



BOFIT

**BOFIT Weekly**  
Yearbook 2010



EUROJÄRJESTELMÄ  
EUROSYSTEMET

Bank of Finland, BOFIT  
Institute for Economies in Transition

BOFIT Weekly  
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The opinions expressed in this paper are those of the authors and do not necessarily reflect the views of the Bank of Finland.

## BOFIT Weekly – Russia 2010

8.1.2010 BOFIT Weekly 1/2010

CBR lowers interest rates again, inflation rate slowing.  
Pensioners saw real increases even as wage growth stagnated in 2009.

15.1.2010 BOFIT Weekly 2/2010

Economy ministry says Russian GDP contracted 8.5 % last year.  
Economy ministry issues more upbeat 2010 forecast.  
2009 federal budget deficit smaller than expected; 2010 budget outlook brightens.  
Moscow stock exchanges posted strong recovery last year.

22.1.2010 BOFIT Weekly 3/2010

Russia continued to manage trade and current account surpluses in 2009.  
Capital exports from Russia fell in 2009; capital inflows turned positive in the fourth quarter.  
Russia's foreign indebtedness declined slightly in 2009.  
Plans to develop Russia's Far East.

29.1.2010 BOFIT Weekly 4/2010

Reforms in the Russia's banking sector.  
Birth pangs for new Russia-Belarus-Kazakhstan customs union.  
Russia and Belarus agree on oil supplies.

5.2.2010 BOFIT Weekly 5/2010

Especially fixed capital investment posts sharp drop last year.  
Grey economy slightly increases its contribution to GDP during the downturn.

12.2.2010 BOFIT Weekly 6/2010

Stimulus to continue this year.  
Viktor Yanukovich wins presidency of economically struggling Ukraine.

19.2.2010 BOFIT Weekly 7/2010

Gulf of Finland harbours playing greater role in Russian shipping.  
Government moves to support single-enterprise towns.

26.2.2010 BOFIT Weekly 8/2010

January economic numbers offer little optimism.  
CBR lowers key rates by a quarter of a percentage point; rouble under pressure to rise.  
Banking sector growth flat-lined in 2009.

5.3.2010 BOFIT Weekly 9/2010

Finance ministry pushing for return to tight fiscal policies.  
Decisions postponed on investment in development of massive Shtokman gas field.

12.3.2010 BOFIT Weekly 10/2010

Innovation – Russia's answer to economic modernisation.  
Finland-Russia trade contracted sharply in 2009.

19.3.2010 BOFIT Weekly 11/2010

Persistent rate hikes for municipal services continue.  
Impacts of global economic meltdown vary among CIS countries.

26.3.2010 BOFIT Weekly 12/2010

BOFIT semiannual forecast sees Russia back on GDP growth track in 2010–2012.  
February's economic figures still vague.  
Climate change to play a larger role in Russian economic policy.  
BOFIT forecast for Russia 2010-2012, published 25.3.2010

## BOFIT Weekly – Russia 2010

1.4.2010 BOFIT Weekly 13/2010

CBR lowers key rates again.  
New North Caucasian Federal District to tackle regional problems.

9.4.2010 BOFIT Weekly 14/2010

First quarter sees jump in current account surplus.  
FDI inflows into Russia declined by about half in 2009.  
High crude oil prices drive rebound in Russian stock market.

16.4.2010 BOFIT Weekly 15/2010

Growth in budget spending accelerated in the first quarter.  
Russian car industry sees faint light at end of tunnel.

23.4.2010 BOFIT Weekly 16/2010

Social issues top Putin's annual government address to the Duma.  
Customs union and need for economic modernisation drive changes in Russia's customs policy.  
Customs duties to decrease gradually.

30.4.2010 BOFIT Weekly 17/2010

Russian economic growth slowed in the first quarter.  
Russia issues new bonds in international markets.  
Russia and Ukraine reach strategic deal on gas.

7.5.2010 BOFIT Weekly 18/2010

Recent forecasts reflect uncertainties in forecasting Russian economic trends.  
Split views on whether CBR will lower interest rates further.  
Declining population clouds Russia's development prospects.

14.5.2010 BOFIT Weekly 19/2010

Russia sees slight rise in oil production in first quarter.  
Russian poverty declined in 2009 even amidst economic recession.  
Finnish exports to Russia continue to decline.

21.5.2010 BOFIT Weekly 20/2010

New economic data gives conflicted view of economic recovery.  
Bank lending continued to decline in the first quarter, but turning point may now have been reached.  
Foreign firms sign anti-corruption pact.

28.5.2010 BOFIT Weekly 21/2010

Ministries wrangle over assumptions as drafting of 2011 federal budget gets underway.  
2010 budget performance better than expected.  
Teething problems hobble Russia-Belarus-Kazakhstan customs union.

4.6.2010 BOFIT Weekly 22/2010

CBR lowers most key rates a fourth of a percentage point.  
Government moves to lower inflation.  
No breakthroughs at EU-Russia summit.

11.6.2010 BOFIT Weekly 23/2010

Ruble weakens.  
Efforts continue to make Moscow a financial hub.  
Putin's 10-year economic programme scrutinised.

## BOFIT Weekly – Russia 2010

18.6.2010 BOFIT Weekly 24/2010

Cabinet adjusts this year's federal budget.  
Framework for next year's federal budget gradually takes shape.  
Apartment construction activity is waiting to revive.

24.6.2010 BOFIT Weekly 25/2010

Recovery of domestic demand reasonable in late spring, strong rise in imports.  
Gazprom cuts gas deliveries to Belarus by 60 %.  
Further whittling down of strategic firm list.

2.7.2010 BOFIT Weekly 26/2010

In search of solutions to rising pension costs.  
International Monetary Fund expects fiscal restraint from Russia.

9.7.2010 BOFIT Weekly 27/2010

Russia-Belarus-Kazakhstan customs union now operational.  
Innovation city legislation moves ahead.

16.7.2010 BOFIT Weekly 28/2010

Russia posts current account and capital account surpluses in the first half of 2010.  
Russia's financial markets yo-yo in first half.  
Russia on schedule in deregulation of its electricity markets.

23.7.2010 BOFIT Weekly 29/2010

Russian economy shows moderate recovery.  
Economic recession still reflected in the structure of Russian imports.

30.7.2010 BOFIT Weekly 30/2010

Russia grain harvest afflicted by major drought.  
Government moves to improve corporate operating conditions.

6.8.2010 BOFIT Weekly 31/2010

Falling unemployment and rising consumer confidence signal economic recovery.  
Government tackles budget deficit.

13.8.2010 BOFIT Weekly 32/2010

Finnish exports of machinery & equipment to Russia down this year; other exports up.  
Russian energy exports on the rise.

20.8.2010 BOFIT Weekly 33/2010

Pace of economic recovery varies across Russian regions.  
Improved regulation for Russia's financial markets.

27.8.2010 BOFIT Weekly 34/2010

Increasing share of Russia's imports coming from China.  
Public-sector economy records surplus in the first half.

3.9.2010 BOFIT Weekly 35/2010

Economy ministry expects annual GDP growth to hold at around 4 % over the next three years.  
Growth in household deposits accelerated in the first half of the year.  
Internet use varies from region to region.

10.9.2010 BOFIT Weekly 36/2010

Rise in food prices led to higher inflation in August.  
Fixed investment in Russia increasingly directed towards the energy sector.

## BOFIT Weekly – Russia 2010

17.9.2010 BOFIT Weekly 37/2010

New GDP data show economic recovery slowed this year.  
Domestic production of passenger cars surges; imports recover more slowly.

24.9.2010 BOFIT Weekly 38/2010

Russian economy posts weak summer growth; imports revive.  
Slight increase in number of Russian visitors to Finland.

1.10.2010 BOFIT Weekly 39/2010

BOFIT forecast anticipates rapid growth of Russian economy overall during the 2010–2012 period.  
Central bank withdraws support measures imposed during the financial crisis.  
BOFIT forecast for Russia 2010-2012, published 29.9.2010

8.10.2010 BOFIT Weekly 40/2010

Revised federal budget raises revenue and spending projections.  
Russia improves its ranking in international creditworthiness comparison.

15.10.2010 BOFIT Weekly 41/2010

Russian central bank reduces its currency market interventions.  
Russia's current account surplus contracting this year.  
Russian consumer preferences have changed over the past 20 years.

22.10.2010 BOFIT Weekly 42/2010

Chief of government administration and deputy prime minister Sergei Sobyenin takes over as Moscow mayor.  
Preparations continue for launch of Russia-Belarus-Kazakhstan common economic area.

29.10.2010 BOFIT Weekly 43/2010

Economic growth subdued in September.  
Cabinet approves sales of shares in state-owned firms.  
Russia shows little progress in fighting corruption.

5.11.2010 BOFIT Weekly 44/2010

Further rate hikes for municipal services ahead.  
Russia pushes for development of the Arctic.

12.11.2010 BOFIT Weekly 45/2010

Cargo shipping via Russia's Baltic Sea ports and major ports of the Baltic countries on the rise.  
Bad year for Russian farmers.

19.11.2010 BOFIT Weekly 46/2010

FDI inflows to Russia unchanged from 2009.  
Recession and state stimulus measures evident in 2009 performances of Russia's biggest firms.

26.11.2010 BOFIT Weekly 47/2010

Ruble exchange rate dips.  
Insurance sector continues to play a minor role in the Russian economy.

3.12.2010 BOFIT Weekly 48/2010

Federal budget expenditures set to rise in 2011.  
Sluggish recovery in natural gas demand affects Gazprom.  
Meeting of Russian and Chinese prime ministers focuses on energy issues.

## BOFIT Weekly – Russia 2010

10.12.2010 BOFIT Weekly 49/2010

Prices of food items rise rapidly.

Big foreign acquisition in Russian food industry.

PISA performance of Russian 15-year-olds again below international average.

17.12.2010 BOFIT Weekly 50/2010

Revamped mandatory health insurance scheme set to debut in two weeks.

No evidence of investment boom in Russia.

23.12.2010 BOFIT Weekly 51/2010

Further limits imposed on foreign labour in Russia.

Economic growth stalls in the third quarter.

30.12.2010 BOFIT Weekly 52/2010

Russia, Belarus and Kazakhstan settle on operating principles for Single Economic Space.

On next year's big tax changes.

## BOFIT Weekly – China 2010

8.1.2010 BOFIT Weekly 1/2010

China revises official figure for 2008 GDP growth upwards to 9.6 %.

2009 a good year for Chinese stocks.

China's 2009 exchange rate policy in review: dollar peg stayed firm as currency controls were relaxed.

15.1.2010 BOFIT Weekly 2/2010

China tightens monetary policy.

China's exports and imports recover to pre-crisis levels.

Year starts with no big law changes, while introduction of new tort law looms.

22.1.2010 BOFIT Weekly 3/2010

China posted strong growth in 2009.

Inflation picks up.

Foreign currency reserves increased at near-record rate in 2009.

29.1.2010 BOFIT Weekly 4/2010

China rising as science superpower; huge growth in research activity.

China leads the world in car sales.

Record harvest in 2009.

5.2.2010 BOFIT Weekly 5/2010

China's influence in iron ore and base metal markets heightened by financial crisis.

China's coal imports exceptionally large in 2009.

Market capitalizations of energy companies in developing countries soar.

12.2.2010 BOFIT Weekly 6/2010

China's smaller current account surplus last year helped ease global imbalances.

Foreign trade continued to recover in January despite rise in trade frictions.

Crisis turns China's Russia trade balance negative.

19.2.2010 BOFIT Weekly 7/2010

PBoC continues to tighten its monetary stance.

Many cities and provinces increase their minimum wage definitions.

OECD: China still has plenty of room to implement sweeping reforms.

26.2.2010 BOFIT Weekly 8/2010

Land deals highly profitable for the state.

Chinese data show only marginal Finnish direct investment in China.

Other BRIC countries lag far behind China in international patent applications.

5.3.2010 BOFIT Weekly 9/2010

Yuan exchange rate still firmly pegged to the dollar.

Fixed capital investment and migration from the countryside seen as the biggest contributors to China's productivity gains.

Share prices level off; daily trading volumes down.

12.3.2010 BOFIT Weekly 10/2010

China again targets 8 % GDP growth for 2010.

Local administrations borrowing actively and raising China's overall public debt.

19.3.2010 BOFIT Weekly 11/2010

China's 2009 state budget comes in on target.

China's international arms exports on the rise.

China increases its share of Finnish foreign trade.



## BOFIT Weekly – China 2010

26.3.2010 BOFIT Weekly 12/2010

BOFIT expects robust economic growth to continue; economic policy challenges persist.  
American companies highlight difficulties of doing business in China and increasingly press for changes in trade policy.  
BOFIT forecast for China 2010-2012, published 25.3.2010

1.4.2010 BOFIT Weekly 13/2010

Geely acquisition of Volvo signals China's growing power and dynamism in the global car industry.  
China's big banks posted record profits in 2009.

9.4.2010 BOFIT Weekly 14/2010

China and US continue to seek resolution on yuan's valuation.  
Share prices recover from slight drop in late January.

16.4.2010 BOFIT Weekly 15/2010

As expected, China displayed impressive growth in 1Q10.  
Rise in consumer prices slowed in March.  
China posted rare trade deficit in March; currency reserves continue to climb.

23.4.2010 BOFIT Weekly 16/2010

Global crises hit FDI flows in China.  
China tries to cool housing market through administrative rules.

30.4.2010 BOFIT Weekly 17/2010

IMF new outlook forecasts robust Chinese economic growth and return of excessive current account imbalances.  
Stock index futures trading launches in China.  
China's presence grows in international institutions.

7.5.2010 BOFIT Weekly 18/2010

China takes further measures to tighten its monetary stance without raising key interest rates.  
Chinese banks seek more capital.  
World's Fair boosts Shanghai's economy.

14.5.2010 BOFIT Weekly 19/2010

Few surprises in April economic numbers.  
Price inflation kicked up in April.  
China's trade returns to surplus in April.

21.5.2010 BOFIT Weekly 20/2010

China's main stock market indices retreat to levels of a year ago.  
China-Japan bilateral trade blossoms amidst tensions.  
China helping Nigeria develop its energy infrastructure.

28.5.2010 BOFIT Weekly 21/2010

Strategic and economic dialogue finds answers on China-US relations.  
Pegging of yuan exchange rate to dollar creates illusion of stability.

4.6.2010 BOFIT Weekly 22/2010

Pressure for higher wages spreads.  
Industrial output growth appears to be slowing.  
Despite the global recession, American firms in China thrived last year.

## BOFIT Weekly – China 2010

11.6.2010 BOFIT Weekly 23/2010

China's foreign trade surplus balloons again.  
China reduces import tariffs.  
Chinese demand has benefitted Finland during the global economic downturn.

18.6.2010 BOFIT Weekly 24/2010

China looks at business opportunities in Greece.  
Consumer price inflation accelerated in May.  
Mainland China and Taiwan set to lower bilateral tariffs and eliminate other barriers to trade.

24.6.2010 BOFIT Weekly 25/2010

China returns to a more flexible exchange rate regime.  
The last of China's big state owned banks takes the IPO plunge.  
China continues car industry subsidies.

2.7.2010 BOFIT Weekly 26/2010

Wage disputes and strikes dog Japanese firms operating in China.  
National audit office concerned about burgeoning debts of local administrations.  
Unfair treatment of foreign firms starts to worry European companies operating in China.

9.7.2010 BOFIT Weekly 27/2010

Slide on Chinese stock markets continues; PMI suggests slowdown in growth.  
China's regulators warn on risks to banking sector; informal banking has a large role.  
China's communist party membership approached 78 million last year.

16.7.2010 BOFIT Weekly 28/2010

Modest slowdown in Chinese economic growth.  
China and Latin America continue to increase cooperation.

23.7.2010 BOFIT Weekly 29/2010

Yuan strengthens slightly against dollar, but drops against euro; international use of yuan on the increase.  
Germany concerned about China's treatment of foreign firms.  
China's fourth large state bank debuts on Shanghai and Hong Kong exchanges.

30.7.2010 BOFIT Weekly 30/2010

China's real estate markets show signs of cooling.  
China's popularity as a tourist destination continues to grow.  
BRICs active in using protectionist measures during recent global financial crisis.

6.8.2010 BOFIT Weekly 31/2010

IMF recommends China move ahead with broad range of reforms to increase domestic consumer demand.  
Real incomes continue to rise.  
China's economic growth slowing as expected.

13.8.2010 BOFIT Weekly 32/2010

July economic figures indicate expected slowdown.  
Inflation accelerated in July; housing prices show signs of stabilising.  
China's trade balance soared in July.

20.8.2010 BOFIT Weekly 33/2010

China surpasses Japan to become world's second largest economy.  
China enjoys good summer grain harvests despite unusual weather.  
Hong Kong economic growth beats expectations.

## BOFIT Weekly – China 2010

27.8.2010 BOFIT Weekly 34/2010

State remains top source for bank capital.  
Uncertainty over trends in housing prices.  
China's oil imports expected to grow.

3.9.2010 BOFIT Weekly 35/2010

China's four large state banks again post substantial profits.  
Oil pipeline deliveries from Russia to China set to begin this year.  
Sharp jump in level of China's car imports.

10.9.2010 BOFIT Weekly 36/2010

International yuan use rises; no major changes in the exchange rate.  
Wages in China's manufacturing sector nearly on par with Mexico.  
European firms want Chinese officials to focus on easing market access and consistent application of the law.

17.9.2010 BOFIT Weekly 37/2010

August upswing in industrial output surpasses expectations; domestic demand remains strong.  
Rising food prices cause consumer price inflation to accelerate.  
Uncertainty over the global economy hurts China's export numbers.

24.9.2010 BOFIT Weekly 38/2010

US repeats criticism of China's exchange rate mechanism, slow yuan appreciation against the dollar.  
Japan releases Chinese captain; incident tests bilateral relations.  
China only BRIC to move up in international competitiveness rankings.

1.10.2010 BOFIT Weekly 39/2010

BOFIT sees Chinese economic growth increasingly driven by domestic consumer demand.  
Finland's exports to China up sharply last year.  
BOFIT forecast for China 2010-2012, published 29.9.2010

8.10.2010 BOFIT Weekly 40/2010

China hosts meeting of the UN climate conference working group in Tianjin.  
Energy cooperation tops agenda of Medvedev's China visit.  
Steady growth in China-North Korea trade.

15.10.2010 BOFIT Weekly 41/2010

China's import growth outpaces exports in the first nine months of the year.  
Yuan continues to appreciate slowly.  
China's currency policy overshadows EU-China summit.

22.10.2010 BOFIT Weekly 42/2010

China posts robust 3Q growth.  
Inflation accelerated in September; PBoC hikes reference rate first time in nearly three years.  
Meeting of CPC Central Committee affirms next five-year plan framework.

29.10.2010 BOFIT Weekly 43/2010

China cuts this year's export quota on rare earth metals by 40 %.  
China's consumer spending showing signs of subsiding.  
Even with rapid growth in inland provinces, living standards vary considerably across China's regions.

## BOFIT Weekly – China 2010

5.11.2010 BOFIT Weekly 44/2010

Yuan finding ever greater use in international trade.  
Commodity imports stay strong this year; imports of energy commodities on the rise.  
Burgeoning trade between China and ASEAN countries.

12.11.2010 BOFIT Weekly 45/2010

China tightens monetary stance as inflation picks up.  
China posts large foreign trade surplus again.  
China holds onto its position in international comparison of business environments; Russia drops a bit in the rankings.

19.11.2010 BOFIT Weekly 46/2010

China-US tensions over economic imbalances take centre stage in G20 discussions in Seoul.  
Rising labour costs in coastal provinces putting pressure on manufactures to shift production inland.

26.11.2010 BOFIT Weekly 47/2010

China steps up inflation fight while Hong Kong's monetary authorities struggle with soaring real estate prices.  
Chinese stock markets driven by global economic events.

3.12.2010 BOFIT Weekly 48/2010

Current account surplus swells in the third quarter.  
China's growing demand for raw materials reflected in pace of foreign investment.

10.12.2010 BOFIT Weekly 49/2010

Asian participants shine in latest PISA evaluations.  
Computer use rising quickly in China.  
China wins its first WTO case against the EU.

17.12.2010 BOFIT Weekly 50/2010

Chinese inflation continued to accelerate in November.  
Steady growth in China's industrial output.  
Robust growth in foreign trade registered in November.

23.12.2010 BOFIT Weekly 51/2010

Cancun climate change conference slogs towards new international agreement; China approves emissions reporting requirement as part of final package.  
China further eases rules on foreign trade payments.

30.12.2010 BOFIT Weekly 52/2010

China ends 2010 with an interest rate hike.  
Media abuzz over Chinese readiness to bail out eurozone's troubled economies.  
Is calm returning to China's housing markets?