EWALD WALTERSKIRCHEN

STRONG CYCLICAL UPTURN MITIGATING THE SEVERE BUDGETARY PROBLEMS

ECONOMIC OUTLOOK FOR 2000 AND 2001

Business cycle indicators are pointing strongly upwards. WIFO therefore raises its growth projections to 3.5 percent for 2000 and 3.2 percent for 2001. Stronger activity will have a positive impact on the budgetary position and on the labour market, while adding to inflationary risks.

Economic activity in Austria is gaining considerable momentum. Demand and output are set to expand by 3.5 and 3.2 percent this year and next. Exports are benefiting from livelier demand in Europe and a low euro exchange rate. For foreign investors, Europe is becoming more and more attractive. In 2001, growth in the euro zone is expected to outpace that in the USA.

Booming exports and the optimistic outlook are also stimulating investment in Austria. Industrial companies envisage increasing their capital spending by a double-digit rate this year. Likewise, private consumption is posting substantial gains, as disposable incomes are boosted by tax cuts and higher family benefits. New car registrations, however, have levelled off following last year's strong increase.

Buoyant economic growth is having a strong positive effect on the labour market in Austria and in the EU as a whole. This suggests that high unemployment has been primarily a result of slow economic growth over the last decade, and not so much of rigid labour market structures. Employment is projected to increase by 40,000 this year and next, along with some 10,000 new short-time work contracts per year. As is normally the case in a period of cyclical upswing, productivity per employee (full-time equivalents) will pick up notably, to an estimated 2½ percent gain in 2000.

Unemployment is falling even more strongly than what may be expected from the rise in the number of new jobs. The decline in the jobless figure broadly corresponds to the increase in domestic employment, implying that domestic labour supply receives little stimulus from strong activity. For the first time since 1992, total unemployment will dip below 200,000 this year, receding further to around 180,000 in

All staff members of the Austrian Institute of Economic Research contribute to the Economic Outlook.

Table 1: Main results

		1997	1998	1999	2000	2001
		Percentage changes from previous year				
GDP						
Volume		+ 1.2	+ 2.9	+ 2.1	+ 3.5	+ 3.2
Value		+ 2.8	+ 3.5	+ 3.0	+ 5.0	+ 4.7
Manufacturing[1], volume		+ 3.8	+ 3.4	+ 2.3	+ 6.3	+ 5.0
Private consumption expenditure, volume		+ 0.1	+ 1.5	+ 2.7	+ 2.8	+ 2.6
Gross fixed investment, volume		+ 0.8	+ 6.8	+ 2.9	+ 4.3	+ 3.7
Machinery and equipment[2]		+ 4.6	+10.6	+ 5.5	+ 8.5	+ 7.0
Construction		− 1.6	+ 4.1	+ 1.0	+ 1.0	+ 1.0
Exports of goods[3]						
Volume		+16.5	+ 8.1	+ 6.9	+10.0	+ 8.8
Value		+16.8	+ 8.4	+ 7.0	+11.1	+ 9.9
Imports of goods[3]						
Volume		+ 9.4	+ 7.1	+ 5.4	+ 9.0	+ 7.0
Value		+10.9	+ 6.6	+ 6.7	+10.6	+ 8.6
Trade balance[3]	billion ATS	−75.2	−67.4	−69.5	−73.0	−67.5
	billion euro			− 5.0	− 5.3	− 4.9
Current balance	billion ATS	−64.1	−59.7	−74.6	−77.9	−75.1
	billion euro			− 5.4	− 5.7	− 5.5
	as a percentage of GDP	− 2.5	− 2.3	− 2.8	− 2.8	− 2.5
Long-term interest rate[4]	in percent	5.7	4.7	4.7	5.6	5.5
Consumer prices		+ 1.3	+ 0.9	+ 0.6	+ 2.0	+ 1.7
Unemployment rate						
	percent of total labour force[5]	4.4	4.5	3.7	3.5	3.4
	percent of dependent labour force[6]	7.1	7.2	6.7	5.9	5.3
Dependent employment[7]		+ 0.4	+ 1.0	+ 1.2	+ 1.4	+ 1.3
General government financial balance	as a percentage of GDP	− 1.9	− 2.5	− 2.0	− 1.8	− 1.4

[1] Value added, including mining and quarrying. – [2] Including other products. – [3] According to Statistics Austria. – [4] 10-year central government bonds (benchmark). – [5] According to Eurostat. – [6] According to Labour Market Service. – [7] Excluding parental leave and military service.

2001. The unemployment rate as measured by Eurostat will average 3.5 percent this year, two years ahead of the target set in the National Action Plan. However, the Eurostat calculation method is subject to substantial revisions and therefore not entirely reliable.

The public sector deficit is no doubt the key economic policy problem in Austria. Strong business activity will mitigate somewhat the severe budgetary problems that have arisen this year from tax cuts along with higher expenditure on family benefits. The cyclical component may thus lower the general government deficit by ATS 5 to 6 billion from previous estimates. The deficit, as defined by the Maastricht criterion, for 2000 is projected at 1¾ percent of GDP, whereby policy would broadly meet the target laid down in the Stability Programme, if only by resorting to a large extent to one-off measures.

Next year, the "growth dividend" should be higher, the projection for nominal GDP growth having been revised upward by ½ percentage point. Additional revenues may be expected not only from wage tax, but also, given the usual time lag, from income tax of self-employed and from corporate tax. No projection can as yet be made for the budget 2001, work on the Federal budget draft still being in progress. For present purposes, a technical assumption has been made whereby, on the basis of announced intentions, public expenditure will be restrained markedly in order to comply with the deficit target of the Stability Programme.

Inflation risks, while mounting gradually as the upswing continues, are considered less acute than in previous boom periods, with the labour market still showing considerable slack and monetary policy ready to tighten in time. The rate of inflation may rise to an average 2 percent this year, before abating to 1½ to 1¾ percent in 2001, when no more hikes from energy prices are expected. Private households will continue to benefit from price cuts following the liberalisation of telecommunication and electricity markets, while excess supply of dwellings is putting a lid on rent increases. The decline in the overall rate expected for 2001 masks, however, a significant rise in "core" inflation (excluding food and energy items), from 0.8 percent in 1999 to 2 percent.

For the further trend in the inflation rate it will also be crucial, to what extent higher energy prices as well as higher indirect taxes and public charges will feed into wages, possibly giving rise to subsequent new price increases. By the time of the next wage round, the current rise in inflation will probably have reached its peak.

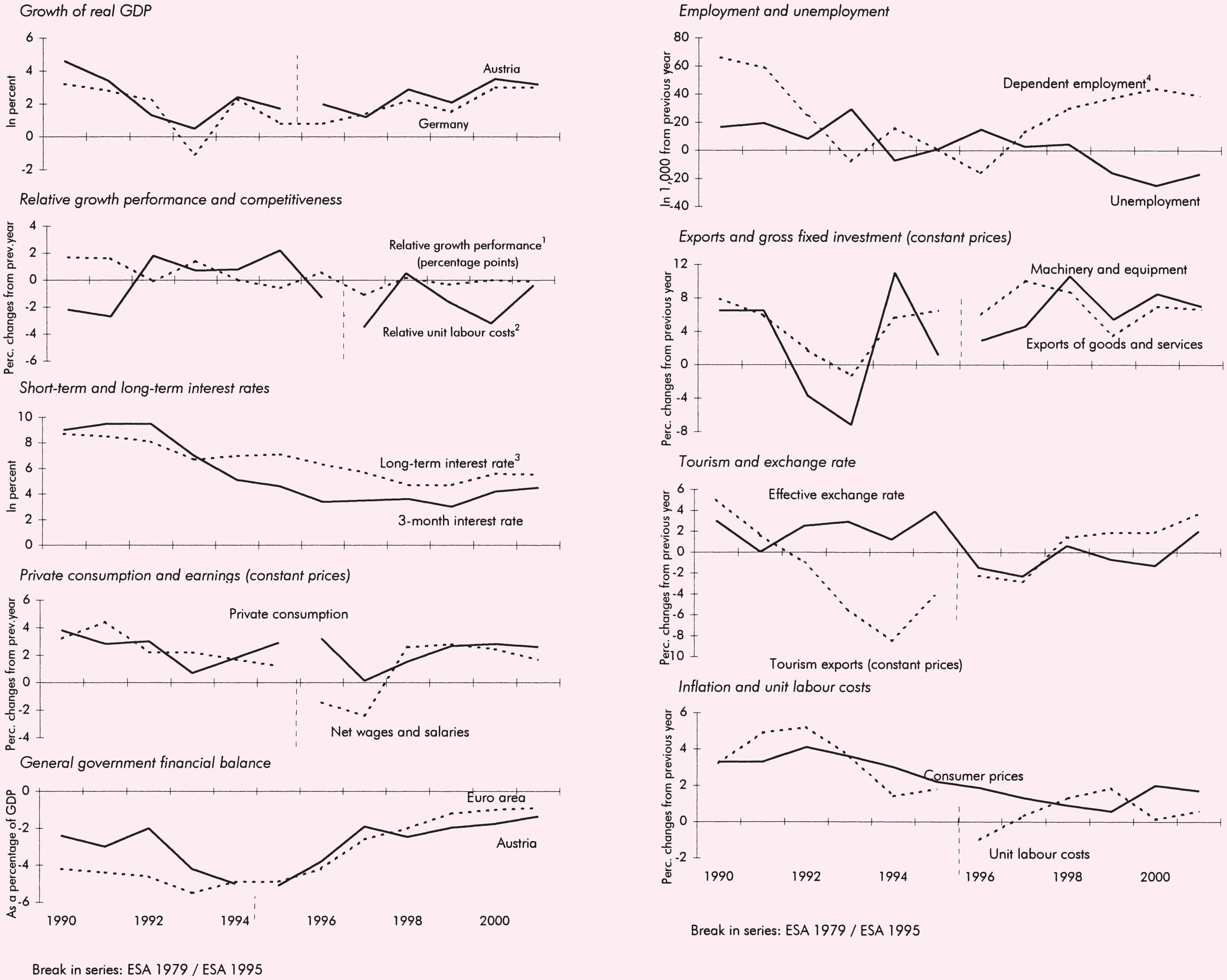
BUDGETARY CONSOLIDATION AS THE KEY ECONOMIC POLICY PROBLEM

Overall net borrowing by the public sector is projected at 1¾ percent of GDP this year, broadly in line with the target set by the Stability Programme. The cyclical upturn will allow the general government financial balance to improve by some ATS 5 to 6 billion in 2000 vis-à-vis earlier estimates, and by ATS 8 to 10 billion in 2001.

Budgetary policy is one of the major elements shaping economic framework conditions. The government household in the current year has a clearly expansionary impact on private purchasing power and economic growth, as revenue shortfalls from the tax reform and higher expenditure on family benefits are "financed" largely by one-off measures with little dampening effect on aggregate demand. More lasting steps of expenditure restraint are to be expected for next year, such that the overall fiscal stance will be restrictive. From a cyclical point of view, such a move would have been warranted already in 2000, since lively business activity offers a good opportunity for consolidation.

The cyclically-adjusted ("structural") general government deficit in 2000 is almost identical with the unadjusted fig-

Figure 1: Indicators of economic performance



[1] Vis-à-vis the euro area. – [2] Manufacturing; in a common currency vis-à-vis trading partners. – [3] 10-year central government bonds (benchmark). – [4] Excluding parental leave and military service.

ure (1.8 percent of GDP), as the output gap, i.e., the difference between actual and potential output is being closed by the strong economic growth. It is true, however, that calculations of potential output differ by a wide margin.

The acceleration of activity and of price increases will yield a "growth dividend" to the government household. Wages and salaries, in particular, will rise more strongly than expected, implying additional revenues from wage tax and social security contributions, and reducing the financial contribution required from the Federal government for the social retirement scheme. Higher private consumption will lead to a somewhat over-proportional increase in indirect tax revenues (although their elasticity is low). Moreover, the fall in unemployment should be reflected in lower insurance and assistance benefit payments. In all, favourable cyclical conditions should improve the general government balance for 2000 by ATS 5 to 6 billion over earlier projections.

No fiscal projections can as yet be made for 2001, since work on the Federal budget draft is still in progress. Nevertheless, the Minister of Finance has announced his intention to reinforce consolidation efforts. WIFO therefore works on a technical assumption that a fiscal package will be introduced improving the budget balance by ATS 10 billion in the first round. Given the stronger business activity, the overall deficit will turn out lower eventually by ATS 8 to 10 billion vis-à-vis estimates made so far. Under these assumptions, the general government deficit 2001 should meet the target ratio of 1½ percent of GDP laid down in the Stability Programme. In this context, no allowance is made for any additional expenditures, as have been announced in the new government's inaugural programme. Moreover, revenues from a number of one-time

Table 2: Key policy indicators

		1997	1998	1999	2000	2001
Fiscal policy						
Central government net balance	billion ATS	–66.7	–77.2	–64.9	–60.0	
	as a percentage of GDP	– 2.6	– 3.0	– 2.4	– 2.1	
General government financial balance	as a percentage of GDP	– 1.9	– 2.5	– 2.0	– 1.8	– 1.4
General government primary balance	as a percentage of GDP	+ 2.0	+ 1.5	+ 1.9	+ 2.2	+ 2.8
		In percent				
Monetary policy						
3-month interest rate		3.5	3.6	3.0	4.2	4.5
Long-term interest rate[1]		5.7	4.7	4.7	5.6	5.5
		Percentage changes from previous year				
Effective exchange rate						
Nominal		– 2.3	+ 0.6	– 0.7	– 1.3	+ 2.0
Real		– 3.4	– 0.2	– 1.5	– 1.5	+ 1.6

[1] 10-year central government bonds (benchmark).

Table 3: World economy

		1997	1998	1999	2000	2001
		Percentage changes from previous year				
Real GDP						
Total OECD		+ 3.4	+ 2.4	+ 3.0	+ 3.8	+ 3.0
USA		+ 4.2	+ 4.3	+ 4.1	+ 4.5	+ 3.0
Japan		+ 1.6	– 2.5	+ 0.3	+ 1.0	+ 2.0
EU		+ 2.5	+ 2.7	+ 2.4	+ 3.3	+ 3.0
Euro area		+ 2.3	+ 2.7	+ 2.4	+ 3.5	+ 3.3
Germany		+ 1.4	+ 2.2	+ 1.5	+ 3.0	+ 3.0
Central Eastern Europe[1]		+ 4.7	+ 3.4	+ 3.3	+ 4.2	+ 4.8
World trade, volume		+10.0	+ 5.4	+ 5.7	+10.5	+ 8.3
OECD exports		+10.9	+ 5.7	+ 4.7	+10.5	+ 8.5
Intra-OECD trade		+11.3	+ 8.3	+ 6.6	+10.3	+ 8.3
Market growth[2]		+ 9.4	+11.5	+ 3.8	+ 8.5	+ 8.0
Primary commodity prices, in USD						
HWWA index, total, 1990 = 100		– 2.0	–23.0	+13.0	+32.0	– 4.0
Excluding energy		+ 1.0	–13.0	– 8.0	+ 6.0	+ 5.0
Crude oil prices						
Average import price (cif) for OECD countries	USD per barrel	19.1	12.6	17.3	26.0	24.0
Exchange rate	USD per ECU or euro	1.134	1.121	1.07	0.96	1.08

[1] Poland, Slovakia, Slovenia, Czech Republic, Hungary. – [2] Real import growth of trading partners weighted by Austrian export shares.

measures (i.e., auction of mobile phone licenses, sale of Federal real estate) are difficult to anticipate.

MONETARY POLICY TURNING MORE RESTRICTIVE

In order to counter inflationary pressure, the European Central Bank has shifted monetary policy from an expansionary to a more neutral stance. Since last autumn, key interest rates have been raised by 1½ percentage points. Rising energy prices, a weakening euro exchange rate, and the strong rebound of business activity in the EU have been cited in support of this policy stance.

The raise of policy-controlled interest rates since last autumn has exceeded the pickup of inflation, such that real short-term interest rates have also increased. Unlike in the USA, however, the latter are still significantly below long-term rates. In spite of the line of policy turning more restrictive, supply of liquidity in the EU remains comfortable. The higher interest rates are not expected to have major effects on business activity.

Since inflation in the EU should decelerate in 2001, with energy prices likely to subside, no further policy tightening is to be expected. Both short- and long-term rates are likely to remain broadly flat. Underlying the WIFO projections is the assumption that the euro exchange rate will strengthen in the coming year.

UPSWING IN EUROPE TO KEEP MOMENTUM

The world economy is experiencing a strong upturn this year[1]. In the USA, growth is accelerating in spite of repeated interest rate hikes, and in South-East Asia the financial crisis has been overcome. Only in Japan, the economy is in stagnation, since fiscal stimulus has been withdrawn.

In Europe, exports are booming, supported by a low euro exchange rate. But investment also has gained strong momentum. The combination of a weak euro and favourable business prospects has made Europe very attractive for foreign investors. Next year, the upswing should continue unabated. Both in 2000 and 2001, GDP growth rates of 3½ percent appear within reach for the euro area. Growth may thus catch up with the USA and possibly outpace it in 2001. Additional stimulus is provided by the still existing lag in investment in information and communication technologies.

In Germany, demand and output are now also accelerating towards the pace in the rest of Europe, with GDP growth in the first quarter matching the euro zone average. Inward-bound foreign investment from the USA has increased substantially. The upturn in the EU is also fuelling the expansion in central and eastern Europe; growth for the economies in the region is expected in the 4 to 5 percent range.

BOOM IN EXPORTS AND INVESTMENT

In Austria, the strongest cyclical rebound since the early 1990s has come under way. Real GDP rose by almost 4 percent year-on-year in the first quarter 2000, nominal exports even expanded at a double-digit rate. Merchandise exports are projected at a volume increase of 10 percent on average 2000, decelerating only insignificantly

[1] See Breuss, F., "Wirtschaftswachstum in Europa rascher als in den USA? Weltkonjunktur im Aufschwung", WIFO-Monatsberichte, 2000, 73(6).

Table 4: Productivity

	1997	1998	1999	2000	2001
	Percentage changes from previous year				
Total economy					
Real GDP	+1.2	+2.9	+2.1	+3.5	+3.2
Employment[1]	+0.5	+0.9	+1.4	+1.4	+1.2
Productivity (GDP per employment)	+0.7	+1.9	+0.7	+2.1	+1.9
Full-time equivalent	+1.3	+2.4	+1.1	+2.5	+2.3
Manufacturing					
Production[2]	+3.8	+3.4	+2.3	+6.3	+5.0
Employees[3]	–1.4	+0.1	–0.7	±0.0	±0.0
Productivity per hour	+5.4	+3.2	+3.6	+4.7	+5.0
Working hours per day for employee[4]	–0.1	+0.1	–0.6	+1.5	±0.0

[1] Dependent and self-employed according to National Accounts. – [2] Value added. – [3] According to Association of Austrian Social Security Bodies. – [4] According to „Konjunkturerhebung" of Statistics Austria.

next year. The unit labour cost position of manufacturing industry is expected to improve, suggesting slight gains in market shares throughout the projection period.

In view of the strong foreign demand, investment will be stepped up markedly in 2000. According to the regular WIFO investment survey, industrial firms intend to increase capital spending at a double-digit rate.

On a seasonally adjusted basis, real GDP rose by 1 percent each in the fourth quarter 1999 and the first quarter 2000. The projected average rate for 2000 of 3.5 percent implies further gains of 0.6 percent quarter by quarter. Such an assumption would appear cautious, and a faster pace cannot be ruled out.

In the first quarter, GDP in Austria rose faster by ¾ percentage point than the euro zone average. Thus, any impact of the political sanction of EU 14 against Austria cannot be identified at the macro-economic level. Possible effects are confined to single cases in particular sectors, notably in tourism (e.g., conferences hosted by Austria).

The deficit in the current account remains high, as lively domestic demand stimulates import growth. This year, the high oil prices will act as an additional drag on the trade balance. The factor incomes balance is set to weaken further, continuing the adverse trend of the last years.

CONSUMPTION FUELLED BY TAX CUTS AND HIGHER FAMILY BENEFITS

Driven by tax cuts and new family benefits, household real net income from employment and social transfers is set to rise by a substantial 2½ percent in the current year. Total disposable income is likely to increase even more, due to above-average gains in profits.

Given the boost in purchasing power, the projected growth of private consumption of nearly 3 percent is clearly above the long-term average. Demand is lively across most categories of goods, only new car registrations have levelled off

Table 5: Private consumption and earnings

	1997	1998	1999	2000	2001
	Percentage changes from previous year, volume				
Private consumption expenditure	+0.1	+1.5	+2.7	+2.8	+2.6
Durables	–3.5	+1.9	+5.7	+3.0	+2.6
Non-durables and services	+0.7	+1.5	+2.2	+2.8	+2.6
Net wages and salaries	–2.4	+2.6	+2.8	+2.5	+1.7
Inflation rate	In percent				
All items	1.3	0.9	0.6	2.0	1.7
Core inflation[1]	1.1	1.2	0.8	1.6	2.0

[1] Excluding food and energy items.

following last year's strong increase. In 2001, the pace of consumption should decelerate somewhat, as the measures of budgetary restriction will squeeze private incomes (salaries of civil servants and pensions).

Gains in purchasing power of private households will make for a strong increase in consumer expenditure this year. The tax reform and a new "package" of family benefits are boosting household disposable income, while at the same time constituting a heavy burden for the government budget.

Manufacturing output is being stimulated by lively domestic demand as well as booming exports. It is set to expand by over 6 percent and 5 percent this year and next. Construction output is still moving slowly (+1 percent): sluggish demand for dwellings is depressing new-home building, and new orders from public authorities will be constrained by cuts in discretionary government spending. The share of construction in GDP, traditionally high by international standards, will thereby converge towards the EU average.

The tourism industry may expect a 2 percent increase in inflation-adjusted earnings from foreign customers this year. Demand in the last winter season has been satisfactory. It is yet too early to assess whether the sanctions taken by the EU partners against Austria will have a significant effect on business in the congress tourism segment.

INFLATION RISKS ON THE RISE

Higher energy prices, strong consumer spending and the cyclical upswing gaining momentum are adding to the risk of higher inflation. For the whole year 2000, consumer prices are expected to rise by 2 percent, no longer below the EU average.

The main reason for accelerating price rises are higher energy costs – the price index excluding energy shows a year-on-year increase of less than 1½ percent. A further element

Table 6: Earnings and international competitiveness

	1997	1998	1999	2000	2001
	Percentage changes from previous year				
Gross earnings per employee[1]	+0.7	+2.8	+2.1	+1.8	+2.5
Full-time equivalent	+1.3	+3.2	+2.6	+2.2	+2.9
Gross real earnings per employee	–1.1	+2.1	+1.4	–0.2	+0.8
Net real earnings per employee	–3.6	+1.6	+1.2	+0.6	+0.5
Net wages and salaries	–0.7	+3.3	+3.5	+4.5	+3.4
Unit labour costs					
Total economy	+0.3	+1.3	+1.8	+0.1	+0.6
Manufacturing	–4.0	–0.7	–0.5	–2.3	–1.8
Relative unit labour costs[2]					
Vis-à-vis trading partners	–3.5	+0.5	–1.6	–3.2	–0.4
Vis-à-vis Germany	+1.3	+1.5	–0.1	–1.6	–1.3
Effective exchange rate – manufactures					
Nominal	–1.8	+0.6	–0.8	–1.1	+1.3
Real	–2.7	–0.0	–1.4	–1.1	+1.0

[1] According to National Accounts. – [2] Manufacturing, in a common currency; minus sign indicates improvement of competitiveness.

Table 7: Labour market

	1997	1998	1999	2000	2001
	Changes from previous year, in 1,000				
Demand for labour					
Civilian employment	+ 8.8	+22.1	+32.2	+42.4	+40.1
Dependent employment[1]	+ 8.3	+21.1	+31.2	+40.5	+38.1
Excluding parental leave and military service	+12.8	+29.8	+37.2	+44.0	+39.0
Percentage changes from previous year	*+ 0.4*	*+ 1.0*	*+ 1.2*	*+ 1.4*	*+ 1.3*
Parental leave and military service[1]	– 4.4	– 8.7	– 6.0	– 3.5	– 0.9
Foreign workers	– 1.6	– 0.2	+ 7.8	+15.0	+17.0
Self-employed[2]	+ 0.5	+ 1.0	+ 1.0	+ 1.9	+ 2.0
Labour supply					
Economically active population	+13.5	+11.0	+15.9	+16.4	+13.8
Total labour force	+11.7	+26.5	+16.2	+17.4	+23.1
Foreign	– 1.7	+ 0.7	+ 6.6	+13.0	+16.0
Migration of nationals	+ 5.4	+ 3.9	+ 3.0	– 1.5	– 2.0
Indigenous	+ 8.0	+21.9	+ 6.6	+ 5.9	+ 9.1
Surplus of labour					
Registered unemployed[3]	+ 2.8	+ 4.4	–16.1	–25.0	–17.0
in 1,000	233.3	237.8	221.7	196.7	179.7
Unemployment rate					
According to Eurostat (percent of total labour force)	4.4	4.5	3.7	3.5	3.4
According to AMS (percent of total labour force)	6.4	6.5	6.0	5.3	4.8
According to AMS (percent of dependent labour force)	7.1	7.2	6.7	5.9	5.3
Participation rate[4]	67.2	67.6	67.7	67.8	68.1
Employment rate[5]	62.9	63.2	63.6	64.2	64.8

[1] According to Association of Austrian Social Security Bodies. – [2] According to WIFO. – [3] According to Labour Market Service. – [4] Total labour force as a percentage of active population (aged 15 to 64). – [5] Employment as a percentage of active population (aged 15 to 64).

is the increase in indirect taxes, which as from June will raise the consumer price index by around ½ percent.

The higher production quota decided by OPEC may lead to a more moderate development of energy prices. With the contribution from energy likely to fade, the annual rate of inflation should abate to 1.7 percent in 2001. However, as higher energy prices will partly be passed onto goods and services, and given the strengthening business activity, "core" inflation (excluding the energy and food components) is expected to pick up significantly, from 0.8 percent in 1999 to 2 percent by 2001.

The continued decline in employment in the manufacturing sector, where trade unions are relatively strong, will dampen the pass-through of higher prices and profits onto wages. This, together with strong advances in productivity, will make for inflation remaining lower than in past cyclical boom periods and for a further trend decline in the wage ratio.

Apart from overall unit labour costs remaining stable, inflation will also be kept in check by lower electricity and telephone charges, moderate rent increases, and a likely strengthening of the euro exchange rate.

The coming autumn wage round will probably result in higher settlements than last year, because of the rise in inflation and stronger gains in productivity. The inflation rate is likely to reach its peak just before the opening of negotiations, as energy prices will still register substantial year-on-year increases and the rise in indirect taxes will have taken their full effect on consumer prices.

MARKED FALL IN UNEMPLOYMENT

The strong cyclical upswing is rapidly improving the labour market situation in Austria and in the EU at large. This suggests that what was responsible for the high level of unemployment in Europe were not only inherent rigidities in labour markets, but also insufficient growth of GDP.

Unemployment is projected to fall substantially in 2000 and 2001. The decrease in the number of domestic jobseekers will roughly be matched by the rise in domestic employment. The unemployment rate, as calculated by the Labour Market Service, may moderate to 5.3 percent of the labour force by 2001.

In Austria, total employment may rise by 40,000 both this year and next, the bulk of the new jobs being full-time. In relation to output growth, this rise would seem moderate, i.e., labour productivity is set to advance strongly, as usual in a period of cyclical upturn. Productivity per full-time employee may gain 2½ percent in 2000. The increase is particularly strong in manufacturing where output jumped by 7½ percent year-on-year in the first quarter 2000, while the number of jobs went down slightly (partly due to outsourcing practices and to longer working hours).

Unemployment is falling markedly (–25,000 this year), more in fact than what may have been expected from the rise in employment. Labour training measures have not been reinforced, except for the Vienna area. Around

55 percent of people leaving the jobless register take up a job.

WIFO is correcting substantially downward its projection for overall unemployment. The unemployment rate (as defined by the Labour Market Service) may fall to 5.9 percent in 2000 and 5.3 percent in 2001. According to the calculation method applied by Eurostat (and extrapolated by the Labour Market Service), the unemployment rate will drop to as low as 3.5 percent, thereby meeting the target fixed by the National Action Plan ahead of schedule. However, the latter calculations are subject to sizeable revision: thus, for 1999 the ratio has been corrected from 4.4 to 3.7 percent, and changes in the other direction cannot be ruled out.

Cut-off date: 28 June 2000.