 2014	100.4	100.2	100.4	99.1	100.7	100.1	99.3	100.9	100.5	100.7	100.6	102.1	100.5	101.1	100.1	100.2
May 2014	100.5	100.4	100.8	99.3	102.0	99.6	99.5	100.4	100.5	100.0	100.6	101.9	100.5	101.2	100.1	100.3
Forecast values (% of December 2012/2013)																
Dec 2013	106.0	106.3	106.3	102.3	117.7	101.4	107.1	104.2	103.9	105.6	106.9	112.6	104.4	100.7	101.8	102.8
Jan 2014	101.1	100.5	101.0	101.3	102.3	100.3	102.5	100.8	100.5	100.4	100.3	102.5	100.3	101.9	100.6	101.5
Feb 2014	101.6	100.9	102.2	102.7	104.5	101.1	109.2	101.4	101.0	101.1	100.9	105.1	100.7	104.5	101.0	101.9
Mar 2014	102.1	101.1	102.8	103.0	105.4	102.0	109.7	102.2	101.5	101.4	101.4	107.5	101.1	106.5	101.0	102.6
Apr 2014	102.4	101.3	103.1	102.1	106.1	102.0	109.0	103.2	102.1	102.1	102.0	109.8	101.7	107.8	101.0	102.8
May 2014	102.9	101.7	103.9	101.4	108.1	101.6	108.4	103.6	102.6	102.1	102.7	111.9	102.1	109.1	101.1	103.1
For reference: actual values in the same periods of 2012-2013 (% of December 2011/2012)																
Dec 2012	106.6	104.9	109.2	103.3	107.1	107.5	100.7	101.7	101.6	104.7	103.4	96.6	104.2	102.9		
Jan 2013	101.0	99.6	99.9	99.5	99.4	100.3	100.5	100.6	99.3	96.6	99.7	99.8	100.3	100.0		
Feb 2013	101.6	100.4	102.4	99.9	99.2	100.1	101.1	101.0	100.0	98.4	100.6	99.7	100.5	99.3		
Mar 2013	101.9	100.9	103.8	99.8	101.0	100.1	101.4	101.9	100.2	97.7	101.1	99.7	100.6	99.4		
Apr 2013	102.4	99.7	98.6	99.8	100.6	99.9	101.8	103.4	100.8	97.2	101.4	99.5	100.8	99.6		
May 2013	103.1	98.7	95.9	99.5	99.8	100.5	102.0	102.7	101.9	95.4	100.8	98.6	100.7	99.6		

Note: in the period from January 1999 till September 2013, the series of the chain producer price index of industrial goods as regards production of machines and equipment are identified as a stationary process around the trend with two endogenous structural changes. The series of other chain price indices are stationary at levels.

As regards NICS-producer price indices, in December 2013 – May 2014, the following monthly average growth rates are expected: production of primary products (1.5%), manufacturing (0.2%), production and distribution of power, gas and water (1.3%), production of food products (0.7%), textile and sewing industry (0.4%), woodworking and production of wood products (0.4%), pulp and paper industry (0.6%), production of charred coal and oil products (2.2%), chemical industry (0.4%), iron and steel industry and production of finished metal goods (1.6%), production of machines and equipment (0.2%) and production of transport vehicles and equipment (0.6%).

Annual growth in producer price indices by the types of economic activities will amount on average to 5.8%. On the basis of the results of 2013, the maximum annual growth is expected in production of primary products (17.7%), while the minimum one, in iron and steel industry and production of finished metal products (0.7%).

The dynamics of the cost of the minimum package of food products

This section presents the outputs of calculations of forecast values of the cost of the minimum package of food products in December 2013 – May 2014. The forecasts were made on the basis of

time series with use the Rosstat data in the period from January 2000 till September 2013. The outputs of calculations are shown in Table 6.

As seen from Table 6, growth in the cost of the minimum package of food products as compared to the respective level of 2012 is expected. It is to be noted that the average expected cost of the minimum package of food products amounts to about Rb 2,853.0. The expected growth in the cost of the minimum package of food products amounts on average to about 4.8% as compared to the level of the same period of 2012. In 2013, annual growth in the cost of the minimum package of food products will amount to 6.7%.

Indices of Transportation Tariffs on Cargo Carriage

This section presents calculations of forecast values of price indices of transportation tariffs on cargo carriage¹, made on the basis of time-series models evaluated on the basis of the Rosstat data in the period from November 1998 till September 2013. Table 7 shows the outputs of model calculations of forecast values in November 2013 – May 2014. It is to be noted that some of the indices under review (for instance, the index of tariffs on pipeline transportation) are adjustable ones and for that reason their behavior is hard to describe by means of the time-series models. As a result, the future values may differ greatly from the real ones in case of the centralized increase of the tariffs in the period of forecasting or in case of absence of such an increase in the forecasting period, but with it taking place shortly before the beginning of that period.

On the basis of the results of the forecast for December 2013 – May 2014, within six months the monthly average growth in the composite index of transportation tariffs on cargo carriage is expected at the level of 1.4%. Seasonal index growth of 5.3 p.p. and 3.6 p.p. is expected in January and April 2014, respectively. In 2013, annual growth in the composite index of transportation tariffs will amount to 7.4%.

The index of tariffs on motor cargo carriage will grow at the average monthly rate of 0.2% within the period in question. In 2013, annual growth in that index is expected at the level of 3%.

Within the next six months, the index of tariffs on pipeline transportation will grow at the monthly average rate of 1.3%. As a result, in 2013 its annual growth will amount to 2.1%, In April 2014, seasonal growth of 12.2 p.p. in the index is expected.

Table 6

THE FORECAST OF THE COST OF THE MINIMUM PACKAGE OF FOOD PRODUCTS (PER PERSON A MONTH)

Forecast values according to ARIMA-model (Rb)	
December 2013	2783.3
January 2014	2802.1
February 2014	2812.3
March 2014	2844.3
April 2014	2905.2
May 2014	2970.7
For reference: actual values in the same months of 2012-2013 (billion Rb)	
December 2012	2608.9
January 2013	2662.2
February 2013	2693.3
March 2013	2716.1
April 2013	2773.0
May 2013	2878.2
Expected growth on the respective month of the previous year (%)	
December 2013	6.7
January 2014	5.3
February 2014	4.4
March 2014	4.7
April 2014	4.8
May 2014	3.2

Note: the series of the cost of the minimum package of food products in the period from January 2000 till September 2013 are stationary in the first-order differences.

¹ The Bulletin presents a review of the composite index of transportation tariffs on cargo carriage and the index of transportation tariffs on motor cargo carriage, as well as the index of tariffs on pipeline transportation. The composite index of transportation tariffs on cargo carriage is calculated on the basis of the indices of tariffs on cargo carriage by individual types of transport: railway, pipeline, shipping, domestic water-borne, motor and air service (for more detailed information, pls. refer, for instance, to: *Prices in Russia*. The Official Publication of Goskomstat of RF, 1998).

Table 7

THE OUTPUTS OF CALCULATIONS OF FORECAST VALUES OF INDICES OF TRANSPORTATION TARIFFS

Period	Composite index of transportation tariffs on cargo carriage	Index of tariffs on motor cargo carriage	Index of tariffs on pipeline transportation
Forecast values according to ARIMA-models (% of the previous month)			
December 2013	99.9	100.0	99.7
January 2014	105.3	101.7	97.0
February 2014	99.9	99.9	99.6
March 2014	99.8	99.9	99.6
April 2014	103.6	99.9	112.2
May 2014	99.8	99.9	99.7
Forecast values according to ARIMA-models (% of December of the previous year)			
December 2013	107.4	103.0	102.1
January 2014	105.3	101.7	97.0
February 2014	105.2	101.6	96.6
March 2014	105.0	101.5	96.3
April 2014	108.8	101.4	108.0
May 2014	108.6	101.3	107.7
For reference: actual values in the same period of 2012-2013 (% of the previous month)			
December 2012	100.0	100.1	100.0
January 2013	101.7	101.2	97.9
February 2013	99.2	100.2	100.0
March 2013	100.1	100.1	100.0
April 2013	105.8	100.3	112.3
May 2013	100.3	100.5	100

Note: in the period from September 1998 till September 2013, the series of the index of tariffs on motor cargo carriage were identified as stationary ones; the other series were identified as stationary ones in the period from September 1998 till September 2013, too; fictitious variables for taking into account particularly dramatic fluctuations were used in respect of all the series.

The dynamics of world prices on natural resources

This section presents calculations of such average monthly values of prices on Brent oil (\$ per barrel), Aluminum (\$ per ton), gold (\$ per ounce), copper (\$ per ton) and nickel (\$ per ton) in December 2013 – May 2014 as were received on the basis of nonlinear models of time series evaluated on the basis of the IMF data in the period from January 1980 till October 2013.

Table 8

THE OUTPUTS OF CALCULATIONS OF FORECAST VALUES OF WORLD PRICES ON NATURAL RESOURCES

Month	Brent oil (\$ per barrel)	Aluminum (\$ per ton)	Gold (\$ per ounce)	Copper (\$ per ton)	Nickel (\$ per ton)
Forecast values according to ARIMA-models					
December 2013	112.40	1824	1323	7203	14747
January 2014	113.92	1832	1324	7186	14552
February 2014	115.59	1841	1327	7164	14724
March 2014	116.59	1834	1332	7128	14720
April 2014	117.69	1833	1337	7085	14693
May 2014	118.86	1833	1341	7031	14676
Growth on the respective month of the previous year (%)					
December 2013	2.5	-12.6	-21.7	-9.6	-15.5
January 2014	0.9	-10.1	-20.8	-10.8	-16.8
February 2014	-0.7	-10.4	-18.5	-11.1	-16.8
March 2014	6.7	-4.1	-16.4	-6.9	-12.0
April 2014	14.4	-1.5	-10.0	-1.9	-6.0
May 2014	15.4	0.0	-5.1	-3.0	-1.8
For reference: actual values in the same period of 2012-2013					
December 2012	109.64	2087	1689	7966	17449

Table 8, cont's

Month	Brent oil (\$ per barrel)	Aluminum (\$ per ton)	Gold (\$ per ounce)	Copper (\$ per ton)	Nickel (\$ per ton)
January 2013	112.93	2038	1671	8054	17494
February 2013	116.46	2054	1628	8061	17690
March 2013	109.24	1911	1593	7652	16732
April 2013	102.88	1861	1485	7221	15629
May 2013	103.03	1833	1414	7249	14948

Note: in the period from January 1980 till October 2013, the series of prices on oil, nickel, gold, copper and aluminum are series of DS type.

The average expected level of prices on oil amounts to about \$115.8 per barrel which figure is on average 6.5% higher than the respective indices of the previous year. Prices on aluminum are expected at the level of about \$1,833 per ton, while their average decrease is expected to amount to about 6% against the respective level of the previous year. Prices on gold are expected to amount to about \$1,330 per ounce. Average prices on copper are expected to amount to about \$7,133 per ton, while those on nickel, to about \$14,685 per ton. The average expected decrease in prices on gold, copper and nickel amounts to about 15%, 7% and 11%, respectively on the respective level of the previous year.

As of the end of 2013, Brent oil price is expected at the level of \$112.4 a barrel (annual increase of 2.5%), while prices on aluminum, gold, copper and nickel are forecasted to amount to \$1,824 a ton (a decrease of 12.6%), \$1,323 per ounce (a decrease of 21.7%), \$7,203 a ton (a decrease of 9.6%) and \$14,747 a ton (a decrease of 15.5%), respectively.

MONETARY INDICES

The future values of the monetary base (in the narrow definition: cash funds and the Fund of Mandatory Reserves (FMR)) and M_2 monetary aggregate in December 2013 – May 2014 were received on the basis of models of time-series of respective indices calculated by the CBR¹ in the period from October 1998 till October 2013. Table 9 presents the outputs of calculations of forecast values and actual values of those indices in the same period of the previous year. It is to be noted that due to the fact that the monetary base is an instrument of the policy of the CBR the forecasts of the monetary base on the basis of time-series models are to a certain extent notional as the future value of that index is determined to a great extent by decisions of the CBR, rather than the inherent specifics of the series.

Table 9

THE FORECAST OF M_2 MONETARY AGGREGATE AND THE MONETARY BASE

Period	Monetary base		M_2	
	Billion Rb.	Growth on the previous month, %	Billion Rb.	Growth on the previous month, %
December 2013	8382	5.0	30136	3.3
January 2014	8170	-2.5	30409	0.9
February 2014	8353	2.2	30685	0.9
March 2014	8365	0.1	30963	0.9
April 2014	8551	2.2	31245	0.9
May 2014	8565	0.2	31529	0.9
For reference: actual value in the respective months of 2012-2013 (growth on the previous month, %)				
December 2012		11.2		9.3
January 2013		-7.7		-2.4
February 2013		0.9		1.6

¹ The data on the specific month is given in accordance with the methods of the CBR as of the beginning of the following month.

Period	Monetary base		M ₂	
	Billion Rb.	Growth on the previous month, %	Billion Rb.	Growth on the previous month, %
March 2013		0.0		1.1
April 2013		4.5		1.4
May 2013		-1.6		0.9

Note: in the period from October 1998 to September 2013, all the time series of monetary indices were attributed to the class of series which are stationary in the first-order differences and have an explicit seasonal component.

In December 2013 – May 2014, the monthly average rate of growth in the monetary base and the M₂ monetary index will amount to 1.2% and 1.3%, respectively. In December 2013, seasonal growth in the monetary base and M₂ monetary aggregate is expected at 5% and 3.3%, respectively. According to forecasts, in 2013 annual growth in the monetary base and the M2 index will amount to 5.3% and 10%, respectively.

INTERNATIONAL RESERVES

This section presents the outputs of the statistical evaluation of such future values of the international reserves of the Russian Federation¹ as were received on the basis of evaluation of the model of time series of the gold and foreign exchange reserves on the basis of the data of the CBR in the period from October 1998 till September 2013. That index is forecasted without taking into account a decrease in the amount of the reserves due to payment of the foreign debt and for that reason the values of the volumes of the international reserves in the months where foreign debt payments are made may happen to be overestimated (or, otherwise, underestimated) as compared to the actual ones.

On the basis of the outputs of the forecast, in December 2013–May 2014 the international reserves will grow at the monthly average rate of 0.9%. In 2013, the annual decrease in the international reserves is forecasted at the level of 1.4%.

FOREIGN EXCHANGE RATES

The model calculations of prospective values of the foreign exchange rates (RUR per USD and euro) were made on the basis of assessment of the time series models (ARIMA) and structural models (SM) of the relevant indicators quoted by the RF Central Bank as of the last date of each month over the periods between October 1998 and November 2013 and between January 1999 and November 2013², respectively.

Table 10

THE FORECAST OF INTERNATIONAL (GOLD AND FOREIGN EXCHANGE) RESERVES

Period	Forecast values according to ARIMA-models	
	Billion USD	Growth on the previous month, %
December 2013	530.2	0.2
January 2014	530.4	0.0
February 2014	536.8	1.2
March 2014	545.1	1.5
April 2014	550.6	1.0
May 2014	554.6	0.7
For reference: actual values in the same period of 2012-2013		
December 2012	537.6	1.8
January 2013	532.2	-1.0
February 2013	526.2	-1.1
March 2013	527.7	0.3
April 2013	533.2	1.0
May 2013	518.4	-2.7

Note: in the period from October 1998 till September 2013, the series of the gold and foreign exchange reserves of the Russian Federation were identified as stationary series in difference.

1 The data on the volume of the gold and foreign exchange reserves is presented as of the first day of the following month.

2 The Bulletin applies the IMF's data for the period between January 1999 and September 2013. The data for October and November 2013 was obtained from the foreign exchange rate statistics website: www.oanda.com

In the period under review, the value of the USD/RUR exchange rate is forecasted on the basis of the average of the two models equal to Rb 31.96 per \$1. As of the end of 2013, the forecasted value of that index will amount to Rb 31.97 per \$1. A forecast of the EUR/USD exchange rate will amount on average to \$1.37 per euro. As of the end of 2013, the forecasted value of that index will amount to \$1.37 per euro, too.

Table 11

FORECASTS OF THE RUR/USD AND USD/EUR EXCHANGE RATES

Period	Forecast values of the RUR/USD exchange rate (RUR per USD) according to ARIMA-model		Forecast values of the USD/EUR (USD per EUR) according to ARIMA-model	
	ARIMA	SM	ARIMA	SM
December 2013	33.03	33.38	1.36	1.36
January 2014	32.89	33.39	1.37	1.37
February 2014	32.78	33.51	1.37	1.37
March 2014	32.71	33.53	1.37	1.37
April 2014	32.66	33.63	1.37	1.37
May 2014	32.61	33.66	1.38	1.37
For reference: actual values in the similar period of 2012-2013				
December 2012	30.37		1.32	
January 2013	30.03		1.35	
February 2013	30.62		1.31	
March 2013	31.08		1.28	
April 2013	31.26		1.31	
May 2013	31.08		1.30	

Note: in the respective periods, the series under review were identified as integrated series of the first order with a seasonal component.

INDICES OF THE STANDARD OF LIVING

This section (Table 12) presents such outputs of calculations of forecast values of indices of real wages, real disposable income and real income¹ as were received on the basis of the model of time series of respective indices calculated by Rosstat and taken in the period from January 1999 till October 2013. The above indices depend to a certain extent on the centralized decisions on raising of wages and salaries to public sector workers, as well as those on raising of pensions, scholarships and allowances; such a situation introduces some changes in the dynamics of the indices under review. As a result, the future values of the indices of real wages and real disposable income calculated on the basis of the series which last observations are either considerably higher or lower than the previous ones due to such a raising may differ greatly from those which are implemented in reality.

The outputs shown in *Table 12* point to growth in all the indices of the standard of living of the population. So, average growth of 5.1% in real disposable cash income is expected; growth in real cash income on the respective level of the previous year is also expected to amount to 5.6%. Growth of 6.3% in real wages and salaries on the respective period of the previous year is expected.

On the basis of the results of 2013, growth in real disposable cash income, real cash income and accrued wages and salaries for 12 months is expected to amount to 2.9%, 3.1% and 5.9%, respectively.

¹ *Real cash income* is a relative index which is calculated by means of division of the index of the nominal size (which was actually formed in the period under review) of households' cash income by the CPI. *Real disposable cash income* is cash income minus mandatory payments and contributions. (See: Rossiisky Statistichesky Ezhegodnik, Moscow, Rosstat, 2004, p. 212).

Table 12

THE FORECAST OF THE INDICES OF THE STANDARD OF LIVING

Period	Real disposable income	Real income	Real accrued wages and salaries
Forecast values according to ARIMA-models (% of the respective month of 2012-2013)			
December 2013	103.7	103.1	105.3
January 2014	105.0	104.9	105.9
February 2014	105.7	105.5	106.4
March 2014	105.6	105.4	106.8
April 2014	106.0	105.9	107.2
May 2014	106.4	106.4	107.6
For reference: actual values in the respective period of 2012-2013 (% of the same period of 2011-2012)			
December 2012	105.5	104.2	105.0
January 2013	100.7	102.3	105.4
February 2013	106.7	106.2	103.3
March 2013	110.0	111.5	105.1
April 2013	108.1	108.0	108.5
May 2013	99.5	99.9	104.7

Note: for calculating purposes, the series of the disposable income, real income and real wages in the base form were used (March 1999 was adopted as a base period). In the period from January 1999 till October 2013, those series were attributed to the class of processes which are stationary in differences and have an explicit seasonal component.

EMPLOYMENT AND UNEMPLOYMENT

For the purpose of calculation of the future values of the employment (of the number the gainfully employed population) and the unemployment (the total number of the unemployed), models of time series evaluated in the period from October 1998 till September 2013 on the basis of the monthly data of Rosstat¹ were used. The unemployment was calculated on the basis of the models with results of the outputs of business polls², too.

It is to be noted that possible logical differences³ in forecasts of the employment and the unemployment which totals should be equal to the index of the economically active population may arise due to the fact that each series is forecasted individually and not as the difference between the forecast values of the economically active population and another index.

According to the forecasts on the basis of ARIMA-models (Table 13), in December 2013 – May 2014 a decrease in the number of gainfully employed population is expected to amount on average to 0.3% a month on the corresponding period of 2012. As of the end of 2013, the forecasted value of the index of the number of gainfully employed population amounts to 70.9m people.

Average growth in the index of the total number of the unemployed is expected at the level of 5.1% a month as compared to the same period of 2012. As of the end of 2013, the number of the unemployed is expected to amount on average to 4.2m people.

1 The index is calculated in accordance with the methods of the International Labor Organization (ILO) and is given as of the end of the month.

2 The model is evaluated in the period from January 1999 till September 2013.

3 For example, deemed as such a difference may be a simultaneous decrease both in the number of the gainfully employed population and the total number of the unemployed. However, it is to be noted that in principle such a situation is possible provided that there is a simultaneous decrease in the number of the economically active population.

Table 13

THE OUTPUTS OF CALCULATION OF FORECAST VALUES OF THE INDICES THE EMPLOYMENT AND THE UNEMPLOYMENT

Month	Employment (ARIMA)		Unemployment (ARIMA)			Unemployment (BS)		
	Million people	Growth on the respective month of 2012-2013 (%)	Million people	Growth on the respective month of 2012-2013 (%)	% of the index of the number of the gainfully employed population	Million people	Growth on the respective month of 2012-2013 (%)	% of the index of the number of the gainfully employed population
December 2013	70.9	-0.8	4.4	14.8	6.1	4.0	5.3	5.6
January 2014	70.3	-0.5	4.7	4.1	6.7	4.6	2.4	6.5
February 2014	70.6	-0.6	4.8	10.6	6.7	4.5	3.7	6.4
March 2014	70.7	-0.5	4.6	7.1	6.5	4.5	3.7	6.4
April 2014	71.1	0.0	4.4	4.3	6.2	4.5	6.2	6.3
May 2014	72.0	0.4	4.1	5.2	5.7	4.3	9.2	6.0
For reference: actual values in the same periods of 2012-2013 (million people)								
December 2012	71.5					3.8		
January 2013	70.7					4.5		
February 2013	71.0					4.3		
March 2013	71.0					4.3		
April 2013	71.1					4.2		
May 2013	71.7					3.9		

Note: in the period from October 1998 till September 2013, the series of the employment is a stochastic process which is stationary around the trend. The series unemployment is a stochastic process with the first order integration. Both the indices include a seasonal component.

ANNEX

Diagrams of the Time Series of the Economic Indices of the Russian

Fig. 1a. The FSSS industrial production index (ARIMA-model)
(% of December 2001)

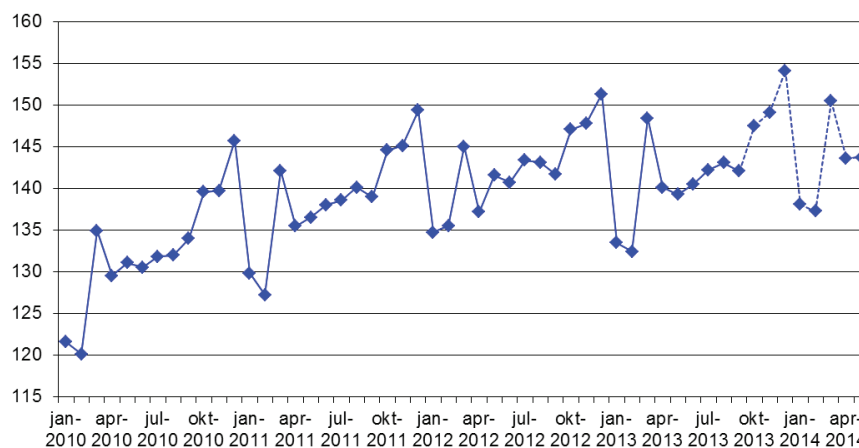


Fig. 1b. The CEC-NRU HSE industrial production index (ARIMA-model)
(% of January 1995)

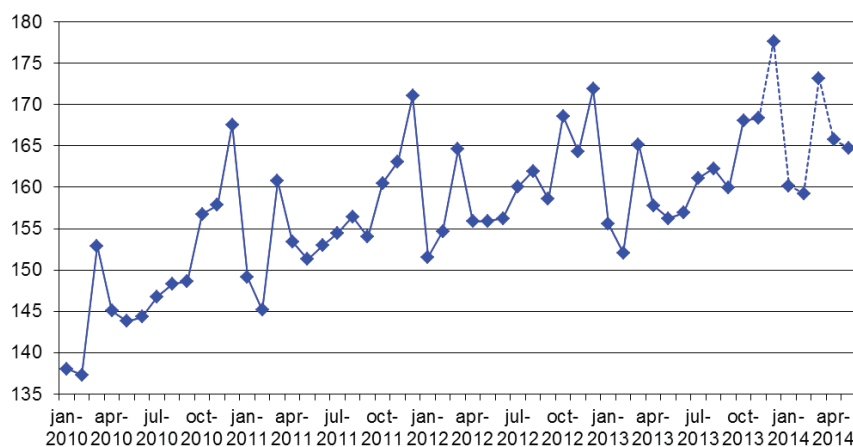


Fig. 2a. The FSSS index of industrial production as regards mineral resources extraction
(% of December 2001)

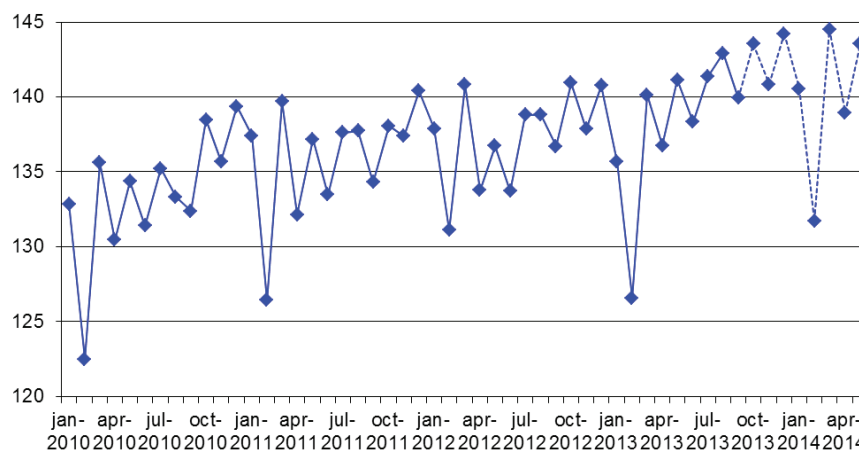


Fig. 2b. The CEC–NRU HSE index of industrial production as regards mineral resources extraction (% of January 1995)

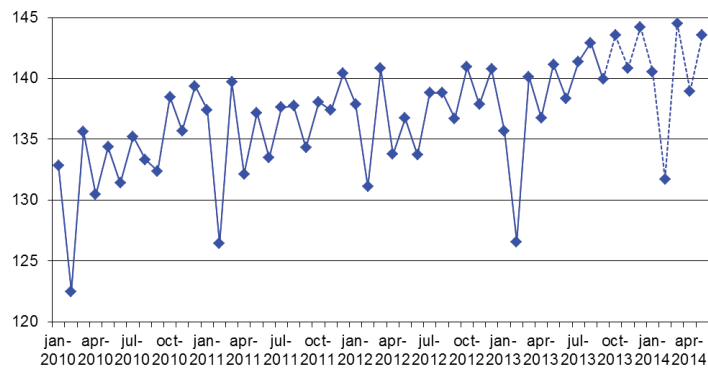


Fig. 3a. The FSSS index of industrial production as regards manufacturing industry (% of December 2001)

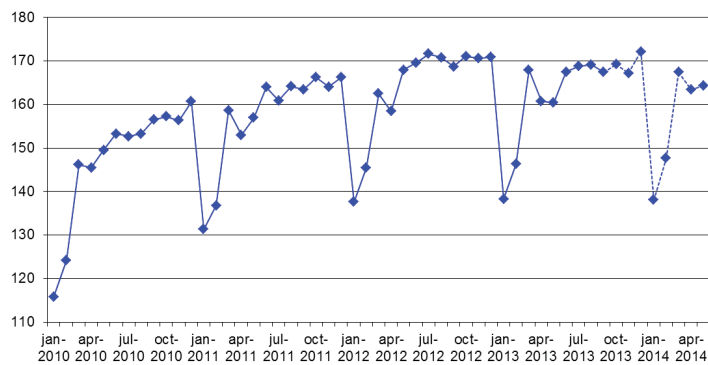


Fig. 3b. The CEC–NRU HSE index of industrial production as regards manufacturing industry (% of January 1995)

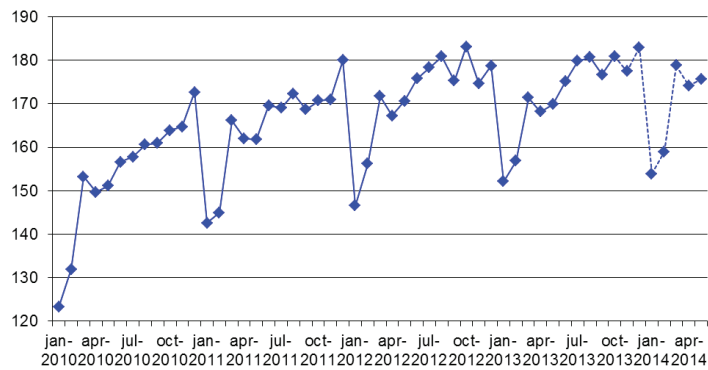


Fig. 4a. The FSSS index of industrial production as regards production and distribution of power, gas and water (% of December 1998)

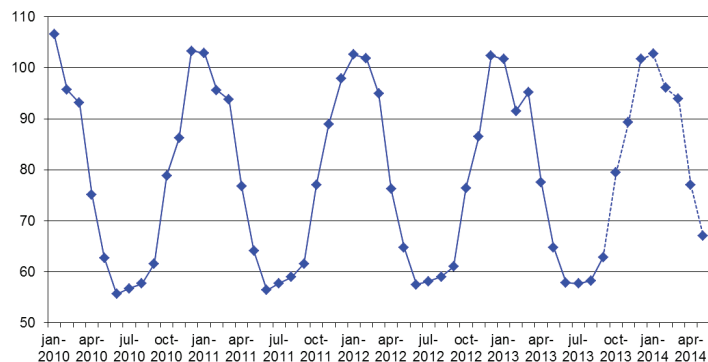


Fig. 4b. The NRU HSE index of industrial production as regards production and distribution of power, gas and water (% of January 1995)

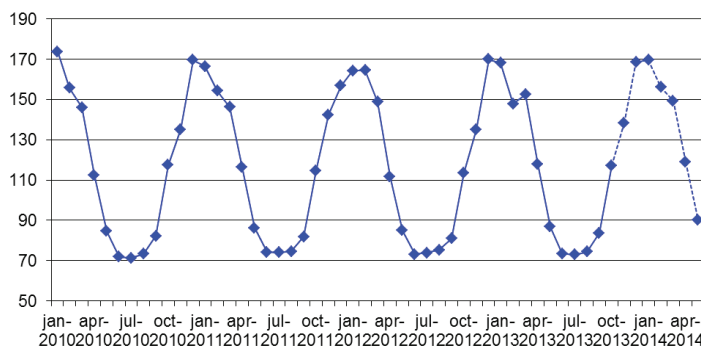


Fig. 5a. The FSSS index of industrial production as regards production of food products (% of December 2001)

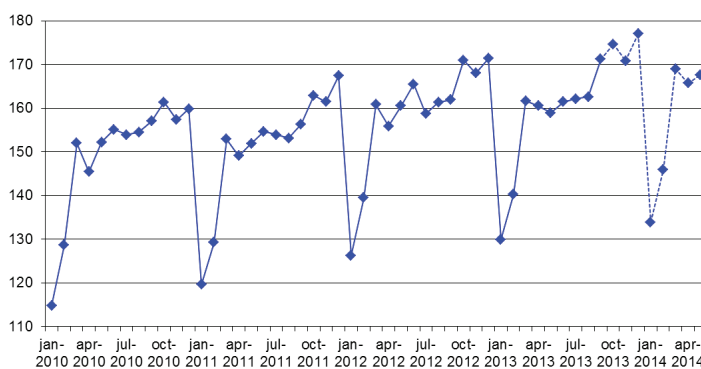


Fig. 5b. The NRU HSE index of industrial production as regards production of food products (% of January 1995)

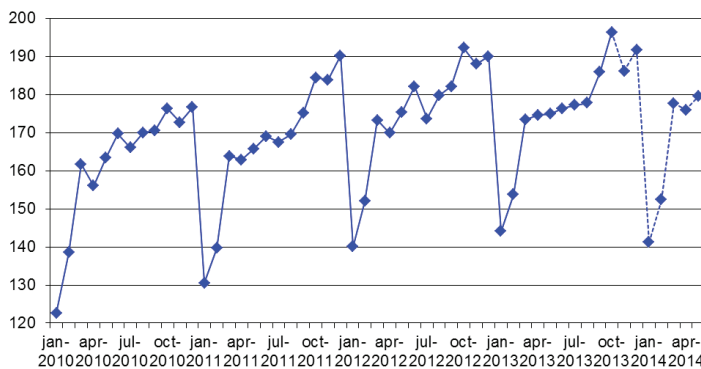


Fig. 6a. The FSSS index of industrial production as regards production of charred coal and oil products (% of December 2001)

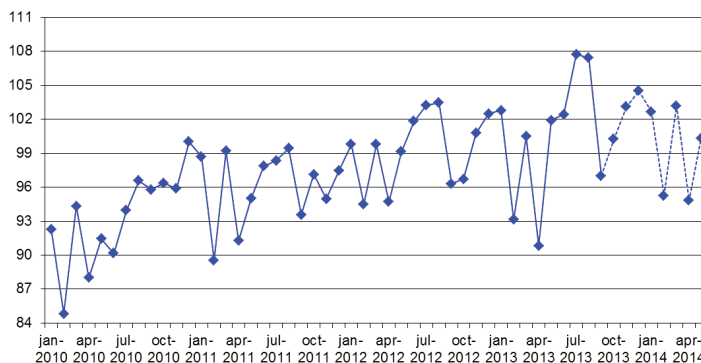


Fig. 6b. The NRU HSE index of industrial production as regards production of charred coal and oil products (% of January 1995)

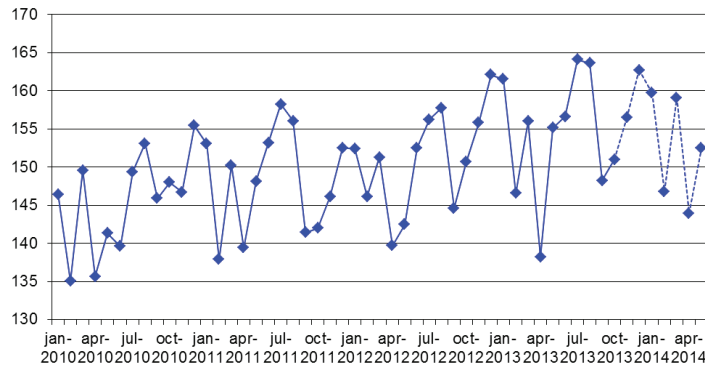


Fig.7a. The FSSS index of industrial production as regards iron and steel industry and production of finished metal goods (% of December 1998)

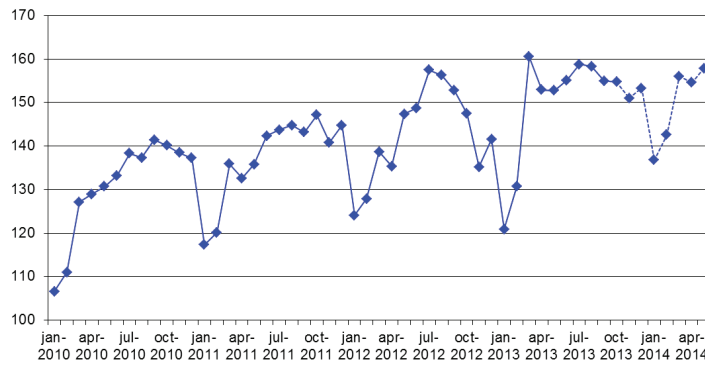


Fig. 7b. The NRU HSE index of industrial production as regards iron and steel industry and production of finished metal goods (% of January 1995)

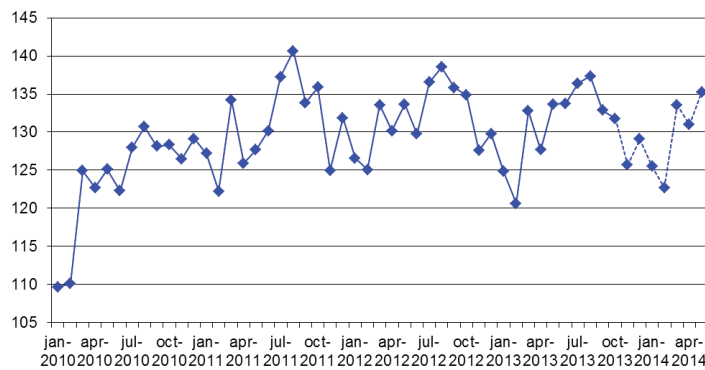


Fig. 8a. The FSSS index of industrial production as regards production of machines and equipment (% of December 1998)

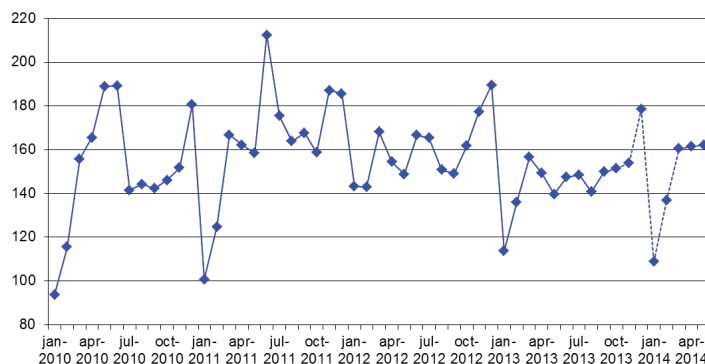


Fig. 8b. The NRU HSE index of industrial production as regards production of machines and equipment (% of January 1995)

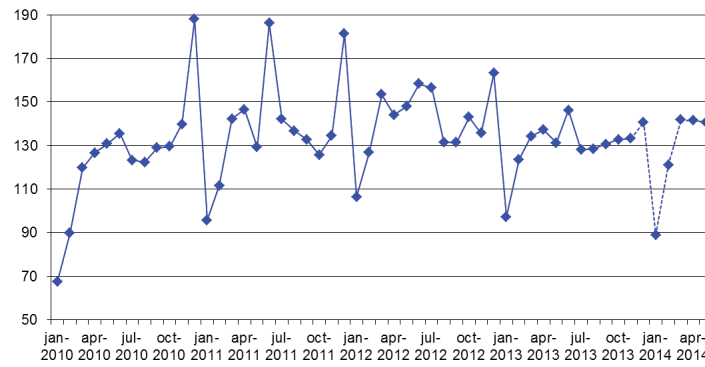


Fig. 9. The volume of retail sales (billion Rb)

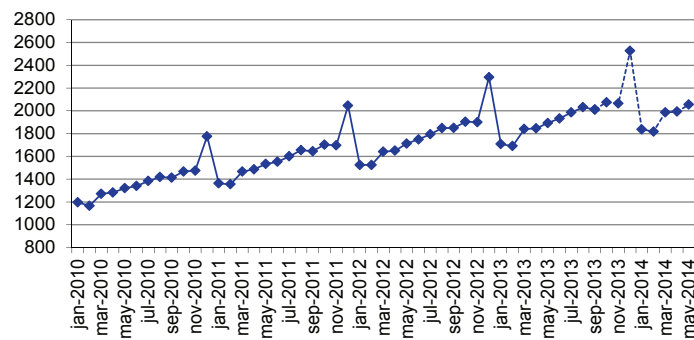


Fig. 9a. The real turnover of the retail trade (% of the respective period of last year)

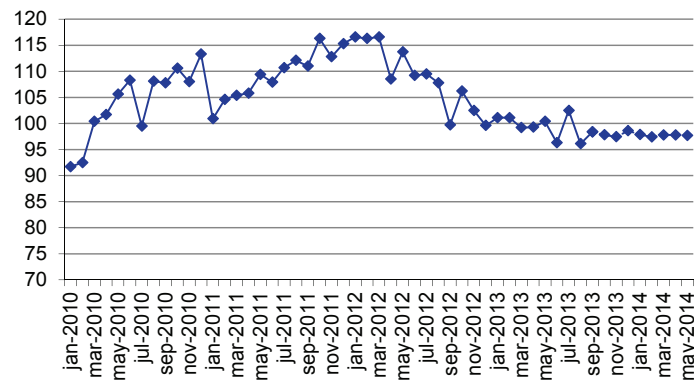


Fig. 10. Investments in capital assets (billion Rb)

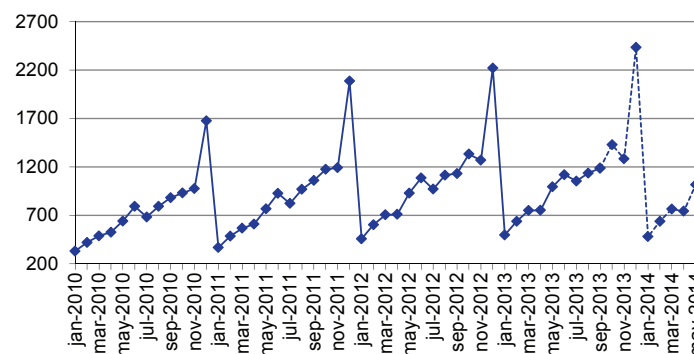


Fig. 10a. Real investments in capital assets
(% of the respective period of the previous year)

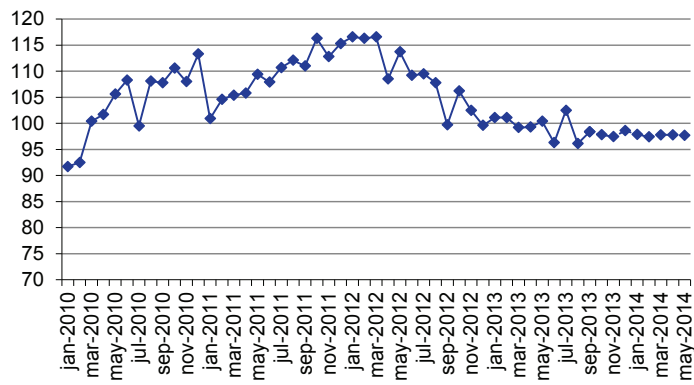


Fig. 11. Export to all the countries (billion USD)

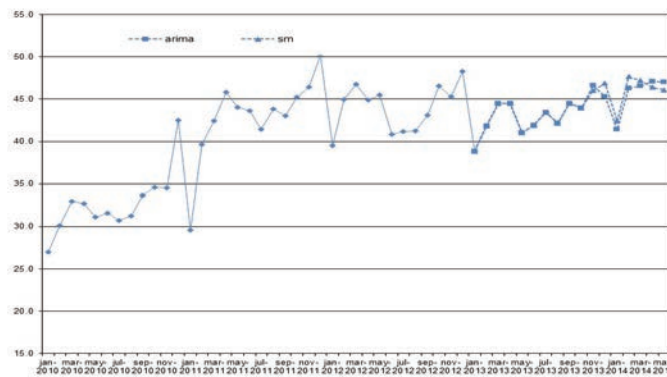


Fig. 12. Export to countries outside the CIS (billion USD)

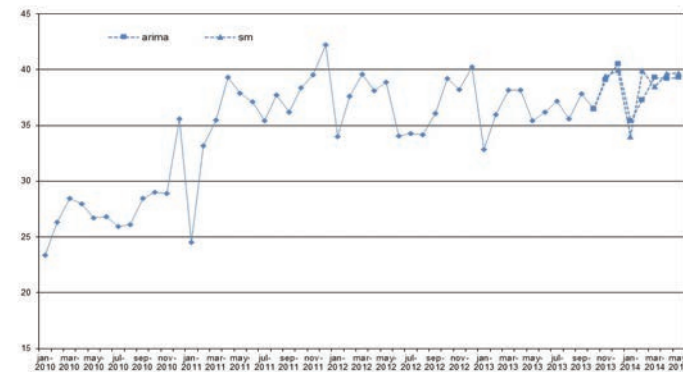


Fig. 13. Import from all the countries (billion USD)

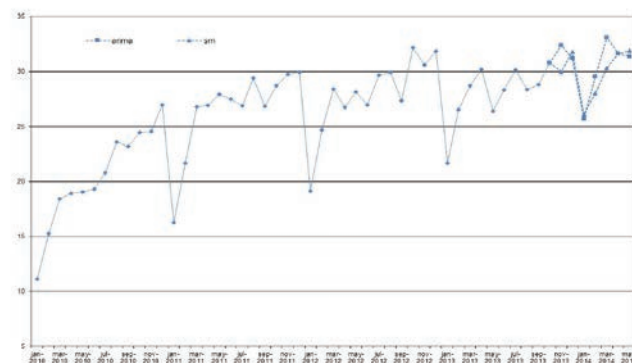


Fig. 14. Import from countries outside the CIS (billion USD)

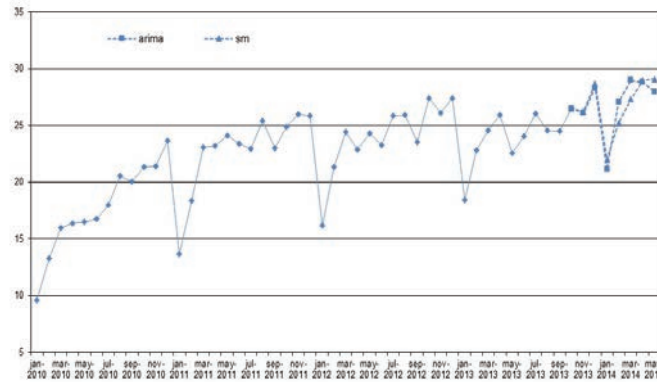


Fig. 15. Consumer price index as % of December of the previous year

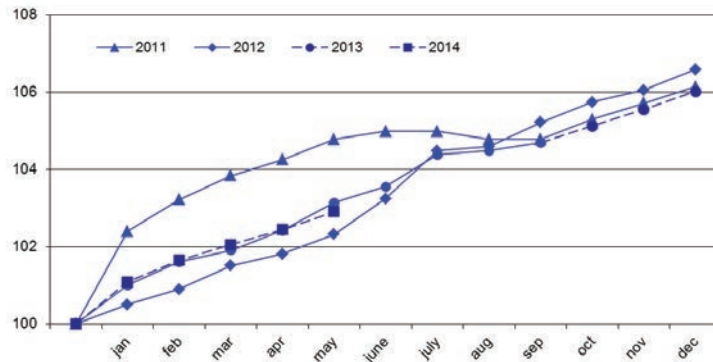


Fig. 15a. Consumer price index as % of December of the preceding year (SM)

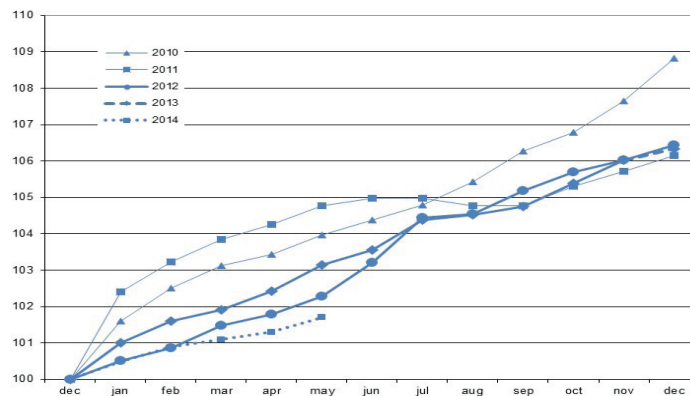


Fig.16. Producer price index (industrial goods), % of December of the previous year

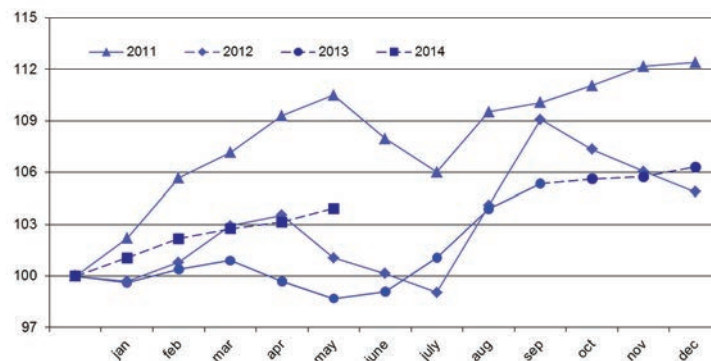


Fig. 17. Price index as regards mineral resources extraction, % of December of the previous year

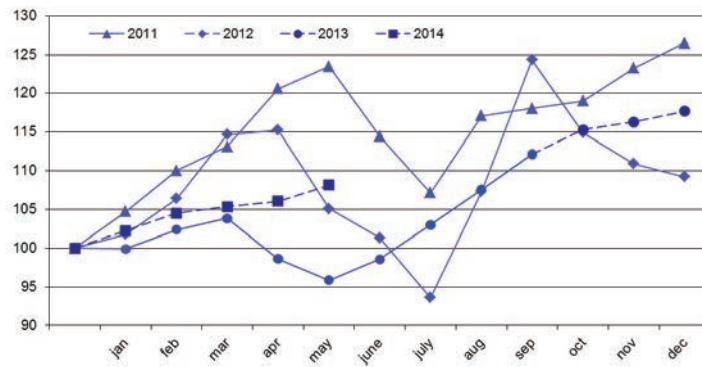


Fig. 18. Price index as regards manufacturing industries, % of December of the previous year

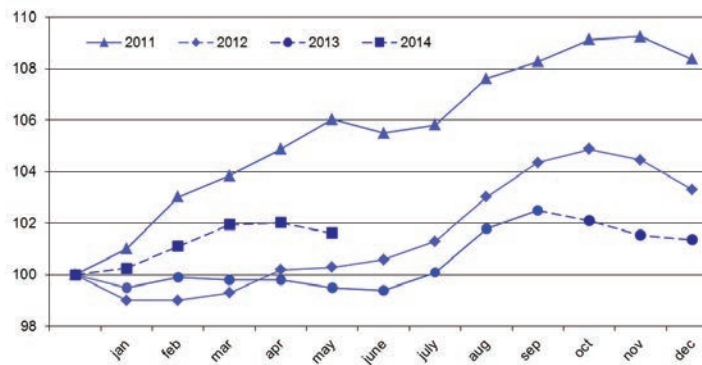


Fig. 19. Price index as regards production and distribution of power, gas and water, % of December of the previous year

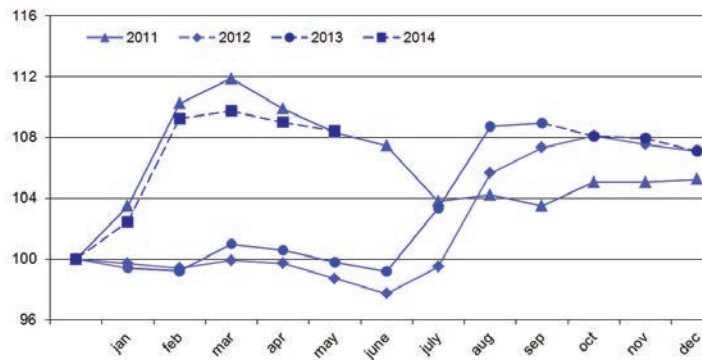


Fig. 20. Price index as regards production of food products, % of December of the previous year

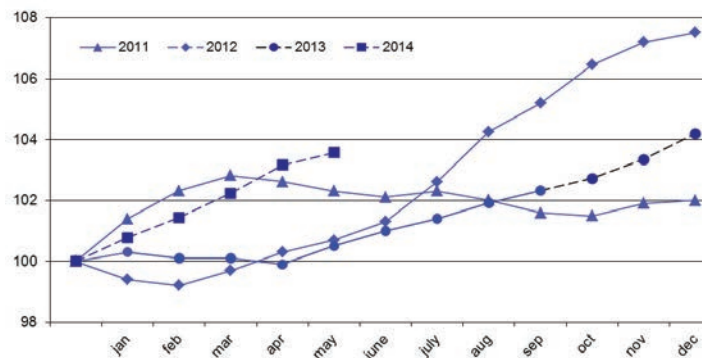


Fig. 21. Price index as regards textile and sewing industry, % of December of the previous year

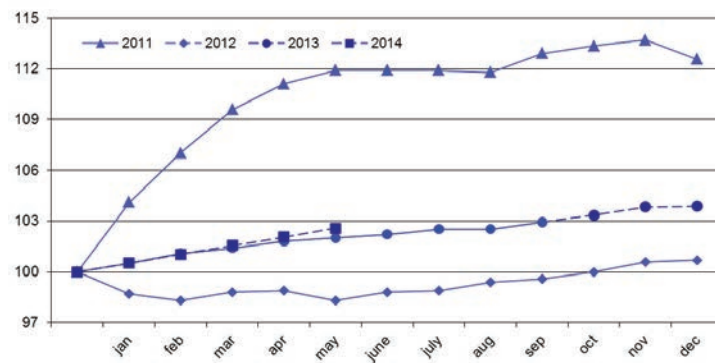


Fig. 22. Price index as regards woodworking and production of wood products, % of December of the previous year

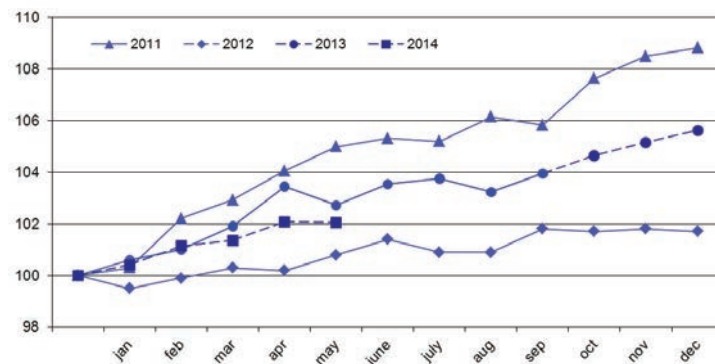


Fig. 23. Price index as regards pulp and paper industry, % of December of the previous year

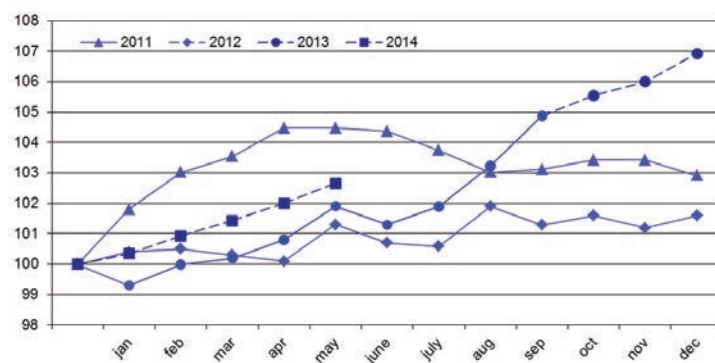


Fig. 24. Price index as regards production of charred coal and oil products, % of December of the previous year

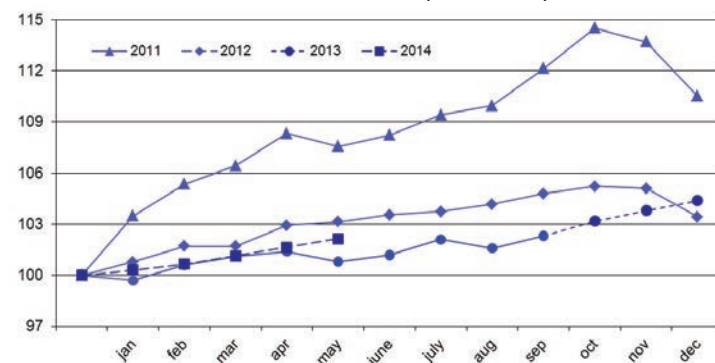


Fig. 25. Price index as regards chemical industry,
% of December of the previous year

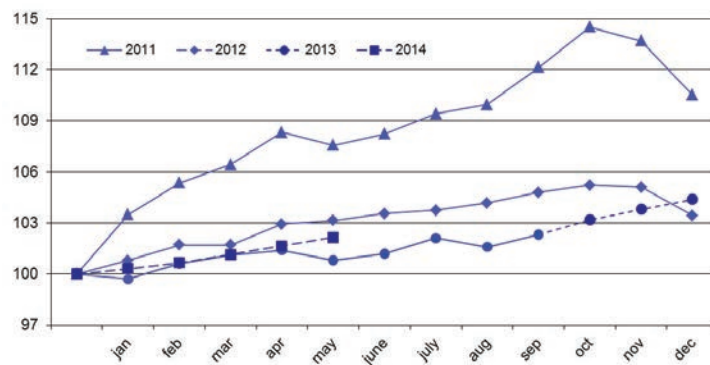


Fig.26. Price index as regards iron and steel industry and production of finished metal goods,
% of December of the previous year

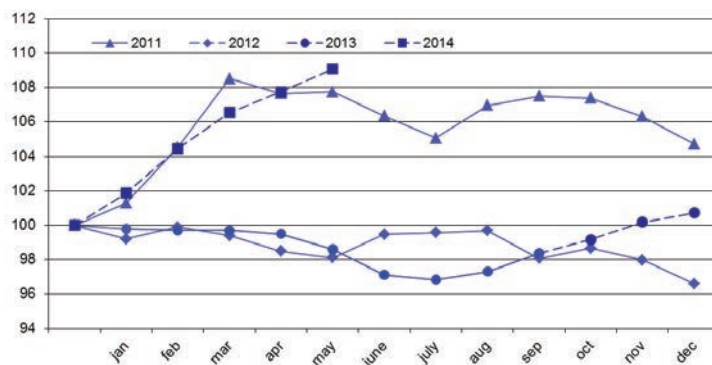


Fig.27. Price index as regards production of machines and equipment,
% of December of the previous year

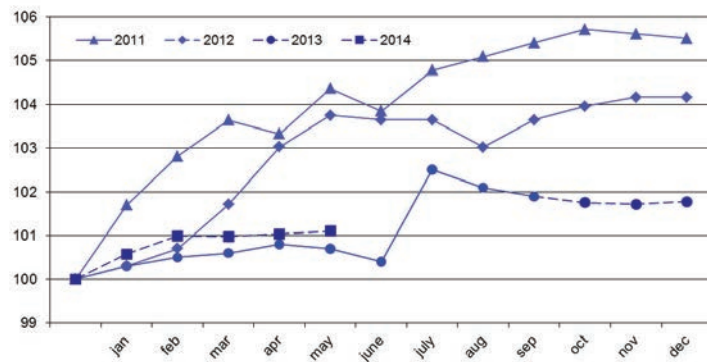


Fig.28. Price index as regards production of transportation vehicles and equipment,
% of December of the previous year

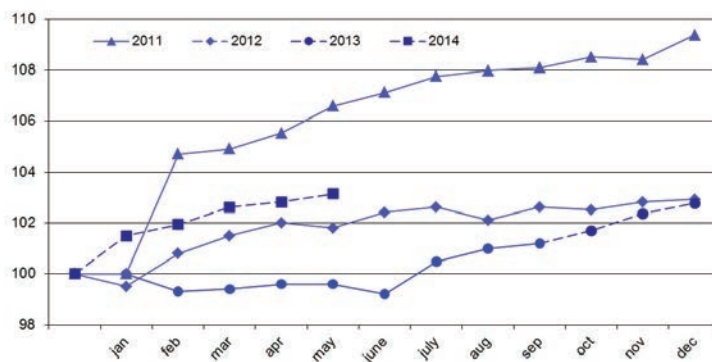


Fig. 29. The cost of the minimum package of food products per person a month (Rb)

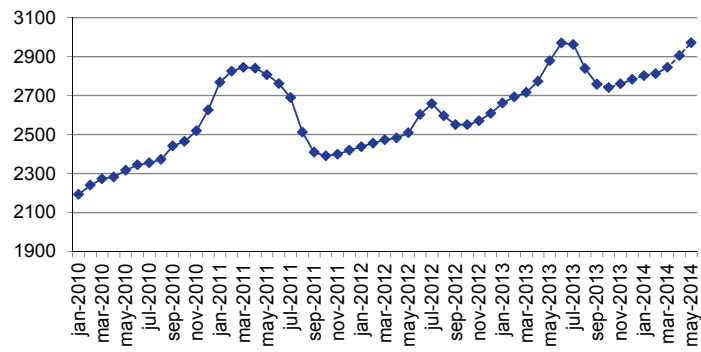


Fig. 30. The composite index of transportation tariffs (for each year as % of the previous month)

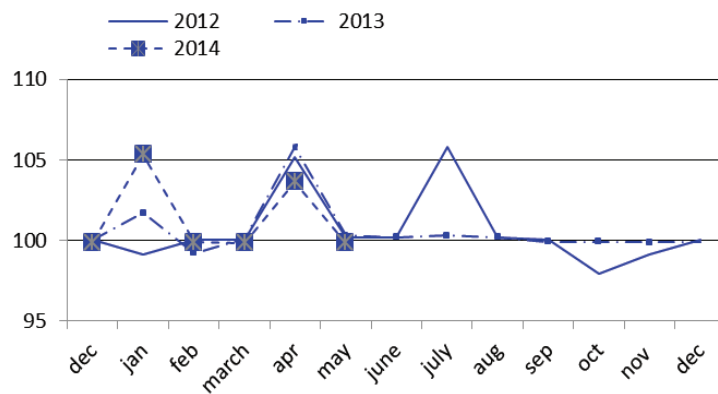


Fig. 31. Index of tariffs on motor cargo carriage (for each year as % of the previous month)

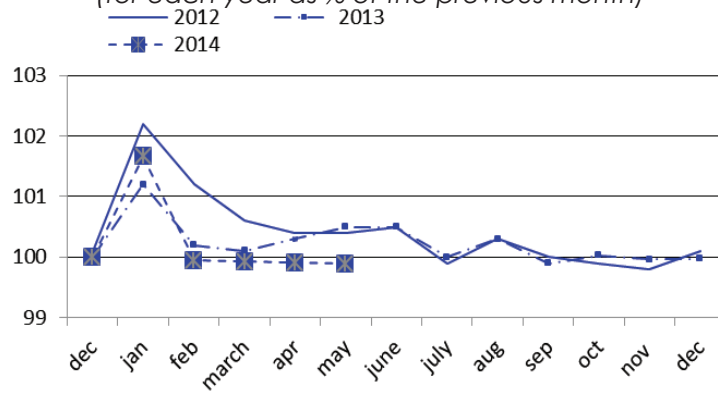


Fig. 32. Index of tariffs on pipeline transportation (for each year as % of the previous month)

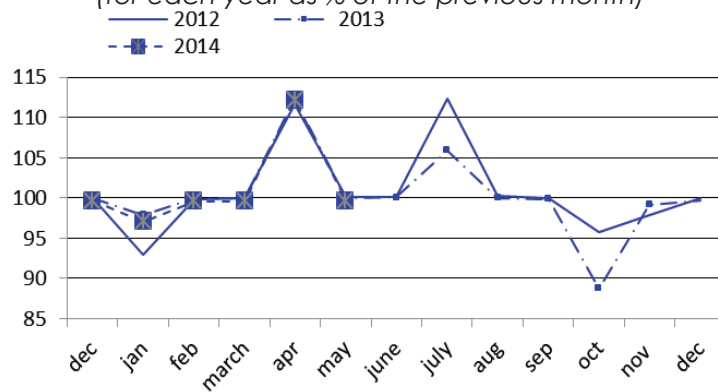


Fig. 33. Prices on Brent oil (\$ a barrel)

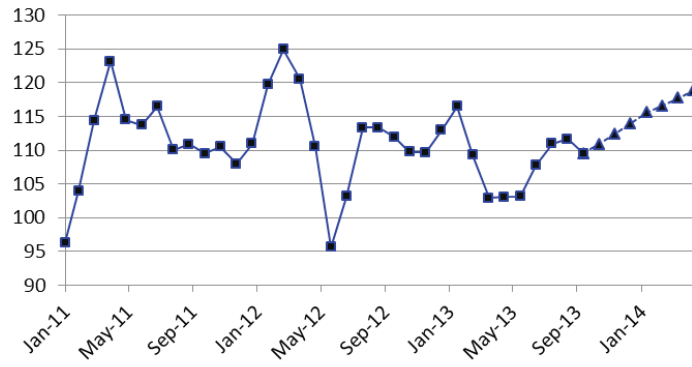


Fig. 34. Prices on aluminum (\$ per ton)

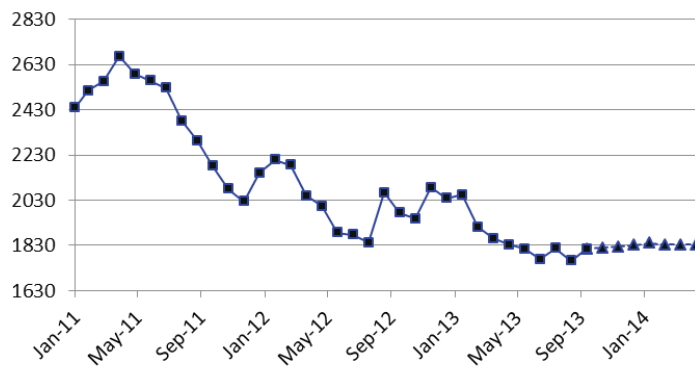


Fig. 35. Prices on gold (\$ per ounce)

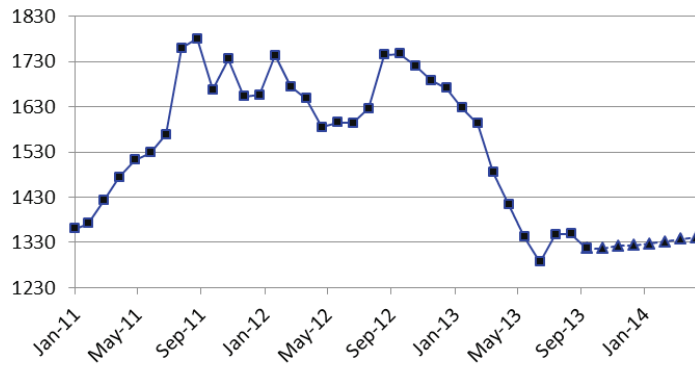


Fig. 36. Price on nickel (\$ per ton)

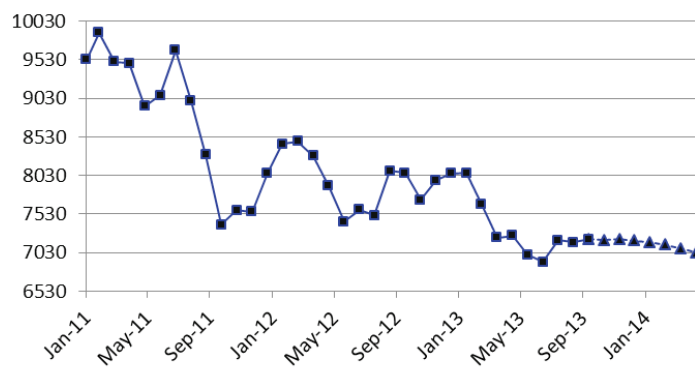


Fig. 37. Prices on copper (\$ per ton)

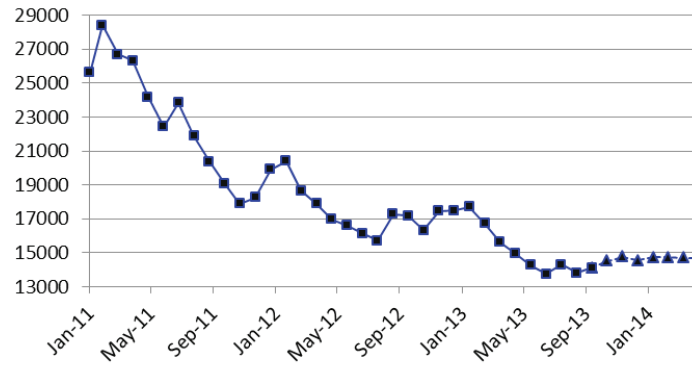


Fig. 38. Monetary base, million Rb

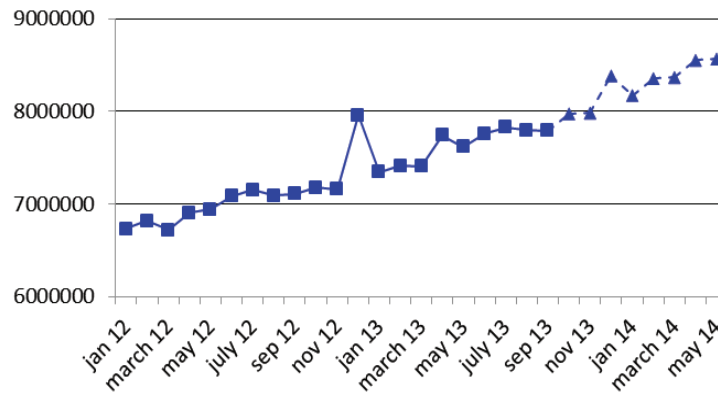


Fig. 39. M_2 , billion Rb

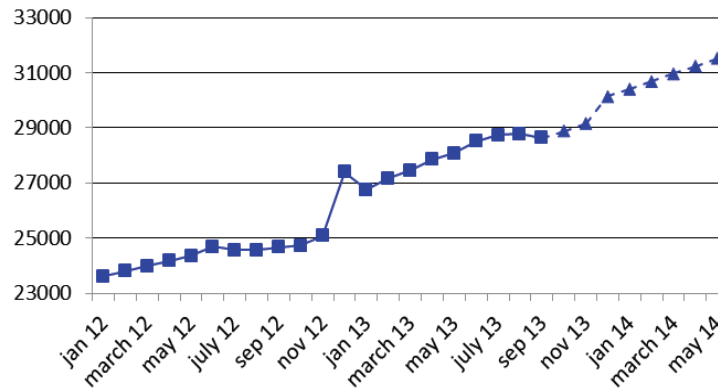


Fig. 40. International reserves of the Russian Federation, million USD

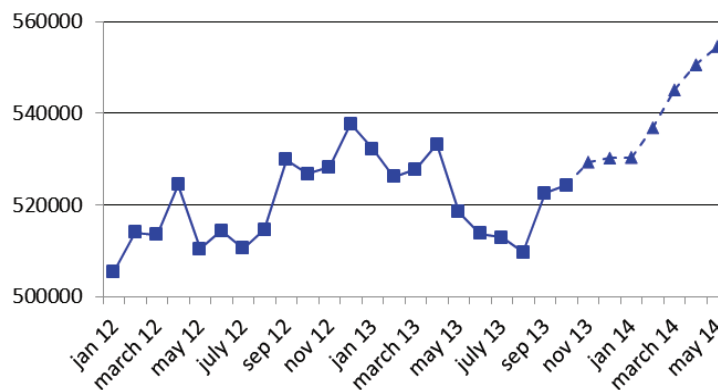


Fig. 41. The RUR/USD exchange rate

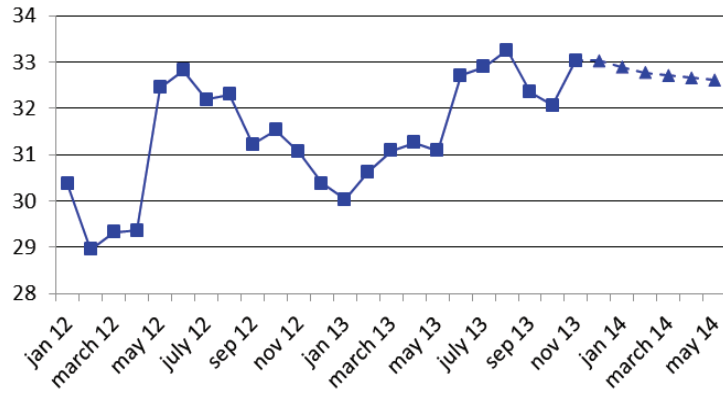


Fig. 41a. The RUR/USD exchange rate (SM)

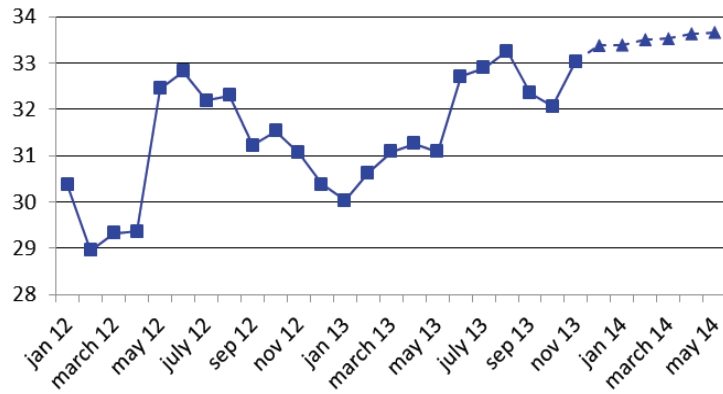


Fig. 42. The USD/EUR exchange rate

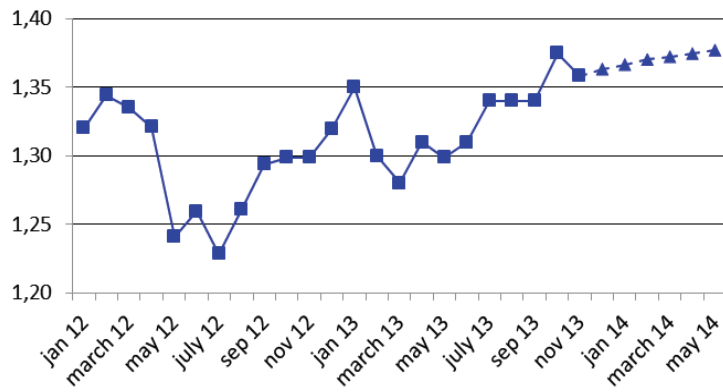


Fig. 42a. The USD/EUR exchange rate (SM)

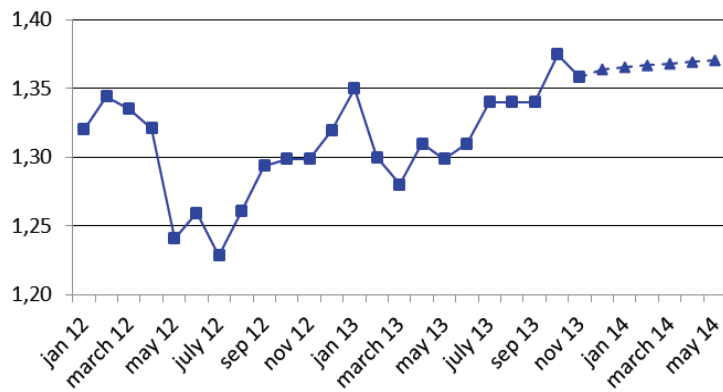


Fig. 43. Real disposable cash income
(% of the respective period of the previous year)

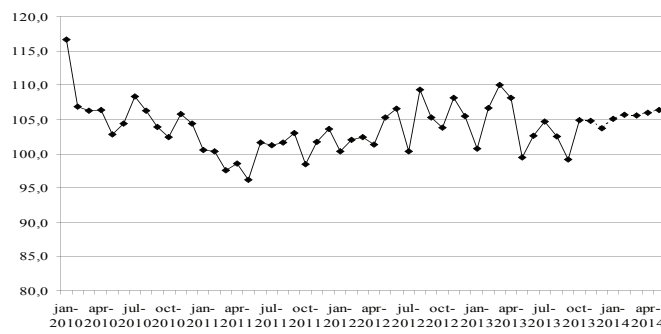


Fig. 44. Real cash income (% of the level of January 1999)

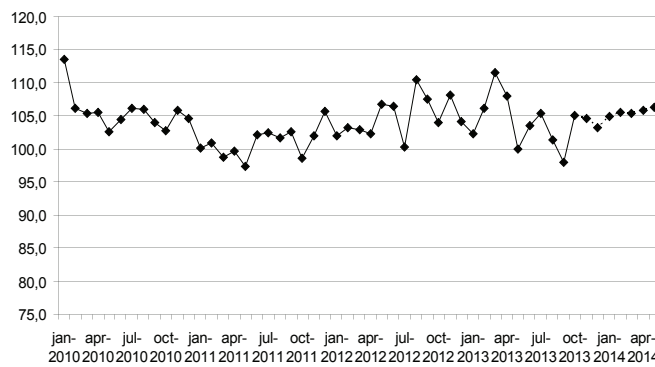


Fig. 45. Real accrued wages and salaries
(% of the respective period of the previous year)

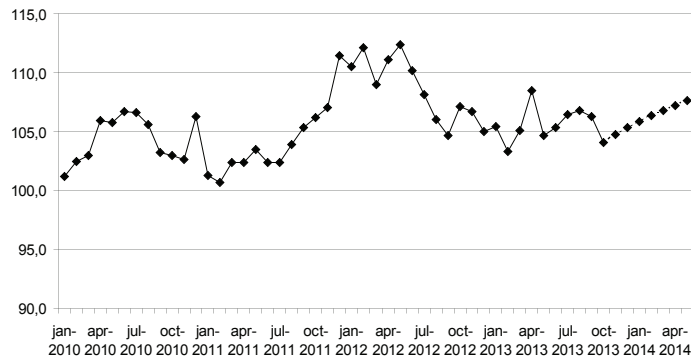


Fig. 46. Employment (million people)

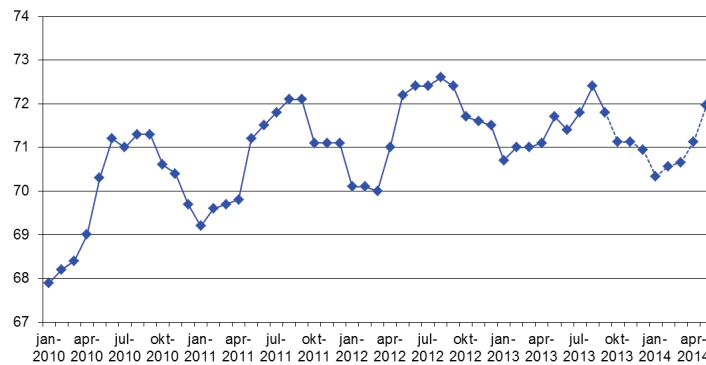


Fig. 47. Unemployment (million people)

