

I. THE REAL ECONOMY

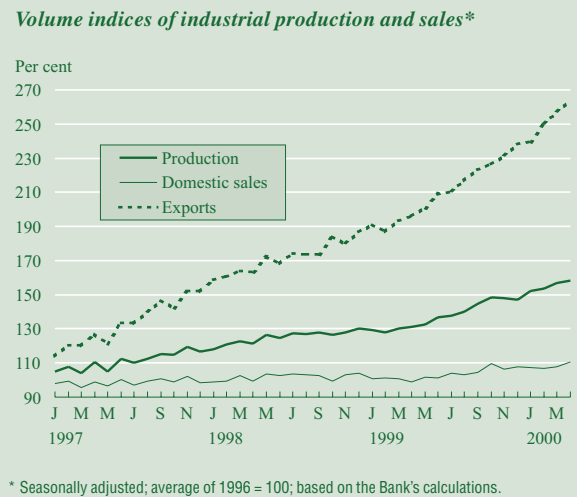
Production and sales

Industrial production and sales continued to grow strongly in April. Although the pick-up in output growth was driven mainly by exports, as in the preceding few months, it also received considerable support from increasing strength in domestic sales. One-month seasonally smoothed industrial output, adjusted for working-day variations, rose by 0.9% in the month under review, the one-month gain in total sales being 1.7%.

Following growth rates of around 20% in the preceding few months, industrial output grew less strongly, by 14.9% relative to a year earlier. The volume of total sales rose by 15.7%, as exports and domestic sales were 25.7% and 6.5% higher respectively. The respective increases in industrial output and the volume of total sales over the year previous outturn were 19.2% and 17.5% in the first four months of 2000. Exports gained 29.9% and domestic sales 6.9% in the same period.

Looking at industry performance in a breakdown by major branches, the sharp downswing in mining continued in the month with a 34.4% year-on-year contraction of output. Output of electricity, gas, steam and water supply rose slightly, by 1% from its level recorded a year earlier, after continued declines in earlier periods. As in the preceding months, the source of output growth in April was a 16.7% increase in manufacturing output, and in particular a 69.2% upsurge in output of the electrical equipment sub-sector. Similarly to the gain in total output, there was a marked increase of 17.7% in sales of manufactured goods. At 7.7% and 25.8% respectively, manufacturing industry domestic sales and exports both rose markedly in comparison with their levels recorded a year earlier. The percentage share that exports accounted for within total sales continued to increase. Nearly 60% of manufactured sales in April was directed to export markets. That meant an increase of 3 percentage points in comparison with April 1999.

Gross production per capita in manufacturing was 14.2% higher in a twelve-month comparison. The total gain in gross production per capita amounted to 19.2%



in the first four months of 2000 relative to the same period of 1999.

A sign of continued expansionary economic performance, new domestic and export orders for manufacturers' output in the more important branches of manufacturing were significantly higher in the first four months of 2000 than in the comparable period of 1999. The total volume of fresh orders in April rose by 26.4% relative to twelve months previously. Export and domestic orders, respectively, were higher by 30.4% and 12.7% in the period.

The strong momentum of the construction industry, witnessed in earlier years, eased back significantly in the first few months of 2000. Following a slight upturn in March, output virtually stagnated in April. After adjusting for seasonal effects and working day variations, construction output was unchanged at the preceding month's level, and rose by only 0.1% relative to April 1999.

Measured on the basis of constant prices, the volume of sales of farm products in April was static at the twelve-month previous level. Here, the sold output of plant cultivation fell by 30%. By contrast, purchases of livestock and animal products were 6.5% higher.

At 4.8%, according to preliminary numbers, the decline in retail sales in a year-on-year comparison con-

tinued in April. After seasonal adjustment, the volume of retail trade shrank by 0.4% in one month. Categorized by the major retail activities, trade volumes fell back, continuing the pattern seen in the preceding month. However, retail sales of furniture, electrical appliances and hardware, and miscellaneous goods, rising by 15.9% and 7.1% respectively, provided the ex-

ceptions. Here, the rise in turnover was uninterrupted over the first four months of the year, induced by demand of households for consumer durable goods. (Outstanding consumer loans, too, have been rising strongly since the start of the year.) The volume of retail sales was practically flat at the level recorded a year earlier.