Balance of Payments

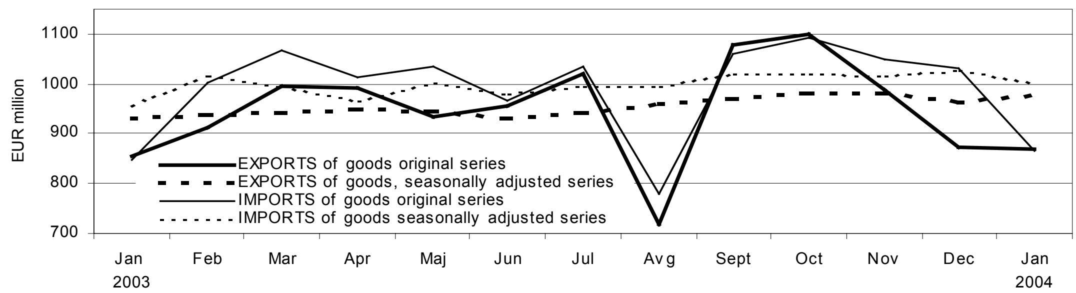
Balance of Payments, January 2004, EUR million	Inflows	Outflows	Balance[1]	Balance January 2003
Current account	1,116.1	1,041.9	74.1	88.4
Trade balance (FOB)	869.1	866.7	2.4	9.1
Services	170.2	123.5	46.7	52.5
Factor services	47.8	26.4	21.3	17.6
Unrequited transfers	29.0	25.3	3.7	9.3
Capital and financial account	107.0	-210.7	-103.6	-86.4
Capital account	1.0	0.0	1.0	-0.4
Capital transfers	0.1	0.0	0.1	-0.4
Non-produced, non-financial assets	0.9	0.0	0.9	0.0
Financial account	106.0	-210.7	-104.7	-86.0
Direct investment	28.4	-20.8	7.5	-73.1
Portfolio investment	2.0	-30.2	-28.2	-9.9
Financial derivatives	0.0	-0.2	-0.2	0.0
Other long-term capital investment	75.6	-120.1	-44.4	13.1
Assets	17.5	-116.2	-98.7	-116.5
Liabilities	58.1	-3.8	54.3	129.7
International reserves (BS)	0.0	-39.4	-39.4	-16.1
Statistical error	29.5	0.0	29.5	-2.1

Source of data: BS. *Note*: [1]minus sign (-) in the balance indicates the excess of imports over exports in the current account and the rise in assets in the capital and financial account and the central bank's international reserves.

The volume of merchandise trade tends to be lowest in **January** for seasonal reasons. **Exports of goods** fell by 0.5% over December and increased by 1.5% over January last year in nominal terms. A breakdown by regions shows a fall in exports to EU members, down 3.6% year on year, mainly resulting from lower exports to the five main trading partners: Germany, Italy, Austria, France and Great Britain. Exports of goods to these countries, which account for 87% of Slovenia's total exports, dropped by 7.8% year on year. Any bigger fall in exports to the EU was offset by the 42% leap in exports to countries that account for a small share of Slovenia's exports (an average of about 1%): Belgium, Denmark, Greece, Ireland, Portugal, Spain and Sweden. Exports to non-European OECD members strengthened by as much as 12%, including exports to the USA by 5.8% (exports of electrical machinery and equipment surged by one-third year on year). Exports to CEFTA and former Soviet Union countries continued to rise steadily. Exports to Russia surged by 58.5%, partly due to the low level seen in the same period last year. Exports to the countries of former Yugoslavia increased by 4.5% year on year, with exports to Croatia rising the most (up 9.5%). Broken down by end-use product groups, exports of intermediate and investment goods increased the most, going up by 2.5% and 1.9% year on year. **Imports of goods** dropped by 16% over December and rose by 2.3% over January last year. According to end-use product groups, imports of investment goods increased the most (up 9.8% year on year), followed by imports of consumer goods (up 5.6% year on year). Most imported goods came from Germany (18.7% of total imports) and mainly involved cars and other passenger vehicles, medicines for retailing, and goods vehicles. The **current account surplus** was chiefly the result of a surplus in goods and services trade, typical of January in the last four years.

In January, excluding international reserves the **net capital outflow** totalled EUR 65.1 million, roughly the same as a year ago (EUR 69.9 million). The main sources of capital inflows were loans (EUR 51.9 million) and foreign direct investment (EUR 28.4 million). Cash and deposits of domestic banks dropped by EUR 52.7 million as a result of the central bank's further intervention in the foreign exchange market (temporary purchases of foreign exchange). The overall net loan position (regardless of capital affiliation) reveals a rise in indebtedness of EUR 20.8 million, while most of this rise was due to the net international borrowing of domestic banks. The biggest capital outflow was short-term commercial credits, totalling EUR 72.4 million; the coverage of exports with payments was 86.5% and the coverage of imports 94.1%. According to the Bank of Slovenia, settlement terms for claims (three-month moving average) were 82 days, while settlement terms for liabilities were 57 days on average in January. The second strongest capital outflow was residents' foreign currency (EUR 61.1 million), and portfolio investment abroad also increased (EUR 20.8 million). At the end of January, the **stock of international reserves** amounted to EUR 6,936.5 million, while the **reserves of commercial banks** totalled EUR 983.8 million. International reserves were sufficient to cover 6.8 average months' worth of imports of goods and services.

Graph: **Trade in goods (original and seasonally-adjusted series), EUR million**



Source of data: SORS, BS, IMAD's calculations using Tramo-Seats method.