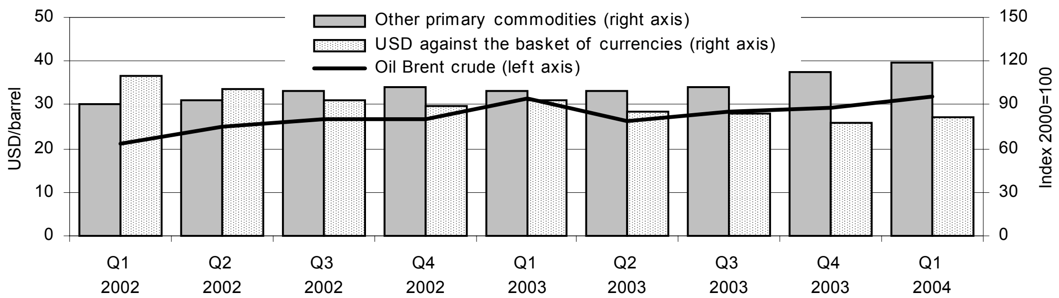
Balance of Payments, Jan-Apr 2004, EUR million	Inflows	Outflows	Balance[1]	Balance Jan-Apr 2003
Current account	5,157.9	5,183.4	-25.5	-12.6
Trade balance (FOB)	4,045.5	4,302.5	-257.0	-171.4
Services	769.4	571.4	198.0	188.7
Factor services	192.1	197.4	-5.3	-44.1
Unrequited transfers	150.9	112.1	38.8	14.1
Capital and financial account	594.8	-488.0	106.8	11.0
Capital account	1.7	-0.8	0.9	-0.4
Capital transfers	0.7	-0.7	0.0	0.8
Non-produced, non-financial assets	1.0	-0.1	0.9	-1.2
Financial account	593.1	-487.2	105.8	11.4
Direct investment	76.6	-84.6	-8.1	-71.1
Portfolio investment	12.1	-105.6	-93.5	-26.6
Financial derivatives	0.0	-0.3	-0.3	0.0
Other long-term capital investment	504.4	-259.3	245.1	98.7
Assets	7.5	-259.3	-251.8	-287.3
Liabilities	496.9	0.0	496.9	386.0
International reserves (BS)	0.0	-37.4	-37.4	10.4
Statistical error	0.0	-81.3	-81.3	1.7

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.

In the first four months, the **volume of trade in goods** (expressed in euros) rose by 8.7% in nominal terms compared to the same period last year. **Exports of goods** increased by 7.7% (by 8% in the first quarter); exports to the EU-15 were up 4.8%, while high export growth rates were maintained with the CEFTA members and the Russian Federation (15.4% and 14.5%, respectively). Further, strong export growth continued with the countries of former Yugoslavia, especially Bosnia and Herzegovina and Macedonia, which recorded respective growth rates of 20.2% and 28.6%. This was probably due to the expected introduction of customs duties on imports from the EU because all bilateral free-trade agreements expired on 1 May 2004 (see Spring Report 2004, p. 51). Following April's substantial growth (20.2% year on year), **imports of goods** rose by 9.6% in the first four months over the same period last year (by 5.9% in the first quarter). A breakdown by end-use product groups shows that imports of investment goods recorded the biggest year-on-year growth (16.5%), a quarter of which was due to the importation of fuel elements for the nuclear power plant of Krško (last year this transaction was carried out in May). Imports of consumer goods continued to rise (13.3%) in all groups of products, except clothing and footwear. The biggest increase among intermediate goods was seen in imports of raw materials and semi-manufactures, going up by 15% in nominal terms. Imports of oil fell by 8.6% despite the rise in oil prices. This was due to the fall in the US dollar, depreciating by 15.2% year on year against the euro, as well as lower volumes. The **current account**, which recorded a surplus in the first quarter, turned into a deficit in the first four months mainly due to April's high trade deficit.

International financial transactions recorded a net capital inflow of EUR 143.3 million in the first four months (just EUR 0.9 million in the same period last year). The rise in inward foreign direct investment was underpinned by equity capital, as was the rise in outward direct investment, however, these flows were slightly lower than last year. As regards portfolio investment, the biggest rise was seen in the banking sector's investment in foreign securities, which represented over half of total outward portfolio investment. As far as other investment is concerned, net assets under short-term commercial credits dropped markedly in April and totalled just EUR 15 million in the first four months (EUR 149.6 million in the first quarter) mainly due to April's trade deficit and the relatively high net liabilities from commercial credits. Significant outflows of currency and deposits of households were seen for the third year running. Borrowing abroad rose the most in commercial banks, which tried to satisfy the increased demand for the foreign currency loans of enterprises (also see p. 8). The government sector reduced its indebtedness since it repaid EUR 15 million more in loans than it borrowed, while enterprises reduced the volume of loans by a quarter compared to the same period last year. Net capital inflows, which were higher than the current account deficit, pushed up the Bank of Slovenia's international monetary reserves. At the end of April, they totalled EUR 6,977.2 million and were sufficient to cover 5.7 months' worth of average imports of goods and services.

Graph: **The prices of oil and other primary commodities & the USD exchange rate**



Source of data: IMF, Commodity Prices Data File, calculations by the IMAD.