Balance of Payments

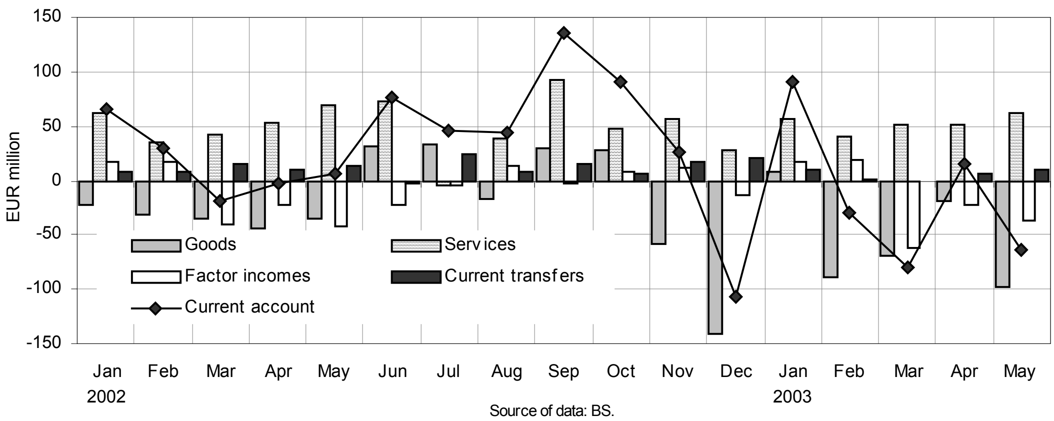
Balance of Payments, Jan-May 2003, EUR million	Inflows	Outflows	Balance[1]	Balance Jan-May 2002
Current account	6,022.4	6,091.5	-69.1	79.1
Trade balance (FOB)	4,688.7	4,956.9	-268.2	-167.6
Services	926.4	665.3	261.1	261.2
Factor services	232.8	319.2	-86.4	-69.5
Unrequited transfers	174.5	150.1	24.4	54.9
Capital and financial account	488.6	-503.2	-14.7	-80.9
Capital account	5.3	-2.2	3.0	2.1
Capital transfers	3.2	-1.0	2.2	0.8
Non-produced, non-financial assets	2.1	-1.2	0.9	1.3
Financial account	483.3	-501.0	-17.7	-83.0
Direct investment	42.7	-105.0	-62.3	621.6
Portfolio investment	45.8	-62.0	-16.2	-31.6
Other long-term capital investment	394.8	-308.5	86.3	-244.1
Assets	22.2	-276.4	-254.2	-217.1
Liabilities	372.6	-32.1	340.5	-27.0
International reserves (Bank of Slovenia)	0.0	-25.5	-25.5	-428.9
Statistical error	83.7	0.0	83.7	1.8

Source of data: BS. *Note*: [1]minus sign (-) indicates imports over exports in the current account, increase in assets or decrease in liabilities in the capital and financial accounts, and growth of reserve assets.

Slovenia's exports of goods have slowed down since March; in May they climbed by just 0.7% year on year (1.6% in April and 2.3% in March). In the first five months, exports of goods expressed in euros rose by 2.5% compared to the same period last year. This slowdown was the result of modest export growth to EU member states (an index of 101.8), with exports to Germany declining (an index of 97.7), and falls in exports to the countries of former Yugoslavia (an index of 99.6) and the former Soviet Union (an index of 99.7, of which Russia recorded an index of 100.7). Exports of goods to Russia expressed in US dollars (three-quarters of exports are realised in USD) paint a more favourable picture; they climbed by 24.5% in nominal terms. However, income from exports expressed in tolars rose by only 4.4% because the dollar depreciated against the tolar by 15.9% in nominal terms (by 23.2% against the euro). **Imports of goods** were shaped by one-off transactions of high value, such as the importation of civil aircraft and helicopters, which pushed up markedly the imports of investment goods. Without these transactions, import growth would have been 1.3 percentage points lower, coming in at 3.2%. With imports of goods rising faster than exports of goods, growth in the trade deficit (measured in nominal terms) was held back by the **terms of trade**, which improved by 0.7 of an index point according to international trade statistics (the Fisher index).

Growth in **trade in services** was weaker than growth in merchandise trade; exports of services rose by 2.3% and imports by 3.2% in the first five months over the same period last year. The surplus in income from tourism increased slightly as a result of a rise in the number of foreign tourists' overnight stays and a fall in domestic travel abroad (down 4.7%). The latter was likely due to modest growth in households' real income (as measured by the net wage bill and other remuneration). Trade in transport services rose the most, especially imports (up 6.4%), because of the increased imports of goods. The deficit widened in trade in knowledge-based services (communication, computer and information, and business services). The **labour and capital income balance and the current transfers balance** additionally undermined the current account position. The deficit in the income balance widened because of interest payments on bonds and promissory notes issued and loans raised abroad, while the surplus in the current transfers balance narrowed because of lower inflows in the government and other sectors.

Graph: **Current account balances, EUR million**



Source of data: BS.