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On January 2008, the new classification of activities of business entities NACE Rev.2, which replaced NACE Rev. 1.1, came into force in all EU Member States. In the Republic of Slovenia, the national version of the standard classification, SKD 2008, which includes the entire European classification of activities but also adds some national subclasses, came into force on the mentioned date. In the Slovenian Economic Mirror, all analyses are based on the SKD 2008, except when the previous SKD 2002 classification is explicitly referred to. More general information about the introduction of the new classification is available on the SORS website [http://www.stat.si/eng/skd\\_nace\\_2008.asp](http://www.stat.si/eng/skd_nace_2008.asp).

All seasonally adjusted data in the Economic Mirror are calculations by IMAD

## In the spotlight

**The slight recovery of the euro area economy continued in the first quarter of this year, as GDP increased by 0.2% according to Eurostat's first estimate, being also higher y-o-y (0.5%) for the first time since the onset of the crisis.** The recovery is still mainly underpinned by foreign demand, which has a positive impact on European exports and industrial production, but further recovery remains highly uncertain, mainly due to fiscal problems in certain Member States. According to the EC spring forecast, the general government deficit in the EU as a whole widened to 7.2% of GDP this year from 0.8% in 2007 before the crisis, while public debt surged by nearly one third to 79.6% of GDP. The Greek crisis, which jeopardised the stability of the entire euro area in the first quarter this year, led to coordinated action of EU governments and the ECB, drawing attention to the pressing need to improve fiscal policy coordination, but uncertainty in international financial markets persists and is one of the main risks to the economic recovery in the euro area.

**The first quarter saw no signs of economic recovery in Slovenia.** In the first quarter, GDP declined by 0.5% in real terms compared with the previous quarter (for the second quarter in a row, according to the revised seasonally adjusted data) and y-o-y (by 1.2%), which shows that in the first quarter of 2010, economic activity dropped to the lowest level since the beginning of the economic and financial crisis. While the improvement in the international environment positively affected Slovenian exports, our predictions from the Spring Forecast that hurdles to faster growth stem from the domestic situation are being confirmed. That export and domestic demand recover at different speeds is also reflected in results by individual activities. In the first quarter of this year, manufacturing and transport recorded higher value added than in the same period last year, which can be attributed to the pick-up in merchandise exports. Y-o-y drops in wholesale and retail trade, hotels and restaurants, architectural activities and related technical consultancy, and mining, on the other hand, are related to unfavourable conditions in construction and on the labour market. Value added continued to increase in public services, except in health and social work. Such movements corroborate the expectations from IMAD's Spring Forecast (also allowing for the possibility that GDP may decline in individual quarters) that the recovery will be slow and indicate that our forecast of 0.6% economic growth is still valid, even if it is the lowest of all forecasts by other institutions.

**In March, the number of persons in formal employment remained at a similar level as in February; in the first quarter, the average number of employed persons according to the statistical register of employment dropped 3.8% y-o-y; the number of the registered unemployed fell somewhat in May and is hovering just below 100,000.** Employment continues to decline in manufacturing, construction, wholesale and retail trade, transport and in financial and insurance sectors, while it grows further in professional, scientific and technical, and administrative and support service activities, as well as public services. The number of registered unemployed persons amounted to 98,401 at the end of May. Employment according to the labour force survey also declined further in the first quarter of this year while unemployment increased.

**Strong growth in the average wage in March resulted from high wage rises in the private sector. The total average wage was also higher y-o-y.** The average gross wage per employee in the private sector usually increases in March, partly due to a higher number of working days, but also due to payments related to business results and overtime work in the previous year, which tend to be disbursed in March. This year, the noticeably higher growth in the private sector gross wage (6.9%) also reflected the increase in the minimum wage. In the first quarter, y-o-y growth in the total gross wage amounted to 3.7%, 1.8 p.p. less than in the same period of last year; due to the base effect and changes in the structure of employment, wage growth in the private sector (5.0%) exceeded the comparable wage growth in the public sector (-0.6%).

**Amid a monthly price increase of 0.4%, y-o-y inflation dropped from 2.3% in April to 2.1% in May.** In the first five months of 2010, inflation increased somewhat more in Slovenia than in the euro area, where y-o-y inflation averaged 1.6% in May. The key differences still lie in the contribution of liquid fuels for transport and heating, which have a higher weight in Slovenia's consumer price index. Prices of services also increased somewhat more in Slovenia than in the euro area due to accelerating prices of public utility services. Among other price groups, outstanding increases were observed for prices of clothing and footwear, which made a higher-than-expected contribution to inflation in the first five months of this year.

**In April, the lending activity of domestic banks remained at the level of the first quarter.** Unlike in March, the bulk of April's net flows resulted from corporate and NFI borrowing, while household borrowing eased significantly. As to the sources of finance, banks continued to make net repayments on foreign loans, government deposits recorded net outflows for the third month in a row, while the volume of household deposits shrank somewhat again. Higher inflows were recorded for issued debt securities, as a result of a bond worth EUR 750 m issued by one of the banks, which is, according to our estimate, also reflected in the strengthening of bank deposits and loans of domestic banks in the domestic banking sector.

**In the first four months of 2010, revenue from taxes and social security contributions was 3.8% lower compared to the same period last year. The gap between revenue and expenditure amounted to EUR 438 m in the first two months, according to the consolidated balance of the MF.** Revenue from taxes and social security contributions increased markedly in April relative to March, as a consequence of very low inflows in March when the first effects of tax assessments according to business results for 2009 began to show, and of statutory changes instituting shorter deadlines for VAT refunds (changed from 60 to 21 days). The movements of general government revenue at the beginning of the year suggest that by the end of the year general government revenue will be lower than what was envisaged in the budget documents. The government has therefore already adopted the starting points for drafting the supplementary budget for 2010. According to the consolidated balance, revenue was 2.3% and expenditure 6.0% higher y-o-y in the first two months.

**current economic trends**

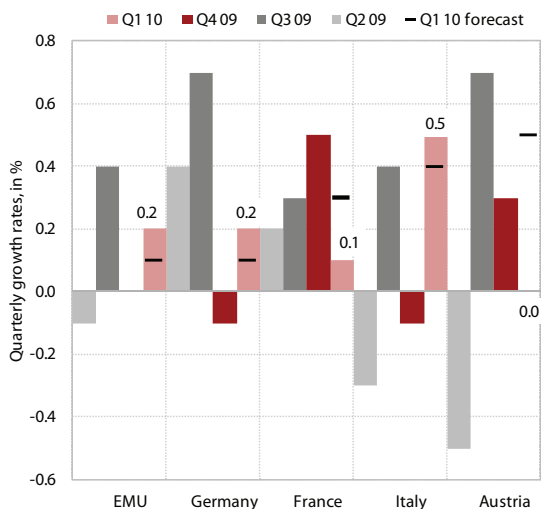




## International environment

The slight recovery of the euro area economy continued, as expected, in the first quarter this year, as GDP expanded by 0.2% according to Eurostat's first estimate, and was also up y-o-y (0.5%) for the first time since the onset of the crisis. Among Slovenia's main trading partners, the first quarter saw greater q-o-q rises in GDP than predicted in the EC Spring forecast in Germany and Italy, and smaller in France and Austria. The recovery is still mainly driven by foreign demand. On the expenditure side of GDP this has a positive impact on exports, and on the production side of GDP on industrial production, which strengthened significantly in the first quarter. After a significant weather-related drop in February, the value of construction put in place also increased more notably in March, but nevertheless remained much lower than in the same period last year. Sentiment indicators temporarily ceased to improve in

Figure 1: Forecast of quarterly GDP growth in selected trading partners

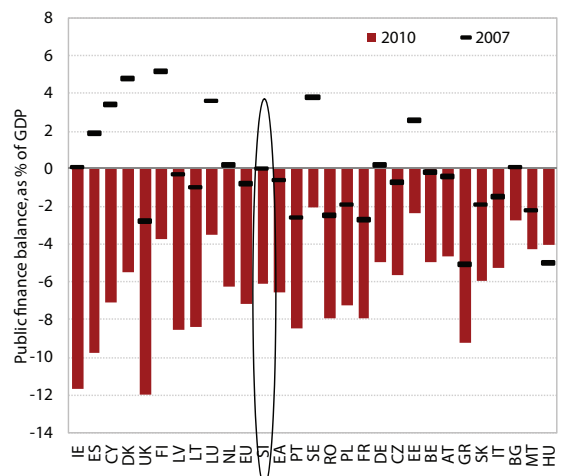


Source: Eurostat, EC Forecast (May 2010).

May, mainly owing to decreased confidence in the euro area related to uncertainty regarding fiscal sustainability in certain Member States. Uncertainty about the European economic recovery was also confirmed by the OECD, which published its new forecasts for economic growth in May. Its forecast for the euro area is otherwise the most optimistic among all forecasts by international institutions, yet still lower than the forecasts for the US, Japan and other non-European OECD members.

The EC predicts that this year the general government deficit in the EU will be 6.4 p.p. higher than in 2007 before the beginning of the crisis and will account for 7.2% of GDP (in the euro area: 6.6% of GDP). The general government balance will mainly deteriorate as a result of the functioning of automatic stabilisers (a reduction in tax revenues and a rise in expenditure on social protection) and adoption of anti-crisis measures. Eleven EU members ended the year 2007 with a surplus, Slovenia's public finance was balanced,

Figure 2: General government balance in EU countries



Source: Eurostat, EC Spring Forecasts (May 2010). Note: Arranged by level of deterioration between 2007 and 2010.

Table 1: Economic growth forecasts by international institutions and IMAD's assumptions used in the Spring Forecast of Economic Trends 2010

Real GDP growth, in %		EU	EMU	DE	IT	AT	FR	UK	ZDA	CZ	HU	PL	RUS
2009	real growth	-4.2	-4.1	-5.0	-5.0	-3.6	-2.2	-4.9	-2.4	-4.2	-6.3	1.7	-7.9
	IMAD Mar 10	0.8	0.8	1.3	0.7	1.1	1.3	0.6	3.1	1.2	-0.2	2.6	3.5
2010	IMF Apr 10	1.0	1.0	1.2	0.8	1.3	1.5	1.3	3.1	1.7	-0.2	2.7	4.0
	EC Apr 10	1.0	0.9	1.2	0.8	1.3	1.3	1.2	2.8	1.6	0.0	2.7	3.7
	CONS May 10	1.1	1.1	1.6	0.8	1.3	1.5	1.3	3.3	1.6	0.1	2.9	5.1
	OECD May 10	N/A	1.2	1.9	1.1	1.4	1.7	1.3	3.2	2.0	1.2	3.1	N/A
	IMAD Mar 10	1.6	1.4	1.6	1.1	1.5	1.6	1.9	3.0	2.6	2.8	3.0	4.0
2011	IMF Apr 10	1.8	1.5	1.7	1.2	1.7	1.8	2.5	2.6	2.6	3.2	3.2	3.3
	EC Apr 10	1.7	1.5	1.6	1.4	1.6	1.5	2.1	2.5	2.4	2.8	3.3	4.0
	CONS May 10	1.7	1.5	1.7	1.1	1.7	1.6	2.3	3.1	2.6	2.6	3.4	4.6
	OECD May 10	N/A	1.8	2.1	1.5	2.3	2.1	2.5	3.2	3.0	3.1	3.9	N/A

Source: IMAD Spring Forecast of Economic Trends 2010, March 2010; Consensus Forecasts, May 2010; Eastern Europe Consensus Forecasts, April 2010; IMF World Economic Outlook, April 2010; EC Spring Forecasts, May 2010, OECD Economic Outlook, May 2010.

**Box 1: Euro area's response to the Greek crisis and policy measures to secure the stability of the euro**

The unravelling of the Greek crisis, which jeopardised the stability of the euro area as a whole in the first quarter this year, led to coordinated action of EU governments and the ECB, i.e. adjustment of fiscal and monetary policies. At the beginning of the year, government bond yields of certain euro area countries with relatively weak fiscal positions (Portugal, Spain, Ireland) started to increase and the euro itself came under pressure from financial markets. The euro area policymakers and the ECB therefore took extraordinary measures to restore confidence and bring stability to the euro area. After a period of hesitation, the euro area summit agreed, at the beginning of May, on the procedures to implement a EUR 110 bn support package for Greece with the first disbursement on 19 May. As the risk that the crisis might spread to other euro area members heightened, and due to the falling value of the euro and aggravated access of European business entities to US dollars, further extraordinary measures were adopted by the euro area members and the ECB, as well as by the IMF. On 10 May, the euro area summit agreed on establishing a permanent crisis resolution framework and enhancing the existing fiscal framework to ensure long-term fiscal sustainability in the euro area. The measures include: setting up a European Financial Stabilisation Mechanism worth up to EUR 500 bn to address potential needs of other euro area members with severe debt refinancing difficulties; complementing existing fiscal framework to ensure fiscal sustainability based on the recommendations of the EC; and monitoring additional fiscal consolidation measures of Spain and Portugal in the years 2010 and 2011.

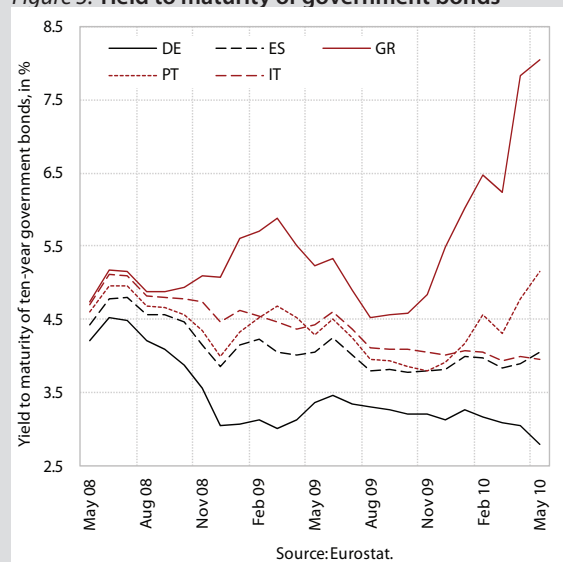
According to the European Financial Stabilisation Mechanism, which is yet to be finalised, access to funding will be granted to members facing exceptional circumstances. Activation of funds will be subject to strong conditionality, in the context of a joint EU/IMF support, and on terms and conditions similar to those set by the IMF. The mechanism foresees a permanent component of up to EUR 60 bn and a temporary component expiring after three years, up to EUR 440 bn, guaranteed on a pro rata basis by the participating Member States.

Regarding further steps to enhance the legal fiscal framework, a task force was created by the EU president to propose further measures in three policy areas: crisis prevention, crisis correction and crisis resolution. Regarding the crisis prevention policy area, the recommendations include reinforcing the preventive dimension of fiscal surveillance and structural reforms by harmonising budgetary cycles in euro area countries ("European semester"). Based on the Stability Programmes and EC forecasts, the EU Council will identify main economic challenges of the EU and euro area and give strategic guidelines for their implementation, while the Member States should take these recommendations into account when preparing their Stability and Growth Programmes and National Development Programmes. Other measures include surveillance of structural reforms; imposing sanctions to members not making progress on their medium-term objectives; upgrading the peer review of macroeconomic imbalances of euro area members now being carried out by the Eurogroup into a structured surveillance framework that should include a policy action scoreboard; giving more prominence to public debt and sustainability in the Excessive Deficit Procedure. Measures in the area of crisis correction involve: speeding up correcting procedures concerning members that repeatedly breach the Pact; using the suspension of the Cohesion fund as a sanction; devising conditionality with regard to the use of EU budget expenditure (i.e. provide timely and effective incentives for compliance with the Stability and Growth Pact rules); using cohesion funds with the view of strengthening institutional capacity and efficiency of public administrations. Regarding crisis resolution, it is foreseen that in the event that crisis prevention measures fail, financial assistance for a euro area member should be provided in the form of lending. The latter should be subject to detailed conditionality concerning policies aimed at tackling the underlying imbalances of the affected Member State. Further crisis resolution measures involve an appropriate mix of fiscal consolidation and the strengthening of fiscal governance including tax policies; financial sector stabilisation; and other policy interventions needed to restore macroeconomic stability and external viability.

Key changes also occurred in the monetary policy of the ECB. The ECB made two steps in addressing the crisis. First, it withdrew from the exit strategy and increased funds for commercial banks,<sup>1</sup> and re-established US dollar liquidity

<sup>1</sup> Conducting a 6-month longer-term refinancing operation with full allotment, at a rate fixed at the average minimum bid rate of the main refinancing operations over the life of this operation (EUR 36 bn was drawn until 12 May); adopting a fixed-rate tender procedure with full allotment in the regular 3-month longer-term refinancing operations (on 26 May and 30 June, 2010)

Figure 3: Yield to maturity of government bonds



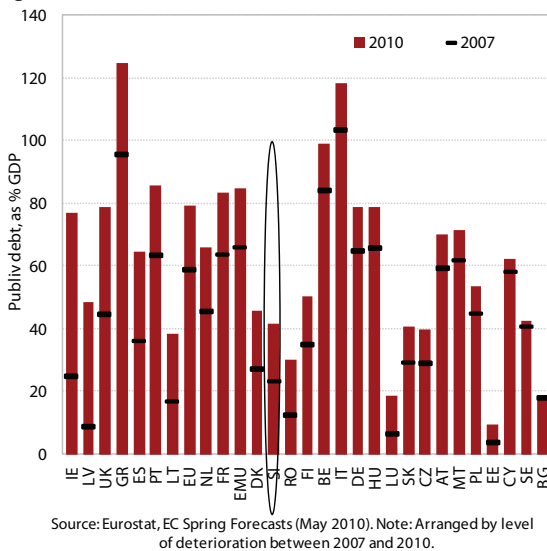
**Box 1: Euro area's response to the Greek crisis and policy measures to secure the stability of the euro - continued**

swap facilities in cooperation with the Fed. The second step involved direct purchasing of government and private securities to ensure stability in dysfunctional parts of the market, amid sterilisation of additional liquidity from purchasing bonds. When explaining its decision on purchasing government bonds, the ECB recalled the new euro area governments' commitments to adhere to their fiscal targets and the need to step up consolidation measures where needed. These measures prevented an even greater expansion of the crisis, but at the same time, serious doubts were raised concerning conflicting ECB policy goals.

and in only two EU countries the deficit exceeded 3.0% of GDP. The public finances deteriorated at the end of 2008, after the crisis had already started. In the three years from 2007 to 2010, public finances will deteriorate the most in Ireland, Spain, Cyprus and Denmark, according to the EC forecasts. The Member States entered the crisis with different states of public finances, while this year, the greatest deficits will be recorded in the United Kingdom, Ireland, Spain and Greece.

The public debt is also increasing visibly in EU Member States and is set to rise by nearly one third compared with 2007, to 79.6% of GDP (84.7% of GDP in the euro area). The greatest relative increases in public debt are predicted for Ireland, Latvia, the United Kingdom, Greece, Spain and Portugal. The increase in public debt is especially problematic in EU countries which already had high public debt before the crisis and also have poor prospects for economic growth. This is particularly true for Greece, where public debt is set to mount to 124.9% of GDP this year, but also for Portugal. In other above-mentioned states, public debt will remain below the EU average this year, despite the strong increase.

Figure 4: Public debt in EU countries



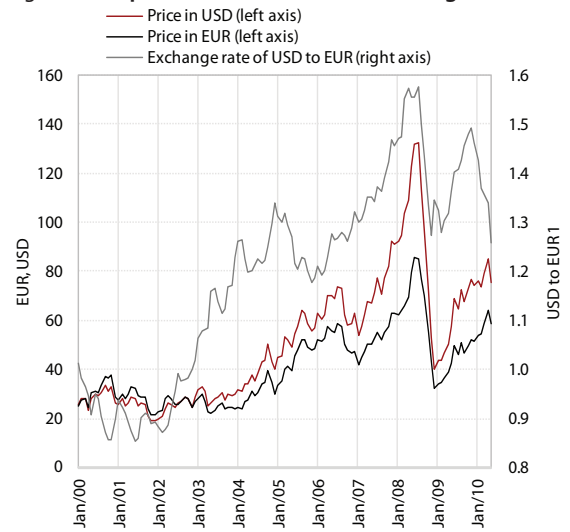
After declining for quite some time, the reference interest rate for the euro (EURIBOR) increased on the money market in May and there was also a significant increase in the LIBOR interest rate on interbank deposits in US dollars. The value of the 3-month EURIBOR rose in May for the first time in 18 months, totalling 0.687% in May as a whole, which is

at the level of January 2010. The value of the 3-month LIBOR on interbank deposits in US dollars increased by half in May, averaging 0.449%. Key interest rates of the main central banks were left unchanged (ECB: 1.0%, Fed: 0.0%, BoE: 0.5%).

In May, the value of the euro dropped to the lowest level in the last four years. The average exchange rate of the euro against the US dollar totalled USD 1.2578 to EUR 1, down 6.2% from April and 13.9% from December last year. Even if the euro has lost value with regard to the US dollar in recent months, the average exchange rate in May was 47.5% higher than in June 2001, when the value of the euro was the lowest to date. In May, the euro also depreciated against the Japanese yen (by 7.5%, to JPY 115.99 to EUR 1), the British pound sterling (by 1.9%, to GDP 0.8576 to EUR 1) and the Swiss franc (by 1.1%, to CHF 1.4179 to EUR 1).

In May, the oil price movement was characterised by a strong drop in prices and great volatility, as oil prices moved between USD 67 and USD 88 a barrel. The average monthly price of Brent crude oil fell by 10.5% to USD 75.94 a barrel in May (in EUR, by 3.7% to EUR 61.62 a barrel). The average monthly oil price in US dollars increased by 32.5% y-o-y, in euros by 43.9%.

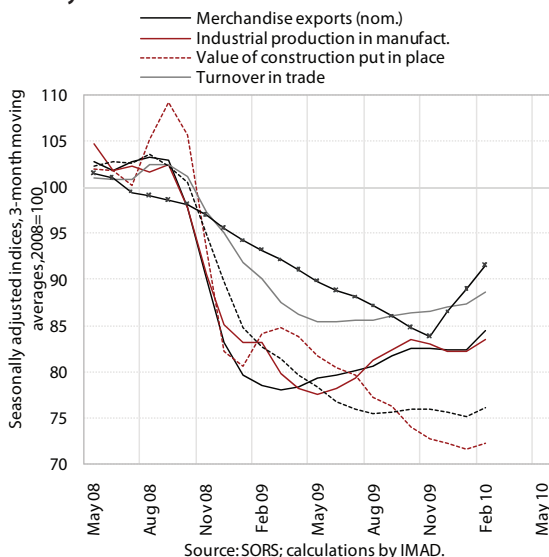
Figure 5: Oil price and the USD/EUR exchange rate



## Economic activity in Slovenia

According to seasonally adjusted data, the values of short-term indicators of economic activity in Slovenia increased in March as well as in the first quarter as a whole, except for construction. The values of merchandise exports and imports and production volume in manufacturing continued to grow modestly in March, seasonally adjusted. The values of other indicators, which had all dropped in February, also increased (the value of construction put in place, real total turnover in retail trade and nominal turnover in wholesale trade). March saw much higher values of merchandise exports and imports and of the production volume in manufacturing y-o-y than February, also due to the low-base effect. Furthermore, real total turnover in retail trade also increased y-o-y in March, while the values of the other three indicators remained lower than in the same period of last year.

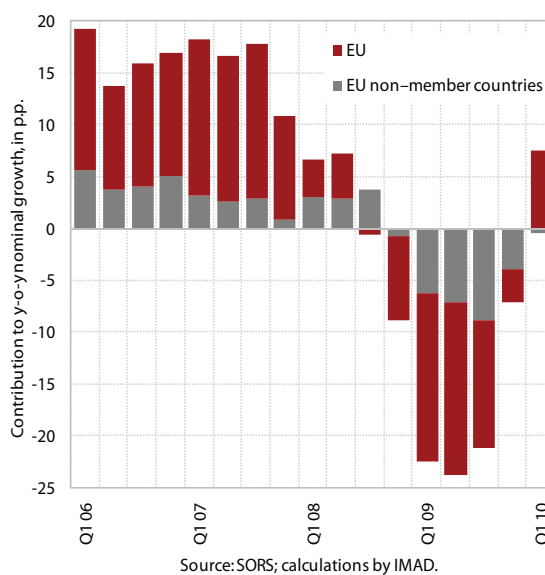
Figure 6: Values of short-term indicators of economic activity in Slovenia



**Merchandise trade** increased again in March, according to seasonally adjusted data; in the first quarter of this year, it was higher y-o-y after five quarters of decline. Growth in nominal merchandise exports strengthened again in March, totalling 5.3% according to seasonally adjusted data. In the first quarter of 2010, merchandise exports were also higher y-o-y (7.2% in nominal terms), after five quarters of decline, mainly due to a higher volume of exports as a result of the economic recovery in the EU. The greatest contribution to the y-o-y increase in exports to the EU in the first quarter (10.7%) came from growth in exports of the manufacture of transport and electrical equipment, with exports of chemicals and chemical products, and rubber and plastic products also showing signs of recovery. Non-EU countries were hit by the recession with a delay, which is, by our estimate, the main reason why merchandise exports to non-EU countries were still lower y-o-y in the first quarter of 2010, even if their

drop slowed significantly (-1.2%). Nominal merchandise imports, which are recovering more slowly than exports and are also showing more volatility at the monthly level, also increased in March (seasonally adjusted by 2.8%). Like exports, imports also increased y-o-y (4.4% in nominal terms) in the first quarter of this year, for the first time since the beginning of the crisis. The nominal increase in imports is also largely a result of quantity flows. With a higher level of value added in manufacturing, imports of intermediate products increased y-o-y in the first quarter, according to our estimate, while imports of consumer and investment goods remained lower than in the same period of the previous year.

Figure 7: Merchandise trade



After improving year-on-year since the first quarter of 2009, the **terms of trade**<sup>2</sup> remained unchanged in the first quarter this year (y-o-y). Amid recovering global demand, euro prices per barrel of Brent crude oil and other primary commodities increased y-o-y in the first quarter as a whole, by 59.2% or 21.0%.<sup>3</sup> Prices of Slovenian producers on the foreign market, which are less volatile, were still lower y-o-y. Given these price movements, export and import prices increased 0.3% y-o-y in the first quarter of this year.

In the first quarter this year, **trade in services** remained lower than in the same period of 2009. The y-o-y drop in services exports, while still strong (-12.3%) in the fourth quarter last year, slowed significantly in the first quarter this year (-1.3%). Growth in exports mainly came from railway and road transport, while exports of travel

<sup>2</sup> As the terms of trade can be monitored using the external trade statistics or national accounts statistics, the calculations of changes in real values of merchandise trade may differ. This time we state implicit deflators of exports and imports according to the national accounts statistics, which ensures comparability of real movements within the expenditure structure of GDP.

<sup>3</sup> Primary commodity prices in euros are own calculation of dollar prices of the IMF's index of primary commodity prices.

**Box 2: Economic growth in the first quarter of 2010**

GDP declined in real terms in the first quarter compared with the previous quarter and was even lower than in the same period last year, which shows that economic activity in the first quarter of 2010 was at the lowest level since the beginning of the economic and financial crisis. In the first quarter of this year, GDP declined 0.5% compared with the previous quarter, according to SORS, being 1.2% lower y-o-y. Along with the figure for the first quarter, SORS also published slightly revised seasonally adjusted data on GDP movements between individual quarters for previous years, showing that GDP has been declining in the whole period since the final quarter of 2008, except in the third quarter of 2009 when it increased minimally (0.1%). In the first quarter this year, Slovenia thus recorded the lowest level of economic activity since the beginning of the crisis. As expected, there were already some positive signals reflecting higher foreign demand, while domestic consumption was still lower than in the same period of last year. Such movements corroborate the expectations from IMAD's Spring Forecast that the recovery will be slow also allowing for the possibility that GDP may decline in individual quarters and indicate that our forecast of 0.6% economic growth is still valid, even if it is the lowest of all forecasts by other institutions.

While the improvement in the international environment, with Slovenia's main trading partners in the EU already beginning to recover, positively affected Slovenian exports, it is being confirmed that hurdles to faster economic growth stem from the domestic situation. In the first quarter, Slovenia's exports were 4.5% higher in real terms than in the same quarter last year, which is a result of growing demand for Slovenian merchandise in the EU; merchandise exports to other markets remained lower y-o-y, as did services exports. Import growth was somewhat lower (3.8%); the greatest contribution to growth came, by our estimate, from stronger imports of intermediate goods in the manufacture of export-oriented manufacturing industries, given that domestic demand and related import components were still weak. Household consumption remained at the level of the first quarter of 2009, as households were not inclined to increase spending, given the bad situation on the labour market. Investment activity was down one tenth in real terms over the same period of last year. Y-o-y, construction investment declined (-13.3%) more than investment in machinery and equipment (-6.6%), which was expected. Some positive signs have already been perceived in non-residential construction, the first construction sector to see activity drop as a result of the crisis. Civil engineering and residential construction show no signs of improvement, given a high stock of unsold flats and the current situation on the real estate market.

That export and domestic demand recover at different speeds is also reflected in results posted by individual activities. In the first quarter this year, manufacturing and transport enjoyed higher value added than in the same period last year, which can be attributed to the pick-up in merchandise exports. Y-o-y drops in wholesale and retail trade, hotels and restaurants, architectural activities and related technical consultancy, and mining, on the other hand, are related to unfavourable conditions in construction and on the labour market. Except in health and social work, value added continued to increase in public services, one of the few sectors where employment increased y-o-y in this period. In the first quarter of 2010 as a whole, the number of employed persons was 3.5% lower y-o-y, according to the national accounts statistics, dropping most notably in sectors with the greatest declines in economic activity ever since the beginning of the crisis (in manufacturing and construction, as well as in mining).

Figure 8: GDP growth

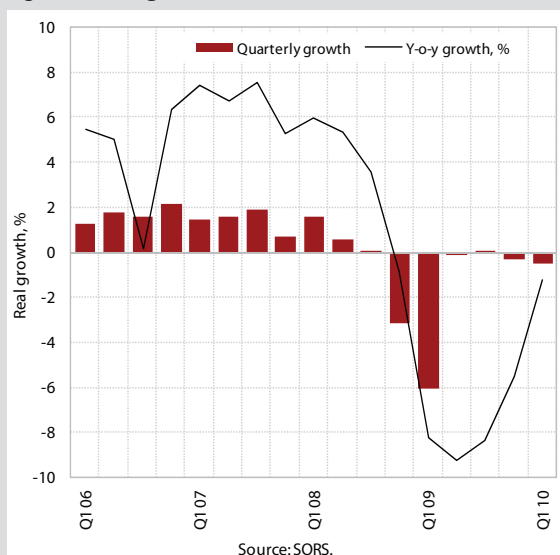
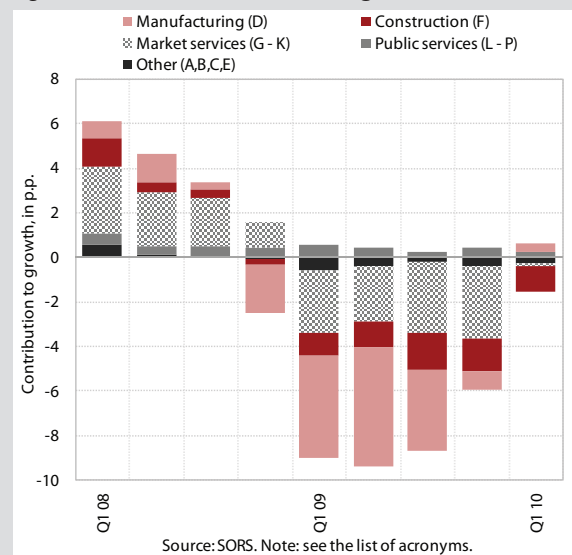


Figure 9: Structure of value added growth





services stagnated y-o-y. The contribution of other services was negative, almost solely due to lower exports of construction services, which led to a y-o-y decline in services exports. Services imports increased slightly y-o-y in the first quarter this year (0.3%), after a modest y-o-y drop in the final quarter last year (-3.1%). Imports increased only as a result of transport services imports. Imports of travel services and the group of other services declined y-o-y.

Figure 10: Trade in services

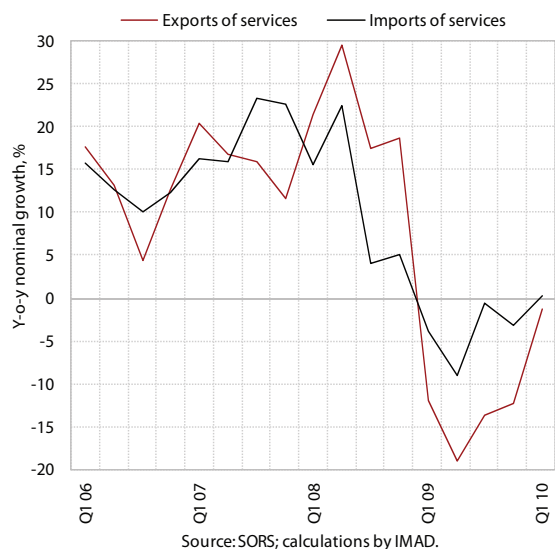


Table 2: Selected monthly indicators of economic activity in Slovenia

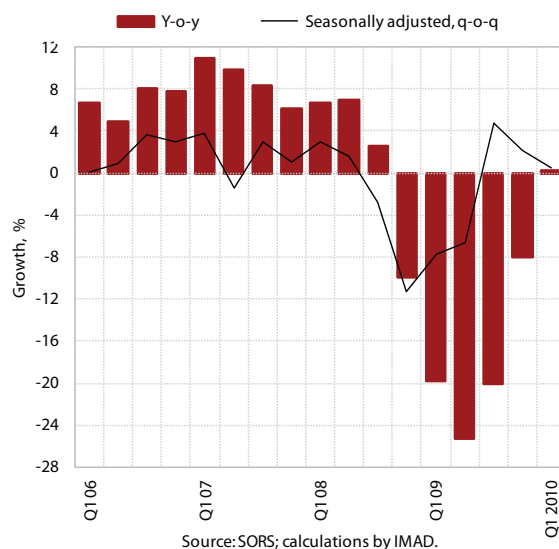
in %	2009	III 10/ II 10	III 10/ III 10	I-III 10/ I-III 09
<b>Exports<sup>1</sup></b>	<b>-18.2</b>	<b>23.3</b>	<b>12.6</b>	<b>5.4</b>
-goods	-19.2	24.4	15.6	6.9
-services	-14.3	18.4	-0.3	-1.3
<b>Imports<sup>1</sup></b>	<b>-23.0</b>	<b>18.1</b>	<b>9.3</b>	<b>4.1</b>
-goods	-25.9	18.3	10.4	4.8
-services	-3.9	17.4	2.6	0.3
<b>Industrial production</b>	<b>-16.9</b>	<b>3.9<sup>2</sup></b>	<b>6.6<sup>3</sup></b>	<b>-0.4<sup>3</sup></b>
-manufacturing	-18.1	4.7 <sup>2</sup>	7.4 <sup>3</sup>	0.3 <sup>3</sup>
Construction -value of construction put in place	-21.0	4.1 <sup>2</sup>	-19.7 <sup>3</sup>	-18.9 <sup>3</sup>
Distributive trade - total turnover in retail trade	-12.8	3.6 <sup>2</sup>	1.5 <sup>3</sup>	-1.8 <sup>3</sup>
Hotels and restaurants - turnover in hotels and restaurants	-11.3	-0.7 <sup>2</sup>	-0.9 <sup>3</sup>	-1.7 <sup>3</sup>

Sources: BS, SORS; calculations by IMAD. Notes: <sup>1</sup>balance of payments statistics, <sup>2</sup>seasonally adjusted, <sup>3</sup>working-day adjusted data.

**Production volume in manufacturing strengthened again in March and in the first quarter exceeded slightly the volume recorded in the same quarter last year.** Amid January's contraction, production activity rose slightly in the first quarter (0.5%, seasonally adjusted) relative to the previous quarter, continuing its weak and gradual strengthening

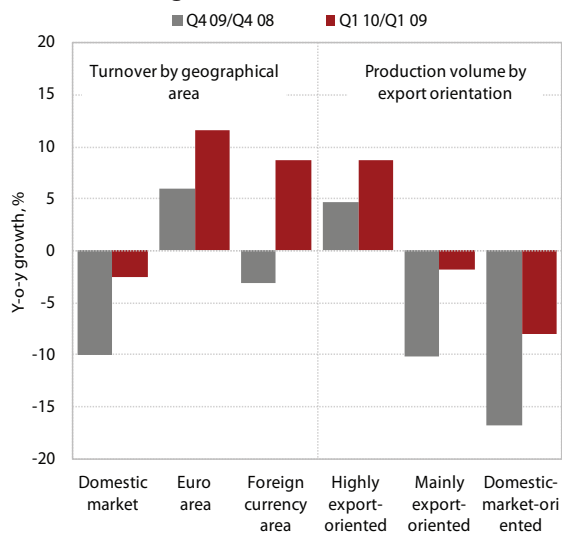
from the second half of 2009. For the first time since the last quarter of 2008, it was slightly higher y-o-y (by 0.3%, working-day adjusted). Amid a stronger pick-up than in Slovenia q-o-q (3.2%, seasonally adjusted), the increase in production activity in the EU-27 average was also more pronounced in y-o-y terms in the first quarter (4.2%, working-day adjusted). Production volume in Slovenia's main trading partners in the euro area (Germany, France and Italy) also increased y-o-y, which had a positive effect on production volumes of more export-oriented manufacturing industries in Slovenia.

Figure 11: Volume of industrial production in manufacturing



With foreign demand picking up, current indicators of most export-oriented industries increased y-o-y in the first quarter, while indicator values for industries that are mainly oriented to the domestic market remained lower y-o-y, reflecting weaker domestic demand. Turnover on foreign markets also strengthened in the first quarter (by 3.1%, seasonally adjusted), exceeding the level of the same period last year. New orders from the foreign market also rose compared with the first quarter of 2009, by 16.9%; orders from the domestic market increased less (3.0%). Strengthening by 1.3% (seasonally adjusted), turnover on the domestic market was nevertheless still lower y-o-y. The falling of production otherwise slowed in the first quarter in all industries that are mainly oriented to the domestic market (production volume in the wood-processing industry increased), while production in more export-oriented industries was, on average, higher y-o-y; among these, production dropped less in low-technology industries, which had already experienced the greatest declines last year. In other low-technology and in most of the high-technology industries, production volume increased y-o-y. The first quarter 2009 levels were exceeded the most by the manufacture of transport vehicles and ICT and electrical equipment, where production had already increased y-o-y in the final quarter of 2009.

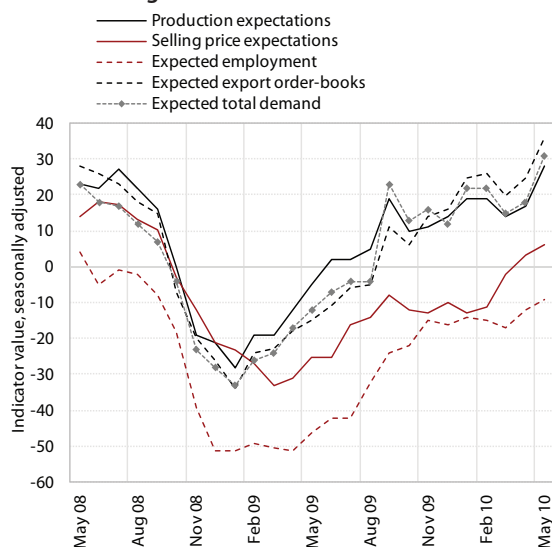
Figure 12: Turnover and volume of industrial production in manufacturing



Source: SORS; calculations by IMAD.

The confidence indicator in manufacturing improved again in May, mainly owing to better prospects for the coming months. The situation indicators still lagged behind the long-term average values but the indicators of expectations improved significantly and mainly reached above-average values in May (except the indicator of expected employment). The indicators of expected exports and total demand improved the most, which was reflected in an increase in the indicator of expected demand. The volume of production is expected to strengthen, but most of the surveyed enterprises nevertheless still anticipate cuts in the number of employees. In the first quarter, the number of employed persons declined by close to one tenth y-o-y (9.3%), the

Figure 13: Indicators of expected business trends in manufacturing

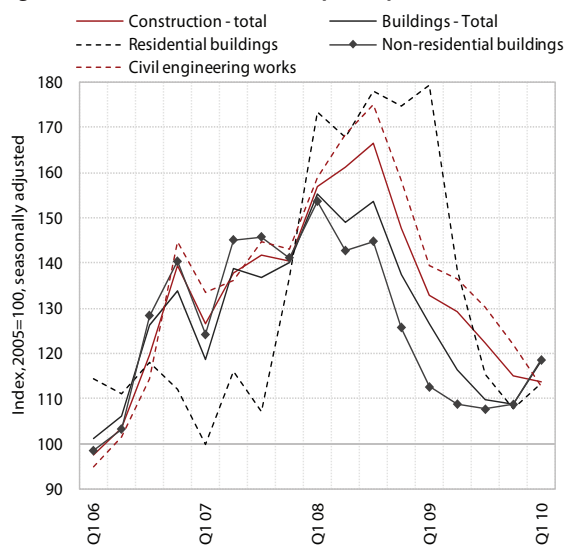


Source: SORS.

most in industries mainly oriented to the domestic market (13.0%). In export-oriented industries, the y-o-y falling in employment slowed significantly in comparison with the previous quarter (from 11.2% to 7.6%).

**Construction activity** picked up in March, but it dropped again in the first quarter as a whole and was still much lower than in the same period last year. According to seasonally adjusted data, in March the value of construction put in place was 4.1% higher than in February, but 19.7% lower than in March last year. In the first quarter as a whole, construction activity was down 18.9% compared with the same period last year, a similar drop as in the previous four quarters. The greatest y-o-y decline was recorded for residential construction (-37.2%),<sup>4</sup> which is related to the high stock of unsold flats and the situation on the real estate market. The decline in civil engineering deepened (-29.3%), while activity in non-residential construction already increased y-o-y (6.9%). Non-residential construction was otherwise the first construction sector to see activity drop as a result of the crisis.

Figure 14: Value of construction put in place



Source: SORS; calculations by IMAD.

The total floor area planned by issued building permits dropped again in the first quarter of 2010. It was 10.1% lower than in the same period last year. The total floor area planned for residential buildings declined by 8.7% and that for non-residential buildings by 12.5%. Non-residential construction saw a further decline in the total floor area of wholesale and retail trade buildings; the total floor area of industrial buildings rose for the second quarter in a row, suggesting intensified business investment.

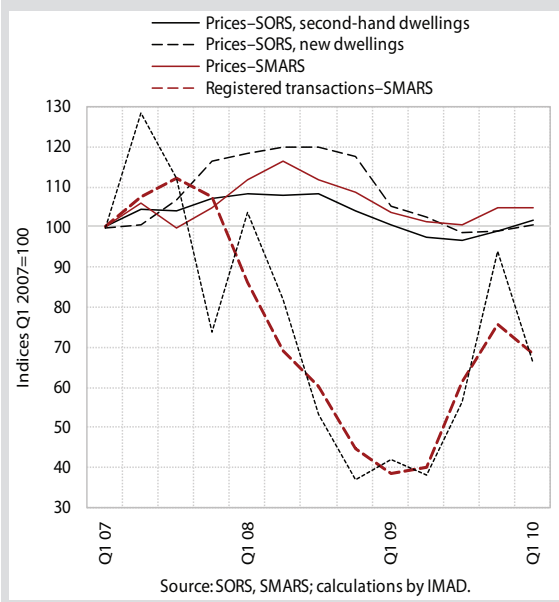
<sup>4</sup> In interpreting the figure on the value of residential construction put in place, it should be noted that it does not include the activity of smaller enterprises, which we estimate are mainly engaged in construction of residential buildings.

**Box 3: Real estate market**

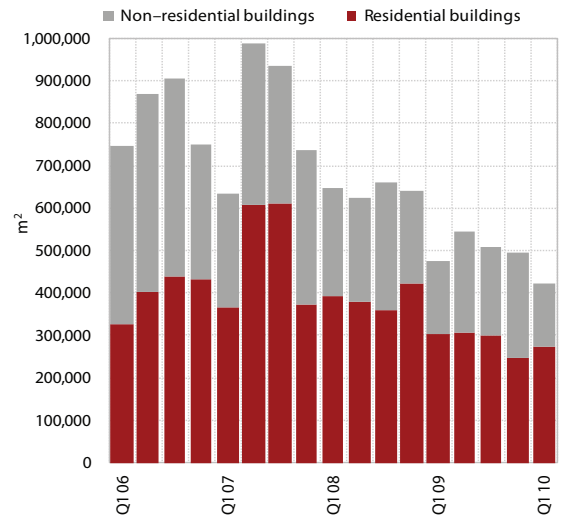
After growing for two quarters, the number of reported market transactions in flats dropped significantly in the first quarter of 2010. The figures on transactions in flats arise from data on second-hand flats as monitored by SMARS (Surveying and Mapping Authority of the RS) and on newly built flats as recorded by SORS surveys. The number of transactions increased y-o-y according to both measurements, mainly as a result of a low base in 2009, when the decline was deepest. The level of transactions in second-hand flats is, however, still 39% lower than the peak level in the time of favourable economic trends, and in newly built flats, nearly half lower than the highest value recorded in the third quarter of 2007. In other real estate types, the number of transactions also dropped, except for bar and shop premises. Yet again it has been confirmed that the market remains weak and unstable, despite the first signs of revival on the real estate market.

Prices of sold second-hand as well as newly built flats remained nearly unchanged in the first quarter of 2010. Prices persist around the level reached after the significant drop in the first quarter of 2009, i.e. approximately at the level recorded when they began to be monitored in the first quarter of 2007. Prices of second-hand flats dropped by 6% with regard to their peak, and prices of newly built flats by 16%. Price movements of other real estate types send mixed signals, and there have been no major changes on the market as yet.

**Figure 15: Movements of prices of second-hand and newly built flats and transactions of flats**

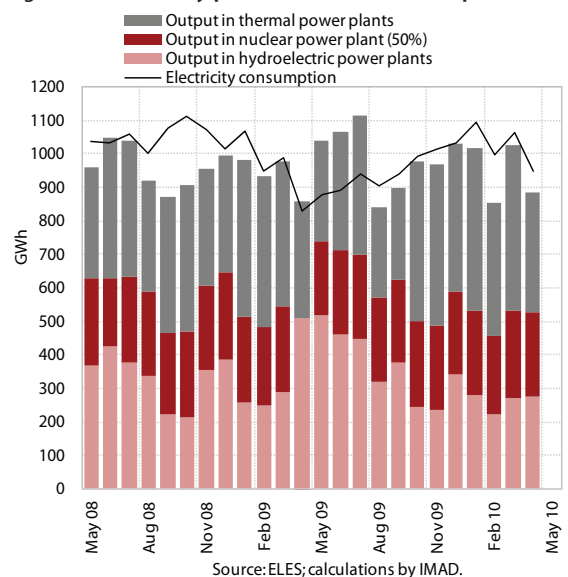


**Figure 16: Floor area planned by building permits**



**Electricity production increased one third y-o-y in April and consumption by 14.2%.** Production was as much as 33.1% higher y-o-y, due to last year's regular overhaul of the nuclear power plant in April. Production in hydroelectric power plants was nearly one half lower than in April 2009 (45.3%), while production in thermal power plants increased only marginally (2.6%). Posting y-o-y growth for the fourth consecutive month, electricity consumption strengthened to 14.2% in the period to April (also due to a low base). Close to one third of consumption growth came from a 46.7% increase in consumption by direct users (metal industry) and almost two thirds from other electricity consumption, which was up 10.9%. Not including the Croatian part of nuclear power plant production, Slovenia's net imports of electricity accounted for 6.4% of consumption.

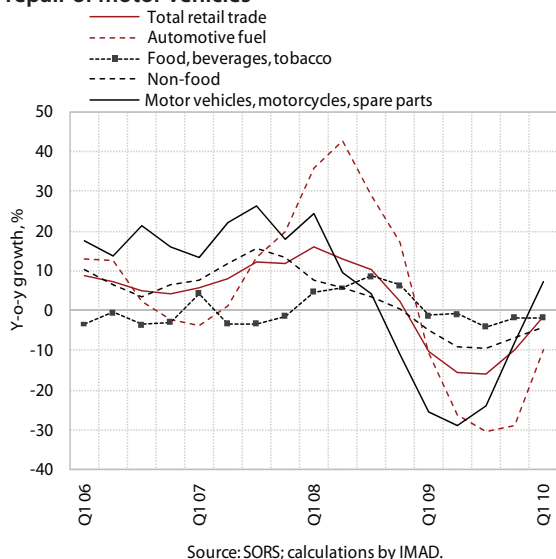
**Figure 17: Electricity production and consumption**





After dropping in February, total real turnover in **retail trade and in the sale of motor vehicles**<sup>5</sup> increased (seasonally adjusted) in March, so that the y-o-y decline slowed to 1.6% in the first quarter as a whole. In March, total turnover in retail trade and in the sale of motor vehicles was higher y-o-y for the first time since December 2008, largely as a result of higher turnover in the sale and repair of motor vehicles due to increased sales of passenger cars (the number of new passenger car registrations increased by 9.0%, of which registrations by natural persons by 5.8%).<sup>6</sup> The y-o-y decline in retail trade<sup>7</sup> thus continued to slow in March, in the sale of automotive fuels as well as in the sale of non-food products, while turnover in the sale of food, beverages and tobacco increased y-o-y for the first time this year. Similar y-o-y movements as in March were also recorded for the first quarter as a whole. Turnover in the sale and repair of motor vehicles thus exceeded the level recorded a year earlier. In retail trade, the decline in turnover slowed y-o-y in all major industries, again being greatest (nearly one tenth) in the sale of automotive fuels. Certain retail trade sectors already posted y-o-y growth (specialised stores selling food, beverages and tobacco products and specialised stores selling textile, clothing, footwear and leather products). Deterioration was recorded in specialised stores selling pharmaceutical, medicinal and cosmetic products where in the first quarter turnover declined y-o-y for the first time since 2001.<sup>8</sup>

Figure 18: Turnover in retail trade and in the sale and repair of motor vehicles



After falling in February, nominal turnover in **wholesale trade** increased noticeably in March (seasonally adjusted), which, along with the effect of last year's low base,

<sup>5</sup> In total retail trade, sale and repair of motor vehicles (47+45).

<sup>6</sup> In April, the total number of new passenger car registrations rose by 10.4% y-o-y (by natural persons by 1.1%).

<sup>7</sup> In April, turnover in retail trade was 2.3% lower y-o-y, according to provisional data, which are, however, not available for all sectors of retail trade and motor vehicle sales; besides, there have been significant differences between provisional and final data in recent months.

<sup>8</sup> With the exception of the second quarter of 2007.

contributed to a significant slowdown in the y-o-y decline in turnover in the first quarter. The March increase in nominal turnover in wholesale trade (3.9%, seasonally adjusted) is also related to the increase in the value of construction put in place. In March, turnover lagged behind the level of a year earlier by 1.0%, recording a 12 p.p. smaller y-o-y drop than in February. In the first quarter as a whole, it declined by 8.3% compared with the same period last year.

Real turnover in **hotels and restaurants** declined in March (seasonally adjusted); in the first quarter as a whole, its y-o-y drop diminished further due to last year's low base. In the first quarter this year, turnover in hotels and restaurants was thus 1.7% lower y-o-y in real terms, according to the revised data.

Figure 19: Tourist overnight stays and turnover in hotels and restaurants

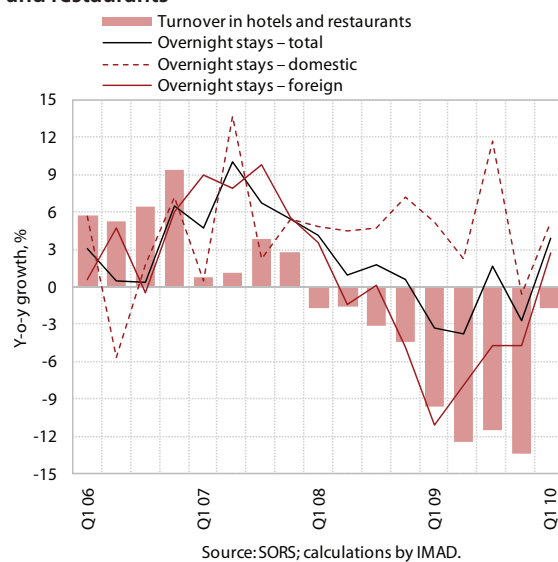
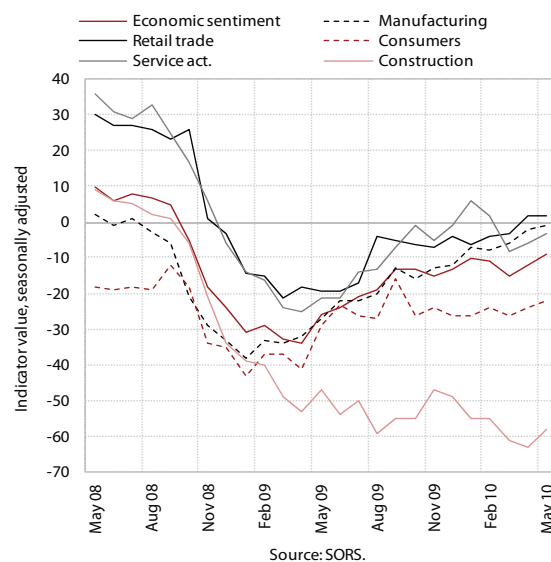


Figure 20: Business trends



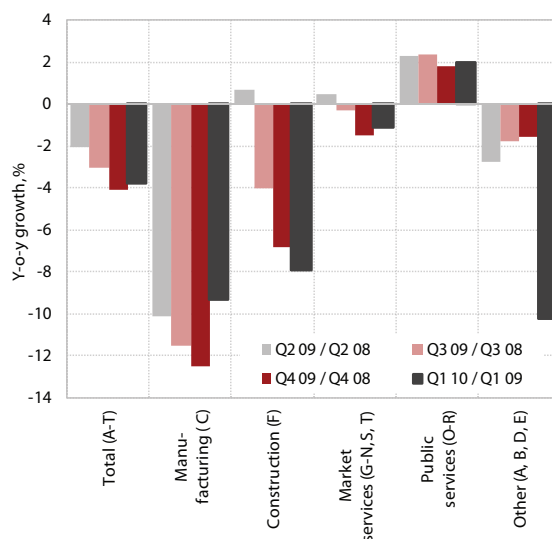
The seasonally adjusted value of the **sentiment indicator** increased slightly again in May. Indicator values rose in all sectors, except in retail trade, where the indicator remained unchanged. The value of the indicator in construction also increased, but nevertheless remained extremely low.

## Labour market

In March, the **number of persons in formal employment** according to the statistical register of employment remained at a similar level as in February. Compared with February, the number of persons in employment increased by 864 (seasonally adjusted by 0.2%) and the y-o-y rate of decline dropped to 3.4%. The number of persons employed by legal entities increased (by 1,127 or 0.2%), while the number of self-employed persons declined (by 0.4%). Employment continues to decline in manufacturing, construction, wholesale and retail trade, transport and in financial and insurance sectors, while it grows further in professional, scientific and technical, and administrative and support service activities, as well as in public services. In the first quarter of 2010, the average number of employed persons dropped by 3.8% y-o-y. The number of vacancies increased once again in April and was higher than a year previously for the first time since October 2008 (by 21.4%). The number of persons hired also rose,

but remained lower y-o-y (by 10.7%). The number of valid work permits for foreigners diminished again in April (by 0.8%), also this time most notably in construction (by 699). According to the Statistical Register of Employment, 60,157 foreigners worked in Slovenia at the end of March, 7.1% fewer than a year previously.

Figure 21: Persons in formal employment by activity



Source: SORS; calculations by IMAD.

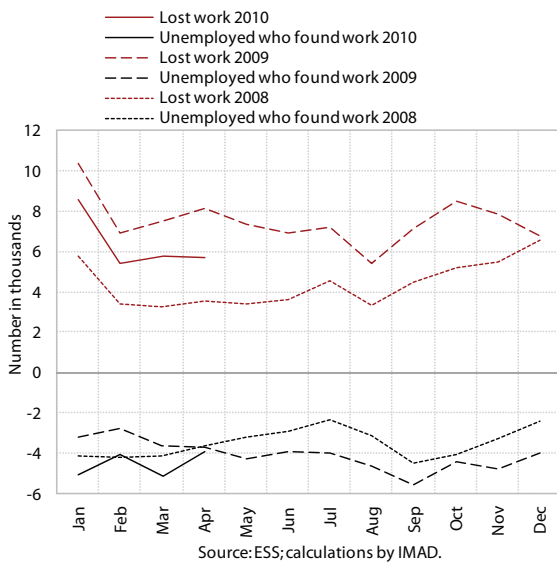
Table 3: Persons in formal employment by activity

	Number in 1,000				Y-o-y growth rates, %		
	2009	III 09	II 10	III 10	2009/2008	III 10/II 10	III 10/III 09
A Agriculture, forestry and fishing	37.9	37.8	31.9	31.9	-4.5	-0.1	-15.8
B Mining and quarrying	3.3	3.4	3.0	3.0	-7.5	-0.2	-11.0
C Manufacturing	199.8	207.0	189.9	190.0	-10.1	0.1	-8.2
D Electricity, gas, steam and air conditioning supply	7.9	7.9	8.0	8.0	2.9	0.2	2.1
E Water supply sewerage, waste management and remediation activities	9.0	9.0	9.0	9.1	2.3	1.1	2.2
F Construction	86.8	87.5	80.7	80.5	-1.3	-0.3	-8.0
G Wholesale and retail trade, repair of motor vehicles and motorcycles	114.6	115.7	112.8	112.9	-1.0	0.1	-2.4
H Transportation and storage	49.8	50.4	48.3	48.2	-2.8	-0.2	-4.3
I Accommodation and food service activities	34.0	33.8	33.6	33.6	0.6	-0.1	-0.9
J Information and communication	22.5	22.5	22.4	22.5	2.8	0.0	-0.2
K Financial and insurance activities	24.5	24.7	24.1	24.1	1.0	-0.1	-2.2
L Real estate activities	4.4	4.3	4.3	4.3	4.7	-0.2	0.5
M Professional, scientific and technical activities	44.8	44.2	45.9	46.1	4.6	0.4	4.4
N Administrative and support service activities	25.6	25.3	26.0	26.0	-1.7	0.3	3.1
O Public administration and defence, compulsory social security	51.5	51.3	51.8	52.0	1.1	0.3	1.4
P Education	61.7	61.7	63.3	63.5	2.8	0.4	3.0
Q Human health and social work activities	52.1	52.0	52.6	52.8	2.1	0.4	1.5
R Arts, entertainment and recreation	14.1	14.1	14.3	14.3	1.8	0.5	1.8
S Other service activities	13.3	13.1	13.4	13.5	3.7	0.4	2.6
T Activities of households as employers, undifferentiated goods - and services - producing activities of households for own use	0.5	0.5	0.5	0.5	7.0	3.1	1.5

Source: SORS; calculations by IMAD.

In April, the **number of registered unemployed persons** was again hovering slightly below 100,000. After falling in March, it rose to 99,316 in April. The seasonally adjusted growth rate also increased again (to 0.6%). A total of 7,122 people registered anew, 5,745 of whom because they had lost work, which is roughly the same figure as in March and February and almost one quarter less than in the previous April. On the other hand, 3,907 unemployed found work, fewer than in March and February, yet 6.2% more than in April 2009. The number of the registered unemployed declined by another 2,354 for other reasons. March saw a somewhat lower registered unemployment rate than February (10.6%). The number of the unemployed dropped slightly in May, to 98,401, which is 1.8% more than in December and 16.4% more than in the previous May.

Figure 22: Employed persons losing work and unemployed finding work



**Employment according to the labour force survey (LFS) declines and unemployment according to the labour force survey increases.** Survey-based employment declined by 0.3% in the first quarter of 2010 compared with the previous quarter (seasonally adjusted), but was up 0.3% relative to the same quarter of 2009. A greater q-o-q drop in the number of persons in employment according to the survey compared with persons in formal employment suggests that the volume of informal work decreased somewhat in the first quarter of 2010. In addition to employed and self-employed persons, the number of persons in employment according to the labour force survey also includes informal employment such as occasional work, work by unpaid family workers and similar. The number of unemployed persons according to the labour force survey, in contrast, rose to 74,000, which is 6.3% more (seasonally adjusted) than in the previous quarter and 34.5% more than in the same quarter of 2009. The unemployment rate according to the labour force survey increased to 7.1 %, which is 0.7 p.p. more than in the previous quarter and 1.7 p.p. more than in

Figure 23: Survey unemployment rates



the same quarter of 2009: the LFS unemployment rate for men increased, in particular, to 7.4%, again exceeding the LFS unemployment rate for women (6.9%).

**Strong growth in the average wage in March resulted from high wage rises in the private sector.** The total average wage also strengthened y-o-y. The average gross wage per employee in the private sector always increases in March, partly due to a higher number of working days, but also to payments related to business results and overtime work in the previous year, which tend to be disbursed in March. This year, the noticeably higher growth of the private sector gross wage (6.9%, last year: 4.0%, in 2008: 3.2%) also reflected the increase in the minimum wage.<sup>9</sup>

Table 4: Labour market indicators

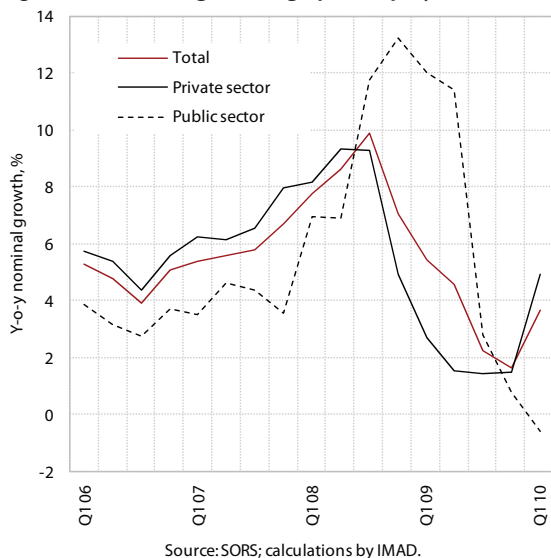
in %	2009	III 10/ II 10	III 10/ III 09	I-III 10/ I-III 09
Labour force	0.2	0.0	-1.0	-1.1
Persons in formal employment	-2.4	0.1	-3.4	-3.8
- Employed in in enterprises and organisations and by those self-employed	-2.5	0.2	-3.3	-3.8
Registered unemployed	36.6	-0.9	24.1	29.2
Average nominal gross wage	3.4	4.7	5.2	3.7
- private sector	1.8	6.9	7.5	5.0
- public sector	6.5	-0.2	-1.2	-0.6
	<b>2009</b>	<b>III 09</b>	<b>II 10</b>	<b>III 10</b>
Rate of registered unemployment, in %	9.1	8.2	10.7	10.6
Average nominal gross wage (in EUR)	1,438.96	1,381.87	1,431.45	1,499.23
Private sector (in EUR)	1,338.77	1,271.42	1,329.72	1,421.25
Public sector (in EUR)	1,749.82	1,733.31	1,734.17	1,729.97

Sources: ESS, SORS; calculations by IMAD.

<sup>9</sup> To EUR 734.15, or to the transitional amount of EUR 654.96 in enterprises in difficulty.

In the first quarter, y-o-y growth in the total gross wage totalled 3.7%, 1.8 p.p. less than in the same period last year;<sup>10</sup> due to the base effect, wage growth in the private sector was higher than the comparable wage growth in the public sector.

Figure 24: Nominal gross wage per employee



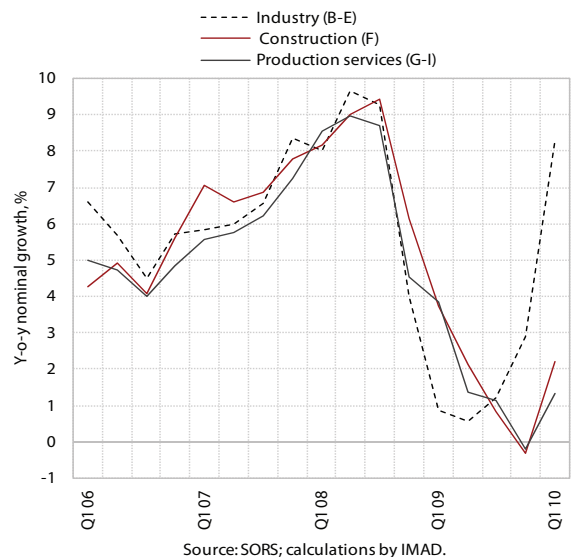
Growth in the private sector average wage strengthened significantly at the monthly level and y-o-y due to a higher number of working days and payments related to business results and overtime work in 2009. This year, March had four working days more than February. Overtime work for the previous year and payments based on business results also tend to be disbursed in March. These payments contributed 1.8 p.p. (just over one quarter of growth) to the 6.9% increase in the private sector gross wage this year, according to our estimate. The average gross wage thus rose in all private sector activities, most notably in manufacturing (11.2%).<sup>11</sup> With the base effect still present and under the impact of changes in the structure of employment, y-o-y wage growth in the private sector rose to 7.5% in March and 5.0% in the first quarter as a whole (last year: 2.8%). Wage growth was highest in industry (B-E; 9.6%), due to the highest base effect and the greatest impact of changes in the structure of employment along with a slight strengthening in the volume of overtime work and the increase in the minimum wage, and lowest in business services (J-N, S; 1.3%).

Minimum wages began to be paid in accordance with the new Minimum Wage Act in March, which was reflected in a significantly higher number of minimum wage recipients. According to AJPES, 43,323 persons employed with legal entities (19,030 in 2009, on average) received the statutory amount of the minimum gross wage – EUR

<sup>10</sup> Due to the base effect, it was more than 2 p.p. faster in the private sector and more than 12 p.p. slower in the public sector.

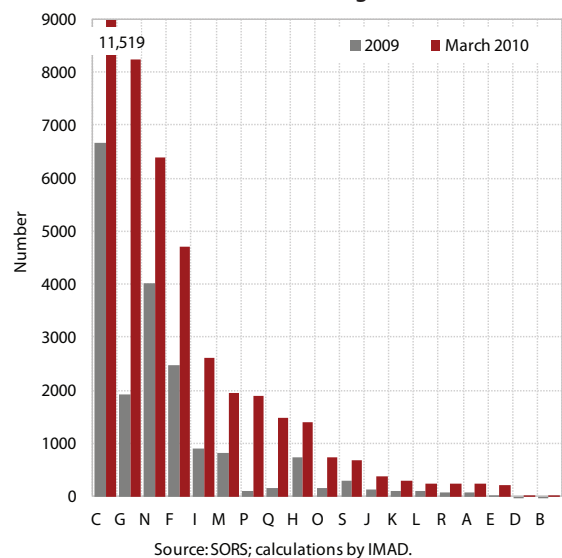
<sup>11</sup> Nearly 3 p.p. came from exceptionally high and outstanding growth (as much as 92.3%) in the manufacture of pharmaceutical raw materials and preparations.

Figure 25: Gross wages in the private sector



734.15, which is a 22.9% higher figure than before this Act entered into force. The proportion of minimum-wage recipients in total employed persons thus increased from 3.0% in 2009 to 7.0%.<sup>12</sup> The number of recipients increased the most in wholesale and retail trade (from less than 2,000 to more than 8,000) and manufacturing (from more than 6,000 to more than 11,000). Wholesale and retail trade, consequently, now comes second in terms of the distribution of minimum-wage recipients (19.0%; 10.2% last year), surpassing administrative and support service activities (14.8%; 21.2% last year), with the number of minimum-wage recipients still being highest in manufacturing (26.6% in March; 53.0% last year).

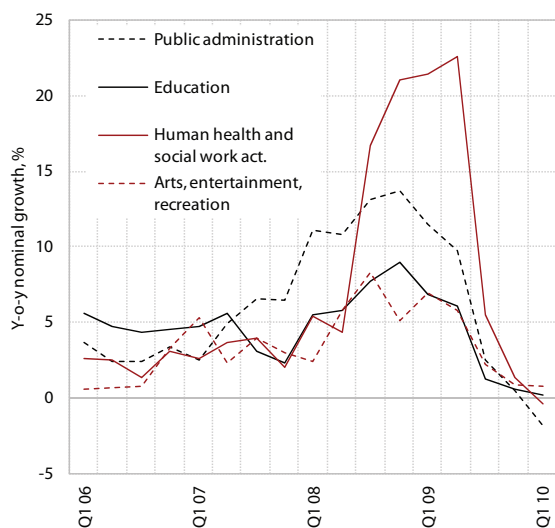
Figure 26: The number of minimum-wage recipients before and after the Minimum Wage Act took effect



<sup>12</sup> In the EU, the shares of minimum-wage recipients are greatest in Hungary (8.0%), Romania (9.7%), Lithuania (10.3%), Luxembourg (11.0%), Latvia (12%), Bulgaria (16%) and France (16.8%), according to Eurostat. Key figures on Europe 2007/2008; data are for 2005.

The average wage in the public sector dropped somewhat further in March and recorded negative y-o-y growth. The average gross wage in the public sector declined<sup>13</sup> for the third consecutive time (-0.2%) compared with the previous month, posting very low y-o-y growth ever since November (-1.2% in March). The average wage in the public sector dropped y-o-y in the first quarter as a whole (-0.6%; 12.0% last year), as result of the Agreement on Measures Regarding Public Sector Salaries for the Period December 2009–November 2011. Last year, wages were not adjusted for inflation in July; furthermore, regular performance bonuses have been abolished temporarily from April and disbursement of the remaining (third and fourth) quarters of funds to eliminate wage disparities postponed (the third quarter was to be disbursed in September 2009 according to the previous agreements<sup>14</sup>). Modest positive growth was recorded in arts, entertainment and recreation (0.7%) and education (0.2%), while the average gross wages in health and social work and public administration were lower than a year before (-0.4% and -1.9%, respectively).

Figure 27: Gross wages in the public sector



Source: SORS; calculations by IMAD.

## Prices

Y-o-y inflation declined somewhat in May. Amid a monthly price increase of 0.4%, y-o-y inflation dropped from 2.3% in April to 2.1% in May. In the first five months of 2010, consumer prices increased by 2.1 %, 0.3 p.p. more than in the same period of last year. Y-o-y inflation in the euro area stood at 1.6%, according to Eurostat's first data (1.5% in April).

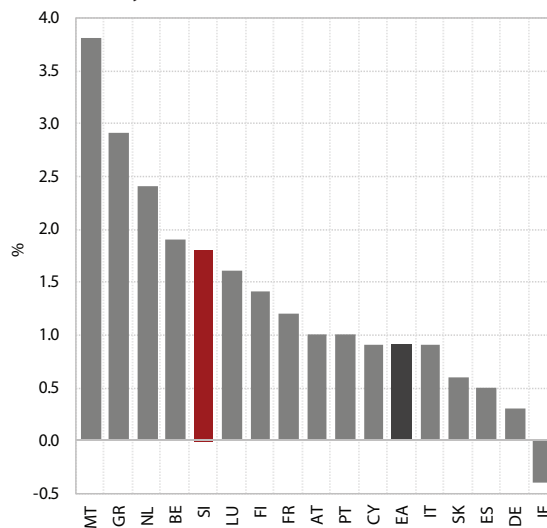
<sup>13</sup> It dropped in public administration (-1.6%) and health (-0.3%), but rose somewhat in education (0.7%) and arts, entertainment and recreation (1.1%).

<sup>14</sup> Annex No. 1 and Annex No. 2 to the Collective Agreement for the Public Sector, OG RS, No. 23/2009, and OG RS, No. 91/2009.

In the first five months of this year, consumer prices increased by 2.1 %, 0.3 p.p. more than in the same period of 2009. This year, price rises largely resulted from growing oil prices and the depreciation of the euro against the US dollar. Expressed in US dollars, oil prices rose by a mere 3% in this period, while oil prices in euros increased by more than 17% due to the declining value of the euro. This translated into higher prices of liquid fuels for transport and heating, which contributed between 0.7 p.p. and 0.8 p.p. to inflation, according to our estimate. Besides liquid fuel prices, prices of natural gas and district heating, which tend to follow oil price movements with a delay, also increased in Slovenia in this period. Inflation was also impacted by the increase in excise duties on tobacco in April and price rises in railway passenger transport in March as foreseen in the Administered Prices Rise Plan. Movements of other prices were moderate in the first five months, as expected in the context of relatively weak economic activity and demand, with the exception of prices of public utility services, which have been growing relatively fast ever since August 2009 when the government passed the responsibility for setting public utility prices to the local level, and prices of clothing and footwear, which increased more than expected in April (and, consequently, inflation).

Consumer prices in Slovenia increased more than in the euro area overall in the first four months of 2010. In the euro area, prices rose by an average of 0.9% in this period, 0.5 p.p. more than in the same period of last year, yet 0.9 p.p. less than in Slovenia. The key differences between inflation in Slovenia and at the level of the euro area as a whole are structural in nature, given that in Slovenia liquid fuels for transport and heating are given a higher weight in the consumer price index than in the euro area as a whole, as an average Slovenian household allocates a relatively higher share of expenditure for liquid fuels than an average household in the euro area. Posting

Figure 28: Inflation in the euro area in the first four months this year – HICP



Source: Eurostat.



Table 5: Breakdown of HICP into sub-groups – the first four months of 2010

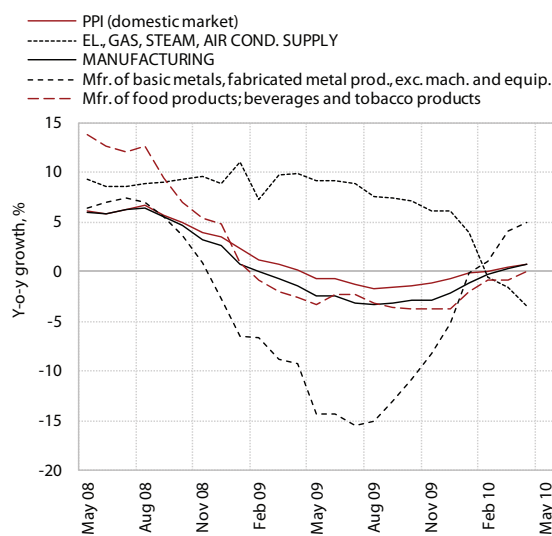
	Euro area			Slovenia		
	Cum. %	Weight %	Contribution in p.p.	Cum %	Weight %	Contribution in p.p.
Total HICP	0.9	100.0	0.9	1.8	100.0	1.8
Goods	1.6	58.0	0.9	2.3	66.2	1.5
Processed food, alcohol and tobacco	0.2	11.9	0.0	2.1	14.8	0.3
Non-processed food	2.9	7.3	0.2	3.8	6.9	0.3
Non-energy industrial goods	0.1	29.3	0.0	0.0	30.7	0.0
Energy	6.6	9.6	0.6	7.3	13.9	1.0
Electricity for households	0.5	2.4	0.0	4.3	2.6	0.1
Natural gas	3.6	1.5	0.1	10.4	0.8	0.1
Liquid fuels for heating	16.2	0.8	0.1	16.6	1.5	0.2
Solid fuels	0.0	0.1	0.0	-0.4	1.0	0.0
District heating	-2.1	0.5	0.0	8.9	0.8	0.1
Fuels and lubricants	10.2	4.3	0.4	7.0	7.2	0.5
Services	0.1	42.0	0.0	1.0	33.8	0.3
Services – dwellings	0.8	10.2	0.1	4.1	2.7	0.1
Services – transport	0.8	6.6	0.1	0.8	5.2	0.0
Services – communications	0.1	3.3	0.0	1.0	3.4	0.0
Services – recreation, repairs, personal care	-1.0	14.8	-0.1	0.6	14.3	0.1
Services – other services	0.5	7.1	0.0	1.0	8.1	0.1
HICP excluding energy and non-processed food	0.0	83.1	0.0	0.7	79.3	0.6

Source: Eurostat. calculations by IMAD.

Note: ECB classification

somewhat higher rises in the euro area than in Slovenia in the analysed period, these prices therefore contributed approximately 0.8 p.p. to inflation (HICP) in Slovenia and roughly 0.6 p.p. in the euro area. Prices of services, however, also increased somewhat more in Slovenia than in the euro area in this period due to accelerating public utility prices. Given the excise duty rises, price of tobacco products also rose more than in the euro area.

Figure 29: Growth in industrial producer prices

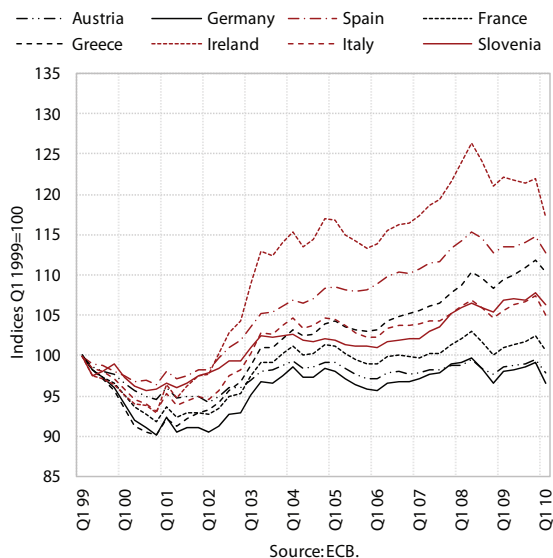


Y-o-y growth in **producer prices of manufactured goods** increased further in April. Y-o-y growth in producer prices of manufactured goods on the domestic market, turning positive in February this year after nine months of decline, rose from 0.5% in March to 1.0% in April. The key reasons still lie in price movements in the manufacture of metals and metal products and in the manufacture of food products, which, to a large extent, follow price movements in the international environment. Prices in the manufacture of metals and metal products increased by 5.0% y-o-y in April owing to higher commodity prices, while the y-o-y decline of prices in the manufacture of food products dropped to 0.1%.

**Price competitiveness** improved in the first quarter this year especially under the influence of the falling exchange rate of the euro, but the improvement was less pronounced than in most other euro area members. Measured by the HICP,<sup>15</sup> the real effective exchange rate dropped by 1.4% in Slovenia in the first quarter of this year compared with the last quarter of 2009, and by 0.5% compared with the first quarter of 2009, which is a smaller decline than in most other euro area members.<sup>16</sup> Given its above-average share of trade in the euro area, where the common currency eliminates exchange rate risks, Slovenia is relatively less sensitive to the oscillations of the exchange rate of the euro. The depreciation of the euro will therefore have a relatively smaller impact on the decline of the nominal

<sup>15</sup> Against 36 trading partners according to the ECB.<sup>16</sup> In the first quarter, Slovenia was ranked 13th at the quarterly and 11th at the y-o-y level regarding improvement in competitiveness.

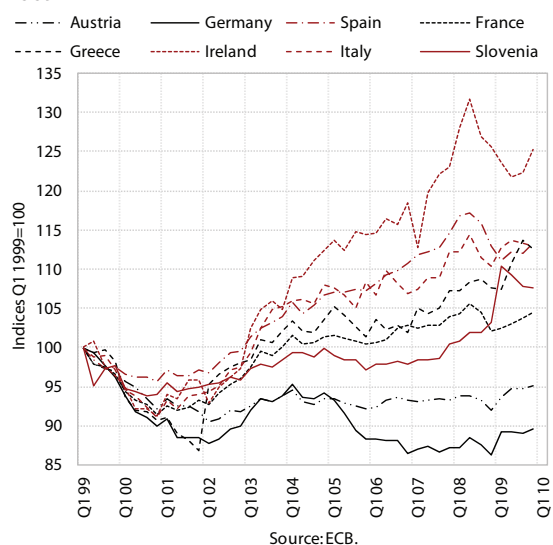
Figure 30: Real effective exchange rates in certain euro area members deflated by HICP in 1999–2009



effective exchange rate in Slovenia than in most other euro area members, and vice versa.<sup>17</sup> At the y-o-y level, the differences also resulted from the movements of relative consumer prices,<sup>18</sup> which increased slightly in Slovenia in the first quarter, while in other euro area countries they mostly dropped.

Over a longer period of time, Slovenia's competitive position in the euro area mainly deteriorated as a result of a rapid increase in unit labour costs, where the deviations between individual countries increased significantly during

Figure 31: Real effective exchange rates in certain euro area members deflated by unit labour costs in 1999–2009



<sup>17</sup> Due to the structure of Slovenia's external trade, the appreciation of the euro also has a relatively smaller impact on the growth rate of the nominal effective exchange rate in Slovenia.

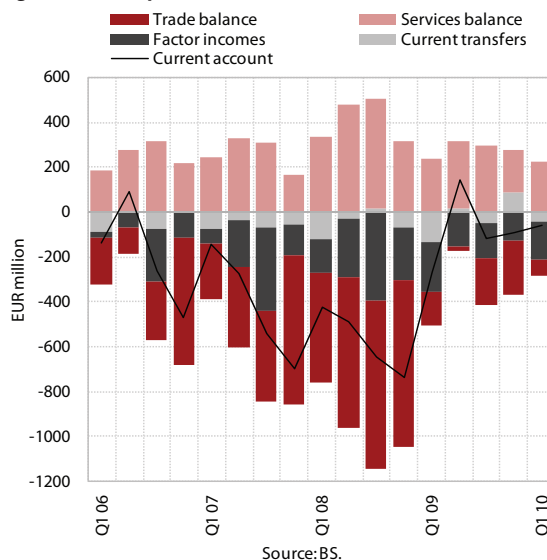
<sup>18</sup> In Slovenia, compared with its trading partners.

the economic crisis. After eight years of relatively stable movements, in the last three years Slovenia's position among euro area members otherwise also deteriorated due to higher consumer price rises, but the impact of the faster growth of unit labour costs on the loss of Slovenia's competitiveness was much greater. In terms of cost competitiveness movements, Slovenia had ranked relatively well all through the end of 2006 (4<sup>th</sup> place, following Germany, Austria and Finland), but its position deteriorated significantly by the beginning of 2009 (9<sup>th</sup> place, as Slovenia was also surpassed by France, Greece, Malta, the Netherlands and Cyprus).<sup>19</sup> Until the end of 2009, Slovenia otherwise improved again its relative position with regard to the first quarter of 1999 (6<sup>th</sup>), but the difference compared with the leading Germany, Slovenia's main trading partner, remained significant.

## Balance of payments

The **current account of the balance of payments** recorded a surplus of EUR 66.4 m in March, and a deficit of EUR 60.2 m in the first quarter of 2010 (EUR 267.4 m in the same period of last year). The y-o-y decline in the deficit in the first quarter largely resulted from a lower deficit in the balance of current transfers owing to a higher absorption of EU funds. The deficits in merchandise trade and factor incomes also dropped y-o-y. The surplus in services balance was somewhat lower.

Figure 32: Components of the current account balance



The y-o-y decline in the deficit in merchandise trade in the first quarter of this year was mainly influenced by trade with EU countries, while the y-o-y narrowing of the surplus in services trade was largely due to a lower surplus in trade in construction services. In the first quarter of this year,

<sup>19</sup> In 2008, the significantly worse results were mainly due to faster wage growth, and in 2009, to a more pronounced labour productivity drop, in particular, given that in Slovenia, economic activity dropped much more during the economic crisis.

Table 6: Balance of payments

I-III 10, EUR m	Inflows	Outflows	Balance <sup>1</sup>	Balance, I-III 09
Current account	5,584.2	5,644.3	-60.2	-267.4
- Trade balance (FOB)	4,213.1	4,284.7	-71.6	-149.4
- Services	915.5	694.0	221.5	235.6
- Income	228.6	394.6	-166.0	-216.2
Current transfers	227.0	271.0	-44.1	-137.3
Capital and financial account	1,359.2	-1,272.3	86.8	-176.3
- Capital account	37.2	-74.5	-37.3	-4.6
- Capital transfers	36.8	-73.8	-37.0	-2.9
- Non-produced, non-financial assets	0.4	-0.7	-0.3	-1.6
- Financial account	1,322.0	-1,197.8	124.1	-171.8
- Direct investment	-16.8	-140.4	-157.2	-139.4
- Portfolio investment	1,701.0	-602.1	1,098.9	872.8
- Financial derivatives	0.3	-17.3	-17.0	-23.3
- Other investment	-424.0	-438.0	-862.1	-995.6
- Assets	863.4	-562.6	300.8	765.8
- Liabilities	-1,287.4	124.6	-1,162.8	-1,761.4
- Reserve assets	61.5	0.0	61.5	113.8
Net errors and omissions	0.0	-26.7	-26.7	443.7

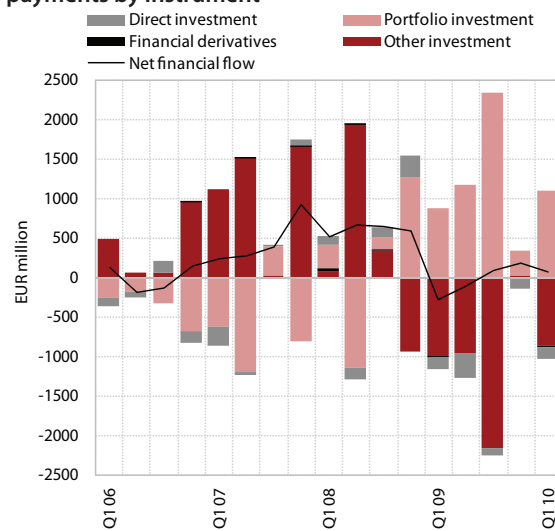
Sources: BS. Note: <sup>1</sup>a minus sign (-) in the balance indicates a surplus of imports over exports in the current account and a rise in assets in the capital and financial account and the central bank's international reserves.

merchandise trade recorded the second lowest deficit since Slovenia's accession to the euro area (EUR 71.6 m). With export growth exceeding import growth, the y-o-y merchandise trade deficit narrowed mainly due to a lower deficit in trade with EU countries. Trade with non-EU countries has yet to rebound and the surplus was only marginally higher y-o-y. The surplus in the services balance recorded EUR 221.5 m, dropping y-o-y for the fifth quarter in a row. The surplus mainly narrowed on account of a lower surplus in trade in construction services, with revenues earned on works performed by Slovenian enterprises abroad dropping significantly y-o-y. The recovery of foreign demand spurred trade in services related to merchandise trade. Trade surpluses in railway and road transport services widened somewhat y-o-y.

The deficit in factor incomes remained lower y-o-y in the first quarter, while the deficit in current transfers dropped significantly y-o-y due to higher absorption of EU funds. In the first quarter of 2010, the deficit in factor incomes dropped y-o-y due to a smaller deficit in the balance of income from capital, while the surplus in income from labour remained unchanged y-o-y. Amid lower interest rates in international capital markets, net interest payments on loans taken out abroad remained lower y-o-y. Because of bonds issued by the government sector and banks to mitigate the crisis, Slovenia's interest payments on investments in securities to the rest of the world for the first time exceeded interest receipts. Absorption from the EU budget improved, with Slovenia receiving more refunds for the implementation of the Common Agricultural and Fisheries Policies and from the Structural Funds.

External financial transactions (excluding international monetary reserves) recorded a net capital inflow in the first quarter for the third quarter in a row. With a modest deficit of the current account of the balance of payments, the net capital flow was weak as well, EUR 62.2 m in the first quarter of this year (a net inflow of EUR 187.6 m in the fourth quarter of last year). The net capital inflow of the general government exceeded the net capital outflows of the private sector and the BS.

Figure 33: Financial transactions of the balance of payments by instrument



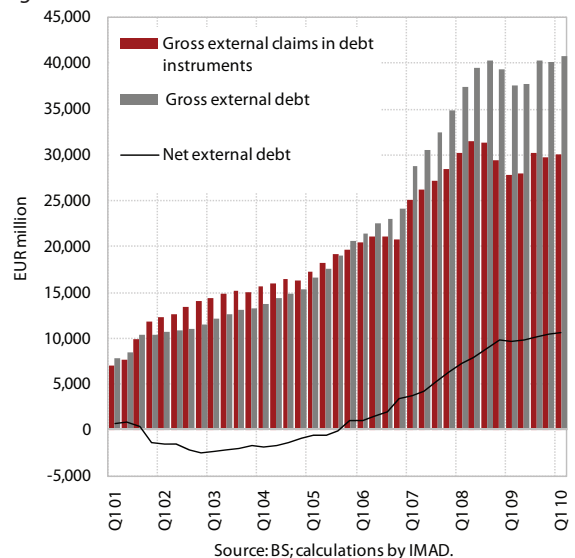
Source: BS.



*Direct investment* posted a net outflow of EUR 157.2 m in the first quarter of 2010. Within outward direct investment (EUR 140.4 m), investment in equity capital decreased compared with the fourth quarter of last year, while financing of affiliated subsidiaries abroad picked up. Foreign direct investment in Slovenia still posted a net outflow (EUR 16.8 m). Equity capital flows were weak, with Slovenian enterprises providing net debt financing to parent enterprises abroad since the beginning of the crisis. *Portfolio investment* posted a net inflow in the amount of EUR 1,098.9 m in the first quarter, largely due to foreign investment in debt securities. For budgetary financing and to purchase the existing bonds, the Slovenian government issued a 10-year benchmark bond in a nominal value of EUR 1.5 bn with a 4.125% interest rate in January, of which the largest portion (30.0%) was purchased by German investors. The BS continued to sell capital market instruments in the first quarter of this year. Commercial banks mainly invested in money market instruments, after selling them in the fourth quarter of last year. Other sectors continued to increase investment in equity securities of the euro area, compared with the previous quarter. External liabilities have been declining ever since the beginning of the financial crisis, while external assets are more volatile. With external liabilities again falling more than assets, *other investment* saw a net outflow of EUR 862.1 m in the first quarter of this year. Short-term trade credits recorded a net outflow of EUR 219.2 m. Domestic commercial banks extended only short-term loans to the rest of the world. Currency and deposits by domestic banks abroad declined significantly, in the amount of EUR 1,120.9 m. We estimate that domestic banks thus offset the withdrawal of foreign banks' deposits and also repaid some of the foreign loans. The BS reduced its liabilities against the TARGET position in the amount of EUR 568.9 m.

*The share of long-term external debt in gross external debt is increasing. The maturity structure of external claims in debt instruments, with short-term claims accounting for the greatest share, remains at the level recorded at the end of last year. Net external debt, totalling EUR 10.6 bn at the end of March 2010, increased by EUR 144 m or 0.4 p.p. compared with the end of 2009, to 30.5% of estimated GDP. Broken down by maturity, long-term external liabilities and repayments of short-term liabilities are on the increase. At the end of March, Slovenia's gross external debt totalled EUR 40.7 bn (116.5% of GDP), EUR 576 m more than in December 2009. The external debt of the general government sector rose in the first quarter of this year, largely due to the issue of a long-term benchmark bond, while the debts of the domestic banking sector (BS and commercial banks) declined. The debt of other sectors, where enterprises prevail, was only somewhat higher. Gross external claims in debt instruments totalled EUR 30.0 bn at the end of March (86.0% of GDP), EUR 432 m more than in December last year. The increase was mainly underpinned by outflows of household currency and deposits from the domestic banking system, as well as claims by domestic commercial banks, which strengthened the financing of the rest of the world by short-term trade credits.*

Figure 34: Gross external debt



## Financial markets

*In April, the lending activity of domestic banks remained at the level of the first quarter of this year. Unlike in March, the bulk of net flows resulted from corporate and NFI borrowing, while household borrowing eased significantly. As to the sources of finance, banks continued to make net repayments on foreign loans, government deposits recorded net outflows for the third month in a row, while the volume of household deposits shrank somewhat again. Higher inflows were recorded for issued debt securities, as a result of a bond worth EUR 750 m issued by one of the banks, which is, according to our estimate, also reflected in the strengthening of bank deposits and loans of domestic banks in the domestic banking sector.*

Figure 35: Net flows and growth of domestic bank loans to domestic non-banking sectors

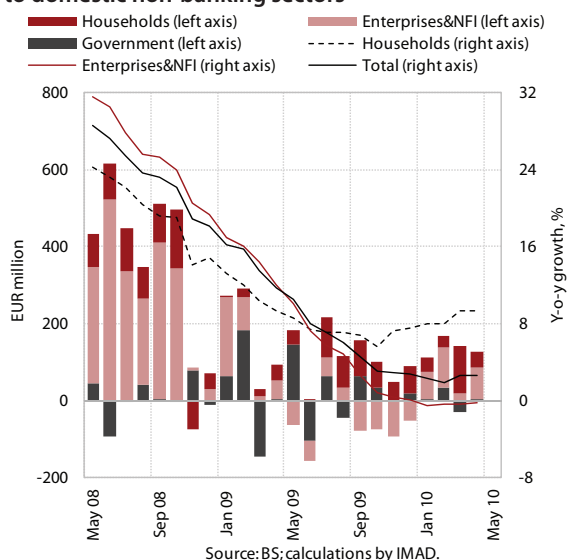


Table 7: Financial market indicators

Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 09	30. IV 10	30. IV 10/ 31. III 10	30. IV 10/ 31. XII 09	30. IV 10/ 30. IV 09
Loans total	32,444.95	32,968.43	0.4	1.6	2.7
Enterprises and NFI	23,161.09	23,446.67	0.4	1.2	-0.2
Government	870.95	873.51	-0.9	0.3	26.1
Households	8,412.91	8,648.25	0.5	2.8	9.3
Consumer credits	2,899.95	2,909.68	0.1	0.3	1.9
Lending for house purchase	3,927.13	4,170.00	1.5	6.2	19.0
Other lending	1,585.84	1,568.57	-1.1	-1.1	1.2
Bank deposits total	14,313.07	14,489.80	0.0	1.2	3.8
Overnight deposits	5,655.00	5,874.72	1.3	3.9	11.3
Short-term deposits	5,116.28	4,400.54	-4.4	-14.0	-21.9
Long-term deposits	2,874.95	3,487.30	3.4	21.3	45.1
Deposits redeemable at notice	666.84	727.24	1.5	9.1	12.3
Mutual funds	1,856.30	1,978.24	0.7	6.6	28.5

Sources: Monthly Bulletin of the BS, SMA (Securities Market Agency); calculations by IMAD.

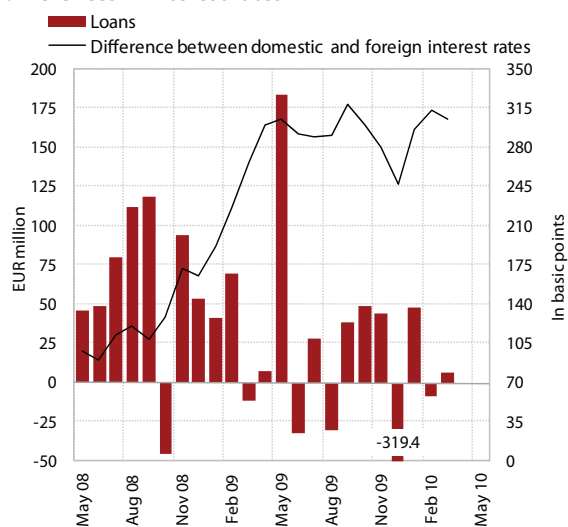
The volume of loans grew by 0.4% at the monthly level in April, while the net flows of loans exceeded EUR 100 m for the fourth month in a row. Banks recorded net lending of EUR 523.5 m in the first quarter of this year, more than 3% less than in the same period last year. This relatively small decline is to a great extent a result of lower net repayments of foreign currency loans, while euro borrowing dropped by more than one quarter y-o-y.

**Household borrowing decreased significantly in April relative to March.** Net flows posted less than two fifths of the March value, EUR 46.8 m, which was nevertheless the second highest value this year. All types of household borrowing declined relative to March. Net flows of housing loans returned to the levels recorded in previous months (between EUR 50 m and 60 m); borrowing in the form of consumer loans also shrank, while household loans for other purposes were repaid this time in a net amount of EUR 17.0 m. Net flows of household loans totalled EUR 235.3 m in the first four months of this year, being 1.8 times higher than in the same period of last year, given the modest net flows at the beginning of last year.

After being modest in March, net flows of **corporate and NFI loans picked up in April, to EUR 90.4 m.** Borrowing was again recorded only by enterprises, while NFIs net repaid loans taken out at domestic banks for the third month in a row. The structure of corporate and NFI loans by purpose was much more balanced. The categories of working capital loans and investment loans made up approximately 30% of net flows each, while the rest (40%) came from net flows of loans for other purposes. Enterprises and NFIs thus borrowed a net EUR 285.6 m from domestic banks in the first four months of 2010, nearly one fifth less than in the comparable period last year.

**Corporate borrowing abroad is still slowing.** In March, enterprises recorded net borrowing abroad in the amount of EUR 6.9 m. The total volume of net borrowing amounted to EUR 46.2 m in the first quarter of this year, not even half the value recorded in the first quarter of last year. The decline is attributable to lower net borrowing in the form of long-term loans, while repayment of short-term loans dwindled somewhat y-o-y. The differences between domestic and foreign interest rates have remained high for more than a year, reaching 306 basis points in March. The reasons for such movements may be sought in lower-quality of demand for loans, higher concentration in the banking market and attempts to cover bank losses (related to the increase in non-performing assets) with higher margins.

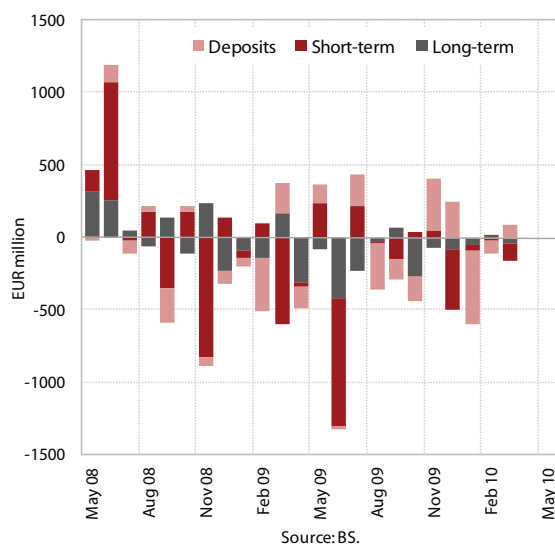
Figure 36: Net corporate and NFI borrowing abroad and differences in interest rates



Source: BS; calculations by IMAD.

*Banks net repaid foreign loans again in March.* In March, banks net repaid loans taken out abroad in the amount of EUR 154.4 m, the highest figure this year. Banks net repaid long-term as well as short-term loans, but the latter accounted for more than 70% of all net repayments. Unlike in the first two months of this year, banks recorded a net inflow of foreign deposits in March, the highest this year (EUR 85.7 m). They nevertheless net repaid foreign loans and deposits in the amount of EUR 755.0 m in the first quarter this year, roughly one tenth less than in the same period last year. According to the BS estimates, EUR 6.2 bn of bank liabilities will fall due by the end of 2010 and an additional EUR 2.6 bn will be needed to realise the foreseen 3.5% increase in the total assets of banks. Banks will thus have to provide new sources of finance for approximately EUR 9 bn. We estimate that the lending activity in the Slovenian banking system will therefore remain highly dependent on the possibilities of refinancing in the international financial markets this year.

Figure 37: Net bank borrowing abroad

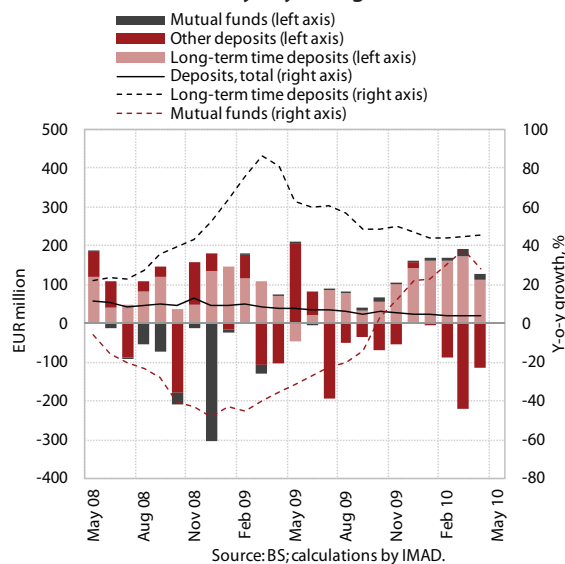


*The quality of bank assets continued to deteriorate in April.* In April, banks increased the volume of impairments and provisions by EUR 36.2 m, which is otherwise somewhat less than in the previous April. In the first four months of this year, impairments and provisions climbed to EUR 147.8 m, which is more than a third higher figure than in the same period of 2009.

*Household deposits in banks recorded net outflows in April for the second month in a row, but this time these outflows were fairly modest, at EUR 3.0 m.* Long-term deposits continue to strengthen; at EUR 113.7 m, they were otherwise the lowest this year, recording net inflows in the amount of EUR 621.4 m in the first four months of 2010, one third more than in the same period of last year. These net inflows largely resulted from short-term deposits, which recorded net outflows

of over EUR 700 m in this period. These structural shifts can also be attributed to the relatively great differences between the interest rates for long-term and short-term deposits. Net inflows of all household deposits to banks amounted to EUR 176.7 m, only just below two thirds of the value in the same period of 2009. After becoming an increasingly important source of finance for banks last year, government deposits gradually lost importance as a source of liquidity in the last three months. In April, their net outflows (EUR 242.3 m) otherwise declined substantially relative to February and March, when they stood at EUR 1.5 bn. Due to January's high net inflows, government bank deposits recorded a net outflow of EUR 0.8 bn in the first four months of 2010, while in the same period of last year net inflows amounted to EUR 2.2 bn.

Figure 38: Net inflows of household deposits in banks and mutual funds, and y-o-y change in stock



## Public finance

*In the first four months of 2010, revenue from taxes and social security contributions dropped by 3.8% relative to the same period last year.* According to data on paid taxes and social security contributions,<sup>20</sup> payments amounted to EUR 4.1 bn in the first four months. After dropping for three months in a row, general government revenue increased by as much as 14.7% relative to March, but was down 6.9% relative to the previous April. The significant increase in April is a consequence of very low inflows in March when the first effects of tax assessments according to business results for 2009 began to show, and of statutory changes instituting shorter deadlines for VAT refunds (changed from 60 to 21 days). VAT inflows increased the most, given the extremely low base in March, but were nevertheless just 3.6% higher than in the previous April.

<sup>20</sup> Based on the Report on Payments of all Public Revenues, January–April 2010, Public Payments Administration.

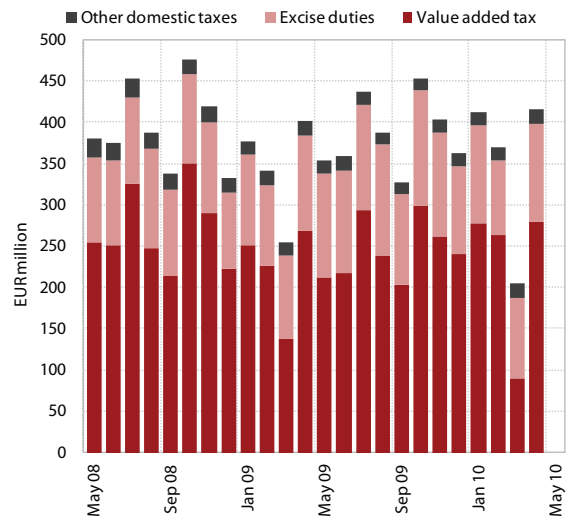
After falling in the last three months, the monthly revenue from personal income tax increased by 15.0% in April relative to March. Prepayments of tax on income from employment and revenue from other personal income tax categories increased and tax refunds based on final personal income tax assessments for last year began to be paid. In April, revenue from excise duties<sup>21</sup> was much higher than in March, yet only 1.2% higher than in the same month of 2009. After picking up in March, revenue from social security contributions increased by another 0.7% in April, also being 0.7% higher y-o-y. In April, general government revenue also dropped significantly as a result of corporate income tax assessments for the previous year, with tax refunds (EUR 69 m) being much higher than the tax collected.

Only revenues from value added tax (VAT) increased y-o-y in the first four months of the year, while revenues from all other taxes and contributions declined. Even though VAT inflows shrank significantly at the beginning of the year due to shorter deadlines for refunds, they nevertheless increased by 3.2% y-o-y in the first four months, mainly due to the effect of a very low base, as in the first four quarters of 2009 the fall in VAT inflows was particularly pronounced due to the decline in economic activity. After a long period of growth, revenue from excise duties declined by 0.5% y-o-y in the first four months. Excise duties were otherwise generated at higher rates than in the same period last year, but the quantity of excise goods was significantly lower. In the first four months, revenue from corporate income tax dropped the most y-o-y (more than 60%). Revenue declined as a result of refunds based on tax assessments taking into account business results for 2009, tax relief in place and a lower tax rate. The new monthly prepayments are therefore much lower than last year: they have been determined according to business results for 2009, but tax payers are also able to request a reduction on the basis of deteriorated business performance in the current year and a 1 percentage point lower statutory tax rate (20.0%). Revenue from personal income tax declined by 3.8% y-o-y in the first four months due to lower revenues from tax on income from employment (-0.9%) and especially from other personal income tax sub-categories (-25.2%) – revenues from taxes on income from entrepreneurial profits (tax assessments based on business results for the previous year) and income from property and occasional earnings. Social security contributions dropped by 0.8% in the first four months of 2010. Growth in revenue from social security contributions had already been slowing from month to month towards the end of last year and turned into a decline in January, which was somewhat smaller, on average, in the first four months than in the first three.

*The movements of general government revenue at the beginning of the year suggest that by the end of the year general government revenue will be lower than what was*

*envisaged in the budget documents.*<sup>22</sup> The government has therefore already adopted the starting points for drafting the supplementary budget for 2010 to adjust general government revenues to the new revenue estimates and to reduce general government expenditure accordingly.

Figure 39: Domestic taxes on goods and services



Source: PPA, Report on Payments of All Public Revenues.

According to the **consolidated balance**<sup>23</sup> of the MF, general government revenue totalled EUR 2.2 bn and general government expenditure EUR 2.7 bn in the first two months of 2010. Revenue increased by 2.3% from its 2009 level, while it had dropped by 1.9% y-o-y last year. Expenditure increased by 6.0% y-o-y in the first two months, much less than in the previous year (16.5%). Fiscal imbalances are increasing against the background of lower growth in general government revenue due to tax reforms enacted in previous years and amid the deteriorated macroeconomic environment and a concurrent hike in general government expenditure due to automatic stabilisers and the financial effects of anti crisis measures. In the first two months the gap totalled EUR 438 m. In the economic structure of expenditure, all categories of general government expenditure increased y-o-y in the first two months of 2010, except expenditure on wages and other personnel expenditures (-0.9%), and expenditure on goods and services (-0.5%). Growing rapidly due to higher general government debt, interest payments rose more than 30% in the first two months. Considerable growth was also recorded for capital expenditures and capital transfers (22.3%). Expenditure on subsidies also increased y-o-y in the first two months (11.7%), due to the implementation of anti-crisis measures. Slovenia's payments into the EU budget rose by 11.8%. Expenditure on transfers to individuals and households rose by 6.1% y-o-y in January–February, or 10.7% not

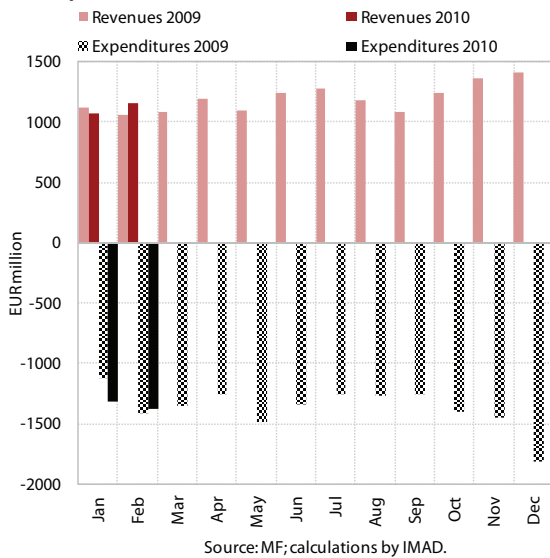
<sup>21</sup> The figure for excise duties is corrected for the timing of excise duty payments.

<sup>22</sup> Adopted state budget for 2010 and financial plans of other general government budgets.

<sup>23</sup> The consolidated balance (according to the cash flow methodology) includes revenues and expenditures of the state and local government budgets, as well as the pension and health funds.

including pensions, with expenditure on transfers to the unemployed (75.0%) and expenditure on social security transfers (11.9%) increasing most significantly given deteriorating labour market conditions. Growth in expenditure on pensions began to slow towards the end of last year and in the first two months of 2010 expenditure on pensions was no more than 3.6% higher y-o-y.

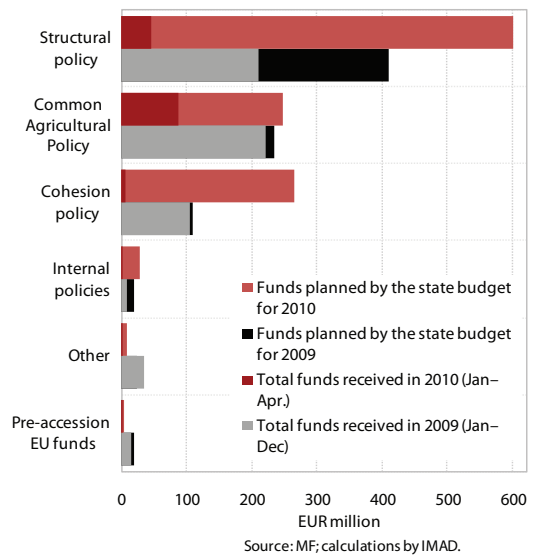
Figure 40: Consolidated general government revenue and expenditure



The *state budget* deficit climbed to EUR 418 m in the first two months. With expenditure increasing by 10.9%, the total *balance of local government budgets* also recorded a deficit of EUR 25.2 m, while the *health fund* had a small surplus in the amount of EUR 2.4 m. The *pension fund* was roughly balanced, thanks to the transfer of EUR 237 m from the state budget (18.7% higher than a year earlier).

Slovenia absorbed EUR 10.9 m from and paid EUR 19.6 m into the **EU budget** in April. This year's negative net budgetary position relative to the EU budget deteriorated again after a slight improvement in March, to EUR 20.2 m. April saw very low refunds from the EU budget to the state budget compared with the previous three months, partly because there were no receipts for the implementation of the Common Agricultural Policy.<sup>24</sup> Due to limited competence of the temporary Minister for Agriculture, Forestry and Food, the funds received under the Common Agricultural Policy in April were not recorded in the integrated budget. All receipts for the implementation of the Common Agricultural Policy that have not been

Figure 41: Consolidated general government revenue and expenditure



<sup>24</sup> Under the Common Agricultural Policy, Slovenia only received interest from other refunds from the EU budget in the amount of EUR 10 in April.

Table 8: Consolidated general government revenue and expenditure

	2009			2010		
	EUR m	% of GDP	Growth, %	I-II 10 EUR m	II 10/ II 09	I-II 10/ I-II 09
Revenues - total	14,404.0	41.3	-6.1	2,241.0	9.0	2.3
- Tax revenues	12,955.3	37.1	-7.0	2,047.9	7.5	0.0
- Taxes on income and profit	2,805.1	8.0	-18.5	444.2	-8.3	-9.2
- Social security contributions	5,161.3	14.8	1.3	838.6	-2.1	-2.2
- Domestic taxes on goods and services	4,660.1	13.4	-3.0	732.9	34.6	9.5
- Receipts from the EU budget	596.5	1.7	63.3	71.3	41.0	80.6
<b>Expenditure - total</b>	<b>16,365.4</b>	<b>46.9</b>	<b>6.0</b>	<b>2,679.4</b>	<b>-2.6</b>	<b>6.0</b>
- Wages and other personnel expenditure	3,912.3	11.2	9.3	632.8	-5.2	-0.9
- Purchases of goods and services	2,506.8	7.2	-0.8	349.3	-0.1	-0.5
- Transfers to individuals and households	6,024.1	17.3	7.3	1,001.1	5.3	6.1
- Capital expenditure	1,293.3	3.7	3.3	134.5	0.7	14.0
- Capital transfers	495.2	1.4	8.1	33.0	125.2	73.1
- Payment to the EU budget	439.3	1.3	2.7	130.3	3.1	11.8

Source: MF.

booked yet will be listed as revenue in May and June instead of April. In April, more than half of Slovenia's receipts came from the Structural Funds, of which the bulk from the European Regional Development Fund and a small portion from the Operational Programme for Human Resource Development. For the first time this year, Slovenia received refunds from the Cohesion Fund under the Operational Programme of Environment and Transport Infrastructure (in the amount of EUR 4.9 m), which are earmarked for renovation of the waste management centre in the Osrednjeslovenska regija.



**selected topics**





## World competitiveness of Slovenia according to the IMD 2010

According to the *IMD World Competitiveness Yearbook results for 2010*, Slovenia's position deteriorated significantly in comparison with other countries. The world competitiveness index published annually by the IMD is calculated using a combination of selected soft (surveys among managers) and hard indicators (statistical data for 2009). This year's IMD report monitors 246 indicators<sup>25</sup> in 58 countries. Slovenia slipped by as many as 20 places this year, from 32<sup>nd</sup> to 52<sup>nd</sup> out of 58 countries analysed. Slovenia's ranking dropped markedly in three areas, economic performance (by 20 places), business efficiency (by 18 places) and government efficiency (by 15 places). Out of 24 EU countries included in the research,<sup>26</sup> Slovenia worsened its ranking by 8 places, to 22<sup>nd</sup>. Bulgaria and Romania were the only EU countries to be ranked lower than Slovenia, while regarding business efficiency factors, Slovenia was placed last. Even if the survey results have a much lower weight in the total calculation than statistical data, we can conclude that they show, to a certain extent, that Slovenian managers are dissatisfied with the current situation and the possibilities of doing business in Slovenia, as well as with the performance of the government during the crisis and the measures taken in certain areas.

In 2009, the economic situation in Slovenia coupled with the crisis in the international environment significantly affected macro and micro indicators particularly in the area of economic performance. Slovenia nevertheless ranks around the middle of EU countries in terms of its economic performance, while the situation is the most favourable in Germany, according to the IMD report. The indicators dropped markedly, in particular due to a strong decline in economic activity, much greater than in the EU as a whole, which, coupled with lower international trade, deteriorated Slovenia's ranking on the IMD scale. The IMD also draws particular attention to the fact that managers are considering moving research and development, services, but also certain production lines, abroad, which is related to increasing labour costs.

In previous years, government efficiency had a positive impact on the competitiveness of the economy, but not so in the recent period. Despite the significant deterioration in public finances over the last year, Slovenia has been ranked in the middle of EU countries in this area. Slovenia's bad ranking can thus mainly be attributed to deterioration in other areas: institutional framework and business legislation. Regarding the institutional framework, the IMD has perceived lower adaptability of government

policy to changes in the economy and lower efficiency in implementing government decisions, as well as increased bureaucracy, bribing and corruption. The introduction of the one-stop system (e-VEM) for all businesses in 2008 brought about a significant reduction in administrative burdens, making it easier and faster to start a business, but managers nevertheless believe that the government did not do enough to create a competitive business environment, especially in this time of crisis. Especially limiting is inadequate legislation on the labour market, as well as taxation of labour and enterprises, which is too high compared with other countries. This has also been confirmed by the OECD survey<sup>27</sup> according to which the tax wedge on labour costs for an employee with an average wage accounted for 42.5% in 2009, which is above the OECD average.

Table 9: IMD world competitiveness indicators by main groups and sub-groups

	2006	2007	2008	2009	2010	
	Rank	Rank	Rank	Rank	Rank	Rank
<b>Overall competitiveness</b>	<b>39</b>	<b>40</b>	- <b>32</b>	+ <b>32</b>	<b>o 52</b>	-
<b>Economic performance</b>	<b>33</b>	<b>24</b>	+ <b>25</b>	- <b>21</b>	+ <b>42</b>	-
Domestic economy	35	24	+ 22	+ 16	+ 52	-
International trade	22	21	+ 10	+ 19	- 29	-
International investment	51	50	+ 54	- 53	+ 55	-
Employment	31	28	+ 39	- 29	+ 36	-
Prices	9	2	+ 8	- 12	- 15	-
<b>Government efficiency</b>	<b>43</b>	<b>43</b>	<b>o 43</b>	<b>o 38</b>	+ <b>53</b>	-
Public finance	24	17	+ 21	- 14	+ 44	-
Fiscal policy	49	47	+ 51	- 49	+ 53	-
Institutional framework	37	35	+ 33	+ 30	+ 46	-
Business legislation	45	51	+ 47	+ 39	+ 49	-
Social framework	29	31	- 37	- 30	+ 46	-
<b>Business efficiency</b>	<b>44</b>	<b>43</b>	+ <b>32</b>	+ <b>39</b>	- <b>57</b>	-
Productivity & efficiency	<b>33</b>	<b>33</b>	<b>o 18</b>	+ <b>21</b>	- <b>50</b>	-
Labour market	40	42	- 39	+ 40	- 54	-
Financial markets	40	43	- 28	+ 41	- 53	-
Management practices	40	37	+ 30	+ 39	- 54	-
Attitudes and values	50	51	- 46	+ 47	- 57	-
<b>Infrastructure</b>	<b>32</b>	<b>33</b>	- <b>29</b>	+ <b>27</b>	+ <b>34</b>	-
Basic infrastructure	28	32	- 33	- 35	- 40	-
Technological infrastructure	34	33	+ 28	+ 31	- 36	-
Scientific infrastructure	33	33	<b>o 32</b>	+ 30	+ 38	-
Health and environment	36	34	+ 30	+ 25	+ 30	-
Education	25	26	- 27	- 23	+ 25	-

Source: IMD World Competitiveness Yearbooks between 2006 and 2010.  
Note: Rank means Slovenia's ranking among 53 countries in 2006, 55 countries in 2007 and 2008, 57 countries in 2009, and 58 countries in 2010; "o" means a rise in Slovenia's ranking relative to the previous year, while "-" indicates a fall or that there was no change.

<sup>25</sup> This year, the IMD calculated ranks using 246 indicators (the IMD monitors a total of 327 indicators), 115 of which are survey indicators. Surveys account for a weight of one third, approximately, in the overall ranking, whereas statistical data represent a weight of two thirds. In Slovenia, the survey was conducted in January this year and included an appropriate sample of managers and entrepreneurs, which represent the total economy according to their contribution to GDP.

<sup>26</sup> The survey does not include Cyprus, Malta and Latvia.

<sup>27</sup> OECD Economic Survey, Slovenia, 2009.

Slovenia slipped significantly in terms of business efficiency and is ranked at the end of the countries covered in the IMD report according to this indicator. The deterioration of business efficiency also reflects the economic situation in the last year, but is attributable to the unfavourable business environment as well. One of the main factors contributing to lower business efficiency in Slovenia is the decline in productivity, which is mainly due to employment adjusting to the rapid and strong decline in economic activity with a lag and less vigorously, also as a result of certain government measures on the labour market. A significant obstacle to doing business in Slovenia is high indebtedness of enterprises and, consequently, much harder access to sources of finance. A number of managers surveyed reported that banks do not stimulate business activity, and stated, among the limiting factors, insufficient imposition of accounting standards and inefficient corporate boards (ineffective supervision of management of companies). To a certain extent, the latter should now improve as a result of a new law on corporate governance of government capital investments. The deterioration in business efficiency factors and in particular, Slovenia's ranking compared with other countries, are a matter of concern, showing that managers and entrepreneurs are worried about the current situation and the lack of general values and good business practices.

Slovenia also slipped in terms of infrastructure, yet less than in other competitiveness factors. Among Slovenia's main shortfalls in this area, the IMD quotes the legal and regulatory framework in the field of R&D, innovation and technological infrastructure, which insufficiently supports R&D activities and business operations. In this regard it also cites a lack of adequately educated workforce, particularly qualified engineers, indicating that the education system is adjusting too slowly to labour market needs.

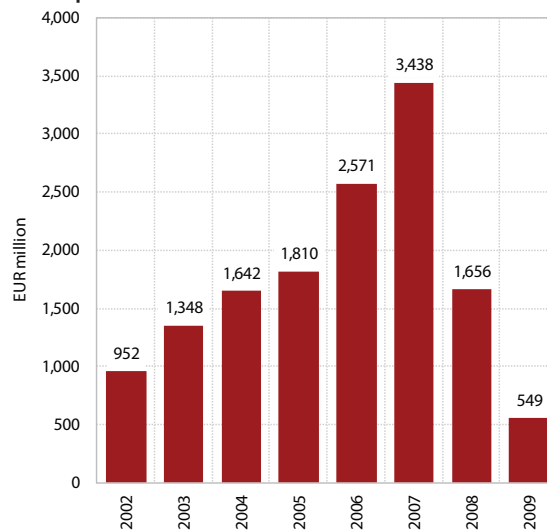
## Performance of companies and cooperatives in 2009

As expected, performance of companies and cooperatives deteriorated significantly in 2009, according to data from annual reports. Altogether 53,897 companies with 479,894 employees (2.7% less than in 2008) ended the year 2009 with a positive difference between net profit and net loss in the amount of EUR 549 m. 60.3% of companies posted net profit in the total amount of EUR 2,665 m, while 35.5% of companies recorded net loss in the total amount of EUR 2,116 m. Net loss was greatest in manufacturing (25.5%) and in the financial and insurance sector (22.2%). In comparison with the year before, net profit declined by 18.3%, while net loss increased by 37.0%.

Companies posted a 68.0% lower positive difference between net profit and net loss for 2009 than for 2008, largely due to a lower positive difference between operating

revenues and expenses,<sup>28</sup> mainly as a consequence of a decline in net sales.<sup>29</sup> Overall, 72.0% of net sales were generated on the domestic market, 18.7% on EU markets and 9.3% outside the EU. In comparison with 2008, net sales on the domestic market decreased by 12.4%, net sales in the EU by 17.8% and net sales outside the EU by 20.3%. At the end of the year, companies recorded 2.0% more assets and liabilities in their balance sheets than at the end of 2008. As regards the structure of assets, the share of long-term assets increased somewhat (from 61.3% to 62.9%), particularly the shares of tangible fixed assets and long-term investments, while the share of short-term assets declined slightly (from 38.1% to 36.4%), especially the shares of short-term operating receivables and inventories. In the structure of liabilities, the share of equity remained at the same level as at the end of the previous year (35.1%). The share of long-term liabilities increased from 26.2% to 27.4%, while the share of short-term liabilities dropped from 35.4% to 34.3%. The equity financing rate thus remained unchanged (35.1%), while the rate of debt financing increased by 0.1 p.p. (from 61.6% to 61.7%).

Figure 42: Difference between the net profit and net loss of companies in 2002–2009



Source: AJPES; calculations by IMAD.

Amid the increase in the number of companies up to 2008 inclusive, the number of employed persons was also rising in the period from 2006 to 2009. The greatest positive difference between net profit and net loss, achieved by companies in 2007, dropped by 51.8% in 2008, and even more notably in 2009, by 84.0% compared with 2007, and by 66.8% compared with 2008. Only four of the selected performance indicators improved in 2009, the long-term assets rate, the equity financing rate (only compared with 2008), the long-term financing to long-term assets and

<sup>28</sup> In 2009, companies recorded a positive difference between operating revenues and expenses in the amount of EUR 1,441 m, which is 41.7% less than in 2008.

<sup>29</sup> Net sales represented 97.6% of operating revenues in 2009. Reaching EUR 67,786 m, they were EUR 11,263 m or 14.3% lower than in 2008

Table 10: Performance of companies and cooperatives in 2006, 2007, 2008, 2009

	Companies				Cooperatives			
	2006	2007	2008	2009	2006	2007	2008	2009
<b>Indicators</b>								
Number of companies	45,330	48,781	51,997	53,897	319	315	301	297
Number of employees	478,839	499,465	510,754	479,894	3,695	3,465	3,457	3,394
Difference between net profit and net loss, in EUR thousand	2,571,476	3,438,343	1,656,533	549,426	5,274	7,482	4,965	-1,604
<b>Ratios</b>								
Net revenues from sales in EU markets and outside EU markets/ Total net revenues, %	30.5	30.5	29.7	28.0	8.4	8.1	8.5	6.7
Value added per employee, EUR	31,151	33,538	35,279	34,168	21,201	21,699	24,511	22,584
Total efficiency ratio	1.052	1.060	1.028	1.014	1.011	1.012	1.007	0.999
Net profit margin rate	0.038	0.044	0.019	0.008	0.007	0.010	0.006	-0.002
Net return on assets ratio	0.034	0.039	0.016	0.005	0.011	0.014	0.009	-0.003
Net return on equity ratio	0.085	0.103	0.046	0.015	0.022	0.029	0.018	-0.006
Equity financing rate	0.399	0.370	0.348	0.351	0.480	0.474	0.471	0.482
Long-term assets rate	0.615	0.597	0.610	0.624	0.561	0.566	0.556	0.598
Equity to long-term assets ratio	0.645	0.617	0.568	0.559	0.856	0.838	0.846	0.805
Long-term financing to long-term assets and inventories ratio	0.946	0.937	0.888	0.899	0.837	0.820	0.848	0.838

Source: AJPES – data from the balance sheets and profit and loss accounts of companies and cooperatives for 2006, 2007, 2008 and 2009; calculations by IMAD.  
As SAS 2006 have been used since 2006 inclusive, data for 2009 are comparable with data for 2008, 2007 and 2006.  
Data for 2006, which were in SIT, are converted into EUR at the central parity rate (EUR 1 = SIT 239.64).

inventories ratio (also only compared with 2008), and value added per employee (only compared with 2006 and 2007).

According to annual reports of cooperatives for 2009, 297 cooperatives employing 3,394 people recorded a negative difference between net profit and net loss in the amount of EUR 1.6 m. With a falling number of cooperatives, the number of employees also declined in 2006–2009. Cooperatives recorded a positive difference between net profit and net loss until 2009, which was the highest in 2007. Three of the selected indicators improved in 2009, the equity financing rate, the long-term assets rate and value added per employee (the latter only relative to 2006 and 2007).



# **statistical appendix**



MAIN INDICATORS	2005	2006	2007	2008	2009	2010	2011	2012
						Spring forecast 2010		
						forecast	forecast	forecast
GDP (real growth rates, in %)	415	518	618	315	-718	016	214	311
GDP in EUR million (current prices and current exchange rate)	28,750	31,055	34,568	37,135	34,894	34,934	36,286	38,202
GDP per capita, in EUR (current prices and current exchange rate)	14,369	15,467	17,123	18,367	17,085	17,153	17,778	18,681
GDP per capita (PPS) <sup>1</sup>	19,700	20,700	22,100	22,800	-			
GDP per capita (PPS EU27=100) <sup>1</sup>	88	88	89	91	-			
Gross national income (current prices and current fiksni exchange rate)	28,506	30,683	33,854	36,278	34,381	34,262	35,320	37,104
Gross national disposable income (current prices and current fiksni exchange rate)	28,362	30,467	33,627	35,993	34,186	34,293	35,224	36,905
Rate of registered unemployment	10.2	9.4	7.7	6.7	9.1*	11.1	11.6	11.2
Standardised rate of unemployment (ILO)	6.5	6.0	4.9	4.4	5.9*	7.2	7.6	7.3
Labour productivity (GDP per employee)	4.7	4.2	3.7	0.7	-5.8	3.0	3.0	3.0
Inflation, <sup>2</sup> year average	2.5	2.5	3.6	5.7	0.9	1.3	1.6	2.3
Inflation, <sup>2</sup> end of the year	2.3	2.8	5.6	2.1	1.8	1.3	2.0	2.5
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>								
Exports of goods and services <sup>3</sup> (real growth rates, in %)	10.6	12.5	13.7	2.9	-15.6	4.3	6.3	7.4
Exports of goods	10.3	13.4	13.8	0.0	-15.2	4.7	6.4	7.4
Exports of services	12.0	8.6	13.2	16.2	-16.9	2.9	6.1	7.6
Imports of goods and services <sup>3</sup> (real growth rates, in %)	6.6	12.2	16.3	2.9	-17.9	4.1	6.0	6.7
Imports of goods	6.8	12.7	15.8	2.6	-19.1	3.9	6.0	6.7
Imports of services	5.5	8.8	19.7	4.9	-10.2	4.9	6.0	6.6
Current account balance, in EUR million	-498	-771	-1,646	-2,287	-340	-638	-1,095	-1,249
As a per cent share relative to GDP	-1.7	-2.5	-4.8	-6.2	-1.0	-1.8	-3.0	-3.3
Gross external debt, in EUR million	20,496	24,067	34,752	38,997	40,008	40,688 <sup>5</sup>	-	-
As a per cent share relative to GDP	71.4	77.6	100.8	105.0	114.7	-	-	-
Ratio of USD to EUR	1.244	1.254	1.371	1.471	1.393	1.364	1.358	1.358
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS</b>								
Private consumption (real growth rates, in %)	2.6	2.9	6.7	2.0	-1.4	-0.5	1.7	2.3
As a % of GDP <sup>4</sup>	54.2	52.8	52.7	52.7	54.8	54.9	54.4	53.9
Government consumption (real growth rates, in %)	3.4	4.0	0.7	6.2	3.1	0.6	0.2	0.8
As a % of GDP <sup>4</sup>	19.0	18.8	17.3	18.1	20.2	20.6	20.6	20.6
Gross fixed capital formation (real growth rates, in %)	3.7	9.9	11.7	7.7	-21.6	0.5	3.5	4.5
As a % of GDP <sup>4</sup>	25.5	26.5	27.7	28.9	24.0	24.0	24.2	24.5
Sources of data: SORS, BS, Eurostat-New Cronos, estimate, calculations and forecasts by IMAD. Notes: <sup>1</sup> Measured in purchasing power standard; <sup>2</sup> Consumer price index; <sup>3</sup> Balance of payments statistics (exports F.O.B., imports F.O.B.); real growth rates are adjusted for inter currency changes and changes in prices on foreign markets; <sup>4</sup> Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64); <sup>5</sup> end March 2010; *According to preliminary calculations by IMAD, based on the quarterly data by SORS.								

PRODUCTION	2007	2008	2009	2008				2009				2010	2008				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	3	4	5	6	7
<b>INDUSTRIAL PRODUCTION, y-o-y growth rates, %</b>																	
Industry B+C+D	7.2	2.5	-17.3	6.4	8.4	3.3	-7.7	-18.1	-24.5	-18.3	-7.0	0.1	1.7	14.8	3.8	6.8	2.0
B Mining and quarrying	5.5	5.5	-2.9	13.8	3.5	7.1	-1.2	-6.7	-13.7	6.1	4.8	-7.5	3.6	9.5	-4.4	5.6	34.4
C Manufacturing	8.5	2.6	-18.6	6.9	8.7	3.7	-8.4	-19.9	-25.8	-19.4	-7.7	0.8	2.0	15.6	4.2	6.7	1.7
D Electricity, gas & steam supply <sup>1</sup>	-11.1	2.1	-6.7	-2.3	8.2	-1.1	4.5	-3.1	-8.6	-9.7	-6.0	-4.4	-1.2	8.1	4.2	12.2	0.2
<b>CONSTRUCTION,<sup>2</sup> real indices of construction put in place, y-o-y growth rates, %</b>																	
Construction, total	18.5	15.7	-21.0	32.5	17.0	15.7	4.2	-19.2	-19.0	-24.5	-20.5	-18.9	21.4	22.8	13.8	15.4	15.9
Buildings	14.3	11.5	-22.5	37.8	7.3	11.5	-2.0	-20.8	-21.8	-27.4	-19.6	-7.3	18.6	10.5	3.1	8.9	0.2
Civil engineering	21.9	18.9	-19.9	28.0	24.3	18.6	8.9	-17.6	-17.2	-22.6	-21.1	-29.3	23.8	32.4	21.7	20.4	28.0
<b>TRANSPORT, tonne-km in m, y-o-y growth rates, %</b>																	
Tonne-km in road transport	13.4	18.4	-9.2	26.7	23.5	7.7	17.2	-12.7	-7.6	-12.3	-4.7	-	-	-	-	-	-
Tonne-km in rail transport	6.8	-2.3	-24.2	-5.3	-2.9	2.9	-3.6	-24.1	-26.0	-30.7	-15.9	-	-	-	-	-	-
<b>Distributive trades, y-o-y growth rates, %</b>																	
Total real turnover*	9.7	10.1	-12.8	15.7	13.1	10.5	2.3	-10.1	-15.5	-16.0	-10.0	-1.5	7.2	17.4	11.8	10.3	12.6
Real turnover in retail trade	6.1	12.2	-10.4	14.0	15.5	12.7	7.2	-5.5	-11.3	-13.8	-11.1	-4.9	7.0	16.2	19.1	11.4	13.4
Real turnover in the sale and maintenance of motor vehicles	19.2	6.2	-21.5	22.0	9.6	5.6	-9.9	-24.0	-28.0	-23.6	-8.2	6.3	9.4	22.0	-1.1	9.0	12.3
Nominal turnover in wholesale trade & commission trade	16.1	17.1	-21.4	20.7	23.9	20.9	4.8	-16.4	-23.9	-26.7	-18.1	-7.8	12.3	31.9	20.6	19.2	22.9
<b>TOURISM, y-o-y growth rates, %</b>																	
Total, overnight stays	7.0	1.8	-1.3	4.2	1.0	1.8	0.6	-3.3	-3.8	1.7	-2.7	4.0	0.5	-8.5	14.0	-2.4	3.6
Domestic tourists, overnight stays	4.9	5.2	5.8	4.8	4.6	4.7	7.2	5.2	2.3	11.7	-0.6	5.2	-8.5	8.5	10.5	-2.1	1.1
Foreign tourists, overnight stays	8.4	-0.5	-6.5	3.6	-1.3	0.1	-4.8	-11.0	-7.9	-4.7	-4.7	2.7	8.9	-18.3	16.2	-2.6	5.3
Turnover in hotels and restaurants	2.3	-2.8	-11.8	-1.8	-1.6	-3.1	-4.4	-9.6	-12.5	-11.5	-13.4	-1.6	-5.7	-2.5	2.9	-5.0	-3.3
<b>AGRICULTURE, y-o-y growth rates, %</b>																	
Purchase of agricultural products, SIT bn, since 2007 in EUR m	492.2	529.9	449.3	117.9	125.6	134.1	152.3	105.4	105.9	109.0	129.0	94.6	40.0	42.6	43.0	39.9	44.5
<b>BUSSINES TENDENCY (indicator values**)</b>																	
Sentiment indicator	13	3	-23	11	9	7	-16	-31	-28	-18	-14	-12	13	12	10	6	8
Confidence indicator																	
- in manufacturing	11	-6	-24	6	2	-3	-28	-35	-27	-18	-14	-7	6	5	2	-1	1
- in construction	19	2	-50	15	9	3	-20	-43	-51	-55	-50	-57	20	11	9	6	5
- in services	29	26	-14	35	35	29	6	-18	-22	-11	-2	0	39	39	36	31	29
- in retail trade	27	22	-12	28	28	25	8	-17	-19	-9	-6	-4	31	27	30	27	27
Consumer confidence indicator	-11	-20	-30	-19	-16	-16	-29	-39	-31	-23	-25	-25	-15	-12	-18	-19	-18
Source of data: SORS. Notes: <sup>1</sup> Only companies with activity of electricity supply are included. <sup>2</sup> The survey covers all larger construction enterprises and some other enterprises that perform construction work. *Total real turnover in retail trade, the sale and repair of motor vehicles, and retail sale of automotive fuels; **Seasonally adjusted data.																	



2008					2009												2010				
8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
-2.0	9.3	0.5	-11.7	-13.2	-17.1	-21.4	-15.9	-29.7	-22.1	-21.4	-20.8	-17.5	-16.6	-19.4	-1.7	4.8	-8.4	-1.0	9.0	-	-
-19.2	14.4	-1.0	-14.7	18.8	-6.9	-3.8	-9.2	-21.7	-10.2	-7.9	4.5	13.3	1.8	-4.3	32.4	-14.8	-6.0	-16.9	0.2	-	-
-1.2	9.8	0.8	-12.5	-15.4	-18.9	-23.6	-17.2	-31.4	-23.6	-22.3	-22.1	-19.4	-17.0	-20.7	-2.5	5.5	-8.2	-0.2	10.0	-	-
-5.5	1.9	1.0	4.7	7.5	-5.1	-1.3	-2.7	-9.5	-4.7	-11.3	-9.6	-7.3	-11.9	-6.1	-5.1	-6.8	-9.7	-3.2	0.2	-	-
8.6	22.4	15.1	-2.3	-3.6	-26.9	-22.7	-9.7	-20.4	-20.8	-15.9	-20.8	-19.5	-32.0	-28.3	-18.3	-9.5	-11.3	-24.2	-19.7	-	-
10.7	24.2	12.0	-11.5	-6.9	-32.7	-17.3	-12.7	-18.0	-23.5	-23.4	-23.2	-26.8	-31.4	-28.2	-20.0	-7.4	-6.6	-10.2	-5.3	-	-
7.0	21.3	17.0	5.4	-0.6	-20.3	-27.5	-7.3	-22.0	-19.1	-10.7	-19.4	-14.1	-32.3	-28.4	-17.2	-11.3	-15.9	-38.5	-30.8	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.8	12.8	2.8	1.0	3.1	-6.2	-15.5	-8.6	-16.7	-17.1	-12.6	-14.8	-15.1	-18.2	-13.0	-11.1	-5.9	-4.9	-3.7	4.0	-	-
10.8	13.8	7.3	7.0	7.1	2.3	-13.3	-5.2	-9.3	-14.9	-9.5	-11.5	-13.3	-16.7	-12.9	-13.5	-7.0	-8.6	-5.2	-0.8	-2.3	-
-7.4	10.6	-7.4	-12.5	-10.1	-27.6	-24.5	-20.4	-34.7	-25.7	-23.1	-25.6	-20.6	-24.6	-16.0	-7.2	-1.3	5.2	-0.4	14.2	18.3	-
11.2	28.0	11.6	2.1	0.5	-16.9	-19.2	-13.2	-24.9	-25.3	-21.2	-27.5	-24.8	-27.6	-23.4	-19.0	-11.2	-10.6	-12.9	-1.0	-	-
3.2	-3.2	-2.1	-4.4	8.7	3.6	-6.1	-6.9	3.6	-11.4	-1.8	-0.8	4.9	0.2	3.3	-3.9	-8.5	4.5	3.7	3.7	2.0	-
8.9	3.9	6.0	4.4	11.0	9.6	-1.5	10.7	4.3	-2.2	4.4	13.3	12.3	7.7	9.9	-1.5	-10.0	5.2	6.5	3.5	7.0	-
-0.2	-6.8	-7.4	-11.9	6.5	-0.6	-12.5	-20.5	3.0	-16.9	-6.3	-10.3	0.1	-4.1	-1.8	-6.4	-6.9	3.9	-0.6	3.9	-3.0	-
-3.8	-2.1	-1.1	-4.3	-7.6	-7.4	-12.3	-9.1	-10.6	-13.4	-13.3	-11.7	-9.7	-13.1	-13.8	-13.5	-12.9	-1.2	-2.9	-0.9	-	-
42.2	47.4	49.0	45.3	58.1	32.9	32.6	39.9	36.3	35.5	34.1	35.9	33.8	39.2	43.4	38.4	47.2	29.7	28.6	36.4	-	-
7	5	-5	-18	-24	-31	-29	-33	-34	-26	-24	-21	-19	-13	-13	-15	-13	-10	-11	-15	-12	-9
-3	-6	-21	-29	-33	-38	-33	-34	-32	-27	-22	-22	-20	-13	-16	-13	-12	-7	-8	-6	-2	-1
2	1	-6	-21	-34	-39	-40	-49	-53	-47	-54	-50	-59	-55	-55	-47	-49	-55	-55	-61	-63	-58
33	25	17	6	-6	-14	-16	-24	-25	-21	-21	-14	-13	-7	-1	-5	-1	6	2	-8	-6	-3
26	23	26	1	-3	-14	-15	-21	-18	-19	-19	-17	-4	-5	-6	-7	-4	-6	-4	-3	2	2
-19	-12	-18	-34	-35	-43	-37	-37	-41	-29	-23	-26	-27	-16	-26	-24	-26	-26	-24	-26	-24	-22

LABOUR MARKET	2007	2008	2009	2008				2009				2010	2008			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q1	3	4	5
<b>FORMAL LABOUR FORCE (A=B+E)</b>	925.3	942.5	944.5	937.7	940.9	942.2	949.2	945.9	945.6	942.6	943.9	935.8	938.5	939.1	940.8	942.7
<b>PERSONS IN FORMAL EMPLOYMENT (B=C+D)<sup>1</sup></b>	854.0	879.3	858.2	870.8	879.4	881.7	885.1	869.0	861.0	854.3	848.4	836.3	874.2	876.6	879.6	882.0
In agriculture, forestry, fishing	40.4	39.7	37.9	40.8	39.9	39.2	38.9	37.8	38.0	37.9	37.8	31.9	40.8	39.9	39.9	39.8
In industry, construction	321.9	330.4	306.9	327.1	331.2	333.0	330.4	317.4	309.3	304.0	296.8	290.9	328.5	330.0	331.2	332.6
Of which: in manufacturing	223.6	222.4	199.8	224.0	224.0	222.3	219.1	209.5	201.4	196.7	191.7	190.0	224.2	224.1	223.9	224.0
in construction	78.4	87.9	86.8	83.2	87.1	90.5	91.1	87.8	87.6	86.9	84.8	80.9	84.2	85.8	87.1	88.4
In services	491.6	509.1	513.4	503.0	508.3	509.4	515.9	513.8	513.7	512.4	513.7	513.5	504.9	506.8	508.6	509.6
Of which: in public administration	50.3	51.0	51.5	50.8	51.0	51.1	51.0	51.1	51.5	51.7	51.6	51.8	50.7	50.9	50.9	51.1
in education, health-services, social work	108.8	111.1	113.8	110.7	111.0	110.1	112.4	113.2	114.1	113.3	114.7	115.9	111.0	111.2	111.0	110.9
<b>FORMALLY EMPLOYED (C)<sup>1</sup></b>	766.0	789.9	767.4	781.2	790.3	792.7	795.3	779.7	770.8	762.9	756.1	750.1	784.3	787.6	790.5	792.8
In enterprises and organisations	696.1	717.6	699.4	710.4	718.0	719.8	722.0	709.9	701.9	695.5	690.5	687.2	713.0	715.8	718.2	720.2
By those self-employed	69.9	72.3	67.9	70.8	72.2	73.0	73.2	69.8	68.8	67.4	65.7	62.9	71.3	71.8	72.3	72.6
<b>SELF-EMPLOYED AND FARMERS (D)</b>	87.9	89.4	90.8	89.6	89.2	88.9	89.8	89.3	90.3	91.4	92.2	86.2	89.9	89.1	89.2	89.2
<b>REGISTERED UNEMPLOYMENT (E)</b>	71.3	63.2	86.4	66.8	61.4	60.5	64.1	76.9	84.6	88.3	95.6	99.4	64.3	62.4	61.2	60.7
Female	39.1	33.4	42.4	35.6	32.8	32.1	33.0	38.4	41.6	43.2	46.4	47.0	34.3	33.5	32.6	32.4
By age: under 26	11.9	9.1	13.3	10.3	8.4	7.7	10.0	12.2	13.1	12.8	15.2	14.7	9.5	8.8	8.4	8.1
aged over 50	22.2	21.9	26.2	22.6	21.9	21.7	21.6	24.1	25.6	26.9	28.3	29.6	22.3	22.0	21.9	21.8
Unskilled	28.0	25.4	34.1	26.8	24.6	24.3	25.8	31.2	33.6	34.8	36.6	38.2	25.9	25.0	24.6	24.3
For more than 1 year	36.5	32.3	31.5	34.0	32.5	31.9	31.0	31.0	30.4	31.1	33.4	38.1	33.3	32.7	32.5	32.2
Those receiving benefits	16.6	14.4	27.4	15.0	13.6	13.9	15.1	22.8	27.4	28.6	30.8	21.3	14.2	13.7	13.6	13.4
<b>RATE OF REGISTERED UNEMPLOYMENT, E/A, in %</b>	7.7	6.7	9.1	7.1	6.5	6.4	6.8	8.1	8.9	9.4	10.1	10.6	6.9	6.6	6.5	6.4
Male	6.2	5.6	8.3	6.0	5.4	5.4	5.8	7.3	8.1	8.5	9.3	10.1	5.7	5.5	5.4	5.4
Female	9.6	8.1	10.2	8.6	7.9	7.8	7.9	9.2	10.0	10.4	11.1	11.3	8.3	8.1	7.9	7.8
<b>FLOWS OF FORMAL LABOUR FORCE</b>	21.5	13.7	-5.2	5.7	4.2	1.9	1.9	-0.8	-0.1	-3.5	-0.8	-5.5	0.6	0.6	1.7	2.0
New unemployed first-job seekers	14.7	12.5	17.0	2.2	1.8	1.9	6.5	3.2	2.6	3.0	8.1	2.9	0.7	0.8	0.5	0.5
Redundancies	52.5	53.0	90.5	12.5	10.7	12.5	17.4	24.8	22.5	19.9	23.2	19.9	3.3	3.6	3.4	3.6
Registered unemployed who found employment	49.1	41.7	48.6	12.4	9.7	9.9	9.6	9.5	11.8	14.2	13.1	14.2	4.1	3.6	3.2	2.9
Other outflows from unemployment (net)	28.0	26.1	28.5	6.4	6.3	5.9	7.4	5.2	6.5	6.9	9.9	6.3	2.5	2.7	2.0	1.7
Increase in number of work permits for foreigners	10.0	13.2	-9.6	3.7	5.9	4.9	-1.2	-1.5	-1.8	-2.7	-3.6	-1.6	2.1	3.3	2.2	0.4
Retirements <sup>2</sup>	20.7	22.6	24.7	5.4	4.8	6.3	6.1	5.4	5.3	6.7	7.3	6.8	1.7	1.7	1.6	1.5
Others who found employment <sup>2</sup>	40.9	31.5	34.7	10.6	6.2	5.9	8.8	6.9	9.5	8.2	10.1	4.8	1.6	0.3	2.1	3.8
<b>REGISTERED VACANCIES<sup>3</sup></b>	20.2	20.0	13.4	21.6	21.1	21.5	15.9	13.4	13.4	14.0	13.0	12.6	19.8	21.6	21.6	20.2
For a fixed term, in %	76.5	74.5	78.1	73.0	74.0	76.5	74.7	74.9	77.9	80.8	78.6	78.9	74.2	72.7	74.4	74.9
<b>WORK PERMITS FOR FOREIGNERS</b>	60.2	81.1	86.6	68.7	79.0	86.3	90.5	91.5	90.2	84.9	79.7	77.1	72.1	76.3	79.1	81.6
As % of labour force	6.5	8.6	9.2	7.3	8.4	9.2	9.5	9.7	9.5	9.0	8.4	8.2	7.7	8.1	8.4	8.7
<b>NEW JOBS</b>	160.0	162.7	111.4	40.9	41.0	42.7	38.1	27.5	27.3	28.2	28.3	23.6	13.4	15.4	13.1	12.5

Sources of data: SORS, PDII, ESS. Notes: <sup>1</sup>In January 2005, the SORS adopted new methodology of obtaining data on persons in paid employment. The new source of data for employed and self-employed persons excluding farmers is the Statistical Register of Employment (SRE), while data on farmers are forecast using the ARIMA model based on quarterly figures for farmers from the Labour Force Survey. Data for previous years dating back to January 2000 have also been calculated according to the new methodology. <sup>2</sup>Estimated by IMAD, based on data by PDII and ESS; <sup>3</sup>according to ESS.

2008						2009												2010		
7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	2
941.4	940.5	944.6	950.7	950.3	946.5	946.2	945.9	945.7	946.1	945.3	945.6	944.1	941.6	942.1	945.0	945.5	941.3	935.7	935.8	935.8
879.9	879.8	885.3	888.1	886.9	880.3	872.2	868.7	866.0	863.2	860.8	859.1	855.6	853.5	853.8	850.4	850.0	844.7	836.1	836.0	836.9
39.3	39.2	39.2	38.9	38.9	38.8	37.8	37.8	37.8	38.0	38.0	38.0	37.9	37.9	37.9	37.9	37.8	37.7	31.9	31.9	31.9
332.5	332.5	333.9	333.7	331.5	325.9	320.1	317.4	314.7	311.8	309.1	307.1	305.3	303.9	302.8	298.8	297.6	294.0	291.5	290.6	290.7
222.7	222.2	222.2	221.3	219.8	216.3	211.8	209.6	207.0	203.6	201.2	199.2	197.8	196.5	195.9	192.5	192.1	190.6	190.0	189.9	190.0
89.7	90.2	91.6	92.2	91.5	89.5	88.3	87.7	87.5	87.8	87.5	87.5	87.2	86.9	86.5	86.0	85.2	83.3	81.5	80.7	80.5
508.1	508.1	512.2	515.5	516.5	515.6	514.4	513.6	513.5	513.5	513.7	514.0	512.4	511.7	513.1	513.7	514.6	512.9	512.6	513.5	514.4
50.9	51.0	51.2	51.1	51.1	50.8	51.2	51.0	51.3	51.4	51.5	51.6	51.7	51.7	51.8	51.6	51.7	51.6	51.6	51.8	52.0
109.7	109.4	111.4	112.0	112.5	112.6	112.8	113.2	113.7	114.0	114.2	114.1	113.0	112.6	114.2	114.6	114.9	114.7	115.4	115.9	116.4
791.1	790.9	796.1	798.5	797.0	790.2	783.0	779.5	776.6	773.3	770.5	768.5	764.5	762.1	762.1	758.3	757.7	752.4	749.7	749.8	750.9
718.5	718.2	722.6	724.6	723.4	718.1	712.6	709.7	707.3	704.3	701.7	699.8	696.5	694.6	695.2	691.8	691.8	687.8	686.4	686.9	688.3
72.7	72.7	73.5	74.0	73.5	72.2	70.4	69.7	69.3	69.0	68.8	68.7	68.0	67.5	66.8	66.5	65.9	64.6	63.3	62.8	62.7
88.8	88.9	89.2	89.6	89.9	90.0	89.2	89.3	89.5	90.0	90.3	90.6	91.1	91.4	91.7	92.1	92.3	92.2	86.4	86.3	86.0
61.6	60.7	59.3	62.6	63.4	66.2	73.9	77.2	79.7	82.8	84.5	86.5	88.5	88.1	88.4	94.6	95.4	96.7	99.6	99.8	98.9
33.0	32.3	31.1	32.7	32.6	33.7	37.2	38.5	39.5	40.8	41.5	42.5	43.5	43.2	43.0	46.3	46.5	46.5	47.2	47.0	46.6
8.1	7.8	7.3	9.8	9.9	10.2	11.7	12.3	12.7	13.2	13.1	13.0	13.0	13.0	12.2	15.5	15.1	14.8	15.0	14.7	14.3
21.9	21.7	21.4	21.4	21.5	21.9	23.6	24.1	24.5	25.1	25.7	26.1	26.6	26.8	27.1	27.8	28.3	28.7	29.5	29.7	29.7
24.3	24.3	24.3	24.9	25.5	27.0	30.1	31.4	32.2	33.0	33.5	34.2	34.7	34.7	35.0	36.1	36.4	37.2	38.3	38.4	37.9
32.1	31.8	31.6	31.4	30.9	30.8	31.2	31.0	30.7	30.4	30.3	30.5	30.7	31.0	31.7	32.5	33.3	34.4	36.9	37.9	39.4
13.9	13.9	13.7	14.1	14.4	16.8	20.9	22.8	24.5	25.9	27.6	28.7	28.9	28.5	28.3	30.8	30.3	31.2	32.2	31.7	0.0
6.5	6.5	6.3	6.6	6.7	7.0	7.8	8.2	8.4	8.8	8.9	9.1	9.4	9.4	9.4	10.0	10.1	10.3	10.6	10.7	10.6
5.4	5.4	5.3	5.6	5.7	6.1	6.9	7.3	7.6	7.9	8.1	8.3	8.5	8.5	8.6	9.1	9.3	9.6	10.0	10.1	10.0
8.0	7.8	7.5	7.9	7.9	8.1	9.0	9.3	9.5	9.8	10.0	10.2	10.5	10.4	10.4	11.1	11.2	11.2	11.4	11.3	11.2
-1.3	-0.9	4.1	6.1	-0.5	-3.8	-0.3	-0.2	-0.2	0.3	-0.7	0.3	-1.5	-2.5	0.6	2.9	0.4	-4.1	-5.7	0.2	0.0
0.5	0.5	0.9	4.6	1.2	0.8	1.2	1.0	1.1	1.1	0.8	0.8	0.8	0.7	1.5	5.9	1.3	0.9	1.0	0.8	1.0
4.6	3.4	4.5	5.2	5.5	6.6	10.4	6.9	7.5	8.2	7.4	7.0	7.3	5.5	7.2	8.5	7.9	6.8	8.6	5.4	5.8
2.3	3.1	4.5	4.0	3.2	2.4	3.2	2.7	3.6	3.7	4.3	3.9	4.0	4.6	5.5	4.4	4.8	3.9	5.0	4.0	5.1
2.0	1.6	2.3	2.5	2.7	2.2	0.7	1.9	2.5	2.4	2.2	1.9	2.1	1.9	2.8	3.8	3.6	2.5	1.7	2.0	2.6
1.6	2.2	1.1	1.2	-0.1	-2.4	-0.1	0.2	-1.7	-0.5	-1.2	-0.1	-1.0	-1.5	-0.2	-1.9	-1.3	-0.4	-0.7	-0.5	-0.4
1.6	2.2	2.6	2.3	2.0	1.8	2.3	1.6	1.5	1.9	1.7	1.7	1.4	2.4	2.9	2.9	2.3	2.1	2.5	2.2	2.0
-0.4	-0.2	6.6	4.6	2.7	1.4	1.2	1.7	4.0	3.7	3.1	2.7	1.7	2.1	4.4	5.1	5.7	-0.7	-2.2	3.6	3.4
19.8	20.1	24.7	19.7	15.7	12.3	13.7	12.2	14.2	12.0	13.9	14.5	14.7	12.3	14.9	15.7	11.7	11.6	12.7	11.7	13.5
76.9	76.8	76.0	74.9	75.6	73.1	72.0	75.0	77.5	77.2	77.8	78.7	80.0	82.0	80.7	78.2	80.1	77.7	77.2	79.9	79.7
83.8	86.7	88.6	90.3	90.4	90.7	90.7	91.2	92.6	92.1	90.6	87.8	86.6	84.7	83.4	81.1	79.6	78.4	77.6	77.2	76.5
8.9	9.2	9.4	9.5	9.5	9.6	9.6	9.6	9.8	9.7	9.6	9.3	9.2	9.0	8.9	8.6	8.4	8.3	8.3	8.2	8.2
12.7	10.4	19.6	17.8	11.4	8.9	10.2	8.1	9.3	10.0	8.8	8.5	8.7	6.8	12.6	11.9	8.9	7.6	8.9	7.0	7.7

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2007	2008	2009	2008				2009				2010	2007	2008			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	12	1	2	3	4
<b>GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %</b>																	
Activity - Total	5.9	8.3	3.4	7.8	8.6	9.9	7.1	5.5	4.6	2.3	1.7	3.7	6.5	6.1	9.3	8.0	9.5
A Agriculture, forestry and fishing	8.3	9.1	-0.2	10.3	9.3	10.8	6.7	1.2	1.6	-0.5	-2.9	3.3	10.2	8.3	16.1	6.7	10.3
B Mining and quarrying	6.4	13.4	0.9	9.4	13.8	16.0	14.8	5.6	2.4	1.6	-4.9	3.4	20.6	5.2	9.7	13.3	11.8
C Manufacturing	7.0	7.5	0.8	8.2	9.7	9.3	3.4	0.0	-0.5	0.4	3.7	10.1	8.2	6.0	10.2	8.5	11.3
D Electricity, gas, steam and air conditioning supply	6.2	9.5	3.8	9.3	10.1	9.8	8.8	7.9	7.8	5.1	-3.2	4.7	11.8	8.4	10.2	9.3	13.2
E Water supply sewerage, waste management and remediation activities	7.1	7.8	2.0	8.3	9.1	9.0	5.2	4.2	3.2	1.2	0.1	2.7	8.5	7.2	9.8	8.1	10.7
F Construction	6.6	7.5	1.0	7.7	9.6	9.1	4.3	1.2	1.0	1.6	0.9	2.9	5.5	7.5	8.8	6.7	11.9
G Wholesale and retail trade, repair of motor vehicles and motorcycles	7.6	7.7	1.9	7.5	9.0	8.8	6.1	4.4	2.3	1.2	0.1	2.6	6.9	6.5	8.8	7.1	10.0
H Transportation and storage	6.0	8.4	0.7	8.7	8.5	10.4	6.6	2.3	2.1	0.5	-1.4	1.1	8.2	8.9	8.5	8.6	8.3
I Accommodation and food service activities	5.3	8.3	1.6	9.3	9.6	10.0	4.9	3.4	1.7	0.6	1.0	2.8	7.5	9.8	10.4	7.9	9.5
J Information and communication	5.7	7.3	1.4	6.8	7.8	8.7	6.2	3.7	3.1	0.8	-1.6	1.0	10.1	3.3	6.4	10.5	8.9
K Financial and insurance activities	7.4	6.0	-0.7	8.6	8.8	8.2	0.0	2.0	-3.8	0.3	-0.5	1.2	1.8	7.4	7.9	10.6	11.8
L Real estate activities	7.0	6.0	1.9	6.8	8.6	5.3	3.6	1.6	0.0	1.8	4.5	2.6	3.9	6.3	8.3	5.8	10.1
M Professional, scientific and technical activities	7.0	8.4	2.1	9.7	8.6	9.1	6.4	4.0	3.3	1.5	0.0	1.6	8.3	9.2	10.5	9.3	8.7
N Administrative and support service activities	7.5	9.6	1.8	8.6	11.4	10.2	8.0	6.6	2.1	-0.2	-0.6	2.5	9.6	8.7	9.5	7.7	10.8
O Public administration and defence, compulsory social security	5.1	12.2	5.9	11.1	10.8	13.2	13.7	11.5	9.8	2.5	0.5	-1.9	6.9	6.8	14.3	12.0	12.0
P Education	3.9	7.0	3.6	5.5	5.8	7.7	9.0	6.9	6.1	1.2	0.6	0.2	2.2	3.1	7.8	5.6	5.7
Q Human health and social work activities	3.1	12.0	12.0	5.5	4.3	16.8	21.0	21.4	22.6	5.5	1.4	-0.4	2.6	3.1	7.2	6.1	3.2
R Arts, entertainment and recreation	3.6	5.3	3.9	2.4	5.8	8.3	5.1	7.0	5.7	2.2	0.9	0.7	3.8	4.5	5.9	-2.8	3.9
S Other service activities	3.3	8.2	1.3	6.6	8.6	8.5	8.8	4.1	1.0	0.7	0.0	3.2	4.9	6.6	6.2	6.9	10.3
<b>INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %</b>																	
Effective exchange rate, <sup>1</sup> nominal	0.8	0.5	0.4	1.2	1.1	0.4	-1.1	-0.3	-0.3	0.3	1.8	-0.3	1.1	1.3	1.0	1.4	1.4
Real (relative consumer prices)	2.3	2.8	0.7	4.5	4.2	2.6	-0.1	0.4	0.0	0.2	2.3	-0.3	3.6	4.4	4.3	4.7	4.7
Real (relative producer prices) <sup>2</sup>	2.2	0.8	2.8	1.2	1.0	-0.2	1.1	3.0	3.4	3.7	1.4	-2.3	1.2	1.1	1.0	1.4	2.2
USD/EUR	1.371	1.471	1.393	1.500	1.562	1.504	1.317	1.302	1.362	1.431	1.478	1.384	1.457	1.472	1.475	1.553	1.575
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.																	
Notes: <sup>1</sup> Change of methodology: the calculation of domestic currency's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted; a rise in the index value indicates an appreciation of domestic currency and vice versa. <sup>2</sup> Producer prices in manufacturing activities																	

2008												2009												2010		
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3				
7.6	8.8	8.7	9.8	11.2	9.2	3.9	8.6	6.8	4.2	5.3	5.1	4.1	4.7	3.8	0.7	2.4	1.7	1.3	2.1	2.2	3.6	5.2				
9.7	7.9	13.5	6.3	12.9	11.3	-0.1	10.2	1.1	-3.3	6.1	2.0	-1.8	4.7	-0.4	-0.3	-0.7	-5.5	-0.9	-2.5	1.1	3.0	5.7				
17.0	12.5	17.3	10.0	20.7	39.0	-4.7	16.0	10.1	5.3	1.7	4.3	-5.9	9.4	2.3	6.2	-3.5	-20.3	16.1	-8.7	2.0	3.5	4.7				
8.4	9.6	11.0	6.4	10.8	6.7	-1.4	5.7	0.1	-0.5	0.4	-0.4	-1.3	0.1	0.1	-0.6	1.6	1.9	4.6	4.3	6.7	8.3	15.2				
9.6	7.8	15.3	8.3	6.2	25.2	2.2	3.2	9.4	6.1	8.1	7.6	5.5	10.3	5.6	2.9	6.7	-10.4	-8.6	12.1	3.5	6.6	4.3				
6.8	9.8	10.5	5.5	11.3	14.0	-1.0	4.8	4.4	3.6	4.6	3.5	1.0	5.2	1.6	1.2	0.9	-3.3	2.1	1.1	0.0	3.0	5.1				
7.5	9.5	10.0	6.0	11.3	7.3	-1.0	7.2	1.7	-0.6	2.5	0.5	-0.9	3.4	2.9	0.6	1.4	-1.4	1.1	2.9	1.0	2.9	4.6				
8.0	8.9	9.1	7.0	10.2	8.0	3.9	6.6	6.1	3.5	3.6	1.5	2.9	2.4	1.6	1.5	0.6	0.4	-0.8	0.6	0.3	2.4	5.2				
7.0	10.2	7.8	13.1	10.2	7.1	7.5	5.2	3.9	2.4	0.6	2.9	2.2	1.1	2.0	-4.8	4.4	-1.0	-3.3	0.5	-1.5	1.8	3.2				
10.3	8.9	10.3	9.0	10.7	7.5	2.0	5.4	3.9	3.0	3.2	3.4	0.4	1.3	1.4	0.6	-0.2	-0.3	3.2	0.0	2.2	1.8	4.4				
6.1	8.3	7.9	8.1	10.3	7.8	5.5	5.4	6.9	1.8	2.5	3.4	2.5	3.4	2.5	0.0	0.0	0.7	-3.6	-1.6	0.0	1.6	1.5				
6.4	8.5	7.1	6.3	11.4	1.2	-6.3	8.1	3.8	0.6	1.7	-4.2	-5.4	-1.6	2.0	0.5	-1.7	6.3	-1.8	-5.1	1.0	1.6	1.1				
8.3	7.5	4.7	4.6	6.7	4.5	1.5	5.0	2.9	1.4	0.6	1.3	-0.6	-0.5	1.9	1.4	2.0	4.2	5.3	4.0	1.8	3.3	2.7				
7.9	9.2	9.9	7.3	10.3	9.3	1.8	8.8	3.1	4.3	4.7	4.6	2.2	3.3	2.0	1.1	1.3	0.4	0.6	-0.9	1.0	1.7	2.0				
11.2	12.2	11.1	8.3	11.2	8.4	8.6	7.1	9.1	5.1	5.5	3.2	1.6	1.4	0.0	-0.1	-0.4	-1.0	-1.8	1.1	-1.2	4.1	4.7				
10.0	10.4	7.6	18.8	13.3	12.9	16.0	12.3	15.2	8.8	10.7	11.0	10.0	8.4	5.3	-0.3	2.6	1.1	-2.0	2.4	-1.1	-1.5	-3.0				
5.7	6.1	5.0	10.9	7.3	8.0	9.4	9.6	9.3	4.2	7.3	6.6	6.0	5.7	2.9	-1.7	2.6	1.8	0.0	-0.1	0.5	0.5	-0.4				
3.8	6.0	4.6	24.5	21.5	21.3	20.5	21.4	25.5	18.9	20.0	26.5	22.2	19.3	16.0	0.4	1.7	2.4	0.8	1.0	-1.6	1.2	-0.6				
6.9	6.6	4.1	11.3	9.4	10.7	-3.2	9.1	8.2	6.4	6.3	7.2	6.0	4.0	5.8	0.1	1.1	3.2	-0.5	-0.1	0.5	0.6	1.0				
8.8	6.7	9.0	8.0	8.3	9.0	6.3	11.3	2.6	5.3	4.3	0.8	1.0	1.2	0.9	0.8	0.3	-0.4	-0.4	0.6	3.4	2.2	4.1				
1.1	0.9	0.8	0.6	-0.1	-1.3	-1.7	-0.4	-0.4	-0.3	-0.1	-0.6	-0.3	0.1	-0.1	0.2	0.9	2.2	2.3	0.9	0.4	-0.3	-1.1				
3.9	3.9	3.5	2.6	1.6	0.3	-0.7	0.0	-0.1	0.5	0.8	-0.2	0.1	0.3	-0.4	0.2	0.9	2.1	3.3	1.5	0.5	-0.1	-1.1				
0.9	0.0	-0.2	0.3	-0.6	-0.6	0.8	3.2	2.8	2.8	3.5	2.9	3.2	4.0	4.2	3.1	3.8	3.8	1.5	-1.1	-1.8	-2.0	-3.2				
1.556	1.555	1.577	1.498	1.437	1.332	1.273	1.345	1.324	1.279	1.305	1.319	1.365	1.402	1.409	1.427	1.456	1.482	1.491	1.461	1.427	1.369	1.357				

PRICES	2007	2008	2009	2008				2009				2010	2008				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	2	3	4	5	6
<b>CPI, y-o-y growth rates, %</b>	3.6	5.7	0.9	6.6	6.6	6.1	3.3	1.8	0.7	-0.2	1.1	1.4	6.5	6.9	6.5	6.4	7.0
Food, non-alcoholic beverages	7.8	10.1	0.6	14.0	12.0	9.8	4.9	3.2	0.9	-0.7	-1.0	-1.4	14.6	13.5	12.3	12.1	11.6
Alcoholic beverages, tobacco	6.5	3.2	6.7	5.4	5.0	0.7	2.1	3.0	7.2	8.5	7.9	7.1	5.5	5.1	4.8	5.0	5.1
Clothing and footwear	2.1	4.4	-0.6	4.9	5.2	2.1	5.2	1.8	1.2	-2.2	-3.0	-5.0	4.8	6.7	7.0	4.6	4.1
Housing, water, electricity, gas	2.6	9.7	-0.3	10.5	11.4	11.5	5.3	1.7	-2.1	-3.5	3.0	8.3	9.6	10.4	9.3	11.4	13.4
Furnishings, household equipment	4.5	5.8	4.0	4.5	5.5	6.5	6.7	6.1	4.5	3.5	1.9	1.3	4.3	5.2	5.7	5.7	5.2
Medical, pharmaceutical products	1.1	2.9	4.0	-0.5	1.7	4.9	5.8	8.7	5.3	1.4	0.7	-0.6	-1.2	0.5	1.4	1.7	1.9
Transport	0.3	1.9	-3.0	2.9	2.9	4.1	-2.2	-3.7	-4.5	-4.1	0.6	1.2	2.7	3.1	2.1	2.4	4.4
Communications	0.3	0.6	-4.1	2.2	1.9	0.1	-1.7	-4.3	-4.7	-4.3	-3.2	0.0	2.8	2.9	2.8	1.5	1.5
Recreation and culture	3.6	4.4	3.0	4.6	5.0	4.8	3.2	3.0	3.6	2.8	2.5	1.2	4.9	4.9	5.4	4.4	5.3
Education	1.9	5.2	3.4	4.7	5.4	4.8	6.1	5.1	3.0	2.7	2.7	2.0	3.8	7.0	7.0	4.6	4.6
Catering services	7.3	9.6	4.4	9.3	10.0	10.4	8.7	6.3	4.9	4.0	2.7	1.9	9.4	9.4	10.1	9.9	10.1
Miscellaneous goods & services	3.6	3.9	3.8	3.9	4.5	3.8	3.4	3.8	3.3	4.4	3.9	2.3	3.8	4.2	4.7	4.4	4.5
HCPI	3.8	5.5	0.9	6.5	6.4	6.2	3.1	1.7	0.6	-0.2	1.4	1.7	6.4	6.6	6.2	6.2	6.8
Core inflation (excluding fresh food and energy)	2.6	4.6	1.9	4.7	4.9	4.7	4.0	3.1	2.6	1.2	0.7	0.0	4.9	5.1	5.3	4.9	4.7
<b>PRODUCER PRICE INDICES, y-o-y growth rates, %</b>																	
Total	4.2	3.8	-1.3	3.4	3.7	5.1	3.2	1.1	-1.5	-3.1	-1.8	-1.0	3.4	3.3	3.3	3.5	4.4
Domestic market	5.5	5.6	-0.4	6.0	6.1	6.2	4.2	1.5	-0.4	-1.5	-1.1	0.2	5.6	5.8	6.2	6.1	5.9
Non-domestic market	3.0	2.2	-2.2	0.9	1.5	3.9	2.3	0.8	-2.6	-4.5	-2.5	-2.1	1.3	0.9	0.5	1.1	2.8
euro area	5.1	2.2	-3.5	1.4	1.7	4.2	1.5	-0.6	-4.5	-6.0	-3.0	-2.4	2.1	1.1	0.5	0.9	3.7
non-euro area	-0.5	2.1	0.3	0.1	1.0	3.4	3.9	3.5	1.1	-1.7	-1.6	-1.6	-0.1	0.5	0.4	1.3	1.1
Import price indices	4.0	1.3	-3.3	-0.2	0.3	3.8	1.4	-2.1	-4.6	-4.7	-1.8	4.0	-0.1	0.1	-0.3	0.5	0.8
<b>PRICE CONTROL,<sup>1</sup> y-o-y growth rates, %</b>																	
Energy prices	0.6	12.4	-12.3	13.1	16.9	21.1	-1.2	-12.9	-17.7	-17.3	0.4	16.1	12.1	14.8	11.9	15.5	23.2
Oil products	-0.9	11.7	-12.0	14.8	17.4	21.1	-5.7	-16.3	-18.9	-15.9	6.2	21.9	14.1	16.4	12.6	15.3	24.1
Basic utilities	-2.3	0.6	3.6	1.4	1.3	-1.3	1.1	1.7	0.9	0.8	10.8	-	0.7	0.7	1.3	1.3	1.3
Transport & communications	0.6	-0.4	0.6	0.5	0.6	-1.3	-1.3	-1.2	-1.1	2.5	2.5	2.5	0.4	0.6	0.6	0.6	0.6
Other controlled prices	2.9	1.8	4.9	1.4	1.7	1.7	2.4	2.4	6.8	5.6	4.9	4.9	1.2	1.0	1.2	1.9	1.9
Direct control – total	3.1	8.6	-6.9	9.5	11.7	13.7	-0.2	-7.8	-10.9	-10.9	2.9	14.1	8.8	10.4	8.5	10.8	15.7

Source of data: SORS, calculations and estimates IMAD. Note: <sup>1</sup> the structure of groups varies, data published are not directly comparable to those published previously. The electricity market was liberalized on 1 July 2007. Data from July 2007 onwards are not comparable. Since July 2009, formation of prices for utility services is no longer under government control.

2008						2009												2010			
7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
6.9	6.0	5.5	4.9	3.1	2.1	1.6	2.1	1.8	1.1	0.7	0.3	-0.6	0.0	-0.1	0.0	1.6	1.8	1.5	1.3	1.4	2.3
12.2	10.1	7.2	5.3	5.6	3.8	3.5	3.1	3.0	2.0	0.6	0.0	-1.3	-0.4	-0.4	-1.2	-0.8	-1.1	-2.4	-1.2	-0.7	-0.1
-0.2	0.5	1.8	2.1	2.1	2.0	2.2	2.7	4.0	4.3	8.4	9.0	9.1	8.6	7.7	7.7	8.1	8.0	7.9	7.6	5.9	9.9
0.8	1.7	3.7	6.1	4.6	4.8	2.3	0.6	2.3	0.5	1.9	1.1	-1.3	-1.7	-3.6	-2.7	-2.8	-3.4	-5.9	-5.7	-3.6	-0.9
13.6	10.4	10.5	9.0	4.8	2.4	0.8	3.0	1.2	0.1	-2.3	-4.0	-4.9	-3.5	-2.2	-1.7	4.5	6.3	7.6	8.4	8.9	10.7
5.9	6.4	7.3	7.0	6.7	6.5	6.5	6.7	5.1	4.7	4.2	4.5	4.0	4.0	2.5	2.1	2.2	1.5	1.8	1.6	0.6	1.0
4.5	5.0	5.1	5.2	5.4	6.7	9.5	9.8	6.9	5.4	5.5	5.1	1.9	1.6	0.7	0.6	1.3	0.3	-0.3	-0.7	-0.7	0.7
4.9	3.7	3.7	2.6	-3.6	-5.4	-5.1	-2.5	-3.6	-3.5	-4.7	-5.2	-5.6	-3.5	-3.1	-2.8	1.9	2.9	2.3	0.5	0.9	0.8
0.7	0.5	-0.9	-0.9	0.0	-4.3	-3.7	-4.7	-4.6	-5.2	-4.4	-4.4	-4.1	-4.2	-4.6	-3.7	-4.0	-1.9	-0.6	0.2	0.4	1.0
5.6	4.9	4.0	2.8	3.2	3.6	2.8	2.8	3.4	3.3	3.6	4.1	3.0	2.7	2.7	3.1	2.7	1.7	1.7	1.0	0.8	0.9
4.6	4.6	5.0	6.0	6.1	6.1	6.0	6.3	3.2	3.2	3.0	3.0	3.0	3.0	2.2	2.7	2.6	2.6	2.4	1.8	1.8	1.8
10.7	10.4	10.0	9.7	8.8	7.7	6.5	6.3	6.0	5.1	4.8	4.7	4.4	4.2	3.3	3.1	2.3	2.6	2.0	1.8	2.0	1.9
4.0	3.7	3.6	3.4	3.2	3.4	3.4	3.7	4.2	3.3	3.1	3.5	4.5	4.4	4.3	4.2	4.1	3.6	3.3	2.3	1.3	1.8
6.9	6.0	5.6	4.8	2.9	1.8	1.4	2.1	1.6	1.1	0.5	0.2	-0.6	0.1	0.0	0.2	1.8	2.1	1.8	1.6	1.8	2.7
5.1	4.7	4.5	4.1	3.9	3.9	3.2	2.8	3.1	2.6	2.6	2.6	1.4	1.3	0.9	0.7	1.0	0.3	0.1	-0.1	0.0	0.6
4.9	5.5	4.8	4.2	3.3	2.2	1.9	1.1	0.3	-0.5	-1.6	-2.4	-3.0	-3.3	-2.8	-2.4	-1.9	-1.2	-1.4	-1.2	-0.2	1.0
6.3	6.7	5.7	5.0	4.0	3.5	2.3	1.2	0.8	0.2	-0.7	-0.7	-1.3	-1.7	-1.6	-1.4	-1.1	-0.7	-0.1	0.1	0.5	0.7
3.6	4.3	4.0	3.3	2.7	1.0	1.5	1.0	-0.1	-1.2	-2.5	-4.0	-4.7	-4.9	-4.0	-3.2	-2.6	-1.7	-2.8	-2.5	-0.9	1.3
4.1	4.8	3.8	3.1	1.4	0.1	0.2	-0.3	-1.7	-3.1	-4.1	-6.2	-6.7	-6.4	-4.8	-3.9	-2.8	-2.3	-3.0	-3.1	-1.0	1.3
2.5	3.3	4.3	3.9	5.1	2.7	4.2	3.5	2.9	2.5	0.5	0.2	-0.6	-2.0	-2.4	-1.9	-2.3	-0.6	-2.4	-1.5	-0.8	1.4
3.5	3.3	4.7	3.7	1.6	-1.0	-2.4	-1.3	-2.7	-3.8	-4.8	-5.2	-4.7	-5.0	-4.5	-3.7	-2.1	0.4	3.3	3.2	5.4	8.3
24.8	20.0	18.4	14.1	-4.3	-12.7	-15.0	-8.9	-14.6	-14.5	-18.0	-20.1	-21.5	-16.3	-13.9	-12.6	3.8	13.0	16.9	13.9	17.5	20.1
25.5	20.0	17.7	12.2	-9.4	-18.9	-19.5	-11.2	-17.9	-15.6	-19.4	-21.2	-20.9	-14.8	-11.5	-9.4	10.3	21.9	24.4	18.6	22.8	22.7
1.3	-5.7	0.7	0.7	0.8	1.6	1.6	1.7	1.9	1.0	0.7	0.8	0.8	0.8	0.8	0.8	16.3	15.4	-	-	-	-
-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.1	-1.1	-1.1	-1.1	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.7	2.7
1.1	1.6	2.4	2.4	2.4	2.4	2.3	2.4	2.4	6.2	7.1	7.1	7.1	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	1.0
16.3	12.2	12.4	9.7	-2.2	-7.8	-9.4	-5.0	-9.0	-8.6	-11.2	-12.9	-13.7	-10.2	-8.6	-7.6	6.0	11.8	14.6	12.6	15.2	16.7



BALANCE OF PAYMENTS	2007	2008	2009	2008				2009				2010	2008				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	3	4	5	6	
<b>BALANCE OF PAYMENTS, in EUR m</b>																	
Current account	-1,646	-2,287	-340	-425	-486	-642	-733	-267	142	-120	-95	-60	-130	-120	-201	-165	
Goods <sup>1</sup>	-1,666	-2,650	-621	-489	-668	-751	-743	-149	-17	-208	-246	-72	-166	-160	-285	-223	
Exports	19,798	20,048	16,203	5,084	5,349	5,038	4,577	3,940	4,072	3,960	4,231	4,213	1,757	1,866	1,716	1,767	
Imports	21,464	22,698	16,825	5,573	6,017	5,789	5,320	4,090	4,090	4,168	4,477	4,285	1,923	2,026	2,002	1,990	
Services	1,047	1,609	1,022	334	475	487	314	236	302	292	193	221	118	152	170	152	
Exports	4,145	5,040	4,319	1,053	1,299	1,480	1,209	927	1,052	1,279	1,060	916	378	422	433	444	
Imports	3,098	3,431	3,297	719	824	993	895	692	751	988	867	694	260	270	263	291	
Income	-789	-1,039	-651	-150	-259	-394	-236	-216	-154	-155	-125	-166	-69	-82	-70	-107	
Receipts	1,169	1,264	982	266	326	335	336	245	242	234	262	229	90	111	106	108	
Expenditure	1,957	2,303	1,633	416	585	729	572	461	396	389	387	395	159	193	177	215	
Current transfers	-239	-206	-90	-120	-33	16	-69	-137	12	-49	84	-44	-13	-31	-15	12	
Receipts	941	783	871	144	190	229	220	119	247	151	353	227	58	38	58	93	
Expenditure	1,180	989	961	264	223	213	289	257	235	200	269	271	71	69	73	81	
Capital and financial account	1,920	2,395	32	435	741	632	588	-176	-29	72	165	87	121	192	346	202	
Capital account	-52	-43	-11	-8	3	-8	-30	-5	41	-4	-43	-37	2	5	-3	1	
Financial account	1,972	2,438	42	443	738	640	618	-172	-70	76	208	124	120	188	349	201	
Direct investment	-210	381	-673	114	-142	128	281	-139	-312	-89	-132	-157	95	-49	-9	-84	
Domestic abroad	-1,317	-932	-625	-125	-450	-236	-122	-134	-324	-80	-86	-140	-68	-160	-128	-163	
Foreign in Slovenia	1,106	1,313	-48	239	308	364	402	-5	13	-10	-46	-17	163	111	119	78	
Portfolio investment	-2,255	575	4,656	305	-1,152	165	1,257	873	1,149	2,326	308	1,099	-403	-452	-457	-243	
Financial derivatives	-15	46	-9	30	4	5	6	-23	12	12	-9	-17	10	1	1	1	
Other investment	4,313	1,415	-4,099	75	1,947	340	-947	-996	-964	-2,160	21	-862	536	602	797	548	
Assets	-4,741	-562	-314	-978	-187	388	215	766	-262	-1,073	254	301	-165	384	194	-766	
Commercial credits	-400	-143	254	-518	-170	-9	554	51	16	-49	236	-219	-212	-25	-98	-47	
Loans	-1,895	-541	-2	51	-442	158	-308	70	-73	-39	40	-341	-80	17	-205	-254	
Currency and deposits	-2,454	117	-493	-502	385	258	-23	637	-207	-997	74	863	145	346	506	-468	
Other assets	7	5	-74	-9	40	-19	-7	7	2	12	-95	-2	-18	46	-9	3	
Liabilities	9,054	1,977	-3,785	1,054	2,134	-48	-1,162	-1,761	-702	-1,087	-234	-1,163	702	218	603	1,314	
Commercial credits	499	-67	-520	179	309	-19	-537	-382	-89	26	-76	59	155	93	220	-4	
Loans	3,841	1,868	-2,915	644	1,472	242	-490	-517	-1,320	-102	-975	-208	311	-173	512	1,133	
Deposits	4,727	190	-318	253	346	-272	-137	-858	700	-983	822	-1,079	236	294	-128	180	
Other liabilities	-13	-13	-32	-22	7	2	1	-5	6	-28	-5	65	0	4	-2	5	
International reserves <sup>2</sup>	140	21	167	-81	80	1	21	114	46	-13	20	62	-118	85	16	-21	
Statistical error	-273	-108	308	-10	-255	10	146	444	-113	48	-70	-27	9	-72	-145	-37	
<b>EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m</b>																	
Export of investment goods	1,936	2,241	1,783	523	576	598	544	443	461	407	472	N/A	199	193	192	191	
Intermediate goods	10,436	10,760	8,127	2,752	2,893	2,730	2,385	1,982	2,004	2,036	2,105	N/A	927	1015	925	953	
Consumer goods	7,035	6,808	6,144	1,753	1,817	1,648	1,590	1,474	1,569	1,481	1,620	N/A	612	635	578	603	
Import of investment goods	3,031	3,441	2,272	773	928	862	878	582	550	519	622	N/A	274	316	312	300	
Intermediate goods	12,875	13,735	9,804	3,417	3,668	3,543	3,107	2,380	2,332	2,454	2,637	N/A	1,156	1,225	1,222	1,221	
Consumer goods	5,601	5,870	4,991	1,459	1,520	1,475	1,416	1,195	1,261	1,251	1,284	N/A	519	518	503	500	

Sources of data: BS, SORS. Notes: <sup>1</sup> exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports; <sup>2</sup> reserve assets of the BS.

2008						2009												2010		
7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3
-347	-157	-138	-236	-164	-334	-73	-123	-71	12	46	83	-33	-107	20	-57	11	-48	-12	-114	66
-263	-298	-190	-266	-180	-297	-46	-34	-69	-65	-4	52	-45	-155	-9	-40	-68	-138	1	-70	-2
1,809	1,339	1,891	1,841	1,532	1,204	1,216	1,296	1,429	1,306	1,335	1,431	1,403	1,068	1,489	1,504	1,476	1,250	1,233	1,328	1,652
2,071	1,637	2,080	2,107	1,711	1,501	1,262	1,330	1,498	1,371	1,340	1,379	1,448	1,222	1,498	1,545	1,544	1,388	1,232	1,398	1,654
124	166	196	149	107	58	91	58	87	101	106	95	60	124	108	84	58	51	76	66	80
516	487	478	446	372	392	310	280	337	346	346	360	439	450	391	368	320	372	296	284	336
391	320	281	296	264	334	220	223	250	245	240	265	379	325	283	283	262	321	220	218	256
-214	-50	-130	-83	-82	-71	-79	-72	-65	-57	-53	-44	-51	-50	-54	-47	-43	-35	-59	-59	-48
111	115	109	108	105	124	86	80	79	78	81	83	79	77	78	83	84	95	73	72	84
325	165	239	191	187	195	165	153	144	135	134	127	130	127	132	130	127	130	132	130	132
5	25	-14	-36	-9	-24	-39	-74	-24	33	-2	-20	3	-27	-24	-54	63	74	-30	-51	37
64	106	58	54	80	86	29	40	50	112	75	60	69	45	38	54	140	159	51	73	103
59	82	73	90	89	110	68	114	74	78	77	80	66	72	62	108	77	84	81	124	67
411	187	34	-130	279	439	43	-109	-110	23	90	-142	81	-78	70	92	24	50	59	63	-35
-6	-1	-1	4	39	-73	-8	-2	5	-2	-2	44	-3	-2	1	1	25	-68	-7	-2	-28
417	188	35	-134	239	512	51	-107	-115	25	91	-186	83	-76	69	91	-1	117	66	66	-7
125	51	-48	-40	85	235	48	-57	-130	-46	-180	-86	-50	57	-96	-47	-48	-38	10	-39	-129
-116	-34	-86	-81	-9	-32	-29	-48	-57	-97	-209	-18	10	-8	-81	-64	21	-43	-19	-76	-45
241	85	38	41	94	267	78	-10	-73	51	29	-67	-60	66	-15	17	-69	5	30	37	-84
134	-207	238	387	658	212	410	559	-96	1,004	263	-118	862	-216	1,681	-13	-70	391	1,354	-460	205
2	2	2	2	2	2	-10	-13	0	4	8	-1	-2	6	8	0	1	-10	0	0	-17
229	238	-127	-516	-489	58	-394	-682	81	-932	-62	30	-673	48	-1,535	143	104	-227	-1,349	557	-70
112	-79	355	-435	19	632	83	595	88	-207	-811	756	-652	697	-1,117	274	-342	322	166	65	69
16	147	-172	-43	132	465	149	-45	-52	28	48	-60	-5	75	-119	-43	-21	300	-23	-37	-159
255	-377	280	-286	73	-95	-174	218	27	35	-49	-59	-57	59	-41	-1	29	12	-26	22	-337
-164	153	269	-115	-191	283	97	413	127	-269	-808	870	-590	556	-963	315	-352	110	221	75	567
5	-2	-22	9	5	-22	11	10	-15	-1	-2	5	0	6	6	3	2	-99	-6	5	-1
117	317	-482	-81	-508	-574	-477	-1,277	-7	-725	749	-726	-21	-649	-418	-131	446	-549	-1,515	492	-139
38	-116	59	-67	-182	-287	-378	-3	-1	-36	-33	-20	5	-91	113	78	77	-231	-76	59	76
112	228	-98	37	-483	-44	-101	28	-444	-329	348	-1,339	14	-69	-47	-175	19	-819	-42	-14	-152
-40	206	-438	-51	159	-244	5	-1,303	441	-361	434	627	-10	-491	-482	-36	358	500	-1,394	448	-133
6	0	-5	0	-2	2	-3	2	-4	2	-1	5	-30	3	-2	2	-8	0	-4	-1	70
-73	104	-30	33	-17	5	-4	86	31	-5	62	-11	-53	29	12	8	11	1	51	7	4
-64	-30	104	366	-115	-105	30	232	181	-35	-136	58	-47	185	-90	-35	-34	-1	-46	51	-31
203	152	243	201	185	158	128	152	162	171	141	149	147	110	150	168	154	150	116	122	N/A
976	756	998	981	816	589	646	639	696	647	655	702	724	555	757	786	735	584	660	721	N/A
607	411	629	638	511	441	429	491	555	479	524	567	517	392	571	540	577	503	447	476	N/A
294	226	342	289	279	310	172	161	248	189	186	174	169	153	196	218	205	199	120	147	N/A
1,291	1,029	1,222	1,309	1,017	782	758	803	820	762	758	812	859	710	885	910	933	794	784	869	N/A
520	404	551	544	441	431	353	389	453	437	416	407	434	379	438	445	432	408	353	382	N/A

MONETARY INDICATORS AND INTEREST RATES	2007	2008	2009	2007 12	2008									
					1	2	3	4	5	6	7	8	9	10
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m</b>														
Claims of the BS on central government	67	68	160	67	67	67	66	66	66	65	66	66	67	69
Central government (S. 1311)	2,367	2,162	3497	2,367	2,412	2,397	2,392	2,123	2,162	2,052	2,030	2,069	2,046	2,058
Other government (S. 1312, 1313, 1314)	118	212	376	118	123	124	124	128	129	133	136	143	178	184
Households (S. 14, 15)	6,818	7,827	8413	6,818	6,918	7,009	7,133	7,235	7,318	7,409	7,521	7,603	7,705	7,857
Non-financial corporations (S. 11)	18,105	21,149	21682	18,105	18,570	18,754	18,938	19,351	19,616	20,064	20,404	20,619	20,872	21,134
Non-monetary financial institutions (S. 123, 124, 125)	2,305	2,815	2703	2,305	2,390	2,411	2,494	2,558	2,568	2,736	2,726	2,729	2,798	2,815
Monetary financial institutions (S. 121, 122)	2,401	3,666	5301	2,401	2,455	2,432	2,444	2,624	2,375	2,386	2,403	2,400	2,737	2,965
<b>Claims on domestic sectors, TOTAL</b>														
In domestic currency	26,555	32,113	34730	26,555	27,164	27,406	27,768	28,503	28,871	29,380	29,805	30,108	30,888	31,444
In foreign currency	1,990	2,370	1895	1,990	2,117	2,192	2,280	2,276	2,259	2,263	2,228	2,271	2,344	2,512
Securities, total	3,570	3,346	5,348	3,570	3,586	3,529	3,477	3,239	3,038	3,137	3,188	3,184	3,104	3,059
<b>SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m</b>														
Deposits in domestic currency, total	20,029	23,129	27967	20,029	20,088	20,674	20,779	20,774	20,613	21,144	21,341	21,465	21,992	22,177
Overnight	6,887	6,605	7200	6,887	6,924	6,557	6,787	6,711	6,841	7,071	6,744	6,703	6,918	6,666
With agreed maturity – short-term	8,913	10,971	9766	8,913	8,899	9,862	9,745	9,734	9,292	9,439	9,936	9,929	10,038	10,530
With agreed maturity – long-term	2,857	4,157	9703	2,857	2,845	2,803	2,814	2,926	3,046	3,170	3,241	3,378	3,519	3,555
Short-term deposits redeemable at notice	1,372	1,396	1298	1,372	1,420	1,452	1,433	1,403	1,434	1,464	1,420	1,455	1,517	1,426
Deposits in foreign currency, total	559	490	433	559	571	560	520	529	527	488	491	502	493	537
Overnight	218	215	237	218	248	240	226	222	225	218	220	228	218	244
With agreed maturity – short-term	248	198	123	248	229	237	220	224	224	196	192	190	196	213
With agreed maturity – long-term	56	41	45	56	55	48	45	45	42	42	43	42	43	44
Short-term deposits redeemable at notice	37	36	27	37	39	35	29	38	36	32	36	42	36	36
<b>INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %</b>														
<b>New deposits in domestic currency</b>														
<b>Households</b>														
Overnight deposits	0.36	0.46	0.28	0.40	0.44	0.41	0.41	0.43	0.46	0.46	0.48	0.48	0.48	0.51
Time deposits with maturity of up to one year	3.36	4.30	2.51	4.04	4.08	3.95	4.03	4.14	4.20	4.30	4.40	4.39	4.53	4.65
<b>New loans to households in domestic currency</b>														
Housing loans, 5-10 year fixed interest rate	5.80	6.77	6.43	6.58	6.75	6.40	6.61	6.53	6.53	6.63	6.71	6.95	6.99	7.10
<b>New loans to non-financial corporations in domestic currency</b>														
Loan over EUR 1 million, 1-5 year fixed interest rate	5.76	6.62	6.28	6.25	..	..	5.63	6.32	5.47	6.63	6.91	6.53	6.94	6.76
<b>INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %</b>														
Main refinancing operations	3.85	3.85	1.23	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	3.75
<b>INTERBANK INTEREST RATES</b>														
<b>EURIBOR</b>														
3-month rates	4.28	4.63	1.23	4.85	4.48	4.36	4.60	4.78	4.86	4.94	4.96	4.97	5.02	5.11
6-month rates	4.35	4.72	1.44	4.82	4.50	4.36	4.59	4.80	4.90	5.09	5.15	5.16	5.22	5.18
<b>LIBOR CHF</b>														
3-month rates	2.55	2.58	0.38	2.77	2.70	2.74	2.83	2.85	2.78	2.84	2.79	2.75	2.78	3.00
6-month rates	2.65	2.69	0.50	2.84	2.77	2.77	2.87	2.93	2.89	2.98	2.94	2.89	2.92	3.09

Sources of data: BS, BBA - British Bankers' Association.

2008		2009												2010			
11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
69	68	69	87	103	121	140	142	151	167	166	161	161	160	176	177	140	140
2,176	2,162	2,704	2,867	3,134	3,288	3,542	3,472	3,456	3,427	3,610	3,625	3,581	3,497	3,334	3,382	2,884	2,898
181	212	223	229	233	243	254	251	257	262	281	305	336	376	390	395	390	392
7,785	7,827	7,831	7,852	7,868	7,910	7,946	7,951	8,055	8,135	8,231	8,295	8,345	8,413	8,452	8,480	8,601	8,648
21,092	21,149	21,346	21,429	21,469	21,509	21,516	21,517	21,557	21,671	21,704	21,688	21,645	21,704	21,795	21,896	21,950	22,059
2,845	2,815	2,815	2,814	2,851	2,869	2,838	2,835	2,838	2,868	2,846	2,846	2,772	2,680	2,684	2,665	2,620	2,608
2,963	3,666	3,887	3,826	3,786	3,829	4,008	4,365	4,382	4,334	4,723	4,563	4,589	5,302	6,141	5,093	5,057	5,555
31,594	32,113	32,388	32,663	32,648	32,790	33,140	33,353	33,601	33,628	34,045	33,922	33,962	34,731	35,678	34,817	34,893	35,429
2,371	2,370	2,372	2,315	2,190	2,172	2,122	2,059	2,017	2,003	1,969	1,939	1,919	1,895	1,904	1,894	1,887	1,859
3,077	3,346	4,046	4,040	4,504	4,686	4,843	4,979	4,925	5,067	5,380	5,460	5,386	5,345	5,215	5,200	4,723	4,871
22,385	23,129	23,563	24,487	24,334	25,649	26,020	26,576	26,206	25,956	26,950	26,860	26,930	27,965	28,953	28,198	27,716	27,949
6,577	6,605	6,415	6,421	6,609	6,610	6,876	7,163	6,862	7,011	7,079	6,940	7,028	7,200	7,949	7,139	7,396	7,351
10,659	10,971	11,246	12,053	11,705	12,951	13,053	12,015	10,560	10,067	10,720	10,487	10,283	9,779	9,722	9,479	8,582	8,347
3,727	4,157	4,542	4,729	4,827	4,876	4,868	6,182	7,600	7,712	7,952	8,190	8,315	9,688	9,928	10,260	10,431	10,894
1,422	1,396	1,360	1,284	1,193	1,212	1,223	1,216	1,184	1,166	1,199	1,243	1,304	1,298	1,354	1,320	1,307	1,357
551	490	504	502	491	489	495	492	480	462	462	457	454	433	426	439	436	450
247	215	242	230	233	231	251	249	239	240	244	242	261	238	240	241	250	270
227	198	181	195	177	180	166	170	166	150	144	141	122	123	117	120	110	103
42	41	42	43	42	42	41	39	39	38	43	42	43	45	48	52	54	54
35	36	39	34	39	36	37	34	36	34	31	32	28	27	21	26	22	23
0.52	0.43	0.48	0.40	0.34	0.28	0.25	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.22	0.22	0.22	-
4.56	4.45	4.08	3.40	2.82	2.44	2.28	2.40	2.35	2.27	2.14	2.04	1.97	2.00	1.91	1.75	1.69	-
7.17	6.88	7.05	6.63	5.75	6.75	6.37	6.59	6.74	6.57	6.64	6.74	5.00	6.28	6.11	6.08	5.33	-
7.24	7.74	6.61	6.35	6.34	6.05	6.10	6.19	6.36	6.20	6.66	6.47	5.94	6.06	6.15	6.31	5.64	-
3.25	2.50	2.00	2.00	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4.24	3.29	2.46	1.94	1.64	1.42	1.28	1.23	0.98	0.86	0.77	0.74	0.72	0.71	0.68	0.66	0.64	0.64
4.29	3.37	2.54	2.03	1.78	1.61	1.48	1.44	1.21	1.12	1.04	1.02	0.99	1.00	0.98	0.97	0.95	0.96
1.97	0.91	0.57	0.51	0.44	0.40	0.40	0.40	0.37	0.34	0.30	0.27	0.25	0.25	0.25	0.25	-	-
2.16	1.08	0.71	0.65	0.58	0.54	0.54	0.52	0.49	0.45	0.41	0.39	0.36	0.35	0.34	0.33	-	-

PUBLIC FINANCE	2007	2008	2009	2007	2008				2009				2008			
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	3	4	5	6
<b>CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m</b>																
<b>GENERAL GOVERNMENT REVENUES</b>																
TOTAL REVENUES	14,006.1	15,339.2	14,408.0	4,059.8	3,369.3	4,005.7	3,857.5	4,106.6	3,283.0	3,542.8	3,558.8	4,023.5	1,135.2	1,463.1	1,259.9	1,282.8
Current revenues	13,467.2	14,792.3	13,639.5	3,805.1	3,274.0	3,881.0	3,733.8	3,903.4	3,204.0	3,322.8	3,470.3	3,642.3	1,096.4	1,435.7	1,228.7	1,216.6
Tax revenues	12,757.9	13,937.4	12,955.4	3,606.0	3,110.0	3,702.0	3,472.0	3,653.3	3,058.9	3,164.5	3,279.0	3,453.0	1,037.0	1,374.1	1,175.5	1,152.4
Taxes on income and profit	2,917.7	3,442.2	2,805.1	769.4	694.4	1,106.5	806.5	834.7	707.3	617.5	735.5	744.8	250.1	498.3	316.7	291.5
Social security contributions	4,598.0	5,095.0	5,161.3	1,251.8	1,203.1	1,254.2	1,272.9	1,364.8	1,285.3	1,280.9	1,260.6	1,334.5	408.4	419.0	415.8	419.5
Taxes on payroll and workforce	418.1	258.0	28.5	120.9	59.4	62.2	63.5	72.9	7.4	7.2	6.2	7.7	19.9	20.9	20.4	20.9
Taxes on property	206.4	214.9	207.0	59.0	27.5	62.6	69.6	55.2	20.6	51.5	74.6	60.2	8.3	12.0	28.6	22.1
Domestic taxes on goods and services	4,498.6	4,805.3	4,660.2	1,372.5	1,099.4	1,181.7	1,227.8	1,296.4	1,015.4	1,177.5	1,184.2	1,283.1	340.1	411.5	383.4	386.9
Taxes on international trade & transactions	117.1	120.1	90.5	31.7	25.6	33.7	31.0	29.8	22.5	29.2	17.2	21.7	9.9	12.3	10.5	10.9
Other taxes	2.1	1.8	2.9	0.7	0.6	1.0	0.7	-0.6	0.5	0.7	0.7	1.0	0.2	0.2	0.2	0.7
Non-tax revenues	709.2	854.9	684.1	199.1	164.0	179.0	261.8	250.1	145.1	158.4	191.3	189.3	59.4	61.6	53.1	64.3
Capital revenues	136.6	117.3	106.5	62.1	28.0	26.9	28.8	33.6	14.1	29.7	19.3	43.5	7.3	6.2	5.8	14.9
Grants	11.9	10.4	11.1	5.0	2.0	2.1	3.1	3.1	2.9	1.7	1.9	4.7	0.5	0.8	0.5	0.8
Transferred revenues	42.5	53.9	54.3	40.5	1.2	0.9	0.6	51.3	0.2	1.5	1.1	51.5	0.7	1.1	-0.4	0.2
Receipts from the EU budget	348.0	365.4	596.5	147.1	64.0	94.8	91.3	115.3	61.8	186.9	66.2	281.5	30.2	19.3	25.3	50.2
<b>GENERAL GOVERNMENT EXPENDITURES</b>																
TOTAL EXPENDITURES	13,915.5	15,441.7	16,368.2	4,081.8	3,388.6	3,792.9	3,628.8	4,631.4	3,877.1	4,064.6	3,767.1	4,659.5	1,218.0	1,228.6	1,363.5	1,200.8
Current expenditures	5,950.9	6,557.5	6,797.3	1,658.2	1,575.9	1,581.7	1,513.7	1,886.2	1,768.8	1,682.7	1,578.1	1,771.2	612.7	528.6	544.9	508.2
Wages, salaries and other personnel expenditures	3,276.9	3,578.9	3,912.3	825.0	819.7	906.8	892.5	959.8	965.0	1,005.6	955.4	985.9	285.1	277.7	338.9	290.3
Expenditures on goods and services	2,212.2	2,527.5	2,506.8	721.3	523.1	589.3	586.1	829.0	547.1	618.0	603.9	741.4	199.5	184.8	199.2	205.3
Interest payments	357.0	335.2	335.9	36.7	221.0	69.8	12.9	31.5	246.7	48.4	12.0	29.0	123.9	61.4	2.5	5.8
Reserves	104.8	116.0	42.3	75.2	12.1	15.8	22.2	65.9	10.0	10.9	6.8	14.9	4.1	4.6	4.3	6.8
Current transfers	6,143.9	6,742.2	7,340.3	1,565.1	1,489.9	1,856.8	1,567.3	1,828.2	1,748.2	1,936.1	1,736.9	1,918.2	512.1	580.1	707.5	569.2
Subsidies	423.4	476.5	597.9	92.8	60.5	243.0	57.7	115.3	165.0	126.9	86.5	219.4	20.6	86.7	83.7	72.6
Current transfers to individuals and households	5,093.3	5,619.2	6,024.1	1,304.0	1,303.5	1,448.9	1,344.8	1,522.0	1,436.2	1,614.8	1,475.9	1,497.6	444.3	445.0	566.4	437.5
Current transfers to non-profit institutions, other current domestic transfers	595.3	598.3	679.5	160.8	118.7	151.2	153.2	175.2	140.0	178.5	164.5	195.1	45.3	46.2	50.5	54.5
Current transfers abroad	32.0	48.2	38.9	7.6	7.2	13.6	11.6	15.7	7.0	15.9	9.9	6.1	1.9	2.2	6.9	4.6
Capital expenditures	1,130.5	1,255.5	1,293.3	567.3	149.0	215.9	350.0	540.6	175.3	237.2	297.5	584.1	50.5	69.3	68.4	78.2
Capital transfers	334.3	458.6	495.2	181.4	30.6	62.3	130.8	234.9	35.9	112.9	86.0	259.9	10.8	18.9	19.2	24.3
Payments to the EU budget	355.9	427.9	439.3	109.8	143.2	76.2	67.0	141.5	148.9	95.6	68.7	126.1	31.9	31.7	23.6	20.9
<b>SURPLUS / DEFICIT</b>	90.6	-102.5	-1,961.4	-	-	-	-	-	-	-	-	-	-	-	-	-

Source of data: MF Bulletin. Note: in line with the changed methodology of the International Monetary Fund of 2001, social security contributions paid by the state are not consolidated. Data prior to 2007 are recalculated on the basis of the irrevocable SIT/EUR exchange rate = 239.64.



## Acronyms

**AJPES** – Agency of the Republic of Slovenia for Public Legal Records and Related Services, **BS** – Bank of Slovenia, **EC** – European Commission, **ECB** – European Central Bank, **ELES** – Electro Slovenia, **ESS** – Employment Service of Slovenia, **FED** – Federal Reserve System, **GDP** – Gross domestic product, **HICP** – Harmonised Index of Consumer Prices, **IAADP** – Internal Administrative Affairs Directorate, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMD** – International Institute for Management Development, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **MI** – Ministry of the Interior, **NFI** – Non-monetary Financial Institutions, **OECD** – Organization for Economic Cooperation and Development, **PPA** – Public Payments Administration of the Republic of Slovenia, **RS** – Republic of Slovenia, **SCA** – Standard Classification of Activities, **SMA** – Securities Market Agency, **SMARS** – Surveying and mapping Authority of the Republic of Slovenia, **SORS** – Statistical Office of the Republic of Slovenia.

### Acronyms of Standard Classification of Activities (SCA)

**A-** Agriculture, forestry and fishing, **B-** Mining and quarrying, **C-** Manufacturing, **10-** Manufacture of food products, **11-** Manufacture of beverages, **12-** Manufacture of tobacco products, **13-** Manufacture of textiles, **14-** Manufacture of wearing apparel, **15-** Manufacture of leather and related products, **16-** Manufacture of wood and of products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials, **17-** Manufacture of paper and paper products, **18-** Printing and reproduction of recorded media, **19-** Manufacture of coke and refined petroleum products, **20-** Manufacture of chemicals and chemical products, **21-** Manufacture of basic pharmaceutical products and pharmaceutical preparations, **22-** Manufacture of rubber and plastic products, **23-** Manufacture of other non-metallic mineral products, **24-** Manufacture of basic metals, **25-** Manufacture of fabricated metal products, except machinery and equipment, **26-** Manufacture of computer, electronic and optical products, **27-** Manufacture of electrical equipment, **28-** Manufacture of machinery and equipment n.e.c., **29-** Manufacture of motor vehicles, trailers and semi-trailers, **30-** Manufacture of other transport equipment, **31-** Manufacture of furniture, **32-** Other manufacturing, **33-** Repair and installation of machinery and equipment, **D-** Electricity, gas, steam and air conditioning supply, **E-** Water supply sewerage, waste management and remediation activities, **F-** Construction, **G-** Wholesale and retail trade, repair of motor vehicles and motorcycles, **H-** Transportation and storage, **I-** Accommodation and food service activities, **J-** Information and communication, **K-** Financial and insurance activities, **L-** Real estate activities, **M-** Professional, scientific and technical activities, **N-** Administrative and support service activities, **O-** Public administration and defence, compulsory social security, **P-** Education, **Q-** Human health and social work activities, **R-** Arts, entertainment and recreation, **S-** Other service activities, **T-** Activities of households as employers, undifferentiated goods - and services - producing activities of households for own use, **U-** Activities of extraterritorial organizations and bodies.

### Acronyms of Countries

**AT-**Austria, **BA-**Bosnia and Herzegovina, **BE-**Belgium, **BG-**Bulgaria, **BY-**Belarus, **CH-**Switzerland, **HR-**Croatia, **CZ-**Czech Republic, **CY-**Cyprus, **DE-**Germany, **DK-**Denmark, **ES-**Spain, **EE-**Estonia, **GR-**Greece, **FR-**France, **FI-**Finland, **HU-**Hungary, **IT-**Italy, **IL-**Israel, **IE-**Ireland, **JP-**Japan, **LU-**Luxembourg, **LT-**Lithuania, **LV-**Latvia, **MT-**Malta, **NL-**Netherlands, **NO-**Norway, **PL-**Poland, **PT-**Portugal, **RO-**Romania, **RS-**Republic of Serbia, **RU-**Russia, **SE-**Sweden, **SI-**Slovenia, **SK-**Slovakia, **TR-**Turkey, **UA-**Ukraine, **UK-**United Kingdom, **US-**United States of America.