L.5.2. RFD 222

Board of Governors of the Federal Reserve System

Division of International Finance

REVIEW OF FOREIGN DEVELOPMENTS

August 18, 1953

The Austrian Exchange Rate

Gordon B. Grimwood

17 pages

NOT FOR PUBLICATION

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The system of multiple exchange rates under which Austria has operated since the end of the war came to an end on May 4, 1953. A rate of 10 schillings to the dollar, assigned by occupation authorities in 1945, has been successively devalued until the official rate for all transactions was finally set at 26 schillings to the dollar on May 4. Since the former "trade" rate was 21.36 schillings to the dollar, this latest change in the Austrian exchange system represents an apparent devaluation for trade purposes of 22 per cent; the rate for invisible transactions, which had been set at 26 schillings to the dollar under the multiple rate system, was not changed. The effective devaluation was somewhat less than 22 per cent, however, since an estimated 20 per cent of total exports were moving at a rate of 26 to the dollar by the end of 1952 through the medium of an exchange retention device; a smaller quantity of imports came in under the same system at rates as high as 40 schillings to the dollar.

The year 1951 and the first half of 1952 marked a resumption of Austria's post-war inflationary spiral, which had abated somewhat during 1950. Measures taken during the last half of 1952 have been effective and at the present time Austria enjoys a relatively stable position. This paper will examine the relationship between the level of the exchange rate and internal and external balance during the last two years, and will make some evaluation of the possible effects of the recent devaluation.

Foreign trade and balance of payments

Austria's foreign trade position, 1/ improved sharply in 1952 as compared with 1951, although there still remains a deficit of almost $150 million on trade account. The trade rate of 21.36 schillings to the dollar was applicable throughout this period, although the rate for some imports had been raised from 14.40 to 21.36 only in October 1950. It should be noted that the trade deficit for 1952 was almost the same as that for 1950 (see Table V); the ground gained between 1949 and 1950 was lost in 1951 as a result of external and internal inflationary forces. The bulk of the 1952 deficit occurred during the first half of the year. The quarterly deficit of the first two quarters was more than halved during the third quarter, and a small surplus appeared during the fourth quarter. However, the balance of trade again showed a deficit during the first quarter of 1953 which, according to preliminary statistics, became larger during the second quarter.

As can be seen from Table IV, the improvement in the trade position during 1952 was the result of a decline in the volume and value of imports, and of a more rapid rise in export prices than in prices of imported products. The importance of the latter factor, however, diminished

1/ See Appendix, Tables I through IV.

rapidly during the last half of 1952. Imports declined 5 per cent by volume and 1 per cent by value during the year; exports, on the other hand, declined less than 1 per cent by volume and increased 12 per cent by value. The deficit during the first quarter of 1953 resulted from a sharp drop in export value accompanied by a smaller drop in export volume as compared with the fourth quarter of 1952, while the value and volume of imports changed only slightly. Value and volume statistics for April and May 1953, the latest available, indicate that the increased deficit during the second quarter may have been caused by an increased volume of imports and a reduced volume of exports. Sharply increased values for both exports and imports for May 1953 reflect the increase in the schilling valuation of trade from the equivalent of 21.36 to 26 schillings to the dollar.

The geographical distribution of Austria's foreign trade, shown in Table II, changed very little between 1951 and 1952. As U.S. aid decreases and as Austria, now a full-fledged member of the European Payments Union, begins a program of progressive liberalization of imports from the EPU area, some shift in imports from the dollar area to the EPU area may be expected. There was an indication of such a shift in 1952, which became more pronounced during the first quarter of 1953. Trade with the Eastern European area was somewhat lower during the first quarter of 1953 than during 1952. Austria has an aggregate credit balance in clearing with these countries; disregarding political factors, it is not expected that trade with Eastern Europe will expand significantly unless and until that area is able to sell to Austria, at competitive prices, commodities which Austria now imports from other parts of the world.

The commodity composition of trade, shown in Table III, shows no important changes between 1951 and 1952, nor in the first quarter of 1953. The bulk of the decline in imports was centered in raw materials, probably reflecting a decline in imports for inventory. In the field of exports, the proportion of semi-manufactured and manufactured goods increased due to continued strong demand for iron, steel, and timber products. The export of finished products declined relatively during the period.

The current balance of payments (see Table V) improved even more than the balance of trade, due to a favorable development in the "services" account. The balance on current account for 1952 showed a deficit of $105 million, as compared with a deficit of $175 million for 1951. Net receipts from tourists increased during 1952, as did the dollar conversions of American troops stationed in Austria. Despite the fact that the amount of imports financed by foreign aid was halved between 1951 and 1952, holdings of foreign exchange by the Austrian National Bank more than doubled between mid-1952 and mid-1953.

The position of Austria vis-a-vis the EPU improved during the last half of 1952 and the first half of 1953. After two years of chronic deficits, which were covered by indirect aid, Austria began to enjoy monthly surpluses on current account with the EPU area. By the end of 1952, Austria had received $1.1 million in gold or dollars from the EPU and had extended $15.1 million in credit. During the first four months of 1953, Austria ran small deficits with EPU, followed by a small surplus in May and a record surplus of $15.4 million in June 1953. Effective July 1, 1953, Austria became a full member of the Union, which will make available to Austria for the first time its quota of $70 million from which temporary deficits with the Union can be covered. At the same time, Austria undertook to liberalize approximately 35 per cent of its 1952 imports from the EPU.

Reasons for improvement

The improvement in Austria's balance of payments can be attributed to several factors, among which were a decline in the world prices of many of Austria's important raw material imports, an improvement in the terms of payment, and exceptionally high receipts from tourists during the winter season of 1952/53. Delivery of imports for which payment had previously been made, a more prompt realization of export proceeds, and probably some repatriation of capital made possible an accretion to foreign exchange reserves even though the net balance of the trade and services accounts showed a deficit. The improvement in these external factors, however, resulted to a great extent from the successful measures for internal financial stabilization taken by the Austrian Government.

The successful imposition of strict credit controls in June 1952, a period of stable prices, and an increase in the interest charged for commercial loans changed the outlook of the Austrian businessman. Faced with stable or declining prices and with increased carrying charges for credit, importers tended to reduce orders and to liquidate their inventories. Quarterly trade statistics, shown in Table I, clearly reflect this tendency. At the same time manufacturers of export items, faced with declining demand of the home market, intensified their efforts to export. The net result was a rapid improvement in the foreign trade position during the last six months of 1952.

The fact that exports of Austria's semi-manufactured products were able to maintain a favorable position during a period of falling world prices for raw materials was due primarily to a continued strong demand for iron and steel and timber products. However, manufacturers of finished products, who turned to the export market as domestic demand declined, encountered increasing difficulty in meeting competition at the official rate of exchange. To meet this difficulty the system of "tied transactions" was devised.

The "tied transactions" system replaced an earlier exchange retention scheme which was dropped on January 2, 1953. Under the latter scheme, exporters were entitled to retain a certain percentage of their foreign exchange and to sell it through the Austrian National Bank at the "premium" rate of 26 schillings to the dollar. The exporter's effective rate, therefore, was somewhere between 21.36 and 26, depending upon the amount of exchange which he was permitted to dispose of in this manner. Under the tied transaction scheme, the exporter was permitted to sell foreign exchange to an importer at a premium sufficient to net the exporter an effective rate of 26 schillings to the dollar. The importer could then use the exchange to import certain luxury items (referred to as "premium bearing imports") for which he could not normally obtain an import license, and for which he could obtain a high price on the domestic market. The amount of exchange which could be disposed of in this way, and the amount of exchange which accrued to the National Bank as the result of a tied transaction, depended upon the premium which the exporter could obtain for his exchange. All transactions took place through the Austrian National Bank; by agreement with the International Monetary Fund, the Austrian Government was to keep the total of such transactions within 10 per cent of total exports.

The increasing difficulties of exporters of finished products during the latter part of 1952 led to further extensions of the tied transactions scheme, and it is estimated that by the end of 1952 about 20 per cent of Austria's total exports were moving, under the scheme, at an effective rate of 26 schillings to the dollar. A further decline in exports during the first quarter of 1953 led to demands for an extension of the tied transactions system, both in the number of export industries which could participate and in the list of commodities which could be purchased with premium exchange. At about this time, however, a saturation of the market for premium-bearing imports became apparent, and exporters found it more and more difficult to find partners with whom to "tie" a transaction. It was recognized in Austria 1/ that this system had the same effect upon demand as would a tax upon luxury imports, and that to expand the list of premium-bearing imports beyond the luxury category would result in a rise in the cost of living. It was recognized also that such an expansion would be a piecemeal devaluation which would further distort domestic prices and which would inevitably defeat itself as had the original scheme. It was decided, therefore, to proceed with the unification of the exchange rate rather than to expand the system of tied transactions.

Internal effects of exchange rate structure

Austria's post-war economic progress has hinged upon the success of efforts to correct internal price distortions resulting from the system of controlled prices in force under the German occupation, and then to link the internal price structure to the world price level by a rate of exchange which would permit an adequate flow of exports. During the years after the war, and at all exchange rates prevailing until May 4, 1953, the internal prices of most foodstuffs and raw materials were below the world market prices for these products while the prices of finished products, including most of Austria's export goods, were above world prices. The problem, then, was to raise the internal prices of many commodities which weighed heavily in the cost of living without raising the general level of internal costs to a point at which rebuilding the export trade, upon which Austria is heavily dependent, would be endangered.

The problem of correcting internal distortions was approached by means of the wage-price agreements, of which there have been five in

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1/ "The Limitation of 'Coupled Deals'", The Austrian Economist (English edition) January/February 1953, page 15.

in the post-war period. Under these agreements an increase in controlled prices, or the decontrol of prices, was accompanied by corresponding increases in wages. As a result the real income of the trade union workers has remained stable or has increased somewhat, although the non-organized sector of the economy has fared much less well. At the present time, because of subsidies paid to importers and producers, the price of basic foodstuffs to the consumer remains below world market prices although the return to the Austrian agricultural producer, even if converted at the old rate of 21.36 schillings to the dollar, is slightly more than the world market price. The maintenance of an overvalued exchange rate, therefore, has assisted in keeping down prices of basic commodities. This was done at the cost of large budget deficits resulting from the subsidies which had an inflationary effect upon other prices.

The aid-financed trade deficits did not have the usual anti-inflationary impact upon the Austrian economy because their effect was absorbed; first, by deposits in counterpart funds which were lower than the schilling equivalent of the landed price, and later, by covering counterpart requirements from the budget. Both of these methods left the consumer with money to spend upon other commodities, since during this period the budget has been in deficit by at least as much as the amount of the subsidies.

To summarize, the maintenance of an overvalued exchange rate cushioned the adjustment of Austrian prices to the world price level. It did so, however, at the expense of a high trade deficit which was covered by foreign aid. The achievement of the objective of price adaptation was delayed, and the addition to budget deficits caused by the necessity of subsidies added to other inflationary pressures during 1951 and the first half of 1952.

Achievement of internal financial stability

It was generally recognized that the schilling had been overvalued since the war; at the same time it was felt that financial stability had to be achieved and maintained for a period in order that the new rate could be successfully defended. The policy of the Austrian Government, therefore, was first to achieve a measure of financial stability, and then to unify the multiple rates at a time when there would be widespread belief that the new rate could be defended.

The outbreak of hostilities in Korea gave renewed momentum to an inflationary spiral which had abated somewhat during the first part of 1950. The major impact of the unsettled world conditions was felt during 1951; in that year large increases occurred in the volume of industrial production, in wages and prices, employment, commercial credit, the deficit in the public budget, and the deficit in the balance of payments. Industrial prices increased more rapidly than did the prices of raw materials, thus improving Austria's terms of trade. High internal demand generated by the inflation, however, combined with an overvalued exchange rate, led Austrian manufacturers to seek the high profits available on the domestic market at the expense of the export market.

Late in 1951, Austrian business and the Austrian Government acted to check the inflationary pressure. Business instituted a cooperative effort to reduce prices while the Government, through the Austrian National Bank, entered into an agreement with the commercial banks to prescribe primary and secondary reserves for the latter and to limit the expansion of commercial credit. In December 1951, the National Bank raised its discount rate from 3.5 to 5 per cent. Prices stabilized around the end of 1951, partly because of the efforts of the Austrian Government and business, but primarily because world market prices of important Austrian imports began to decline. Commercial credit continued to expand, however, and the trade deficit remained at a high level.

In June 1952, the Austrian National Bank negotiated another agreement with the commercial banks which raised reserve requirements and which established a ceiling beyond which credit was not to be expanded. The ceiling was a flexible one which was calculated by taking the outstanding volume of commercial credit as of June 30, 1952, minus credits for exports and harvesting, and adding or subtracting 50 per cent of the change in deposit liabilities which had occurred between June 30, 1952 and the date for which the ceiling was being calculated. To the extent that new loans would generate new deposits, even though successive increases of credit would always be less than the previous increase in deposits, the ceiling could not be reached within a finite number of periods. However, this measure, together with another increase in the discount rate to 6 per cent, may have assisted in achieving a decline in commercial credit outstanding which persisted during the remainder of 1952.

The decline in commercial credit reflected primarily a realization on the part of business that the period of inflation had come to an end. Businessmen, no longer assured of rising prices and a profitable turnover, ceased borrowing for the purpose of accumulating inventories and began to liquidate those inventories. The commercial banks, for the same reasons, were more reluctant to grant credits for the carrying of inventories.

The steady decline in the volume of commercial credit outstanding ended in January 1953; by the end of June the commercial credit outstanding (excluding reconstruction, harvest, and export loans) was very near the level of June 30, 1952, although still almost S 900 million below the flexible credit ceiling. The bulk of the increase in credit was absorbed by trade and commerce; credit extended to that sector of the economy expanded by 17 per cent during the first quarter of 1953 as compared with a 2 per cent increase in credits to industry. A substantial portion of this credit may have been used to finance additions to inventories of foodstuffs and of consumers' goods, which had become seriously depleted during the last six months of 1952.

The process of inventory liquidation, which accompanied the decline in commercial credit, soon reached the manufacturers; industrial production declined from the high levels reached during the first half of 1952, while unemployment set a post-war record in February 1953 and continues to remain substantially above the levels of the past three years.

The general decrease in economic activity was not, as might have been expected, associated with a contraction of the supply of money in circulation. Monetary circulation increased by 7.6 per cent in 1952, as compared with 12.8 per cent in 1950 and 19.5 per cent in 1951. The major expansive factor during the last six months of 1952 was the increase in the National Bank's foreign exchange reserves. The flow of currency into the commercial banks, generated by the purchase of foreign exchange by the National Bank, enabled them to liquidate their debts with that institution. At the end of June 1953, the National Bank's holdings of discounted bills amounted to slightly more than half of the peak reached in June 1952.

A substantial portion of the increase in monetary circulation was absorbed by savings deposits, which increased by one billion schillings in 1952 as compared with 77 million in 1951. The fact that prices, industrial production, and economic activity in general did not advance during the last six months of 1952, although the supply of money increased somewhat, indicates that there was a decline in the velocity of circulation. This conclusion is borne out by the increase in savings deposits mentioned above.

The economic stabilization which occurred in Austria during 1952 was achieved by the application of traditional monetary controls and with the aid of declining world prices. The stabilization was accompanied by increased unemployment and a declining rate of industrial production, both of which may reflect no more than a temporary reaction to the ending of the inflationary period. The improvement in the balance of trade, as has been pointed out, resulted from a decline in imports and from an improvement in the terms of trade. Significantly, the average volume of exports did not increase during 1952 and, with the exception of certain items for which a strong demand continued to exist, became more and more difficult to move at the official rate of exchange for trade. It was apparent by the end of the year that the Austrian cost structure had been stabilized at a level higher than world prices as reflected by 21.36 rate and that, in the absence of any significant decrease in prices, it would be necessary to devalue the schilling.

Possible effects of the rate unification

The unification of the exchange rate occurred so recently that no data are available upon which to base an empirical analysis. Some tentative observations may be made, however, concerning the probable changes in price relationships.

On the export side, the rate of 26 schillings to the dollar should enable the Austrian exporter, with his present cost structure, to compete on the world markets without recourse to multiple rate devices involving lower rates. Assuming that Austrian export prices, as expressed in foreign currency, remain unchanged, any increase in export value must come from an increased volume of exports. Such an increase can be expected as producers of exportable goods react to higher schilling receipts for their products. The effect of the devaluation upon export volume will be diminished, however, by the fact that approximately 20 per cent of Austria's total exports were already moving at the new rate. Furthermore, since the percentage of devaluation was larger on the import side than on the export side, the Austrian manufacturer will have to pay higher prices for imported raw materials.

On the import side, prices of imported goods will increase in terms of local currency, although certain non-essential items formerly imported at premium rates will become cheaper unless new restrictions are placed upon their importation. It is not expected, however, that increased import prices will have a significant effect upon the internal price structure. Increased subsidies upon breadgrains, coarse grains, and coal for the national railroad will prevent prices of these basic commodities from rising. Furthermore, the exchange rate unification had been anticipated for some time and prices in general had adapted themselves to the new rate. For the same reason, the usual import-dampening effect of increased prices of imports will not be fully operative. Other factors, which would indicate an increased volume of imports are (1) the abnormally low level of imports during the past year; (2) the recent liberalization of 35 per cent of 1952 imports from the EPU area; and (3) the availability of a credit quota which would assist in covering the deficit with the EPU area.

On balance the volume and value of both exports and imports will probably rise, the former more rapidly than the latter. There is indicated an improvement in the external position, assuming no significant changes in internal or external prices, but in all probability there will remain in 1953 a deficit in the balance of payments which will have to be met from foreign aid or from reserves.

This analysis assumes the maintenance of internal financial stability. At the present time expansionary forces in the economy are: (1) a substantial deficit in the 1953 budget; and (2) the improvement in the external position, which is expected to continue as exports expand in volume and in value. The expansion of commercial credit, which was a major factor in the post-1950 inflation, has thus far in 1953 been offset by additions to savings deposits.

These expansionary forces will impinge upon an economy which is operating at less than full capacity, although the margin of unemployed resources is not large. Increased production in the export industries and a revival in the consumers' goods industries should absorb a large part of the unemployed resources. The impact of increased income upon prices and the external position will depend upon the rapidity with which the volume of goods available for domestic consumption can be increased, either from domestic production or in exchange for exports.

Conclusions

The unification of the exchange rate has been described by Austria's Minister of Finance as the final step in the long struggle to achieve financial stability. It brings to an end a period during which the device of an overvalued exchange rate, or series of rates, was consciously used to cushion the internal price structure from the impact of an adjustment to world price levels. This was done at the expense of large deficits in the balance of payments, which have been covered by foreign aid.

The period of stable prices and general financial stability which followed the adoption of anti-inflationary measures in June 1952 has made possible the adaptation of the internal price structure to world prices by means of a rate of exchange which is generally regarded in Austria and abroad as one which can be maintained. The expected increase in exports will stimulate domestic activity generally. If this involves an increase in total output rather than another increase in prices, Austria will have marked an important step in the direction of internal and external stability.

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Appendix

Table I

Total Trade

(In millions of schillings)

Period	Imports: E R P	Imports: Commercial	Imports: Total	Exports	Surplus + Deficit -
1951 - I	571	2,591	3,162	2,066	- 1,096
II	825	2,830	3,655	2,350	- 1,305
III	733	2,709	3,442	2,550	- 892
IV	613	3,154	3,768	2,669	- 1,099
Total	2,742	11,284	14,027	9,635	- 4,392
1952 - I	815	3,322	4,137	2,676	- 1,461
II	532	3,209	3,741	2,569	- 1,172
III	345	2,778	3,123	2,574	- 549
IV	265	2,692	2,958	2,984	+ 26
Total	1,957	12,001	13,959	10,803	- 3,156
1953 - I	280	2,686	2,966	2,590	- 376
II	318	3,480	3,798 p	3,070 p	- 728

p preliminary

Source: Austrian Central Statistical Office.

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Appendix

Table II

Direction of Foreign Trade

(In millions of schillings)

	OEEC		East Europe 1/		$ Area		Other		Total	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports 2/	Exports
1951 – I	1,861	1,346	377	247	720	256	204	217	3,162	2,066
II	2,106	1,545	365	272	1,069	252	115	281	3,655	2,350
III	1,917	1,597	359	336	957	300	209	317	3,442	2,550
IV	2,244	1,618	439	412	695	331	390	308	3,768	2,669
Total	8,128	6,106	1,540	1,267	3,441	1,139	918	1,123	14,027	9,635
1952 – I	2,246	1,648	415	339	1,263	357	213	332	4,137	2,676
II	2,131	1,657	457	324	844	301	309	287	3,741	2,569
III	1,904	1,650	309	315	682	282	228	327	3,123	2,574
IV	1,889	1,998	390	391	514	230	165	365	2,958	2,984
Total	8,170	6,953	1,571	1,369	3,303	1,170	915	1,311	13,959	10,803
1953 – I	1,942	1,650	290	309	640	323	94	308	2,966	2,590
April	641	599	151	124	267	71	33	109	1,092	903
May	666	689	143	92	381	99	133	148	1,323	1,028

1/ East Europe excludes Yugoslavia & Finland, includes East Germany.
2/ Imports include ERP deliveries.

Source: Austrian Central Statistical Office (Statistiche Nachrichten).

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Appendix

Table III

Commodity Composition

(In millions of schillings)

Period	Food & Beverage	Raw Materials	Mineral Fuel & Energy	Oils & Fats	Chemical Mfg.	Semi-Mfgs. Mfgs.	Machinery & Transp.	Other Mfgs.	Total
IMPORTS									
1951 - I	995	627	468	85	192	395	354	45	3,162
II	1,182	750	448	153	247	472	355	49	3,655
III	738	656	597	141	246	579	435	51	3,442
IV	817	632	828	84	255	684	408	60	3,768
Total	3,932	2,665	2,341	463	940	2,130	1,552	205	14,027
1952 - I	1,122	686	835	70	268	681	431	44	4,137
II	1,248	587	521	41	222	594	481	46	3,741
III	881	489	484	61	183	512	455	57	3,123
IV	822	461	447	48	176	433	496	75	2,958
Total	4,073	2,223	2,287	220	849	2,220	1,863	222	13,959
1953 - I	902	504	440	56	165	383	457	57	2,966
April	372	169	155	32	65	141	136	21	1,092
May	442	248	182	37	75	149	166	25	1,323
EXPORTS									
1951 - I	36	580	30	--	139	942	235	104	2,066
II	33	768	34	--	95	1,035	277	108	2,350
III	15	752	35	--	104	1,170	328	145	2,550
IV	19	815	35	--	114	1,201	348	136	2,669
Total	103	2,915	134	--	452	4,348	1,188	493	9,635
1952 - I	9	784	34	--	202	1,222	295	130	2,676
II	10	740	42	--	64	1,256	347	109	2,569
III	15	725	44	--	104	1,212	364	110	2,574
IV	49	876	72	--	58	1,381	371	176	2,984
Total	83	3,125	192	--	428	5,071	1,377	525	10,803

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Table III

(continued)

Period	Food & Beverage	Raw Materials	Mineral Fuel & Energy	Oils & Fate	Chemical Mfg.	Semi-Mfg. Mfgs.	Machinery & Transp.	Other Mfgs.	Total
EXPORTS									
1953 - I	13	613	50	—	151	1,328	330	113	2,590
April	7	226	20	—	68	431	117	35	903
May	16	289	26	—	50	478	130	39	1,028

Note: Totals do not add due to rounding.

Source: Statistiche Nachrichten, January 1953.

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Appendix

Table IV

Trade Indices

(1937=100)

Period	Imports 1/ Value	Volume	Price	Exports Value	Volume	Price	Terms of Trade 2/
1950	633	102	621	535	101	530	85
1951 - I	870	99	879	679	111	612	70
II	1,006	112	898	772	112	689	77
III	947	104	911	838	111	755	83
IV	1,036	109	950	877	108	812	85
Total	965	106	910	792	110	720	79
1952 - I	1,138	114	998	880	103	854	86
II	1,029	109	944	844	97	870	92
III	859	93	924	846	103	821	89
IV	814	87	936	981	134	732	78
Total	960	101	950	888	109	815	86
1953 - I	817	90	908	855	128	668	74
April	902	102	884	894	132	677	77
May	1,093	104	1,051	1,018	128	795	76

1/ Includes ERP imports.
2/ $\frac{\text{Export Price}}{\text{Import Price}}$

Source: Statistiche Nachrichten, January 1952 & January 1953.
Export & Import Prices = $\frac{\text{Value}}{\text{Volume}}$

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Appendix

Table V

Balance of Payments

On Current Account

(In millions of dollars)

	1949	1950	1951	1952	1953 2/
Imports (c.i.f.) 1/	604	482	655	654	557
Exports	292	332	454	507	484
Balance of Trade	-312	-150	-201	-147	-73
Receipts from Services	38	46	70	93	97
Payments for Services	21	29	45	51	49
Net Invisibles	+17	+17	+25	+42	+48
Balance on Current Account	-295	-133	-176	-105	-25

1/ Including aid-financed imports.
2/ Annual rate based on first-quarter statistics.

Source: Monthly Report of the Austrian National Bank, March 1953.

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Appendix

Table VI

Selected Economic Indicators

Period 1/	Ind. Prod. 2/	Wholesale Price	Cost of Living	Retail Trade 2/	Producti-vity 3/	Unemployment (000)
1950 Monthly	100	100	100	100	100	129
1951 Monthly	114	134	128	133	109	118
1952 Monthly	115	149	150	143	111	158
1951 - I	105	119	113	105	104	194.2
II	116	129	116	112	113	99.5
III	116	143	135	126	110	71.1
IV	118	147	147	186	110	105.8
1952 - I	114	151	151	118	108	200.9
II	116	152	149	135	112	130.3
III	115	149	148	132	112	116.3
IV	114	145	149	185	112	184.3
1953 - I	106	142	147	124	98	264.5
II	n. a.	137 4/	136 4/	138 5/	n. a.	159.1

1/ Quarterly averages.
2/ Not adjusted for seasonal variation.
3/ Index of industrial production divided by index of employment.
4/ April - May.
5/ April only
n. a.-not available.
Source: Monthly Reports of the Austrian Institute for Economic Research.

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Appendix

Table VII

Monetary Statistics

(In millions of schillings)

Period 1/	Money in Circulation 2/	Commercial Credit	Savings Deposits	Free Market Schillings 3/
1950 end year	14,478	8,410	2,198	30.63
1951 end year	17,298	11,176	2,275	32.36
1952 end year	18,611	11,613	3,310	25.51
1951 - I	14,998	9,247	2,359	29.38
II	15,256	10,134	2,455	27.74
III	16,490	10,908	2,351	31.34
IV	17,298	11,176	2,275	32.36
1952 - I	17,346	11,682	2,786	30.90
II	17,656	12,255	2,962	28.53
III	17,882	11,867	3,216	28.17
IV	18,611	11,613	3,310	25.51
1953 - I	18,600	12,269	3,868	25.67
April	18,793	12,680	4,036	25.73
May	19,221	12,739	4,109	25.81
June	n. a.	12,819	4,192	26.04

1/ End of period.
2/ Notes and coins in circulation outside banks, sight liabilities of central bank (excluding deposits of banks), and demand deposits of commercial banks (excluding interbank deposits).
3/ International Monetary Statistics, International Monetary Fund.
n. a. -not available.
Source: Monthly Reports of Austrian National Bank.

NOT FOR PUBLICATION