

**Slovenian Economic Mirror** presents current macroeconomic developments as well as selected economic, social and environmental issues. The publication consists of articles, which present the main economic indicators, assess the realisation of the spring and autumn forecasts, and monitor implementation of economic policies (earnings, public finance, prices, competitiveness, etc.). The periodical is published monthly, except in September.

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Selected indicators of current economic developments, change in %	Latest Data	Compared to the			
		previous month	same period of previous year		
			latest data	pre-latest data	pre-pre latest data
Industrial production, production volume indices	April	-11.2	5.8	8.2	7.2
Manufacturing	April	-11.5	6.1	8.8	7.6
Electricity, gas and water supply	April	-10.5	2.1	3.4	3.4
Value of construction put in place	April	11.6	0.1	1.6	2.0
Exports of goods (FOB, real terms)	April	-12.9	16.9	20.0	20.4
Imports of goods (FOB, real terms)	April	-20.5	14.5	19.0	18.1
Unit labour costs <sup>1</sup>	March	-	-5.1	-4.1	-3.1
Tolar's real effective exchange rate <sup>2</sup>	April	0.6	-0.5	-0.7	-0.7
Gross wage per employee, real terms	April	-2.8	2.7	3.1	3.1
Total household savings in banks <sup>3</sup> , real terms	May	1.1	5.7	6.4	5.7
General government revenue, real terms	May	-16.2	8.3	7.6	2.8
Growth in the no. of persons in paid employment	April	0.3	0.9	0.9	0.7
Growth in the no. of registered unemployed	May	-3.2	-0.5	-0.7	-0.7
Growth in the no. of job vacancies	May	10.3	20.0	20.8	21.8
<b>Month</b>		<b>current</b>	<b>previous</b>	<b>pre-previous</b>	
Registered unemployment rate	April	9.9	10.1	10.4	
<b>Month</b>		<b>current</b>	<b>cumulative</b>	<b>annual<sup>4</sup></b>	
Consumer prices	June	-0.3	2.1	2.9	
Retail prices	May	0.1	1.3	2.4	
<p><i>Sources of data:</i> SORS, BS, ESS, estimates and calculations by IMAD. <i>Notes:</i> <sup>1</sup>in manufacturing, in the currency basket; <sup>2</sup>measured by relative consumer prices; change of methodology: the calculation of the tolar'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 the tolar and vice versa; <sup>3</sup>the year-on-year growth rate is defined as the ratio between the stock at the end of the current month and the stock in the same month of the previous year; <sup>4</sup>total in the last 12 months.</p>					

*The strong GDP growth in Q1 of 2006 was driven by increased domestic and export demand and was somewhat higher than expected; however, the seasonally adjusted GDP data for Q1 and the first available data on the economy for April show that the long-term trends do not substantially diverge from the expectations.* GDP growth totalled 5.1% in Q1, exceeding the growth from the previous two quarters (3.6% and 3.7%, year on year) and even more than from the same period of 2005 (2.8%). In comparison with last year's dynamics, the first quarter this year saw a substantial acceleration in the growth of external trade (see p. 6). Exports of goods and services were up a real 13.7% over the same period last year. The acceleration of growth relative to 2005, when growth averaged out at 9.2% (and was roughly even throughout all quarters, totalling between 8.8% and 9.6%), was underpinned by improved economic trends abroad. As expected, the year-on-year growth of road vehicles' exports slowed down while export growth of all other goods picked up further and outstripped the growth of road vehicles' exports (21.0% over 13.4%; in the same period last year the respective rates were 6.2% and 53.9%, nominal terms, EUR). Slovenia's market shares in Austria, Spain, Hungary and the UK rose substantially at the year-on-year level, and after a drop that lasted for a year, Slovenia has also expanded its market share in Russia this year. On the other hand, the market share shrank in Croatia and dropped further in Germany (see p. 5). Imports of goods and services also enjoyed robust real growth in Q1 (12.1%), after it lagged behind export growth considerably last year due to the subdued growth of domestic consumption. Within merchandise imports, the biggest rise was recorded in imports of intermediate goods as a result of the strong growth of industrial production in this period. The growth rate of domestic consumption has also accelerated this year (4.0%), mainly on the back of the strong growth of gross capital formation (6.0%). Gross fixed capital formation, which achieved modest growth in the first three quarters of 2005, gathered momentum towards the end of the year and kept the pace seen in Q1 this year. This shows that the accelerated growth in Q4 of 2005 was not linked solely to the expected tax changes in 2006. The highest real growth was registered in investment in transport equipment (14.2% year on year) and other equipment and machinery (15.9%). Residential construction investment also continued to grow robustly (13.5%). The year-on-year growth of household consumption was similarly higher in Q1 this year (3.3%) than at the end of 2005 (2.8%) but it was still at the average level of the last two years (see p. 15). The available indicators on the dynamics of GDP components in Q2 include April's figures on the growth of external trade, which are somewhat lower than in Q1 (see p. 6), and selected indicators of household consumption that similarly eased off (net wage bill, turnover in retail trade; see p. 15). Households still borrow extensively but data on the net new loans taken out in the five months to May show that just a small proportion (around 16%) of these funds is used for consumption while the bulk is invested in dwellings (see p. 8).

*The rapid growth of value added in Q1 (5.1%) was underpinned by developments in manufacturing, whose price and cost competitiveness continued to improve in this period, and the dynamics in some mainly market-oriented service industries.* At the beginning of the year the growth of industrial activities continued to strengthen, largely thanks to manufacturing whose value added rose by a real 8.6% against the recovery of import demand in Slovenia's main trading partners and the consequent pick-up in domestic exports. The lower rises in Slovenian prices compared with those abroad in this period also had an upward effect on the price competitiveness of the Slovenian manufacturing, while the strong labour productivity growth impacted on the improvement of manufacturing's cost competitiveness (see p. 4). Compared with the previous quarter, the year-on-year growth of value added in services was also somewhat higher. It rose notably in some mainly market-oriented services (hotels and restaurants, transport, storage and communications, wholesale and retail trade), as well as in the civil service. After a relatively long period of high growth rates, a slowdown was recorded in financial intermediation. Value-added growth in the education sector also lost considerable momentum. Year-on-year value-added growth in construction was at a lower level than in the previous quarter due to the unfavourable trends in civil engineering. According to seasonally adjusted data, construction activity rose in April but the value of construction put in place was 3.2% lower than in April 2005. Also available are data on the production growth of manufacturing in April, showing continued strong cumulative growth in the first four months of the year (6.1% year on year) despite the moderate softening seen in April (see p. 14).

*Following the stronger rises in the last three months, consumer prices fell by 0.3% in June 2006. Almost half of the price growth recorded in the first six months this year was generated by rises in the prices of liquid fuels.* Price rises recorded from March to May 2006 (0.8%-0.9% per month; also see p. 7) were mainly the result of oil price rises and seasonal price rises. The impact of these factors was reversed in June, which thus witnessed drops in the prices of liquid and automotive fuels, clothing and footwear, and food (particularly fresh vegetables and fruit) and non-alcoholic beverages. Consumer prices were 2.1% higher in June 2006 over December 2005. If the prices of liquid fuels had remained at the December level throughout the six-month period, inflation would have been 0.9 p.p. lower (at 1.2%) in this period.

*The social partners for the private sector have reached an agreement on wage indexation in 2006 and 2007. The negotiations on the wages policy in the public sector for 2006-2009 have also been closed.* These two agreements on wages policy in the two sectors should ensure that wage growth remains within sustainable limits in the next few years, which is particularly important at the time when Slovenia is adopting the euro (see pp. 12-13).

<b>Competitiveness</b>	Slovenian Economic Mirror	IMAD
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Price and costs competitiveness indicators, average indices – year-on-year comparison	Φ QI 2005	Φ QII 2005	Φ QIII 2005	Φ QIV 2005	Φ QI 2006
<b>Tolar's effective exchange rate<sup>1</sup> - nominal</b>	98.7	99.5	99.8	99.1	99.2
Real exchange rate – based on consumer prices	99.2	99.8	100.1	99.4	99.2
Real exchange rate – based on producer prices	99.0	99.4	98.9	98.2	97.5
<b>Unit labour costs and components<sup>2</sup></b>					
Unit labour costs, in nominal terms, in SIT <sup>2</sup>	104.1	98.0	100.6	97.4	95.6
In SIT in real terms <sup>3</sup>	99.9	95.2	98.7	95.7	94.0
In the basket of currencies	102.7	97.6	100.4	96.5	94.9
Compensation of employees, in real terms <sup>4</sup>	102.3	103.0	102.7	103.0	104.0
Net wages and other remuneration	102.8	104.2	104.1	102.9	104.4
Tax burden <sup>5</sup>	98.3	98.0	98.2	99.7	99.7
Labour productivity	100.6	107.5	105.0	108.0	111.2
Consumer prices/nominal effective exchange rate	101.3	101.8	102.3	101.6	101.4

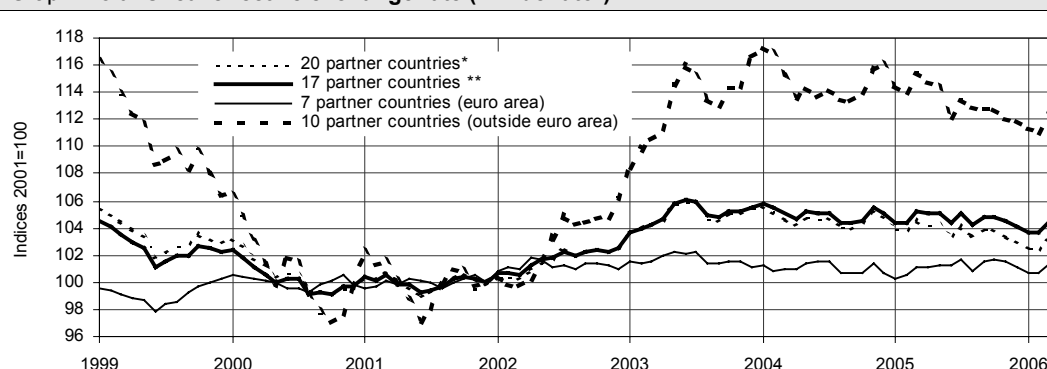
Sources of data: SORS, AP, BS, OECD Main Economic Indicators; calculations by the IMAD. Notes: <sup>1</sup>change of methodology: the calculation of the tolar's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, 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 the tolar and vice versa; <sup>2</sup>in manufacturing, for enterprises and other organisations; domestic factors only; <sup>3</sup>measured by producer prices; <sup>4</sup>deflated by the consumer price index; <sup>5</sup>ratio of gross earnings, taxes and employer's contributions to net earnings.

**In the first quarter of 2006 the improvement in the Slovenian economy's price competitiveness continued under the influence of the lower growth of Slovenian prices compared with prices abroad.** The nominal depreciation of the tolar against the basket of currencies in the 17 trading partners (see note 1 under the table) came to a halt at the quarterly level (in Q4 of 2006 it totalled 0.2%) and slowed down slightly at the year-on-year level (from 0.9% to 0.8%). As relative consumer prices fell in Q1 at both quarterly and year-on-year levels after the slowdown seen in 2005, and the lagging of growth of Slovenian producer prices behind those abroad has continued at an accelerated pace this year, the tolar's effective exchange rate depreciated slightly faster also in real terms in the first quarter. Measured by relative consumer prices, it fell by 0.7% over Q4 of 2005 and by 0.8% over Q1 of 2005. Measured by the relative growth of producer prices, its depreciation totalled a respective 0.6% and 2.5%.

**Q1 also saw an improvement in the price competitiveness of the Slovenian economy in comparison with competitors from the euro area.** Against the stable tolar's exchange rate and measured by relative consumer prices, the tolar fell against the euro by a real 0.6% in Q1 over Q4 of 2005 and rose by 0.1% over Q1 of 2005. Measured by relative producer prices, the tolar depreciated against the euro by a real 0.8% and 1.8%, respectively.

**The improvement in the cost competitiveness of Slovenian manufacturing continued at an accelerated pace in Q1 of 2006 year on year on the back of the robust growth of labour productivity (11.2%).** As the year-on-year growth of production surged (from 5.7% in Q4 of 2005 to 8.8%), employment continued to decline rapidly (-2.2%). The growth of the real compensation per employee totalled 4.0% and was similarly faster than in the final quarter of 2005 but it lagged behind labour productivity by as much as 7.2 p.p. (in Q4 of 2005 by 5.0 p.p., in Q3 of 2005 by 2.3 p.p.). It was underpinned by the accelerated growth of net wages and other remuneration, while the tax burden on wages was lower due to the reduced payroll tax rates. As a result, unit labour costs in the basket of currencies quickly dropped (-5.1%).

Graph: Tolar's real effective exchange rate (CPI deflator)



Source of data: BS, SORS, OECD, calculations by IMAD. Note: \* including Croatia, Russia and Turkey; \*\* see Note 1 in the table.

## Competitiveness – Market Shares

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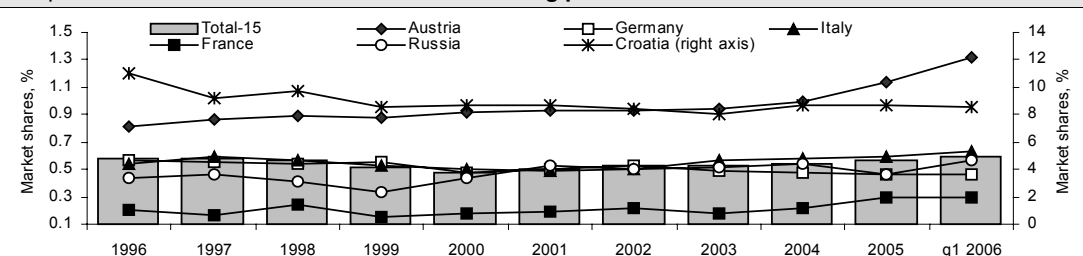
	Market shares, %				Growth rates, %		
	2004	2005	Q I 2005	Q I 2006	2005/2004	Q I 2006/ Q I 2005	Q I 2006/ Ø 2005
Aggregate market share <sup>1</sup>	0.542	0.562	0.596	0.593	3.6	-0.5	5.4
Germany	0.480	0.458	0.494	0.457	-4.5	-7.4	-0.1
Italy	0.583	0.590	0.626	0.631	1.3	0.7	6.9
France	0.217	0.292	0.336	0.293	34.5	-12.7	0.2
Austria	0.991	1.136	1.139	1.319	14.6	15.8	16.1
Netherlands	0.074	0.072	0.074	0.073	-3.5	-1.7	1.5
Belgium	0.061	0.061	0.057	0.069	-0.6	21.4	13.1
Spain	0.094	0.114	0.102	0.157	21.2	54.1	37.8
UK	0.076	0.087	0.084	0.114	13.5	35.4	32.2
Czech Rep.	0.435	0.514	0.518	0.491	18.1	-5.1	-4.3
Slovakia	0.733	0.743	0.719	0.747	1.4	3.9	0.5
Hungary	0.511	0.531	0.516	0.605	3.7	17.3	14.1
Poland	0.477	0.445	0.495	0.524	-6.5	5.7	17.6
USA	0.034	0.022	0.025	0.022	-35.2	-14.8	-1.2
Croatia	8.744	8.741	9.214	8.558	0.0	-7.1	-2.1
Russia	0.536	0.464	0.524	0.563	-13.4	7.5	21.3

Source of data: SORS, EUROSTAT, WIIW, U.S. Census Bureau, calculations by IMAD. Note: <sup>1</sup>calculated as the weighted average of Slovenia's merchandise exports in the imports of its 15 main trading partners selected according to the size of their shares in Slovenia's exports. The shares of individual trading partners in Slovenia's goods exports are also used as weight in calculating the weighted average (using Fisher's formula).

**The mild year-on-year drop (-0.5%) recorded in Slovenia's aggregate market share in the first quarter this year was largely the result of the dynamics in the previous year:** accelerated growth in the first half of 2005 followed by a substantial slowdown in the second half. The growth of Slovenia's exports eased off somewhat in the second half of 2005, while import demand in Slovenia's main trading partners strengthened considerably. Compared with the 2005 average, Slovenia's aggregate market share was much higher in Q1 this year (by 5.4%). Following last year's robust increase, Slovenia's market share in the French market shrank in Q1 year on year due to the lower exports of road vehicles, which caused a drop in Slovenia's exports to France. The shrinking of Slovenia's market share in the German market continued at an accelerated pace although the growth of exports to Germany picked up considerably (to 14.2%, nominal terms, EUR). Similarly, Slovenia's market share in Croatia dropped despite the accelerated growth of Slovenian exports to this market (18.2%). The year-on-year growth of Slovenian market shares in Austria, Spain, Hungary, the United Kingdom and Belgium was robust (see the table). At the same time, Slovenia's market share in Russia rebounded after a drop lasting for a year, which considerably alleviated the year-on-year drop in Slovenia's aggregate market share in Q1 this year.

**Slovenia's market share in the EU increased in the first quarter (by 1.9% year on year and by 6.3% compared with last year's average).** Among the trade classification sectors (SITC), the year-on-year market share growth of **manufactured products** (5-8) slowed down somewhat while the growth of food, drinks and tobacco (0,1) and raw materials (2-4) strengthened significantly. The subdued growth of manufactured products' market share was induced by the drop in the market share of machinery and transport equipment (-0.8%) due to the strongly decelerated growth of road vehicles, and the drop in the market share of miscellaneous manufactured articles (prefabricated buildings, furniture, clothing, footwear, other consumer goods; -4.1%) linked to the modest growth of Slovenian exports of furniture and the drop in exports of clothing. The market shares of chemical products and manufactures classified by material (leather, rubber, paper, wood, textile and metals) grew at an accelerated pace (by a respective 9.4% and 9.6%). **Non-manufactured products** recorded the continued robust growth in the market shares of food and live animals (87%) and crude materials except fuels (26%). Thanks to the booming exports of electricity (to Italy and Austria), the market share of mineral fuels and lubricants also enjoyed burgeoning growth (167%).

Graph: Slovenia's market shares in its main trading partners



Sources of data: SORS, Eurostat, WIIW, U.S. Census Bureau, calculations by IMAD.

<b>Balance of Payments</b>	Slovenian Economic Mirror	IMAD
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Balance of Payments, Jan-April 2006, EUR million	Inflows	Outflows	Balance <sup>1</sup>	Balance Jan-Apr 2005
<b>Current account</b>	6,673.6	6,787.6	-114.1	-166.4
Trade balance (FOB)	5,329.7	5,494.9	-165.3	-241.4
Services	964.0	698.9	265.1	202.7
Factor services	221.9	330.6	-108.7	-81.9
Unrequited transfers	158.0	263.2	-105.3	-45.7
<b>Capital and financial account</b>	1,482.1	-1,289.1	193.0	217.2
Capital account	39.3	-59.6	-20.3	-8.4
Capital transfers	38.0	-58.8	-20.9	-9.2
Non-produced, non-financial assets	1.3	-0.8	0.5	0.8
Financial account	1,442.8	-1,229.5	213.3	225.6
Direct investment	102.9	-184.3	-81.4	-126.1
Portfolio investment	405.2	-503.5	-98.3	-141.2
Financial derivatives	-0.3	9.4	91	-3.5
Other long-term capital investment	934.9	-534.7	400.2	469.9
Assets	82.4	-523.1	-440.7	-491.3
Liabilities	852.5	-11.6	840.9	961.1
International reserves (BS)	0.0	-16.4	-16.4	26.6
<b>Statistical error</b>	0.0	-78.8	-78.8	-50.9

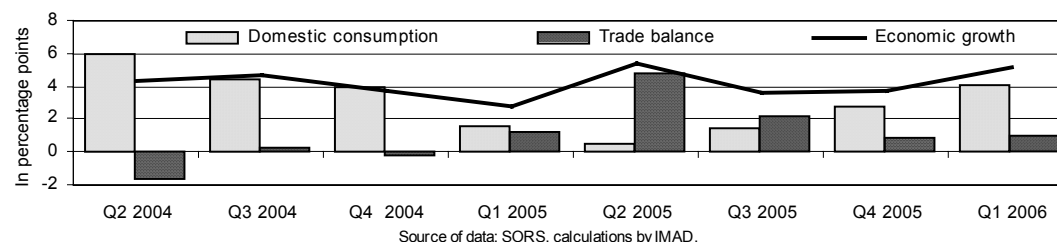
Source of data: BS. Note: <sup>1</sup>minus sign (-) in the balance indicates the surplus of imports over exports in the current account and the rise in assets in the capital and financial account and the central bank's international reserves.

The noticeable strengthening of the growth of export flows in Q1 this year was underpinned by a supportive international environment while the dynamics of import flows were determined by the stronger growth of domestic consumption coupled with export growth. According to the national accounts data, exports rose by a real 13.7% in Q1 this year over the same period last year (goods by 13.7%, services by 13.6%). Total imports grew by a real 12.1% (goods by 11.9%, services by 13.0%). The purchasing power of exports, i.e. the real value of revenues from exports (expressed as the ratio between the nominal value of merchandise exports and the import price index) rose by 12.7% over the same period last year. This rise was mostly fed by exports to the main trading partners within the EU (the United Kingdom, Austria, Italy and Germany) and the growth of exports to Russia and Croatia. Within the structure of exports according to the SITC, the growth of road vehicles exports, while remaining relatively strong, slowed down year on year while exports of other products strengthened further. The year-on-year quarterly real growth of services exports, which totalled 14.2% in Q3 and 15.8% in Q4 of 2005, stayed at a high level in Q1 this year (13.6%). This growth was mainly created by the strong growth of other services (all other services except transport and travel) and the growth of transport (notably road and rail transport), which is closely interlinked with the growth of merchandise exports. On the import side, the breakdown by end-use product groups shows the biggest increase in imports of intermediate goods (up 12.5% in real terms), which was driven by the robust growth of industrial production. The import component of exports was also strong as the share of intermediate goods' imports accounted for 66.2% of merchandise exports. Imports of consumer goods rose by a real 12.4% in Q1, year on year. The year-on-year growth of investment goods strengthened as well, reflecting the brisker domestic investment activity. The real growth of investment in equipment and machinery was robust at 15.5% in Q1 this year. The increase in imports of services was, like in their exports, largely driven by the growth of other services. The external trade balance contributed 1 percentage point to GDP growth in Q1 this year while domestic consumption added 4.1 p.p. Although the contribution of external trade in goods and services to economic growth decreased in Q1 compared to the same period of 2005, it was positive for the fifth quarter in a row.

The terms of trade also affected the level of gross domestic income. The latter not only depends on real GDP but also on the prices achieved in trade with the rest of the world. Due to the deteriorated terms of external trade (index value of 99.3), the real growth of gross domestic income in Q1 this year compared with Q1 of 2005 was slower (4.5%) than economic growth (5.1%).

In April, trade in goods and services slowed down over March (reaching 4.7%) although it still remained at a relatively high year-on-year level in the first four months of the year (15.7%; in the three months to March: 19.3%). Exports of goods and services rose by a nominal 16.8% (in EUR), while imports of goods and services were up 14.1%. The increase in the goods and services surplus was the result of the lower deficit in goods on one hand and the higher surplus in services on the other. The deficit in the current account balance amounted to EUR 114.1 m, which is EUR 52.3 m less than in the same period of 2005.

Graph: Year-on-year contributions of external trade and domestic consumption to GDP growth, in p.p.



Price indices	2005		2006		
	Dec 2005/ Dec 2004	Φ (Jan 05-Dec 05)/ Φ (Jan 04-Dec 04)	May 2006/ Apr 2006	May 2006/ May 2005	Φ (June 05-May 06)/ Φ (June 04-May 05)
<b>Consumer prices (CPI)</b>	<b>102.3</b>	<b>102.5</b>	<b>100.9</b>	<b>103.2</b>	<b>102.4</b>
Goods	102.0	102.2	101.1	103.1	102.3
Fuels and energy	110.1	111.9	102.9	114.4	112.3
Other	100.2	100.1	100.7	100.4	99.9
Services	103.0	103.2	100.5	103.6	102.9
<b>Consumer prices (HICP)</b>	<b>102.3</b>	<b>102.5</b>	<b>100.9</b>	<b>103.4</b>	<b>102.4</b>
<b>Administered prices<sup>1</sup></b>	<b>107.7</b>	<b>110.0</b>	<b>102.3</b>	<b>110.9</b>	<b>110.0</b>
Energy	109.8	112.6	103.3	114.7	113.0
Other	103.0	104.1	99.8	101.4	102.4
<b>Core inflation<sup>2</sup></b>					
Trimmean	103.1	102.5	100.7	103.5	102.5
Excluding food and energy	100.8	101.0	100.4	101.2	100.6
<b>Producer prices (IPI)</b>	<b>101.8</b>	<b>102.7</b>	<b>100.1</b>	<b>102.4</b>	<b>101.9</b>
Intermediate goods	102.0	103.2	100.3	103.4	102.6
Investment goods	101.5	103.1	99.7	99.2	100.7
Consumer goods	101.6	102.0	99.9	102.1	101.7

#### Inflation in the EU-12

Consumer prices (MUICP)	102.2	102.2	100.3	102.5	102.3
Excluding food, energy, tobacco, alcohol	101.4	101.4	100.1	101.3	101.3
Producer prices (IPI)	104.5	104.1	100.8 <sup>3</sup>	105.4 <sup>3</sup>	104.5 <sup>3</sup>

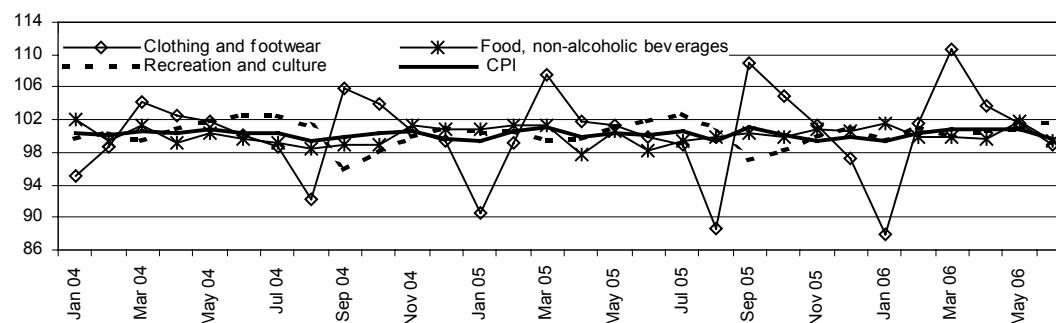
Sources of data: CPI, HICP, IPI: SORS; administered prices and core inflation: IMAD's estimate; MUICP, IPI in the EU: Eurostat (provisional data) and IMAD's recalculation. Notes: figures do not always add up due to rounding; <sup>1</sup>figures are not directly comparable between the years due to the changes introduced to the index of administered prices in 2005; <sup>2</sup>due to modernisation of the calculation method, data on core inflation measured by the trimmean are fully comparable from the Slovenian Economic Mirror May 2006 issue onwards; <sup>3</sup>figure for the previous month.

**Prices rose by 0.9% in May.** Following the 0.8% rises recorded in March and April, monthly inflation in May increased by a further 0.1 p.p.. At the year-on-year level, inflation rose from 2.7% in April to 3.2% in May, while average inflation (measured by the CPI) ran at the rate of 2.4% for the third consecutive month. Average inflation measured by the harmonised index of consumer prices, which is used as the indicator of fulfilling the Maastricht inflation criterion, rose by 0.1 p.p. to 2.4% in May, but Slovenia nevertheless still meets the criterion (which stood at 2.7% in May). Slovenia's fulfilment of the Maastricht criterion since November 2005 confirms the sustainability of the disinflation process and price stability in Slovenia.

**More than two-thirds of May's inflation was generated by price rises in food, automotive fuels and heating fuels.** Prices in the group food and non-alcoholic beverages rose by an average of 1.7% and contributed almost 0.3 p.p. to inflation, of which close to 0.2 p.p. came from fruit and vegetables (which may be due to the supply shortfall resulting from the cool spring months). The contribution of the group transport (0.25 p.p.) to the overall price rise was the result of the price rise in automotive fuels (0.3 p.p.) and the decrease in the prices of used cars (-0.1 p.p.). As a result of the price rise in liquid fuels, the prices of housing rose by 0.9% and added approximately 0.1 p.p. to inflation. For the second month in a row, the rise in the prices of petroleum products alone thus accounted for around half of the total monthly price rise in Slovenia. Other goods whose prices are under various regimes of regulation made a zero contribution to inflation in May, April and March. Otherwise, May also saw rises in the groups clothing and footwear (1.5%) and recreation and culture (0.8%), each contributing 0.1 p.p. to May's overall price rise. Apart from the price fall in used cars, there were few other price reductions in May. Prices fell on average in the group communications and household equipment, whose contribution to the overall inflation was negligible.

**Seasonal factors usually cause prices to fall in the summer months.** Considering the dynamics of seasonal determinants of prices rises we can expect that, assuming stable oil prices in the following months, the main seasonal downward effect on inflation will come from the lower prices of clothing and footwear and, to a lesser extent, food. In previous years, this effect was strongest in August.

Graph: **Monthly changes in selected groups of the consumer price index**



Source of data: SORS, calculations by IMAD.

Domestic banks' loans	Nominal amounts, SIT bn		Nominal loan growth, %		
	31. Dec 2005	31. May 2006	31. May 2006/ 30. Apr 2006	31. May 2006/ 31. Dec 2005	31. May 2006/ 31. May 2005
<b>Loans total</b>	3,864.8	4,290.6	1.5	11.0	23.0
<b>Total tolar loans</b>	1,754.2	1,768.8	-0.6	0.8	-6.9
Enterprises and NFI	995.8	992.6	-1.3	-0.3	-9.3
Households	642.2	661.5	0.5	3.0	2.2
Government	116.2	114.7	-0.7	-1.3	-27.4
<b>Foreign currency loans</b>	2,110.6	2,521.9	3.1	19.5	58.8
Enterprises and NFI	1,679.4	1,999.5	2.7	19.1	54.9
Households	383.7	476.7	5.9	24.2	90.0
Government	47.5	45.6	-7.7	-3.9	-2.8
<b>Household loans by purpose</b>	1,025.9	1,138.2	2.7	10.9	26.8
Consumer credits	487.5	505.5	2.6	3.7	18.1
Lending for house purchase	311.7	379.3	3.9	21.7	53.6
Other lending	226.7	253.4	1.0	11.8	13.7

Source of data: BS Bulletin, calculations by IMAD. Note: NFI - non-monetary financial institutions.

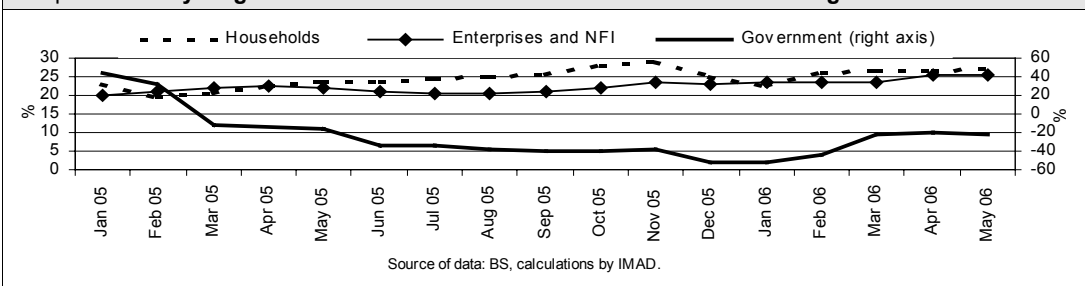
The Bank of Slovenia has adopted a methodology harmonised with the European Central Bank. As a result, the structure of tables showing household loans and savings in the Slovenian Economic Mirror has changed.

**Banks' lending activity declined somewhat in May, as the monthly increase in loans granted to the non-banking sectors was at its lowest level this year although it nevertheless remained relatively high.** The growth seen in the overall volume of loans in May over December exceeded the growth recorded in the comparable period last year by 6.3 p.p. Despite the gradual raising of the ECB's main interest rate, the more beneficial foreign currency loans are still on the increase (they have surged by almost 60% in the last 12 months) while the volume of tolar loans dropped. After the exceptionally high total net flows recorded in April (SIT 108.3 bn), these net flows fell to the level of SIT 63.9 bn. In the five months to May their value thus amounted to SIT 425.8 bn, 2.7-times more than in the same period last year. Within that, SIT 411.3 bn were net flows of foreign currency loans, which thus exceeded their level from the same period last year by 58.3%.

**Enterprises and NFI mostly borrow foreign currency.** Their net flows in the first five months of the year accounted for over 75% of the total net flows of foreign currency loans and amounted to SIT 320.1 bn, 72.7% more than in the same period last year. Enterprises and NFI net repaid tolar loans worth SIT 3.2 bn, mainly thanks to the repayment by enterprises. Enterprises and NFI borrowed much more at home than abroad, where their net borrowing in the first four months this year totalled SIT 25.9 bn, 16.6% less than in the same period of 2005. Despite the strengthened lending activity, banks' net borrowing from abroad amounted to SIT 39.9 bn, only over half of their borrowing recorded in the comparable period last year.

**The total volume of household loans has not dropped since February 2005 and rose by 10.9% in the five months to May this year (9.3% in the same period last year).** The total net flows achieved the value of SIT 112.3 bn in the five months to May, exceeding the level from the same period last year by 45.5%. Households also mainly took out foreign currency loans, whose net flows in the first five months of the year totalled SIT 93.0 bn (40% more than in the same period of 2005) and represented more than 80% of the total net flows. The volume of foreign currency loans has almost doubled in the last twelve months. Given the gradual convergence of interest rates on tolar loans with the interest rates on foreign currency loans, the level of household net borrowing in tolar loans increased as well and amounted to SIT 19.3 bn in the five months to May, 86.9% more than in the same period last year. We do not anticipate any major inflationary pressures from increased household borrowing since, according to the Bank of Slovenia's data, only a minor share of the net granted loans (around 16%) is used for consumption while the bulk of new loans granted is used for investments in dwellings – the net flows of these loans accounted for over 60% of the total net flows.

Graph: Year-on-year growth rates of domestic banks' loans to the non-banking sectors





<b>The Money Market – Household Savings</b>	Slovenian Economic Mirror	IMAD
	No. 6/2006	p. 9

Household savings in banks and mutual funds managed by domestic administrators	SIT bn, nominal		Nominal growth rates, %		
	31 December 2005	31 May 2006	31 May 2006/ 30 Apr 2006	31 May 2006/ 31 Dec 2005	31 May 2006/ 31 May 2005
<b>Total savings</b>	2,547.6	2,592.4	1.1	1.8	5.7
<b>Tolar savings, total</b>	1,580.7	1,608.7	1.4	1.8	7.1
Overnight deposits	752.8	813.4	4.1	8.0	18.4
Short-term deposits	624.4	605.1	-0.8	-3.1	3.8
Long-term deposits	157.2	143.3	-3.6	-8.8	-23.5
Dep. redeemable at notice	46.2	46.8	-0.1	1.3	4.2
<b>Foreign currency savings</b>	966.9	983.7	0.6	1.7	3.5
Overnight deposits	432.8	431.0	-0.2	-0.4	77.0
Short-term deposits	398.0	407.1	0.8	2.3	-29.8
Long-term deposits	108.0	116.9	3.4	8.2	19.8
Dep. redeemable at notice	28.1	28.7	0.1	2.1	-1.4
<b>Mutual funds</b>	329.6	353.1	-2.1	7.1	58.0

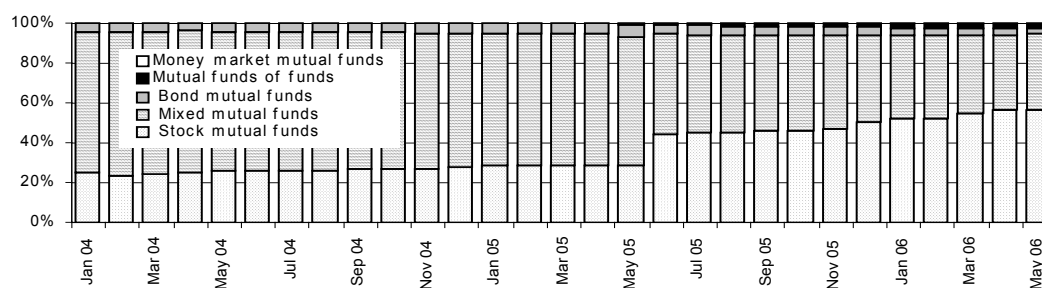
Source of data: Monthly Bulletin of the BS, calculations by IMAD.

**Following the stagnation in March and April, the volume of household savings in banks increased by 1.1% and thus achieved the highest monthly growth this year.** The biggest contribution (0.9 p.p.) to growth came from tolar deposits while the contribution of foreign currency deposits was modest. The total net flows achieved SIT 44.7 bn in the five months to May, exceeding the level from the same period last year by 36.5%.

**Among tolar deposits, overnight deposits still record high growth rates whereas other types of deposits are generally in decline.** It is apparent that the returns of tied deposits are so low that they are no longer attractive enough for savers to compensate for the reduced liquidity caused by tied assets. Compared with the end of 2005, the largest drop (of almost 10%) was recorded in long-term deposits, whose interest rates have also fallen the most over the last year. The net flows of tolar deposits amounted to SIT 28.0 bn in first five months this year, 11.4% more than in the same period of 2005. Although the growth of foreign currency deposits lags behind that of tolar deposits, it rose by almost one percentage point in the five months to May compared with the same period last year. The early exchange of tolar into euros may be one of the possible reasons for the slightly stronger growth of these deposits than that of the previous year. However, such an exchange is not very rational since the interest rates on euro deposits are currently lower than the tolar interest rates. Moreover, when tolar are exchanged euros have to be bought at the buying rate, which is higher than the proposed exchange rate that will apply upon Slovenia's entry to the EMU.

**After the value of mutual funds rose up from November 2005, a negative monthly return of -3.3% was recorded in May, which is the largest drop of mutual funds seen in two years.** Given that mutual funds held as much as 40.4% of their assets in foreign securities at the end of May (30.9% at the end of 2005), such dynamics are largely associated with drops in the indices in global capital markets, which in turn pushed down the values of those mutual funds that invest the collected assets in foreign securities. The gap between the lowest and the highest monthly returns grew to almost 20 percentage points. The most successful mutual fund with a 3.1% monthly yield held nearly 90% of its investment in the shares of Slovenian firms. On the other hand, the biggest negative return of -15.5% was recorded in one of the 44 mutual funds that mainly invest in foreign securities. The total volume of assets held by mutual funds of domestic administrators amounted to SIT 353.1 bn at the end of May, 2.1% less than a month ago, yet still 7.1% more than at the end of 2005. The share of the more risky stock mutual funds is still rising. At the end of May, these funds managed as much as 56.6% of domestic mutual funds' total assets, i.e. almost 5 p.p. more than at the end of 2005. A major part of this growth was due to the 4 p.p. smaller share of mixed mutual funds that accounted for 37.9% of the total assets held by the mutual funds of domestic administrators. Despite the negative returns, the net inflows to mutual funds achieved SIT 3.1 bn, which is slightly above this year's monthly average and equal to May's net inflow to funds that mainly invest in foreign securities. Mutual funds managed by domestic administrators recorded a net inflow of SIT 13.5 bn in the five months to May, 74.7% of the level registered in the same period last year.

Graph: **Structure of assets in mutual funds**



Source of data: [www.vzajemci.com](http://www.vzajemci.com), calculations by IMAD.

<b>General Government Revenue and Expenditure</b>	Slovenian Economic Mirror	IMAD
	No. 6/2006	p. 10

	SIT million		Year-on-year nominal growth (indices)				
	Q I 05	Q I 06	Q I 05	Q II 05	Q III 05	Q IV 05	Q I 06
<b>Revenue</b>	<b>666,023</b>	<b>705,611</b>	<b>105.2</b>	<b>105.7</b>	<b>105.6</b>	<b>105.3</b>	<b>105.9</b>
Revenue from sales in the market	42,408	45,026	100.7	101.0	103.3	103.2	106.2
Taxes on production and imports	229,029	238,418	103.0	107.6	103.3	104.8	104.1
Property income, receivable	6,911	6,234	82.6	122.9	151.1	142.3	90.2
Current taxes on income and wealth	127,022	137,551	107.5	107.5	106.1	107.1	108.3
Social contributions	238,136	254,962	106.0	106.8	106.5	106.0	107.1
Other current transfers	19,697	22,614	123.9	71.6	92.4	88.4	114.8
Capital transfers	2,820	806	202.8	149.0	189.2	74.8	28.6
<b>Expenditure</b>	<b>731,272</b>	<b>762,685</b>	<b>106.4</b>	<b>104.3</b>	<b>100.9</b>	<b>105.2</b>	<b>104.3</b>
Intermediate consumption	87,152	91,087	98.3	102.2	104.0	108.2	104.5
Compensation of employees	187,648	197,840	107.4	106.6	104.3	103.2	105.4
Other taxes on production	8,734	8,891	110.0	109.5	107.3	109.4	101.8
Subsidies	26,411	28,763	107.9	107.9	107.9	107.9	108.9
Property income, payable	28,400	26,967	95.8	93.2	90.0	91.0	95.0
Current taxes on income and wealth	18	19	107.5	107.5	106.1	107.1	107.5
Social benefits in cash and in kind	298,117	315,695	105.0	104.9	104.7	107.3	105.9
Other current transfers	33,454	33,313	229.6	114.7	95.0	86.8	99.6
Capital transfers	12,006	6,811	77.9	96.2	51.8	119.7	56.7
Capital formation and net acquisitions of non-produced, non-financial assets	49,331	53,298	103.6	98.7	88.0	107.5	108.0
Net lending (+), net borrowing (-)	-65,249	-57,074	-	-	-	-	-
<b>GDP</b>	<b>1,526,919</b>	<b>1,623,215</b>	<b>104.4</b>	<b>107.4</b>	<b>103.9</b>	<b>103.9</b>	<b>106.3</b>

Source: SORS, Main Aggregates of the General Government. Note: this year, the SORS has published a series of quarterly data on the main general government aggregates from 1999 onwards and thus partially fulfilled the obligation to submit to the Eurostat quarterly data series harmonised with the ESA methodology (European System of Accounts) for the period from 1995 onwards.

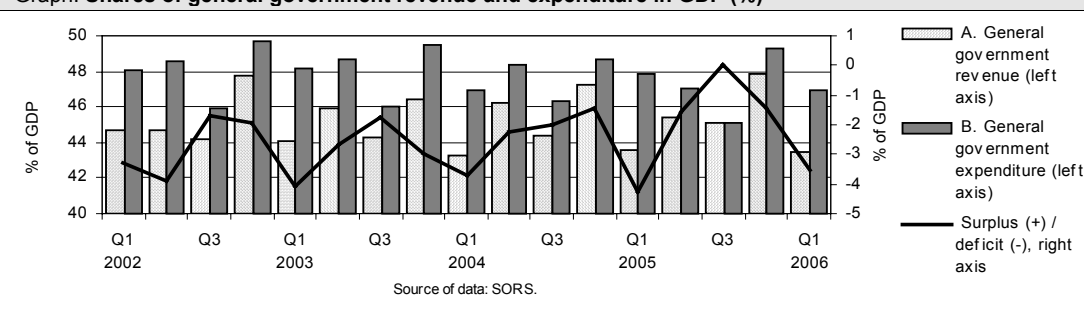
**In the first quarter of 2006, the general government sector's revenue rose faster than its expenditure while its growth was slightly slower than the nominal growth of the quarterly GDP.** Compared with Q1 of 2005 (according to the SORS' data), the total revenue of the general government sector rose by 5.9% (GDP grew 6.3% in nominal terms) and amounted to 43.5% of the quarterly GDP (43.6% in 2005). A breakdown of total revenue shows that the revenue from sales in the market rose at a slightly faster pace (by a nominal 6.2%) than total revenue while property income and capital transfers dropped (the former by 9.8%, the latter to around one-quarter of the value recorded last year).

**The increase in taxes and contributions (the fiscal burden) was consistent with quarterly GDP growth and the quarterly share of this revenue in GDP remained the same as in 2005 (38.6%).** Revenue from current taxes on income and wealth enjoyed an above-average rise (8.3%), mainly due to the increase in the corporate income tax. Social security contributions also grew faster (7.1%) than revenue as a whole. On the other hand, taxes on production and imports experienced below-average growth in Q1 (4.1%). Despite the significant increase in the accrued VAT (by 8.3%), the growth of this category of revenue was dampened by the shortfall in revenue from excise duties and payroll tax (see SEM 4/2006: 11).

**The year-on-year growth of general government expenditure was slower than GDP growth in Q1.** General government expenditure grew by 4.3% but its share in GDP shrank to 47.0% (47.9% in 2005). Growth was restrained by the drop in capital transfers to commercial companies (-43.3% in nominal terms) and a decrease in interest payments (-5.0%). At the same time, data reveal increased investment activity of the general government sector in Q1 this year (10% growth of gross capital formation) and an above-average increase in expenditure on subsidies (8.9%). Social benefits in cash and in kind also grew faster (5.9%) than total expenditure, as did the compensation of employees (5.4%). Intermediate consumption was slightly above the average with 4.5% growth.

**The general government sector's deficit (net borrowing) narrowed by SIT 8 billion in the first quarter this year over the same period of 2005.** It totalled SIT 57 bn or 3.5% of the statistically measured GDP for the first quarter. For the fourth consecutive year, according to the SORS, the deficit is highest in the first quarter while it eases off in the subsequent quarters. Similar dynamics are expected this year, since the total general government deficit for 2006 is estimated at 1.8% of GDP according to the Report on Government Debt and Deficit submitted by Slovenia to the European Commission in March this year.

Graph: Shares of general government revenue and expenditure in GDP (%)



<b>Labour Market</b>	Slovenian Economic Mirror	IMAD
	No. 6/2006	p. 11

Selected labour market indicators		thousands			% growth		
		Φ 2005	April 2005	April 2006	Apr 06/ Mar 06	Jan-Apr 06/ Jan-Apr 05	Φ 2005/ Φ 2004
A	<b>Registered labour force (A=B+C)</b>	905.0	903.8	909.9	0.1	0.8	0.5
	<b>People in formal employment*</b>	813.1	812.2	819.9	0.3	0.9	0.7
B	in enterprises and organisations	666.2	665.4	671.5	0.3	0.8	1.1
	by those self-employed	65.4	65.4	65.5	1.6	0.0	-0.3
	self-employed and farmers	81.5	81.3	82.9	-0.3	2.2	-1.9
C	<b>Registered unemployed</b>	91.9	91.6	90.0	-1.5	0.1	-1.0
	women	49.4	49.0	49.1	-1.0	2.3	0.4
	aged over 40	40.1	39.7	40.9	-0.9	1.6	0.9
	unemployed over 1 year	43.4	43.0	43.0	-0.7	1.7	1.4
D	<b>Rate of registered unemployment (C/A), %</b>	10.2	10.2	9.9	-	-	-
	male	8.5	8.8	8.2	-	-	-
	female	12.1	12.0	12.0	-	-	-
E	<b>Job vacancies</b>	16.9	16.9	18.4	-14.9	23.4	19.9
	for a fixed term, %	75.6	76.3	75.4	-	-	-
F	<b>No. of people hired</b>	11.4	12.3	14.5	8.2	19.3	12.8
	Lower education	3.3	4.1	5.0	20.9	24.4	10.6
	Secondary education	6.3	6.5	7.6	4.4	19.0	13.3
	Tertiary education	1.9	1.7	1.9	-4.0	10.9	14.8

Sources of data: SORS, ESS; calculations by IMAD. Note: \*people in employment according to administrative sources.

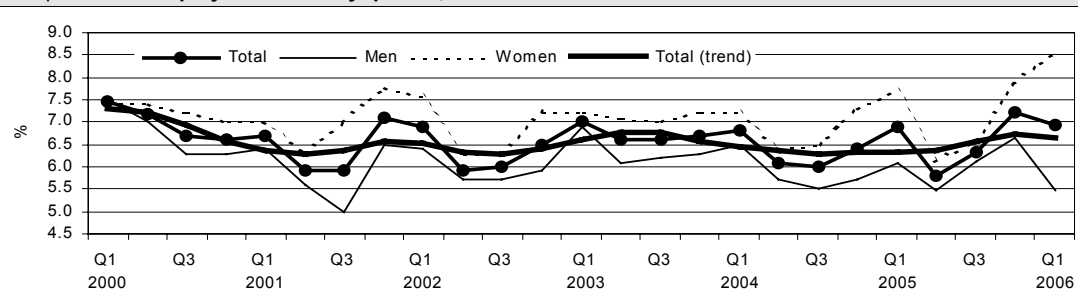
**Employment continued to rise in April.** The number of people in formal employment rose by 0.3% over the previous month. Like in March, April saw the biggest rise in employment in the construction sector (up 2.4%). Employment also rose in all service activities (the biggest increase of 0.5% was again recorded in business activities) while it dropped in agriculture, mining and manufacturing.

**The labour force remains large according to the labour force survey, while the unemployment rate in Q1 this year was the same as in Q1 of 2005.** The number of people in employment fell by 0.7% over the previous quarter yet remained 1.3% higher than in Q1 of 2005. The labour force also grew by 1.3% over Q1 of 2005, and consequently the number of the unemployed remained relatively high: 70,000 or 1.4% more than in Q1 last year but 5.4% fewer than in Q4 of 2005. The unemployment rate dropped by 0.3 p.p. to total 6.9%, the same as in Q1 last year. **The gender gap** in unemployment widened considerably. The male unemployment rate fell by 0.6 p.p. while the female unemployment rate rose by 0.9 p.p. over the same quarter of 2005.

**The number of registered unemployed fell to 87,111 in May, the lowest figure recorded since October 1991.** A total of 5,103 people lost work while 5,544 unemployed people found a job, a respective 4.0% and 13.4% more than in April. These two flows, along with the inflow of first-time job-seekers (1,009 persons), were within the seasonally normal range. The number of people struck off from unemployment registers for reasons other than finding work rose by 32.1% (3,600) over April. Consequently, the number of the registered unemployed fell by a further 2,896 people or 3.2% in May and was 3.0% lower than in May last year. The decrease in registered unemployment in the period from February to July (the number of the unemployed normally rises again in July due to the first wave of first-time job-seekers who completed their official education) is a regular seasonal phenomenon, which is slightly more pronounced this year than last year. The rapid decline in the number of registered unemployed seen this year can be attributed, on one hand, to a more dynamic labour market that managed to offer jobs to 5.2% more unemployed people than in the same period last year and, on the other hand, to the stricter implementation of the Employment and Insurance Against Unemployment Act (OG No. 69/98) laying down the grounds on which the ESS can stop keeping an unemployed person in its records. As a result, the number of people stuck off from the unemployment register for reasons other than finding work was 52.1% higher in the first five months of the year than in the same period last year.

**The number of vacancies rose in May while the number of people hired dropped.** A total of 20,335 vacancies were on offer in May, 10.3% more than in April and 9.1% more than in May last year, while 13,884 people were hired, 4.3% less than in April this year but 30.6% more than in May 2005. The total number of people hired was also higher, having risen by 21.5% in the five months to May over the same period of 2005.

Graph: ILO unemployment rates by quarter, 2000-2006



Source of data: SORS.

<b>Earnings</b>	Slovenian Economic Mirror	IMAD
	No. 6/2006	p. 12

Gross wage per employee, growth index	Wages in SIT April 2006	In nominal terms		In real terms <sup>1</sup>	
		Apr 2006/ Mar 2006	Apr 2006/ Apr 2005	Apr 2006/ Mar 2006	Apr 2006/ Apr 2005
Gross wage per employee, total	279,896	98.0	103.9	97.2	101.2
<b>Private sector (activities A to K)</b>	260,870	97.1	104.1	96.3	101.4
A Agriculture	224,525	96.6	103.9	95.8	101.2
B Fisheries	233,254	93.9	113.6	93.1	110.6
C Mining and quarrying	345,081	98.7	105.6	97.9	102.8
D Manufacturing	239,263	95.0	104.3	94.2	101.6
E Electricity, gas and water supply	341,094	96.4	104.7	95.6	102.0
F Construction	225,300	96.6	103.0	95.8	100.3
G Wholesale, retail; certain repairs	249,304	98.6	103.9	97.8	101.2
H Hotels and restaurants	207,644	100.8	106.1	100.0	103.3
I Transp., storage & communications	299,354	96.8	101.9	96.1	99.3
J Financial intermediation	426,939	103.2	105.4	102.4	102.7
K Real estate, renting, business services	294,896	98.0	102.7	97.2	100.0
<b>Public services (activities L to O)</b>	334,641	100.1	103.5	99.3	100.8
L Public administration	335,054	99.9	102.4	99.1	99.7
M Education	348,245	99.7	104.6	98.9	101.9
N Health and social work	321,717	101.0	103.4	100.2	100.7
O Other social and personal services	323,475	100.2	103.0	99.4	100.3

Source of data: SORS; calculations for the private sector and public services by IMAD.

Note: <sup>1</sup>deflated by the consumer price index.

#### **April's gross wage per employee fell by 2.0% in nominal and 2.8% in real terms over March.**

The nominal and real monthly decrease in the gross wage per employee was largely the result of the shorter working month, which has a stronger effect on the wage dynamics in the **private sector**, where the gross wage per employee dropped by a nominal 2.9% and a real 3.7% over the previous month. Within the private sector, the smaller number of working days particularly affects earnings in industry and construction (activities C, D, E and F), where the gross wage per employee witnessed the sharpest nominal drop (-4.6%). In production services (activities G, H, and I), the fall in the gross wage per employee was smaller (-1.8%). The smallest, 0.3% nominal decrease in the gross wage per employee was recorded in business services (activities J and K). In **public services** (L to O), the gross wage per employee stagnated in nominal terms, which was also true of the gross earnings in most of the activities in this sector (see the table).

**In the first four months of the year, the average Slovenian gross wage per employee rose by a nominal 5.0% and by a real 2.7% compared to the same period of 2005.** An above-average rise, 5.4% in nominal and 3.2% in real terms, was registered in the **private sector** (activities A to K). In **public services** (activities L to O), the gross wage per employee went up 3.8% in nominal and 1.6% in real terms. As expected, the dynamics of gross wages in the private sector are slowing down (also see SEM 5/2006: 10).

#### **In June, social partners for the private sector signed the Collective Agreement on the Wage Adjustment Mechanism, the Reimbursement of Work-related Costs and Holiday Allowances.**

This was the first time that the social partners reached an agreement on the wage indexation mechanism in the private sector without the participation of the government. First of all, the collective agreement determines the procedure for the transfer of the adjustment supplement for 2004 and 2005 from the wages policy agreement for the private sector for 2004-2005 to the General Collective Agreement for the Commercial Sector and collective agreements for those activities where the adjustment amount was not fixed. This determined the basis for the collectively agreed basic wages and minimum base wages for the application of the adjustment mechanism for 2006 and 2007. The partners agreed that a 2% wage adjustment for both 2006 and 2007 will be disbursed with the August wage payment. The agreement includes a safeguard mechanism for the event that this year's inflation would exceed 2.3% (Dec. 2006 on Dec. 2005), providing for an additional raising in August 2007 to compensate for the difference in inflation above 2.3%. Further, the agreement fixes the amount of holiday allowance: in 2006 the minimum is SIT 145,000 (SIT 128,000 in firms incurring losses) while in 2007 the respective amounts are SIT 148,000 and 130,000. The agreement also lays down the minimum standards for overtime work and other remuneration. The collective agreement defining the minimum wage policy standards for 2006 and 2007 applied primarily to those employees who are not covered by collective agreements by activities. The next step will be the conclusion of collective agreements for activities and firms where employees and employers may negotiate additional pay rises based on productivity and higher amounts of other remuneration.

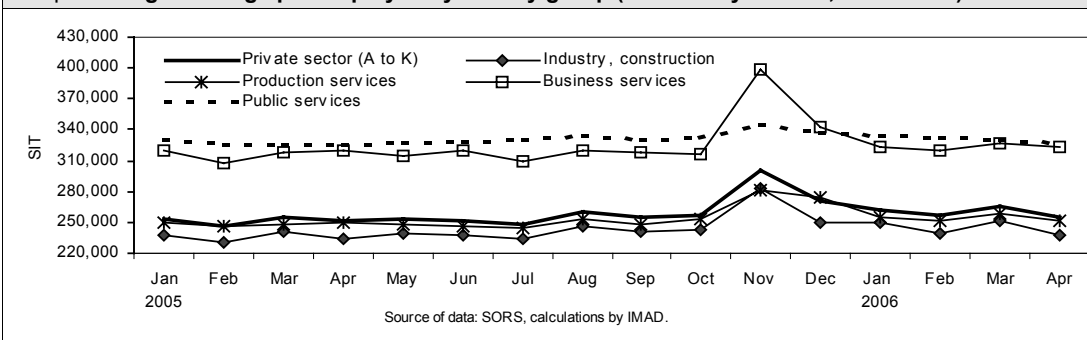
#### **June also saw the passing of the Act Amending the Salary System in the Public Sector Act.**

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This act specifies in more detail pay rises based on performance and increased scope of work. It also defines the adjustment of collectively agreed basic wages in the public sector for 2006 (see SEM 5/2006: 10). Further, the negotiations between the social partners for the public sector for 2007-2009 were closed and initialled. In the **Agreement on the Base Wage Adjustment Mechanism and the Level of Expenditure Earmarked for the Elimination of Wage Disparities for 2007-2009** the social partners agreed on the total adjustment percentage (2.1%), 1.3% of which will be used to raise the base wage while 0.8% of the planned expenditure on wages will be earmarked for the elimination of wage disparities in the public sector in 2007. For 2008 and 2009, the adjustment percentage will equal the projected inflation and half of this proportion will be used for the general pay rise while the other half will be utilised for the elimination of wage disparities in the public sector. The agreement also contains a safeguard clause for the event that the actual annual inflation would be higher than projected. If that happened, wages would be raised by the difference between the projected and the actual inflation in January of the following year. Further, parties to the agreement agreed to earmark additional funds for the elimination of wage disparities defined as a proportion of the real growth of overall labour productivity which was set at 14% for 2007, 30% for 2008 and 50% for 2009. The government committed itself to these additional funds for the elimination of wage disparities in the Act Amending the Salary System in the Public Sector Act agreed between the social partners in June 2004. The **Agreement on the Base Wage Adjustment Mechanism and the Level of Expenditure Earmarked for the Elimination of Wage Disparities** for 2007-2009 determines the indicative **level of disposable funds** for the elimination of wage disparities in the public sector. The precise timeline for the elimination of these disparities in 2007-2009 will be set out as part of the negotiations on the collective agreement for the public sector. The social partners' negotiations on the typical jobs listed in the collective agreement for the public sector are the next scheduled activity. The social partners will have to agree on the categories of underpaid typical jobs and the level of underpayment. Typical jobs are used as signposts and guidance for negotiations on collective agreements for individual activities where the social partners will bargain over the distribution of jobs across activities. Parallel to the valuation of typical jobs, the partners can already make a rough estimate of **the amount of funds required** to eliminate wage disparities in the public sector. The required funds must be aligned with the level of disposable funds for the elimination of disparities estimated in the mentioned agreement.

**Wage disparities in the public sector were ascertained in an analysis of earnings in the public sector conducted in 2001.** The purpose of the analysis was to present the problems in the public sector's wage system and provide the background to a new wage system. Results showed that certain jobs in some activities were paid less than similar jobs in other activities. The most underpaid jobs were identified in the education sector. The Annex to the Collective Agreement for Education that was signed in 2002 prior to enforcement of the Salary System in the Public Sector Act laid down a 3% annual pay rise for people employed in education in the 2002-2006 period, thereby ensuring that the valuation of jobs in this activity was roughly harmonised with the valuation of comparable jobs in other activities. During this period, however, there have been no such wage corrections in other activities and hence wage disparities in the valuation of certain jobs across activities have continued to exist. The government and trade unions agreed that the biggest revisions will have to be made to the valuation of jobs in culture and in health care and social work (nurses and other staff with lower required qualifications and non-doctor jobs that require a higher education).

Graph: **Real gross wage per employee by activity group (deflated by the CPI; 2005 = 100)**



<b>Manufacturing</b>	Slovenian Economic Mirror	IMAD
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Selected economic indicators	Growth rates, %			
	Apr 2006/ Mar 2006	Apr 2006/ Apr 2005	Jan-Apr 2006/ Jan-Apr 2005	Jan-Dec 2005/ Jan-Dec 2004
Production value <sup>1</sup>	-11.5	0.2	6.1	3.5
- highly export-oriented industries <sup>2</sup>	-10.7	7.8	9.8	6.8
- mainly export-oriented industries <sup>3</sup>	-14.5	-3.2	5.8	3.9
- mainly domestic-market-oriented industries <sup>4</sup>	-6.0	-1.3	2.1	-0.8
Average number of employees	-0.1	-2.6	-2.5	-1.8
Labour productivity	-11.4	2.7	8.8	5.4
Level of inventories <sup>1</sup>	-1.1	1.0	2.6	5.1
Turnover <sup>1</sup>	-11.5	1.3	6.1	4.8
New orders <sup>1</sup>	-8.9	3.2	6.4	11.1
Industrial producer prices	0.3	1.5	1.5	2.7
- producer prices/inflation	-0.5	-1.2	-0.7	0.2

Source of data: SORS; IMAD's calculations. Notes: <sup>1</sup>real growth calculated on the basis of data on production value – SORS' recalculation with the IPI (provisional data); <sup>2</sup>manufacturing industries (DG, DK, DM) which earn over 70% of their average net revenues from sales in foreign markets, according to data on Slovenian commercial companies from the AJPES (2005); <sup>3</sup>manufacturing industries (DB, DC, DD, DH, DJ, DL, DN) which earn 50% to 70% of their average net revenues from sales in foreign markets; <sup>4</sup>manufacturing industries (DA, DE, DF, DI) which earn less than 50% of their average net revenues from sales in foreign markets.

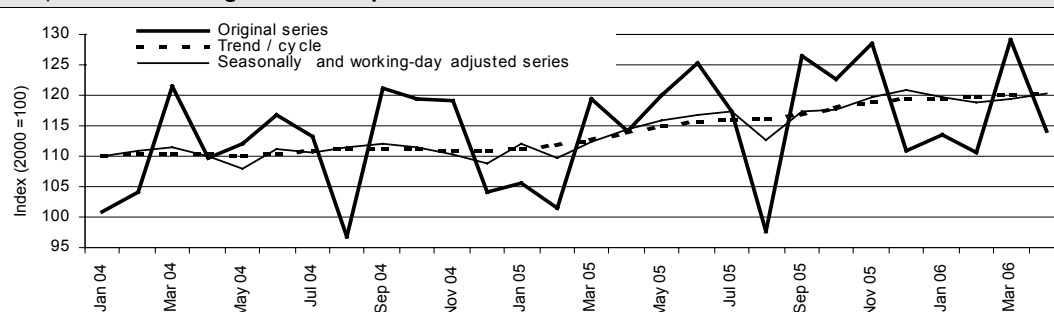
**Despite the mild slowdown in April, the cumulative growth of manufacturing's production value remains at a high level.** According to the SORS' provisional data, production activity dropped by 11.5% in April over March (the latter had five working days more) but rose by 0.7% according to seasonally and working-days adjusted data. At the year-on-year level, April's production value was 0.2% higher than in April 2005, which had two working days more, and 5.2% higher if adjusted for the difference in working days. In the period from January to April, production value rose by 6.1% compared with the same period in 2005 and by a further 0.5 p.p. more according to working-days adjusted data. The presented trends in production activity are consistent with the forecast from the Spring Report, which is used as the basis for estimating manufacturing's value added for 2006.

**Production activity in the first four months this year was largely stimulated by foreign demand.** From January to April 2006, the turnover in manufacturing rose by a real 6.1% year on year. Within that, turnover generated in foreign markets grew by 8.6% while turnover generated in the domestic market rose by 0.9% in real terms over the same period last year.

**The highest production activity was achieved by the manufacture of chemicals and chemical products (DG) which belongs to the group of highly export-oriented industries.** In the four months to April, this sub-sector exceeded the level of its production from the same period last year by 11.4% and contributed 1.5 p.p. (around one-quarter) to manufacturing's overall growth. Within the group of highly export-oriented industries, the manufacture of machinery and equipment (DK) and electrical and optical equipment (DL) also enjoyed above-average increases in production activity (by 10.1% and 9.6%, respectively). The second highest contribution to manufacturing's overall growth (22% or 1.3 p.p.) came from the mainly export-oriented manufacture of metals and metal products (DJ) which recorded 8.4% year-on-year growth in production value in the four months to April. In the same period, activity declined in the production of textiles and textile products (-5.6%) and the manufacture of food and beverages (-2.3%), which generate the bulk of their turnover in the domestic market.

**After a short pause in May, the business climate continued to improve in June.** Based on the SORS' survey of business trends in manufacturing, the seasonally adjusted value of the confidence indicator (comprising total order books, the level of inventories and production expectations) increased by 3.0 p.p. in June over May, having recorded an upward trend since autumn. The proportion of surveyed companies expecting an improvement in the business climate was 11.0 p.p. higher than the proportion of those expecting a deterioration. June's improvement was equally underpinned by all three components of the confidence indicator. Business expectations of export and total demand growth in the next three months, which are not included in the calculation of the composite confidence indicator, also strengthened considerably.

Graph: **Manufacturing's industrial production**



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

<b>Private Consumption and Household Indebtedness</b>	Slovenian Economic Mirror	IMAD
	No. 6/2006	p. 15

Selected private consumption and indebtedness indicators	Real year-on-year growth rates, %				
	Q1 05	Q1 05	Q1 05	Q1 05	Q1 06
Private consumption <sup>1</sup>	2.9	3.8	3.4	2.8	3.3
Household consumption <sup>1</sup>	3.0	3.9	3.5	2.8	3.3
Consumption of NPISH <sup>1</sup>	-1.0	0.1	-1.8	1.4	1.4
Gross domestic product (GDP) <sup>1</sup>	2.8	5.4	3.6	3.7	5.1
Household receipts <sup>2,3</sup>	1.5	2.6	3.1	1.8	5.1
Turnover in retail trade <sup>4</sup>	5.4	6.4	7.9	7.3	3.4
New car registrations	-8.9	-3.1	-3.4	-3.4	0.6
Net flows of individual loans <sup>5</sup>	68.1	86.8	70.8	10.7	55.4

Sources of data: SORS, AJPES, MF, BS, IMAD's calculations. Notes: <sup>1</sup>constant previous-year prices; <sup>2</sup>net earnings, other remuneration (contract-based payments, reimbursement of work-related costs, other personal income), transfers to individuals and households; <sup>3</sup>deflated by the consumer price index; <sup>4</sup>statistical survey (TRG/M); calculation based on the original volume indices; <sup>5</sup>deflated by the consumer price index and the effective exchange rate.

**Private consumption rose by a real 3.3% in the first quarter of 2006.** It contributed 1.7 percentage points to GDP growth and accounted for a mere 33.6% of the total economic growth (the lowest percentage since Q4 of 2002).

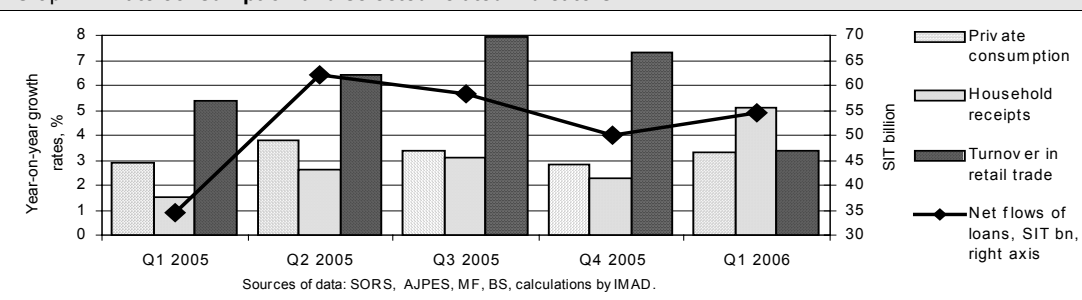
**On the side of sources for consumption, household receipts grew by a real 5.1% in Q1.** The strong year-on-year growth compared with the corresponding rise in Q1 of 2005 (1.5%) can mainly be attributed to the increase in other remuneration. The net wage bill grew by 4.9% in real terms (5.1% in the same quarter of 2005) while other remuneration rose by a real 11.9% from the low basis recorded in Q1 of 2005 (-10.9%). According to the consolidated general government revenue and expenditure, transfers to individuals and households rose by 2.8% in real terms.

**For the first time since Q3 of 2004, all short-term indicators of household spending recorded positive growth in Q1 this year.** The year-on-year growth of turnover in retail trade, which was particularly high in February (6.5%), totalled 3.4% (5.4% in Q1 of 2005). The VAT charged to final consumers rose by 2.4% in real terms (-2.7% in Q1 of 2005), i.e. one p.p. less than the turnover in retail trade. Both indicators of imports rose substantially in the analysed quarter: imports of consumer goods rose by a nominal 18.2% while residents' spending abroad climbed by 13.5% and outstripped the growth of non-residents' spending in Slovenia by 7 percentage points. The number of new car registrations rose, albeit marginally (0.6%), in the first quarter relative to Q1 of 2005.

**The available data for the second quarter suggest a slowdown in the growth rates of some indicators.** The total bill of net wages (which rose by 3.1%) and other remuneration (which dropped by 18.8%) fell by 4.4% in April, year on year (as a result of the high base level of other remuneration recorded in April 2005; in April this year such income was a nominal 38% higher than the average for Q1 of 2006). The value of turnover in retail trade increased by 2.9% over April 2005. The values of both residents' purchases abroad and non-residents' purchases in Slovenia were lower in nominal terms than in the same month last year (-1.8% and -2.4%, respectively). April and May together recorded 0.6% more new car registrations than the corresponding months of 2005.

**Data on individual loans (the household and NPISH sector) based on the European Central Bank's (ECB) methodology and analysed by the IMAD for the first time reveal an increase in foreign currency and housing loans.** The volume of loans surged by a real 23.3% at the end of March 2006, year on year (the comparable rise last year totalled 17.3%). The same comparison **by currency** shows that the level of loans in the national currency decreased by a real 0.7% (15.0% in March 2005) while foreign currency loans almost doubled (99.3% over 25.3% recorded in March 2005). The share of loans in foreign currency grew by 14.8 p.p. over March 2005 and totalled 40%. A breakdown **by purpose** shows that the volume of consumer loans increased by 7.3% (19.1% in March 2005), housing loans soared by 67.8% (12.0% in March last year) while other loans grew by 15.5% (17.1% last year). The share of housing loans totalled 32.8% at the end of March, 8.6 p.p. more than a year ago. Consequently, the shares of consumer and other loans dropped (by a respective 7 p.p. to 45.2% and 1.6 p.p. to 22%). **The commercial banks' loan burden on household receipts** (the ratio of average loans to average receipts) rose from 3.6 to 4.2 over Q1 of 2005 (also see p. 8).

Graph: Private consumption and selected related indicators



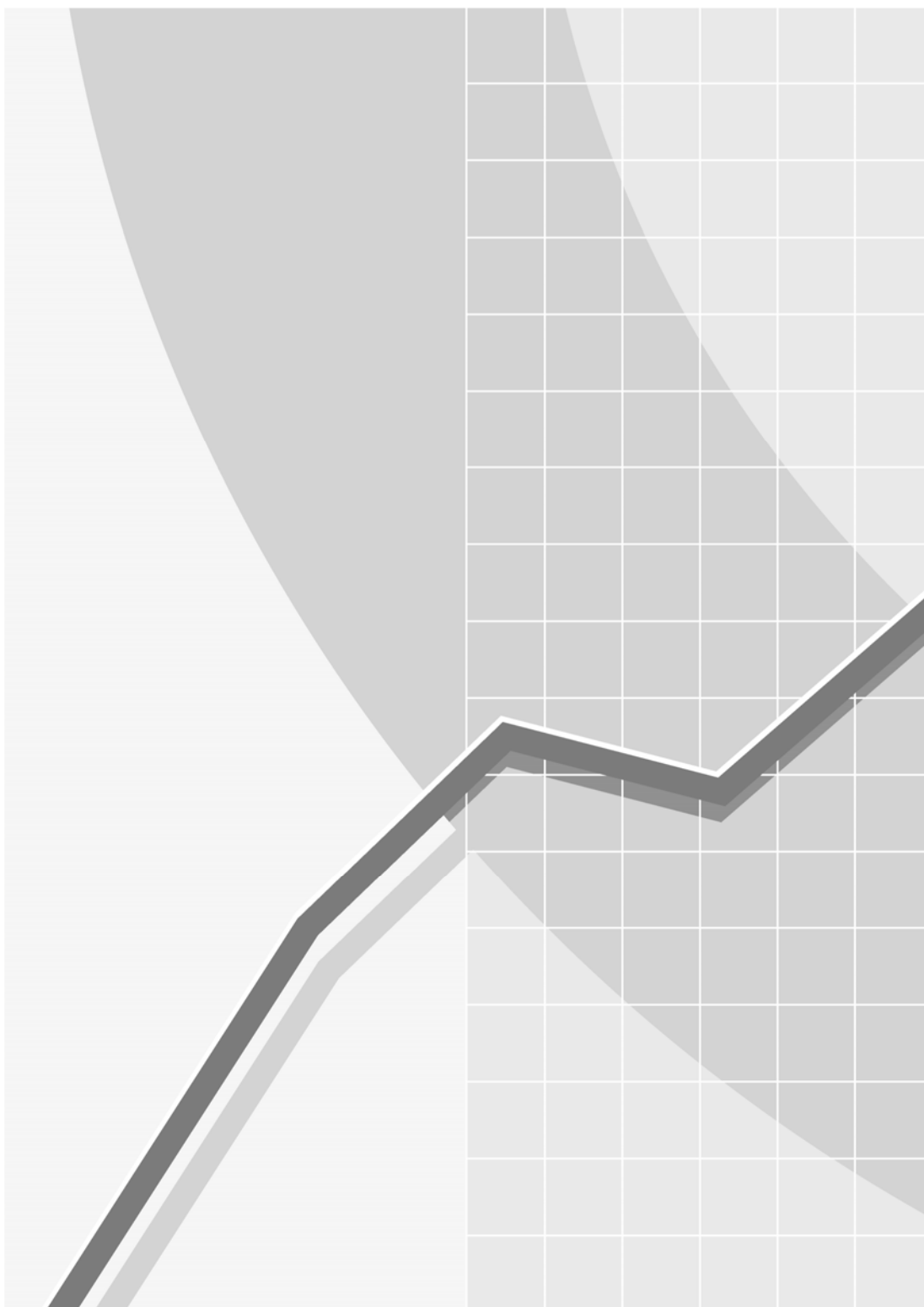
# Selected Topics

Slovenian Economic Mirror

IMAD

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**Trust in others indicates people's expectations about the behaviour of other people. It is a precondition for social participation and the most common indicator of social capital at the macro level.** The level of trust in anonymous others (persons with no clearly recognisable personal identity with whom one does not have longstanding contact) is assessed on the basis of answers to questions about the expected behaviour of other people (whether most people can be trusted or one should be careful in contacts with others; whether most people try to act fairly or exploit others; and whether people are mostly willing to help or they only look after themselves). The answers to these questions reflect people's experience regarding the behaviour of others. Like trust in institutions (see SEM No. 4/2006: 21), trust in others in Slovenia is surveyed by means of the Slovenian Public Opinion Polls while international data are drawn from the European Social Survey (ESS) which is published biannually (for Slovenia by the Public Opinion and Mass Communications Research Centre (CJMMK) at the Faculty of Social Sciences).

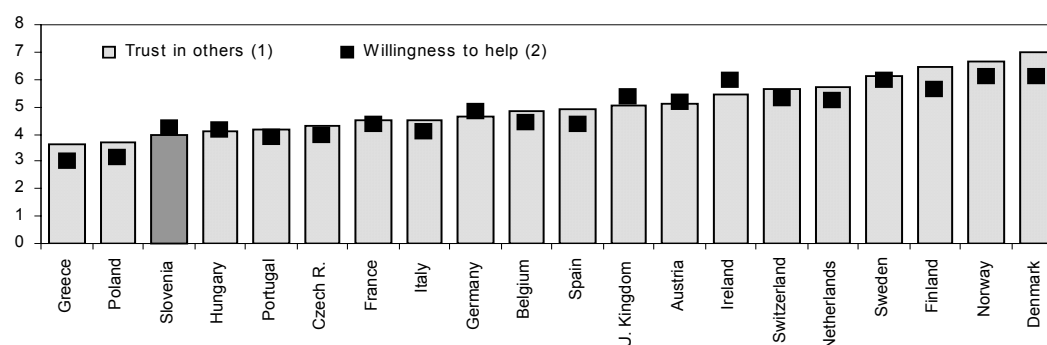
**Trust in others is low in Slovenia.** The patterns of trust in others generally follow the patterns of people's trust in institutions since they are part of the same phenomenon. According to the public opinion polls carried out in 1995, 15.5% of the surveyed adult citizens trusted others, while 84.5% thought that one should be careful in contacts with (anonymous) people. The proportion of 'careful' people remained equally high throughout the 1990s, ranging between 82% and 85%. Data for 2000-2003 show an increase in trust (to 32.1% in 2003), but its level dropped back to 17.8% in the 2005 survey. Only future surveys will reveal the direction of this trend.

**Among the countries included in the ESS, Slovenia is clustered with countries recording strong distrust in others, tending distinctly towards the 'one cannot be too careful' stance.** The ESS data for 2002 (latest available) show that trust in others in Slovenia is the third lowest among the 21 countries included in the ESS. On an 11-grade scale (0 – one should be careful with people; 10 – most people can be trusted), Slovenia scored 3.98, clustering it with European countries with the least positive collective expectations regarding the (presumed) behaviour of people. Other members of this cluster include two 'old' Mediterranean EU members – Greece (ranked in last place with 3.63) and Portugal (4.16) – and two 'new' post-socialist member states – Poland (3.69) and Hungary (4.08). Trust in others is highest in Scandinavia, averaging between 6 and 7. The highest values were recorded in Denmark (6.99), Norway (6.94) and Finland (6.46). The Netherlands and Switzerland also scored high (see the graph).

**Slovenia (along with Eastern and Southern Europe) is perceived as an egotistic and unsupportive environment.** Interesting results were obtained by the survey question "Would you say that people are mostly willing to help others or they mostly look after themselves?". The average values in these countries range between 3 and 5 (see the graph). Greece (3.01) and Poland (3.16) have the lowest perceived solidarity. The average score in Slovenia in 2002 was 4.24, the highest estimated solidarity among the four post-socialist countries included in the survey. The highest values were found in Scandinavia and Western Europe (averages between 5 and 7), with a similar distribution of answers as in the area of trust in others. The perception that people are mostly willing to help others prevails, notably in Denmark (6.12), Norway (6.09) and Sweden (6.01; see the graph).

**The perceived trust in other people (and institutions) indicates the broad geographic-cultural, socio-historical and economic patterns, while answers are often correlated by purely methodological factors.** Trust in others shows differences between countries with similar levels of development (Scandinavia versus France, Germany and Italy), countries with the same predominant religion (Ireland vs. Poland), neighbouring countries (Austria vs. Slovenia) etc. The explanations of the differences and/or similarities in trust patterns should therefore be sought in specific combinations of different factors rather than isolated effects (Malnar, B. (2004): *ESS. Final Report*. Ljubljana: FDV, CJMMK, IDV). Given the notably low levels of trust in Slovenia it appears that the dominant perception of the social environment does not encourage trust.

Graph: Trust in people, selected countries, 2002 (average scores)



Source of data: ESS, 2002 database. Final Report. Notes: (1) Generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people? 0 - careful, 10 - most people can be trusted; (2) Would you say that most people are willing to help others or they mostly just look after themselves? 0 - look after themselves, 10 - willing to help.

<b>Regions – Personal Income Tax Base per Capita</b>	Slovenian Economic Mirror	IMAD
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Statistical region	Personal income tax base per capita, indices (SLO = 100)						
	1995	1997	2000	2001	2002	2003	2004
Central Slovenia	119.7	123.6	123.5	122.3	122.3	119.1	121.7
Obalno-Kraška	109.5	114.9	110.9	111.5	111.4	111.3	109.1
Goriška	107.6	111.8	110.1	110.4	108.8	109.3	108.2
Gorenjska	101.6	100.8	101.5	102.2	101.8	103.2	101.7
Notranjsko-Kraška	97.0	100.2	101.5	99.8	100.6	101.1	99.7
South-Eastern Slo.	93.1	90.3	90.8	94.2	95.0	96.0	95.8
Savinjska	84.5	89.6	89.6	90.2	86.8	91.2	90.7
Zasavska	95.8	94.8	94.6	92.7	91.5	91.9	89.2
Podravska	85.5	84.3	84.6	84.5	85.5	86.9	86.4
Koroška	85.9	84.5	86.1	86.4	85.5	86.9	86.0
Spodnjeoposavska	84.4	85.0	85.8	86.0	85.6	85.9	85.4
Pomurska	77.4	75.2	75.2	74.0	80.3	74.6	74.4
SLOVENIA	100.0	100.0	100.0	100.0	100.0	100.0	100.0

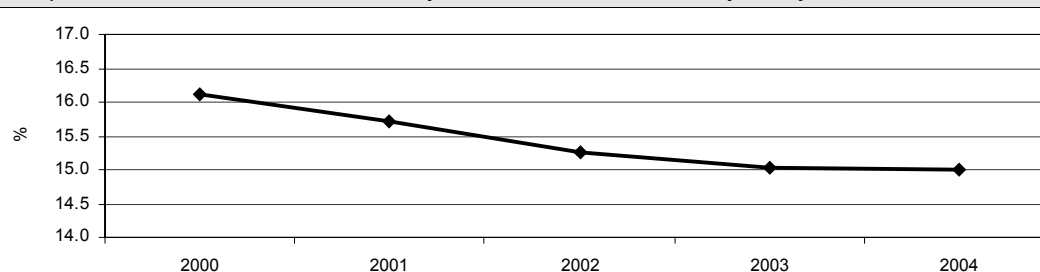
Sources of data: DURS, SORS; IMAD's calculations.

**Four Slovenian regions recorded an above-average personal income tax base per capita in 2004 (one fewer than in 2003).** Once again, Central Slovenia exceeded the Slovenian average the most, by over one-fifth. Other regions with an above-average tax base per capita (Obalno-Kraška, Goriška, Gorenjska) were much closer to the average. The Obalno-Kraška and Goriška regions outstripped the Slovenian average by less than 10%, while Gorenjska did just 1.7% better than the average. The Notranjsko-Kraška region was also close to the Slovenian average with 99.7% of the average. Pomurska again recorded the lowest personal income tax base per capita in 2004, totalling 74.4% of the Slovenian average. The distribution of per capita tax base across regions shows a split between the eastern part of the country, which has a comparatively lower level of development, and the western part of the country, comprising regions with above average values in this indicator (see the table). In contrast to the dynamics recorded in previous years, only Central Slovenia increased its advantage over the Slovenian average (by 2.6%) in 2004 over 2003. The Zasavska region widened its gap relative to the Slovenian average the most, both in 2004 (by 2.7%) and the whole 1995-2004 period (by 6.6%).

**Regional disparities in the personal income tax base per capita are small.** The ratio between the two regions having the lowest and the highest calculated personal income tax per capita was just 1 : 1.6. This ratio also does not vary significantly across the years. Small regional variation is further indicated by the coefficient of variation (see SEM 2/2006: 19), which is a much better indicator of regional disparities than the ratio between the two extreme values. In 2004, the coefficient of variation totalled 15%, having decreased by 1.1 p.p. since 2000.

**The relatively small regional variation in the personal income tax base is not surprising.** The reason is that personal income (earnings) is the main source of the personal income tax base. The small regional differences in the distribution of earnings are mainly the result of the system of collective agreements – the collective agreements at the national level for the public and the private sector and the system of collective agreements at the level of activities covering activities country-wide. Therefore, the existing regional disparities are largely due to the different economic structure and educational structure of employees across the regions, and consequently the regions' general level of development (Human Development Report, 2001).

Graph: **Coefficient of variation in the personal income tax base per capita, 2000-2004**



Source of data: Tax Administration of the Republic of Slovenia, SORS, calculations by IMAD.

<b>Adults Participating in Education</b>	Slovenian Economic Mirror	IMAD
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Participation of the population aged 25-64 in education									
Country	Lifelong learning (%) <sup>1</sup>				Population in education (thousands)	Participation of the population in education by age, total (%)			
	Total		Men	Women	Total	25-34	35-44	45-54	55-64
	2003	2005	2005	2005	2005	2005	2005	2005	2005
Sweden <sup>2</sup>	34.8	34.7	29.9	39.7	870	–	–	–	–
UK <sup>2</sup>	21.2	29.1	24.2	33.9	6,798	–	–	–	–
Denmark	25.7	27.6	24.2	31.0	820	39.5	30.2	23.7	16.2
Finland	25.3	24.8	21.1	28.6	647	33.5	24.1	21.8	12.6
<b>Slovenia</b>	<b>15.1</b>	<b>17.8</b>	<b>16.0</b>	<b>19.6</b>	<b>202</b>	<b>31.7</b>	<b>18.9</b>	<b>11.6</b>	<b>6.5</b>
Netherlands	17.4	16.6	16.6	16.7	1,498	26.1	17.8	14.3	7.5
Austria	12.5	13.9	13.2	14.6	626	21.9	14.8	11.4	5.9
Spain	5.8	12.1	11.2	13.1	2,959	19.5	11.8	8.4	5.0
EU-15	9.9	11.9	11.0	12.8	23,435	17.9	11.5	9.2	5.3
EU-25	9.2	10.8	10.0	11.7	25,650	16.7	10.7	8.0	4.7
Belgium	8.5	10.0	10.3	9.7	562	13.8	11.1	9.4	5.0
Luxembourg	6.3	9.4	9.3	9.5	21	12.7	9.0	7.7	2.1
Germany	6.0	N/A	N/A	N/A	3,685	17.1	7.6	5.6	3.1
Ireland	9.6	8.0	6.6	9.4	173	11.2	8.4	6.1	4.1
France	7.4	7.6	7.4	7.9	2,420	13.0	8.4	6.7	2.0
Latvia	8.1	7.6	4.9	10.0	93	13.4	7.3	5.7	3.1
Lithuania	4.5	6.3	4.9	7.6	113	12.8	5.7	4.2	N/A
Italy	4.7	6.2	5.7	6.6	1,976	12.1	5.3	4.2	1.8
Czech Rep.	5.4	5.9	5.5	6.4	349	10.3	6.4	4.0	1.9
Estonia	6.2	5.9	4.2	7.5	42	11.8	N/A	3.7	N/A
Malta	4.2	5.8	6.7	4.8	12	7.7	9.4	3.0	N/A
Cyprus	7.9	5.6	5.1	6.1	22	9.9	5.4	4.0	1.3
Poland	5.0	5.0	4.3	5.6	1,003	11.4	4.3	2.1	0.8
Slovakia	4.8	5.0	4.7	5.2	145	8.2	4.2	3.9	2.1
Portugal	3.7	4.6	4.5	4.7	267	10.9	3.6	1.1	N/A
Hungary	6.0	4.2	3.5	4.8	233	9.9	4.0	1.7	0.3
Greece	2.7	1.8	1.9	1.7	114	5.0	1.3	0.7	0.1

*Source of data:* Eurostat – Queen Tree; IMAD's calculations. *Notes:* <sup>1</sup>The European Commission draws attention to the fact that the indicator for the lifelong learning participation rate is methodologically lacking. The reference period for measuring this rate is only 4 weeks before the survey. Therefore, the results are strongly determined by the time the survey is carried out. Moreover, the indicator does not include information on the type and duration of education and training (e.g. formal/non-formal). The value of this indicator represents the percentage of the population aged 25-64 who were involved in any kind of education or training in the four weeks before the survey. The indicator is based on data from the Labour Force Survey. The calculated values for Slovenia cover the period from 2000 onwards; however, due to a change in methodology, this article only analyses the 2003-2005 period. <sup>2</sup>Data on the participation rate in education by age are not given for Sweden and the United Kingdom because the calculated values for these countries differ significantly from the values of their participation rates in lifelong learning.

**Lifelong learning helps to improve the human capital and stimulates economic growth and social development.** It includes all learning activities during someone's lifetime that help them improve their knowledge, skills and competencies in the areas of personal development, active citizenship, social life and in integration in the labour market. Lifelong learning covers formal education, non-formal education and informal learning. Lifelong learning creates benefits for individuals and firms, as well as the economy and society as a whole. At the individual level, it enhances people's creativity, initiative, flexibility and competitiveness in the labour market and leads to higher income. Moreover, it has a positive effect on people's personal development and inclusion in society. At the level of national economies, lifelong learning boosts the growth of productivity and GDP growth. Globalisation, technological progress, the rapid changes in work processes and ageing populations are modern phenomena that make lifelong learning increasingly important. In this view it is not surprising that lifelong learning is a vital part of the Lisbon Strategy and one of the priorities of Slovenia's Development Strategy.

**In the 2003-2005 period, the participation rate of the population in lifelong learning in Slovenia was higher than the EU-25 average and higher than in other new EU members.** The indicator measures the participation of the population aged 25-64 in formal and non-formal education. One of the Council of the European Union's operative objectives that educational systems within the EU should achieve by 2010 is to raise the percentage of people participating in lifelong learning to at least 12.5%. Slovenia exceeded this target back in 2003 when 15.1% of the population aged 25-64 (169,000 people) were involved in lifelong learning. A year later, a further 33,000 people took part in education in Slovenia, and the participation rate accordingly rose by 2.8 p.p. In 2005 over 2004, the number of participants did not change while the participation rate totalled 17.8%, 7.0 p.p. more than the EU-25 average and 5.9 p.p. more than the EU-15 average. According to the value of the analysed indicator, Slovenia is

## Adults Participating in Education

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ranked in a high 5<sup>th</sup> place among EU countries but its lag behind the highest participation rates (Sweden the UK, Denmark and Finland) is considerable. On the other hand, Slovenia is far ahead of those countries recording the lowest participation rates (see the table). Slovenia's advantage over the EU-25 according to the rate of participation in lifelong learning shrank in 2005 over 2004 (Slovenia: 17.9%; EU-25: 10.3%) but increased over 2003 (15.1% vs. 9.2%). In comparison with other new member states, Slovenia has a substantially higher participation rate in lifelong learning; the difference in the analysed period is more than 10 percentage points.

**The female rate of participation in education was higher than the male one in Slovenia in 2003-2005, while the difference against the EU-25 averages was bigger in the female rate.** In 2005, the female participation rate in education was 3.6 p.p. higher than the male one in Slovenia (19.6% and 16.0%, respectively). A total of 110,000 women and 92,000 men were involved in education in that year (the corresponding figures for 2004 were 111,000 and 92,000; for 2003: 91,000 and 79,000). The gaps between Slovenia's and the EU's participation rates totalled 7.9 p.p. for women and 6.0 p.p. for men in 2005 (see the table).

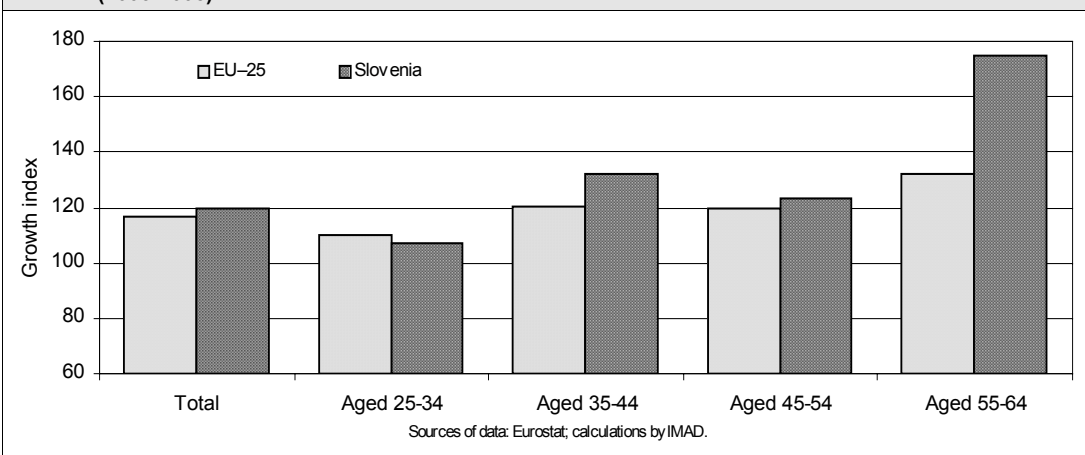
**The population's participation rates in education decreases with age.** Participation rates in work-related education or training by age differ in several respects. Younger people usually expect higher benefits from their education (e.g. a career advancement) than their older colleagues. Older workers also tend to believe that they are too old for education. Like in other EU countries, the youngest age group has the highest participation rate (31.7% in 2005). After 35 years of age, the rate of participation in education drops considerably. In 2005, the participation rate of the next age group (35-44) was thus 12.8 p.p. lower. The age group 45-54 recorded an even lower participation rate, 11.6%, while the oldest group had the lowest rate of 6.5%.

**The participation rates in Slovenia are higher than the EU-25 averages in all age groups but they drop more rapidly with age.** The biggest difference between Slovenia and the EU-25 was found in the age group 25-34 in 2005, totalling 15.0 percentage points to the advantage of Slovenia (Slovenia: 31.7%; EU-25: 16.7%). The difference in the 35-44 age group was smaller, 8.2 p.p. (18.9% vs. 10.7%) and it decreased further in the next two age groups (3.6 p.p. in the 45-54 group and 1.8 p.p. in the 55-64 group; see the table).

**A comparison of the participation rates between age groups shows that differences in Slovenia are bigger than in the EU-25 on average.** The difference between the participation rates of the 25-34 group and the 55-64 group in 2005 totalled 25.2 p.p. in Slovenia and 12.0 p.p. in the EU-25. The participation rate of the 35-44 group drops much more over the rate of the 25-44 group in Slovenia than in the EU-25 (by 12.8 and 6.0 p.p., respectively), as does the participation rate of the 45-54 group over the 35-44 group (by 7.3 p.p. and 3.7 p.p.).

**It is encouraging that the participation of the population in education in Slovenia rose in all age groups from 2003 to 2005.** Against the background of ageing societies and the prolongation of working age we can expect increased demand for education in all age groups in the future. Certain educational motivations, such as employers' requirements, getting or keeping a job, and changing jobs, are becoming equally important regardless of age. It is therefore vital that participation in education should increase in all age groups. In Slovenia, the oldest age group (55-64) had the highest growth index of participation in education in 2003-2005 (175.0). The number of people from this group participating in education rose from 8,000 in 2003 to 14,000 in 2005. This group was followed by people aged 35-44, where the number of participants in education climbed by 14,000 to total 58,000 in 2005 and the growth index totalled 131.8. A slightly lower index value was registered in the 45-54 age group in this period (123.3), where the number of people participating in education totalled 37,000 in 2005 (30,000 in 2003). The smallest growth index (106.9) was recorded in the youngest age group (25-34), which has the highest number of participants in education (93,000 in 2005 and 87,000 in 2003).

Graph: **Growth indices of the number of population participating in education, total and by age group (2003-2005)**



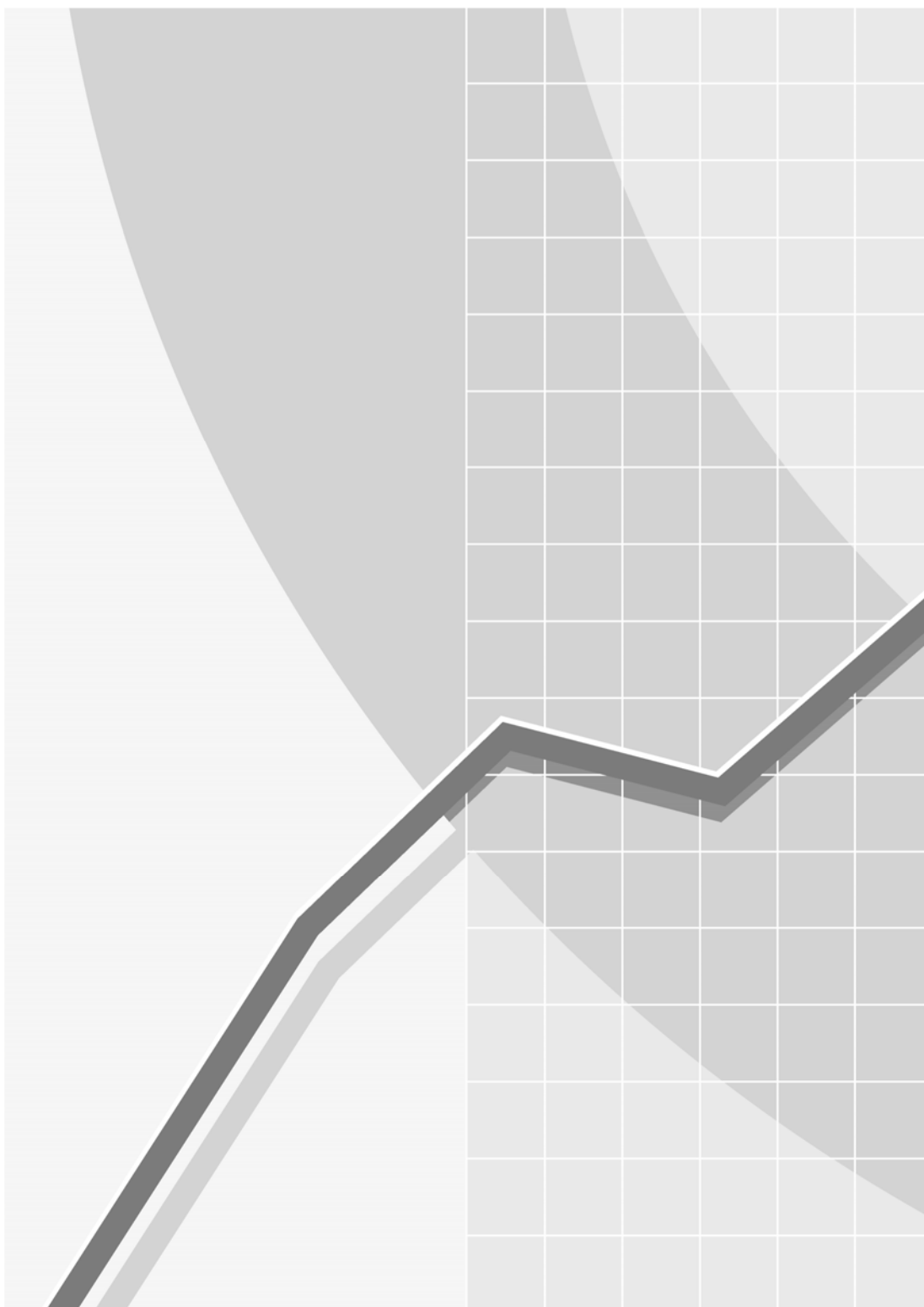
# Statistical Appendix

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# Gross Domestic Product / I

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	2001-2004 constant previous year prices, 2005-2007 constant 2004 prices													
	In SIT mln							Real growth rates in %						
	2001	2002	2003	2004	2005	2006 forecast	2007 forecast	2002	2003	2004	2005	2006 forecast	2007 forecast	
<b>VALUE ADDED BY ACTIVITIES AND GROSS DOMESTIC PRODUCT</b>														
A Agriculture, hunting, forestry	113,613	139,709	123,680	141,539	131,074	136,382	136,382	13.3	-15.8	10.8	-3.7	4.0	-5.0	
B Fishing	735	709	896	1,015	865	900	900	-4.5	4.9	-4.3	-4.2	4.0	0.0	
C Mining and quarrying	23,580	20,980	23,617	27,037	29,140	28,862	28,862	-8.3	6.2	2.5	2.3	-1.0	0.0	
D Manufacturing	1,036,651	1,164,763	1,259,492	1,388,935	1,450,853	1,522,670	1,522,670	4.8	4.0	4.2	3.2	4.9	4.3	
E Electricity, gas and water supply	109,543	131,475	140,256	152,498	165,592	165,592	165,592	6.4	-1.0	3.1	-0.8	0.0	0.5	
F Constructing	227,751	245,150	274,175	292,853	320,583	339,979	339,979	0.5	3.6	0.9	3.8	6.0	4.0	
G Wholesale, retail; certain repair	420,861	489,314	553,700	612,767	659,079	683,795	683,795	3.3	2.8	3.5	4.4	3.7	3.7	
H Hotels and restaurants	91,938	99,912	110,905	117,501	126,703	132,215	132,215	3.3	3.5	0.4	2.9	4.3	4.8	
I Transport, storage and communications	267,550	297,719	334,458	363,569	408,621	427,622	427,622	2.9	4.0	0.8	4.8	4.6	4.4	
J Financial intermediation	190,722	201,104	221,699	255,426	272,458	288,942	288,942	6.0	4.5	14.8	12.7	6.0	7.0	
K Real estate, renting and business services	577,120	653,642	742,611	818,961	896,036	936,806	936,806	4.0	3.0	3.8	3.7	4.5	4.0	
L Public administration and defence	242,720	277,053	311,343	353,074	379,017	391,335	391,335	3.1	4.3	5.8	3.4	3.2	3.0	
M Education	210,792	246,278	269,600	296,046	324,156	332,422	332,422	2.7	2.1	2.7	2.7	2.5	2.6	
N Health and social work	196,337	226,148	241,059	261,419	280,865	292,240	292,240	4.0	2.5	3.5	3.8	4.0	4.2	
O Other community and personal services	136,297	146,734	158,845	171,961	192,071	200,426	200,426	-0.6	3.9	3.6	4.1	4.3	4.5	
P Private households with employed persons	1,540	1,634	1,163	1,228	1,420	1,449	1,449	-8.6	-32.7	-8.1	5.3	2.0	1.0	
<b>1. VALUE ADDED (A+...+P)</b>	<b>3,847,750</b>	<b>4,342,324</b>	<b>4,767,499</b>	<b>5,255,828</b>	<b>5,638,533</b>	<b>5,881,635</b>	<b>5,881,635</b>	<b>3.9</b>	<b>2.7</b>	<b>4.1</b>	<b>3.7</b>	<b>4.3</b>	<b>3.8</b>	
<b>2. CORRECTIONS</b>	<b>566,851</b>	<b>622,997</b>	<b>729,865</b>	<b>799,945</b>	<b>854,574</b>	<b>887,065</b>	<b>887,065</b>	<b>0.3</b>	<b>2.1</b>	<b>4.6</b>	<b>4.8</b>	<b>3.8</b>	<b>4.7</b>	
<b>GDP (1 + 2)</b>	<b>4,414,601</b>	<b>4,965,320</b>	<b>5,497,364</b>	<b>6,055,773</b>	<b>6,493,107</b>	<b>6,768,700</b>	<b>6,768,700</b>	<b>3.5</b>	<b>2.7</b>	<b>4.2</b>	<b>3.9</b>	<b>4.2</b>	<b>4.0</b>	

Source of data: SORS, forecasts IMAD – Spring Report 2006.

# Gross Domestic Product / II

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	Current prices, in SIT mln							Structure in %, current prices, GDP=100					
	2001	2002	2003	2004	2005	2006 forecast	2007 forecast	2002	2003	2004	2005	2006 forecast	2007 forecast
<b>SUPPLY AND USE OF RESOURCES</b>													
1. GROSS DOMESTIC PRODUCT	4,799,552	5,355,440	5,813,540	6,251,244	6,557,698	6,963,900	7,426,200	100.0	100.0	100.0	100.0	100.0	100.0
2. Net primary income from the rest of the world	12,461	-27,640	-36,137	-57,705	-40,109	-73,934	-86,806	-0.5	-0.6	-0.9	-0.6	-1.1	-1.2
3. GROSS NATIONAL INCOME ( 1+2 )	4,812,013	5,327,800	5,777,403	6,193,539	6,517,589	6,889,966	7,339,393	99.5	99.4	99.1	99.4	98.9	98.8
4. Net current transfers from the rest of the world	31,166	32,180	21,955	10,241	10,418	16,046	13,767	0.6	0.4	0.2	0.2	0.2	0.2
5. DISPOSABLE GROSS NATIONAL INCOME ( 3+4 )	4,843,179	5,359,980	5,799,358	6,203,780	6,528,007	6,906,012	7,353,161	100.1	99.8	99.2	99.5	99.2	99.0
6. Final national consumption	3,676,235	4,030,681	4,381,303	4,680,583	4,920,289	5,191,591	5,471,616	75.3	75.4	74.9	75.0	74.6	73.7
Private consumption	2,718,270	2,973,195	3,242,175	3,461,491	3,632,856	3,826,912	4,031,334	55.5	55.8	55.4	55.4	55.0	54.3
Government consumption	957,965	1,057,486	1,139,128	1,219,092	1,287,433	1,364,679	1,440,282	19.7	19.6	19.5	19.6	19.6	19.4
7. GROSS NATIONAL SAVINGS ( 5-6 )	1,166,944	1,329,299	1,418,055	1,523,197	1,607,718	1,714,422	1,881,545	24.8	24.4	24.4	24.5	24.6	25.3
8. GROSS CAPITAL INVESTMENT	1,158,480	1,250,956	1,436,604	1,646,171	1,660,566	1,829,397	1,974,968	23.4	24.7	26.3	25.3	26.3	26.6
<i>Source of data: SORS, BS, forecasts IMAD – Spring Report 2006.</i>													
<b>EXPENDITURE ON GROSS DOMESTIC PRODUCT, 2001-2004 constant previous year prices, 2005- 2007 constant 2004 prices</b>													
	In SIT mln							Real growth rates, in %					
GROSS DOMESTIC PRODUCT ( 3+4+5 )	4,414,601	4,965,320	5,497,364	6,055,773	6,493,107	6,768,700	7,036,500	3.5	2.7	4.2	3.9	4.2	4.0
1. Exports of goods and services	2,540,812	2,930,001	3,155,864	3,652,367	4,107,109	4,442,044	4,790,967	6.7	3.1	12.5	9.2	8.2	7.9
2. Imports of goods and services	2,616,276	2,913,648	3,186,507	3,681,409	4,041,491	4,348,644	4,672,618	4.8	6.7	13.2	5.3	7.6	7.4
3. FOREIGN TRADE BALANCE * ( 1-2 )	-75,464	16,353	-30,642	-29,043	65,618	93,400	118,349	1.1	-2.0	-0.4	2.3	0.4	0.4
4. FINAL CONSUMPTION	3,387,059	3,743,649	4,150,511	4,515,676	4,830,341	4,980,031	5,135,686	1.8	3.0	3.1	3.2	3.1	3.1
Private consumption	2,525,157	2,754,891	3,075,589	3,343,496	3,574,114	3,690,450	3,810,578	1.3	3.4	3.1	3.3	3.3	3.3
Government consumption (individual and collective)	861,902	988,758	1,074,922	1,172,180	1,256,227	1,289,580	1,325,108	3.2	1.6	2.9	3.0	2.7	2.8
5. GROSS CAPITAL FORMATION	1,103,006	1,205,318	1,377,495	1,569,140	1,597,148	1,695,270	1,782,466	4.0	10.1	9.2	-3.0	6.1	5.1
Gross fixed capital investment	1,103,046	1,169,330	1,296,953	1,432,502	1,561,617	1,655,314	1,737,335	0.9	7.1	5.9	3.7	6.0	5.0
Changes in stocks *	-39	35,988	80,542	136,637	35,531	39,956	45,131	0.8	0.8	0.9	-1.7	0.1	0.1
<i>Source of data: SORS, forecasts IMAD – Spring Report 2006. Note: *As contributions to real GDP growth (in percentage points).</i>													

# Industrial Production

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	2001	2002	2003	2004	2005	2005				2006	2005										2006			
						Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	Q <sub>IV</sub>	Q <sub>I</sub>	3	4	5	6	7	8	9	10	11	12	1	2	3	4
INDUSTRIAL PRODUCTION by sectors <sup>*</sup> , indices, 2000=100																								
INDUSTRY, total	102.9	105.4	106.9	112.7	116.7	110.5	119.6	114.0	122.5	118.9	120.4	114.0	120.0	124.8	117.8	98.9	125.4	123.7	129.9	114.0	115.6	112.0	129.1	114.6
C Mining and quarrying	92.1	99.2	104.9	97.6	104.2	103.6	94.9	108.5	109.6	103.7	110.6	80.0	105.0	99.6	116.6	100.3	108.7	122.4	128.6	77.9	111.3	98.5	101.2	97.3
D Manufacturing	102.8	104.8	106.5	111.6	115.8	108.8	119.8	113.8	120.7	117.8	119.4	114.0	120.1	125.4	117.4	97.6	126.4	122.7	128.6	110.8	113.6	110.6	129.1	114.2
DA Food, beverages, tobacco	100.2	98.6	99.6	89.4	88	75.9	91.0	89.0	96.2	74.7	84.4	85.7	92.6	94.7	93.9	86.4	86.6	93.0	98.0	97.6	70.0	71.2	83.0	81.8
DB Textiles & textile prod.	92.0	80.5	71.3	61.7	54.1	60.2	53.1	51.9	51.0	57.6	59.5	49.6	54.2	55.6	58.7	41.8	55.2	52.6	54.1	46.2	65.2	49.9	57.7	44.5
DC Leather & textile products	98.4	83.6	72.7	68.2	72.7	74.4	73.5	69.8	73.0	78.6	75.8	74.8	72.6	73.0	75.1	59.1	75.1	73.2	79.1	66.8	75.8	72.6	87.3	67.8
DD Wood & wood products	91.5	94.3	91.0	94.7	100.7	90.5	109.2	100.2	103.0	94.2	98.8	104.8	112.7	110.2	106.8	78.7	115.0	110.4	108.4	90.1	80.9	93.6	108.1	101.3
DE Paper, publishing, printing <sup>1</sup>	95.8	100.9	100.6	101.2	104.8	98.5	106.0	102.4	112.5	105.1	106.9	101.5	106.5	110.0	101.4	98.2	107.6	111.2	116.8	109.4	99.7	97.2	118.5	104.7
DFCoke, petrol. rod., nuclear fuel <sup>2</sup>	32.6	34.2	36.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DG Chem., prod., man-made fibres	108.1	114.5	128.0	147.5	158.7	155.1	168.5	155.3	155.9	173.2	173.4	156.9	167.0	181.7	159.4	131.6	175.0	156.4	161.1	150.2	178.4	162.3	178.8	173.6
DH Rubber & plastic prod.	101.2	99.8	103.6	116.5	122.2	111.6	124.6	125.5	127.0	121.5	119.7	120.1	124.8	128.8	129.2	108.8	138.5	136.8	135.3	109.0	114.7	116.3	133.4	114.6
DI Non-metal mineral prod.	100.1	100.9	101.6	84.6	78.7	63.4	84.6	87.4	79.5	67.6	72.3	79.1	83.6	91.2	87.5	82.4	92.2	87.1	87.2	64.2	62.6	59.9	80.4	76.5
DJ Basic metals & fabric. prod.	104.6	108.3	112.0	107.8	117.3	110.3	122.2	115.6	121.0	122.3	120.9	117.3	122.6	126.7	115.2	106.2	125.3	124.8	128.5	109.6	114.9	118.3	133.7	119.0
DK Machinery & equipm. nec.	115.5	128.6	120.9	138.5	140.9	134.9	139.0	139.0	150.9	149.9	150.3	133.2	139.0	144.8	145.9	123.2	158.8	154.4	161.4	136.8	140.7	143.4	165.6	142.6
DL Electrical & optical equip.	106.5	110.3	122.8	153.0	157.8	145.2	165.3	153.5	166.9	168.1	157.7	163.6	163.0	169.4	149.1	123.3	188.1	164.2	181.7	154.9	164.4	158.4	181.6	152.1
DM Transport equipment	101.4	106.4	111.7	152.7	184.7	190.8	208.0	152.8	187.3	200.6	218.2	181.6	215.3	227.2	208.0	56.6	193.8	193.4	196.2	172.2	198.6	172.9	230.2	182.7
DN Manufacturing nec.	108.4	106.3	102.6	103.4	108.7	100.1	104.2	104.9	125.5	105.1	112.7	98.6	102.5	111.5	101.0	96.1	117.6	128.4	149.8	98.4	94.4	99.7	121.3	100.5
E Electr., gas & water supply <sup>3</sup>	109.3	115.3	111.3	132.9	130.9	133.4	123.8	115.7	150.4	138.0	133.6	125.8	121.8	123.9	120.0	112.5	114.7	133.4	143.7	174.2	142.6	133.7	137.7	123.2
NUMBER OF PERSONS IN PAID EMPLOYMENT IN INDUSTRY <sup>4</sup>																								
Total, in 1000	257.8	259.9	255.1	251.7	247.3	248.9	248.6	246.5	245.3	242.8	248.8	248.6	248.9	248.4	247.2	246.2	246.0	246.2	246.0	243.7	243.0	242.7	242.6	242.4
C Mining & quarrying	5.5	5.1	4.8	4.4	4.2	4.2	4.2	4.2	4.1	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1
D Manufacturing	240.8	243.1	238.9	236.1	231.8	233.4	233.0	230.9	229.8	227.5	233.2	232.9	233.3	232.7	231.6	230.7	230.5	230.7	230.5	228.3	227.7	227.5	227.3	227.0
E Electr., gas & water supply	11.5	11.7	11.4	11.3	11.4	11.3	11.4	11.4	11.4	11.2	11.3	11.4	11.4	11.5	11.4	11.4	11.4	11.4	11.4	11.3	11.2	11.2	11.3	11.4
CONSTRUCTION <sup>5</sup> , real indices of construction put in place, indices 2000=100																								
Construction	92.9	97.9	105.7	108.4	111.7	75.5	117.2	125.3	128.7	76.7	89.7	104.5	118.3	128.7	121.3	128.5	126.2	133.2	132.5	120.5	64.6	74.9	90.6	101.1
Buildings	107.1	104.2	104.9	114.6	126.4	93.1	136.7	137.9	137.9	100.3	116.0	125.9	137.4	146.9	131.5	148.3	133.8	128.1	147.1	138.5	83.9	102.3	114.8	119.0
Civil engineering	79.8	92.1	106.4	102.6	98	59.1	99.0	113.7	120.3	54.8	65.3	84.7	100.6	111.8	111.7	110.2	119.1	138.0	119.1	103.9	46.7	49.6	68.1	84.5
Persons in paid employment in construction <sup>4</sup>	100.4	99.4	99.1	97.5	102	97.1	101.8	104.8	104.2	102.5	97.6	99.4	102.3	103.6	104.3	104.9	105.2	105.4	105.0	102.1	101.5	102.0	104.0	106.5

Source of data: SORS. Notes: <sup>1</sup>From February 2004 onwards the industrial production indices have been provisional. For the period up until January 2004 they are calculated according to data on produced quantities of industrial goods. From February 2004 onwards, data on production value have been taken as the basis for the calculation. The value of production is calculated according to the following formula: turnover in the month (x) + value of stocks in the month (x) - value of stocks in the month (x-1). <sup>2</sup>enterprises with activity of publishing are excluded, <sup>3</sup>data not published because of confidentiality, <sup>4</sup>only companies with activity of electricity supply are included, <sup>5</sup>In January 2005, the SORS adopted a 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>6</sup>the survey covers all construction enterprises whose value of construction put in place was at least 300 million tolar according to Final Accounts in 2002 and their units having at least 20 persons in paid employment and some other enterprises who perform construction work.



# Production

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	2001	2002	2003	2004	2005	2005				2006	2005												2006			
						Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	Q <sub>IV</sub>	Q <sub>I</sub>	4	5	6	7	8	9	10	11	12	1	2	3	4			
<b>TRANSPORT</b>																										
Passenger-km in transport for hire or reward (1000)	1,470	1,143	1,065	1,000	848	217	239	176	215	211	76	83	80	47	46	82	79	69	68	74	64	74	73			
Passenger-km in rail transport , in mln	715	749	778	764	788	197	191	190	210	191	61	66	64	63	59	71	67	71	67	68	60	63	62			
Passenger-km in air transport , in mln	790	794	837	896	1,019	170	262	390	198	182	82	77	102	139	137	114	74	61	63	63	56	63	69			
Tonne-km in rail transport , in mln	2,837	3,078	3,279	3,466	3,579	801	923	784	894	799	312	305	291	291	275	303	336	341	312	247	265	287	267			
Tonne-km in maritime transport, in mln	32,951	28,578	28,361	37,047	52,513	12,568	14,887	14,045	11,013	13,498	4,470	4,943	5,474	4,810	4,548	4,688	3,527	3,563	3,923	3,759	5,015	4,725	3,494			
Tonne-km in road transport , in mln	7,035	6,609	7,040	9,007	11,207	2,385	2,991	2,905	2,752	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Urban passenger traffic, in mln	105.6	103.9	98.4	100.2	97.2	28.0	25.2	15.1	28.8	27.3	9.4	8.4	7.4	4.1	3.9	7.1	9.4	9.7	9.7	9.2	8.6	9.5	8.6			
Airport passengers traffic, in 000	888	866	922	1,047	1,228	214	303	449	264	236	85	95	123	157	155	137	106	81	77	78	73	85	90			
Harbour freight transport, in 000 t	9,145	9,305	10,788	12,063	12,807	3,176	3,289	2,787	3,555	3,871	1,187	974	1,128	856	1,027	904	1,227	1,088	1,240	1,266	1,341	1,265	1,103			
Transport of gas, mln m <sup>3</sup>	1,039	1,007	1,098	1,097	1,136	373	239	193	331	-	90	79	70	57	65	71	89	114	128	-	-	-	-			
<b>TOURISM, overnight stays, in 000</b>																										
Total	7,130	7,321	7,503	7,589	7,573	1,362	1,805	3,101	1,299	1,392	468	604	733	1,114	1,260	727	528	373	398	464	457	470	470			
Domestic tourists	3,316	3,300	3,327	3,226	3,173	659	733	1,204	578	689	209	215	308	473	479	251	196	184	197	193	264	232	168			
Foreign tourists	3,814	4,021	4,175	4,363	4,399	704	1,073	1,898	725	703	259	389	424	641	781	476	332	193	201	271	193	238	303			
Health resorts	2,284	2,327	2,360	2,417	2,464	504	598	814	548	523	187	207	205	268	324	221	212	175	162	173	169	181	158			
Seaside	2,016	2,052	2,010	2,002	1,949	207	517	955	266	201	123	154	240	370	381	204	122	83	62	52	58	91	139			
<b>AGRICULTURE, slaughter in slaughterhouses, in 000 tons</b>																										
Cattle	39.2	40.5	43.1	40.1	37.4	9.2	9.4	8.2	10.7	8.9	3.3	3.3	2.8	2.5	2.9	2.8	3.0	3.9	3.9	3.0	2.8	3.1	2.9			
Pigs	35.8	37.1	37.3	34.6	31.7	7.3	8.2	7.5	8.7	8.3	2.8	2.8	2.6	2.4	2.7	2.4	2.5	3.1	3.2	2.7	2.5	3.1	2.8			
Poultry	56.6	51.4	56.0	52.0	53.4	12.2	13.7	14.0	13.4	12.4	4.5	4.7	4.6	4.4	4.8	4.8	4.9	4.5	4.0	3.8	3.9	4.7	3.4			
Purchase of agricultural products, SIT mln	98.7	101.6	103.3	102.4	104.1	21.5	25.0	25.2	32.0	21.7	8.5	8.6	8.0	7.4	8.5	9.4	9.7	9.3	12.9	6.7	6.8	8.2	8.1			
<b>FISHING, in 000 tons</b>																										
Catches in marine waters	1.6	1.5	1.1	0.8	1.0	0.2	0.2	0.4	0.3	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0.1	0.0	0.0		

Source of data: SORS, Notes: Data for road goods transport for 2000 are estimated on the basis of the previous survey, pilot surveys, current survey and other indicators. Series break in 2003.<sup>1</sup>excluding private carriers (taxis, buses, cars),  
<sup>2</sup>excluding private carriers.

# Balance of Payments

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	2001	2002	2003	2004	2005	2005				2006	2005								2006				
						Q I	Q II	Q III	Q IV	Q I	4	5	6	7	8	9	10	11	12	1	2	3	4
BALANCE OF PAYMENTS, EUR mln																							
Current account	38	344	-81	-544	-301	-125	38	69	-283	-141	-41	15	64	-21	70	19	21	-95	-209	74	-96	-119	27
Trade balance <sup>1</sup>	-684	-265	-543	-1,009	-1,034	-184	-102	-250	-499	-186	-57	-37	-8	-61	-111	-78	-54	-170	-275	16	-86	-116	21
Exports	10,454	11,082	11,417	12,933	14,517	3,350	3,745	3,572	3,850	4,020	1,209	1,222	1,314	1,234	986	1,351	1,304	1,371	1,175	1,247	1,270	1,503	1,309
Imports	11,139	11,347	11,960	13,942	15,551	3,534	3,847	3,821	4,348	4,206	1,266	1,259	1,322	1,295	1,097	1,429	1,357	1,542	1,449	1,231	1,356	1,620	1,289
Services	536	620	541	686	898	169	224	251	255	207	34	106	84	35	110	106	89	105	61	74	58	75	58
Exports	2,178	2,440	2,465	2,782	3,224	610	772	1,009	833	723	222	273	277	320	375	314	258	289	286	239	223	260	241
Imports	1,642	1,820	1,924	2,096	2,326	441	548	758	578	516	188	167	193	285	265	208	169	185	224	165	166	185	183
Income	43	-153	-173	-250	-226	-57	-96	-20	-53	-69	-25	-48	-23	0	-12	-8	-4	-5	-44	2	-17	-54	-39
Receipts	511	491	542	583	683	147	162	220	154	165	58	52	52	70	77	72	54	50	51	53	53	59	57
Expenditure	468	645	715	833	909	204	258	239	207	234	83	100	75	70	89	80	58	55	95	51	70	113	96
Current transfers	144	142	94	29	61	-53	12	87	14	-93	7	-6	11	4	84	-1	-10	-24	48	-17	-51	-24	-12
Receipts	436	478	448	543	735	133	164	245	193	114	55	47	62	57	133	54	41	42	111	31	40	43	44
Expenditure	293	336	354	515	675	186	152	157	179	207	48	53	51	53	49	55	51	66	62	48	92	67	56
Capital and financial account	-148	-145	-12	638	703	116	-49	127	508	158	101	-86	-64	29	33	65	5	79	423	-100	161	97	35
Capital account	-4	-164	-165	-105	-128	-6	-29	-31	-62	-12	-2	-7	-21	-18	4	-16	-11	-9	-42	4	-6	-10	-8
Financial account	-144	19	154	743	831	122	-19	158	570	170	103	-79	-44	47	30	81	17	88	465	-104	167	107	43
Direct investment <sup>2</sup>	251	1,538	-118	221	-27	-177	7	6	138	-82	51	-63	20	-25	162	-131	7	-9	140	-161	48	31	0
Domestic abroad	-161	-162	-418	-442	-453	-126	-60	-219	-49	-99	-15	-35	-10	-60	25	-184	-15	-19	-15	-84	-19	4	-85
Foreign in Slovenia	412	1,700	300	662	427	-51	66	225	187	18	65	-29	30	35	136	54	22	10	155	-77	68	26	85
Portfolio investment <sup>3</sup>	80	-69	-223	-575	-1,218	-260	-357	-174	-427	-90	119	-477	1	-141	-32	-1	-237	26	-216	-58	-63	31	-8
Financial derivatives	0	0	0	-2	-3	-3	-1	-1	2	8	0	-1	0	-1	1	-1	-1	0	2	3	4	2	1
Other investment	964	435	759	843	2,268	566	370	482	849	426	-96	71	396	249	-145	379	94	108	647	346	171	-92	-25
Assets	248	-668	-825	-1,408	-1,648	-295	-623	-448	-282	-371	-197	-78	-348	-178	-282	12	-172	-189	80	43	-160	-254	-70
Commercial credits <sup>4</sup>	-239	-135	-116	-238	-224	-206	-130	10	103	-253	-21	-56	-53	-43	125	-72	-87	-9	199	-44	-93	-116	-59
Loans	19	-214	-214	-277	-377	14	-160	-83	-148	-143	-70	-40	-49	-55	-41	13	-64	-29	-55	-15	-37	-91	-37
Currency and deposits	500	-247	-427	-823	-960	-107	-322	-350	-182	57	-107	3	-218	-86	-330	65	1	-127	-56	102	-23	-22	26
Other assets	-32	-71	-68	-69	-88	5	-12	-25	-55	-32	1	15	-27	5	-36	5	-21	-25	-8	1	-7	-25	1
Liabilities	716	1,102	1,584	2,251	3,916	861	993	931	1,131	797	100	149	744	427	136	368	267	298	567	303	332	162	44
Commercial credits <sup>4</sup>	-10	95	59	211	236	25	99	4	108	-9	48	22	28	-26	-60	89	42	61	4	-80	50	21	17
Loans	575	837	1,128	1,673	2,642	295	807	662	879	219	150	86	571	143	250	269	247	216	415	154	-43	107	43
Deposits	152	130	428	335	1,014	551	97	245	120	596	-96	48	145	300	-60	5	-16	18	119	236	327	33	-14
Other liabilities	-1	39	-31	33	25	-11	-10	20	25	-9	-2	-6	-1	9	6	5	-7	2	29	-6	-3	0	-2
International reserves <sup>5</sup>	-1,439	-1,885	-264	256	-189	-4	-38	-155	8	-92	31	392	-461	-34	44	-165	153	-37	-108	-234	6	136	76
Statistical error	110	-199	93	-94	-402	9	10	-196	-225	-17	-60	71	0	-8	-104	-84	-26	16	-215	26	-65	22	-62
FOREIGN TRADE BALANCE BY END USE, in EUR mln																							
Export of investment goods	1,417	1,542	1,634	1,832	2,048	452	550	500	545	551	175	180	195	176	139	185	180	191	174	158	169	224	N/A
Intermediate goods	5,039	5,245	5,463	6,220	6,945	1,620	1,804	1,724	1,797	1,992	591	588	625	584	492	648	616	649	531	618	630	744	N/A
Consumer goods	3,891	4,175	4,188	4,485	5,322	1,246	1,339	1,280	1,456	1,432	431	437	472	454	327	499	489	514	453	453	456	523	N/A
Import of investment goods	2,009	2,072	2,322	2,403	2,615	550	624	612	829	629	204	205	216	222	169	222	230	292	307	152	224	253	N/A
Intermediate goods	6,700	6,816	7,079	8,096	9,488	2,195	2,365	2,356	2,572	2,632	772	772	821	810	677	870	814	916	842	778	842	1,012	N/A
Consumer goods	2,635	2,686	2,836	3,200	3,624	834	898	892	1,000	991	291	297	310	276	258	359	332	352	316	290	318	383	N/A

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> only cash flows, corrections will be reported. <sup>3</sup> includes issue of government bonds in exchange for a part of allocated foreign debt in the amount of US\$ 465.4 m - banks' liabilities in foreign loans are decreased by the same amount. Includes issue of Eurobonds in the amount of US\$ 320.6 m, balanced by receipts on government deposits at BS, shown in international reserves. <sup>4</sup> short-term claims include net changes in commercial credits, <sup>5</sup> reserve assets of the BS.

# Monetary Indicators

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	2005	2005												2006				
	Dec.	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>MONETARY SYSTEM – CONSOLIDATED BALANCE SHEET OF MONETARY FINANCIAL INSTITUTIONS, end of the month, in SIT bln</b>																		
Currency in circulation	214.2	187.9	189.2	190.4	198.6	199.4	204.4	202.2	197.6	202.7	210.3	201.2	214.2	202.7	206.8	207.5	220.9	216.5
Overnight deposits at other MFI	1490.9	1283.3	1174.9	1151.4	1207.0	1183.3	1276.9	1268.2	1273.3	1284.9	1282.8	1312.9	1490.9	1475.5	1482.4	1525.4	1535.3	1572.5
Overnight deposits of NFI at the BS	2.8	6.6	5.6	5.2	3.5	3.3	2.8	2.9	2.6	3.1	2.3	3.0	2.8	3.5	2.8	5.7	6.5	4.9
Overnight deposits of other government sector (central government excluded) at the BS	2.7	2.7	2.6	2.8	2.9	2.8	3.1	2.7	3.1	3.3	2.8	2.9	2.7	2.2	2.0	1.9	2.1	2.1
Total overnight deposits at the BS	5.5	9.3	8.3	8.0	6.4	6.0	5.9	5.6	5.7	6.4	5.1	5.9	5.5	5.7	4.8	7.6	8.5	7.0
Deposits with agreed maturity at the BS	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.3	0.5	0.5	0.4	0.3	0.4	0.5	0.4	0.7
Deposits with agreed maturity at other MFI	1687.9	1696.2	1765.7	1770.9	1699.3	1788.0	1753.1	1781.1	1808.9	1765.4	1774.7	1826.6	1687.9	1728.4	1742.3	1718.2	1661.8	1682.1
Deposits at redeemable notice	122.4	138.7	148.1	157.1	157.0	153.8	149.1	145.7	155.9	164.9	157.4	123.1	122.4	77.1	78.8	101.6	109.7	103.2
Debt securities, units/shares of money market funds and repos	7.8	18.2	18.8	17.3	23.4	16.5	11.5	11.3	9.9	10.4	10.2	8.5	7.8	8.8	9.1	9.4	9.3	9.0
HM1	1710.7	1480.4	1372.3	1349.8	1412.0	1388.7	1487.2	1476.0	1476.5	1494.1	1498.2	1519.9	1710.7	1683.9	1694.1	1740.5	1764.7	1796.0
HM2	3521.4	3315.5	3286.2	3277.9	3268.4	3330.7	3389.4	3402.9	3441.7	3424.6	3430.7	3470.1	3521.4	3489.7	3515.6	3560.8	3536.7	3582.0
HM3	3529.2	3333.7	3305.0	3295.2	3291.8	3347.1	3400.9	3414.2	3451.6	3435.0	3441.0	3478.6	3529.2	3498.5	3524.7	3570.2	3546.0	3591.0
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bln</b>																		
Claims of the BS on central government	17.4	26.1	26.0	26.0	26.1	17.5	17.7	17.7	17.6	17.6	17.4	17.4	17.4	17.3	17.3	17.1	16.9	16.9
Central government (S. 1311)	780.4	742.8	762.6	799.4	796.7	825.6	744.5	734.0	762.6	773.9	776.5	780.4	808.0	792.9	767.3	774.0	777.2	777.2
Other government (S. 1312, 1313, 1314)	23.1	35.4	21.5	22.0	22.0	21.1	21.3	18.6	18.2	17.8	21.9	22.1	23.1	19.2	19.4	23.9	23.8	23.4
Households (S. 14, 15)	1025.9	848.7	835.7	855.7	875.5	898.0	917.7	937.3	956.9	976.0	995.8	1014.4	1025.9	1040.6	1053.2	1080.5	1108.6	1138.2
Non-financial corporations (S. 11)	2621.2	2184.8	2234.6	2289.4	2329.2	2359.0	2386.2	2414.2	2437.8	2483.5	2497.1	2577.3	2621.2	2695.3	2738.2	2800.0	2883.1	2911.5
Non-monetary financial institutions (S. 123, 124, 125)	227.7	166.7	163.5	161.9	169.5	181.0	183.2	178.4	187.9	197.9	194.5	207.2	227.7	231.2	243.6	253.1	263.0	276.8
Monetary financial institutions (S. 121, 122)	1409.9	1250.4	1265.5	1268.8	1248.0	1245.4	1365.5	1373.9	1349.8	1381.0	1358.6	1372.8	1409.9	1493.7	1496.0	1485.2	1407.3	1437.9
Claims on domestic sectors, TOTAL																		
In domestic currency	2099.3	2371.2	2378.9	2283.1	2304.6	2266.7	2168.7	2162.3	2159.0	2165.3	2150.2	2102.8	2099.3	2106.1	2136.3	2124.1	2132.6	2114.1
In foreign currency	2199.6	1455.2	1494.6	1549.0	1577.8	1646.4	1735.4	1783.5	1836.1	1913.8	1978.3	2095.9	2199.6	2286.2	2352.9	2455.8	2539.4	2618.8
Securities, total	1789.4	1402.5	1410.0	1565.0	1558.4	1617.0	1714.3	1717.1	1689.6	1739.8	1713.4	1771.6	1789.4	1895.7	1854.0	1830.1	1787.8	1832.1
<b>SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bln</b>																		
Deposits in domestic currency, total	2610.2	2419.2	2403.7	2451.6	2446.8	2484.9	2423.7	2447.8	2478.4	2516.9	2526.9	2579.5	2610.2	2692.7	2651.4	2651.7	2685.9	2706.3
Overnight	986.9	881.6	803.7	775.2	847.2	861.4	899.4	893.4	892.6	903.4	921.9	915.0	986.9	962.5	950.4	1004.8	1003.6	1032.9
With agreed maturity – short-term	1175.8	1073.5	1128.4	1181.6	1104.9	1133.1	1059.0	1086.7	1107.6	1134.3	1134.2	1217.8	1175.8	1295.1	1264.0	1210.5	1229.8	1234.7
With agreed maturity – long-term	309.7	335.8	335.6	346.6	357.3	341.5	338.6	347.4	344.9	343.2	324.4	308.8	309.7	312.7	313.2	294.1	295.3	285.7
Short-term deposits redeemable at notice	137.8	128.3	136.1	148.2	137.5	148.8	126.8	120.2	133.3	136.0	146.4	137.9	137.8	122.3	123.9	142.3	157.2	153.0
Deposits in foreign currency, total	1346.6	1281.3	1281.1	1287.9	1285.5	1304.3	1327.8	1306.2	1370.2	1326.9	1321.6	1372.4	1346.6	1344.7	1372.8	1403.8	1367.3	1416.7
Overnight	534.8	415.3	391.4	390.7	381.6	339.5	392.0	387.8	395.4	395.6	387.9	415.8	534.8	542.5	550.7	547.0	546.0	558.8
With agreed maturity – short-term	481.2	590.3	616.3	612.9	594.7	655.4	625.2	618.2	626.0	623.7	609.6	619.1	481.2	474.9	491.5	515.3	480.9	513.6
With agreed maturity – long-term	295.2	241.7	239.6	249.2	276.1	275.4	277.7	268.1	316.0	270.3	285.0	301.0	295.2	295.7	297.9	300.5	302.8	310.9
Short-term deposits redeemable at notice	35.4	34.0	33.9	35.0	33.0	34.0	32.9	32.1	32.7	37.4	39.2	36.4	35.4	31.6	32.7	41.0	37.6	33.4

Source of data: Bank of Slovenia. The BS has adopted a new methodology harmonised with the European Central Bank. As a result, the structure of tables showing household loans and savings in the Slovenian Economic Mirror has changed.

# Prices

Slovenian Economic Mirror	IMAD
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Indices, 2005 =100	2001	2002	2003	2004	2005	2005				2006	2005								2006					
						Q I	Q II	Q III	Q IV		Q I	5	6	7	8	9	10	11	12	1	2	3	4	5
GROWTH IN SELECTED PRICE INDICATORS																								
Consumer price index	83.0	89.2	94.2	97.6	100.0	98.6	99.8	100.6	101.0	100.8	99.9	100.0	100.7	100.0	101.1	101.3	100.8	100.8	100.2	101.6	101.6	101.5	101.2	103.2
Food, non-alcoholic beverages	89.2	95.9	100.3	100.8	100.0	101.5	100.3	98.7	99.5	101.6	101.1	99.3	98.8	98.5	98.9	98.7	99.5	100.2	101.6	101.6	101.5	101.2	102.8	
Alcoholic beverages, tobacco	70.7	80.8	91.0	96.3	100.0	98.4	98.5	101.8	101.3	101.5	98.6	98.4	101.8	101.9	101.7	101.6	101.2	101.2	101.3	101.5	101.7	101.8	101.8	
Clothing and footwear	90.5	93.5	99.3	101.0	100.0	96.1	103.0	97.4	103.5	93.7	103.4	103.4	102.4	90.8	98.9	103.7	104.9	102.0	89.6	91.0	100.6	104.1	105.7	
Housing, water, electricity, gas	75.1	80.2	85.4	91.7	100.0	96.4	98.7	101.8	103.1	104.4	98.4	99.2	100.9	101.2	103.3	103.8	102.8	102.8	103.6	104.8	104.7	105.7	106.6	
Furnishings, household equip.	85.3	90.1	94.3	96.5	100.0	98.0	100.3	100.6	101.1	101.9	100.6	100.4	100.5	100.6	100.7	100.9	101.3	101.1	101.7	101.3	102.7	103.0	102.8	
Medical, pharmaceutical products	87.5	93.4	98.8	100.3	100.0	100.9	100.8	99.1	99.2	98.4	100.8	100.7	99.1	99.1	99.2	99.2	99.2	99.2	98.3	98.3	98.5	98.6	98.6	
Transport	82.0	88.0	92.1	97.4	100.0	98.2	99.3	101.7	100.8	99.9	99.0	99.6	100.6	101.3	103.3	103.2	99.7	99.5	100.2	100.2	99.4	101.2	102.6	
Communications	85.5	98.5	99.8	100.0	100.0	100.6	99.5	99.8	100.2	100.0	99.4	98.9	98.9	100.1	100.4	100.2	100.2	100.1	100.1	100.0	99.9	99.7	99.5	
Recreation and culture	83.9	89.8	94.2	97.7	100.0	98.4	99.2	102.9	99.5	100.0	99.0	100.6	103.4	104.3	101.1	99.2	99.1	100.1	99.4	100.4	100.1	100.6	101.4	
Education	75.9	83.5	87.1	93.4	100.0	96.3	100.6	100.9	102.2	102.0	100.6	100.6	100.6	100.6	101.3	102.1	102.1	102.5	102.5	101.6	101.9	104.1	104.1	
Catering services	77.8	84.9	91.1	95.8	100.0	98.4	99.3	100.7	101.6	102.2	99.2	99.8	100.2	100.7	101.3	101.8	101.6	101.4	101.9	102.1	102.7	103.5	104	
Miscellaneous goods & services	81.8	88.8	94.5	98.1	100.0	98.6	99.8	100.8	100.8	102.1	99.9	100.0	100.8	100.7	100.9	100.4	101.0	101.0	101.1	101.7	103.6	103.6	104	
Harmonized consumer price index; 2000=100	82.9	89.1	94.2	97.6	100.0	98.6	99.8	100.7	100.9	100.8	99.9	99.9	100.7	100.2	101.2	101.4	100.8	100.7	100.3	100.7	101.4	102.3	103.3	
Producer price index	86.6	91.0	93.4	97.4	100.0	99.7	99.9	99.9	100.6	101.3	99.8	99.8	99.7	99.9	100.2	100.4	100.5	100.9	100.8	101.4	101.8	102.1	102.2	
Intermediate goods	86.4	89.6	91.4	96.9	100.0	99.6	100.0	99.9	100.6	101.9	100.0	99.8	99.6	99.9	100.2	100.3	100.4	101.2	101.3	101.9	102.6	103.1	103.4	
Capital goods	92.5	95.1	94.7	97.0	100.0	100.0	100.3	99.5	100.2	99.7	100.1	99.8	99.5	99.5	99.6	100.1	100.3	100.1	99.6	100.1	99.6	99.5	99.2	
Consumption goods	85.2	91.6	95.3	98.1	100.0	99.5	99.7	100.0	100.6	101.0	99.5	99.9	99.7	99.9	100.4	100.6	100.6	100.6	100.4	101.0	101.5	101.7	101.6	
PRICE CONTROL <sup>1</sup>																								
Energy prices	76.3	81.1	83.3	89.4	100.0	93.5	98.2	104.5	103.8	104.7	97.5	99.1	102.4	103.2	107.9	107.3	102.0	102.0	104.1	105.3	104.6	107.8	111.4	
Oil products	74.0	78.9	80.2	86.7	100.0	91.8	97.5	105.8	104.8	105.6	96.6	98.7	103.0	104.1	110.4	109.5	102.5	102.5	105.0	106.5	105.4	110.4	116.1	
Electr. For households	85.4	90.4	93.8	98.6	100.0	99.1	100.3	100.3	100.3	100.8	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.8	100.8	100.8	100.8	100.8	
Basic utilities	71.0	83.4	88.6	96.2	100.0	100.0	100.1	100.0	99.9	100.1	100.1	100.1	99.9	100.0	100.0	100.0	99.9	99.9	100.1	100.1	101.2	100.7		
Transport & communic.	70.7	91.5	95.2	97.9	100.0	98.8	99.2	101.1	101.0	101.2	99.2	99.6	101.3	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.6	101.6	101.6	
Other controlled prices	81.7	86.0	89.8	95.7	100.0	99.1	99.5	100.7	100.7	101.8	99.6	99.6	100.6	100.7	100.7	100.7	100.7	100.7	101.8	101.8	101.9	102.2	102.3	
Direct control – total	74.7	82.5	85.5	91.5	100.0	95.3	98.7	103.3	102.8	103.7	98.1	99.3	101.8	102.4	105.6	105.2	101.6	101.6	103.2	104.1	103.7	106.1	108.5	

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.

# Monetary Indicators

Slovenian Economic Mirror	IMAD
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	End year					2005										2006				
	2001	2002	2003	2004	2005	4	5	6	7	8	9	10	11	12	1	2	3	4	5	
INTEREST RATES, in %																				
Discount rate	10.75	9.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General legal penal. rate	27.99	21.16	18.25	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	13.50	13.50	13.50	13.50	-	
Foreign exchange bills	4.08	3.14	2.17	2.00	2.10	2.06	2.04	2.04	2.04	2.04	2.04	2.06	2.31	2.36	2.38	2.5	2.61	2.61	-	
Deposits interest rates (r)																				
Demand deposits (n)	1.0	1.0	1.0	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	-	
Time deposits 31-90 days (r)	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Time deposits over 1 year (r)	4.7	3.6	1.7	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-	
Lending interest rates																				
Short-term loans	5.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Long-term loans	7.8	7.4	6.2	4.9	4.2	4.7	4.1	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	-	
REVALUATION CLAUSES, in %																				
Tolar: annualised rate	8.62	7.66	5.96	3.87	2.95	3.71	2.38	2.46	2.38	2.38	2.46	3.59	3.71	2.38	2.38	2.64	2.38	2.46	-	
Forex clause: annualised	4.7	4.0	2.8	1.3	-0.1	-0.3	-0.3	-0.2	0.0	0.0	0.0	0.2	-0.3	0.0	0.0	-0.1	0.1	0.0	-	
INVESTMENT, outlays, in SIT mln																				
<b>Total</b>	514,497	524,626	610,923	760,662	772,675	46,622	43,871	61,053	58,460	53,929	61,924	52,422	81,795	128,155	70,523	51,609	63,277	52,510	56,768	
Industry total	121,197	114,794	136,349	184,271	181,466	14,492	10,652	14,422	14,469	18,200	14,475	13,292	21,655	20,091	21,726	10,971	12,392	10,174	11,172	
Energy sector	26,743	36,959	31,538	39,105	38,701	1,973	1,533	3,321	3,970	3,760	4,194	1,884	3,050	6,625	2,686	3,337	2,34	1,405	2,119	
Manufacturing	94,454	77,835	104,811	145,163	142,765	12,519	9,119	11,101	10,499	14,440	10,281	11,408	18,605	13,466	19,040	7,634	10,052	8,769	9,053	
Construction	9,391	8,937	11,350	21,470	129,610	2,461	1,877	1,629	1,666	1,724	71,722	8,272	12,852	22,406	8,392	8,929	10,808	7,472	11,717	
Transport and communications	82,479	58,244	39,779	54,720	63,689	3,074	3,841	3,762	4,584	3,894	3,016	4,387	8,279	7,148	4,115	2,762	4,692	3,855	4,716	
Trade	56,554	66,950	67,852	80,272	93,793	5,068	4,326	4,801	6,401	5,533	11,465	5,282	12,105	16,237	13,481	6,019	7,889	4,879	4,88	
Hotels and restaurants	7,687	9,144	14,665	14,206	15,641	850	1,117	2,867	1,109	715	2,080	651	693	2,742	1,233	650	1,705	840	889	
Financial and technical services	30,796	40,339	48,049	52,291	48,192	3,287	3,921	5,055	4,153	2,965	2,896	2,376	3,995	5,659	3,851	2,486	3,284	4,210	4,957	
Other	206,393	226,220	292,876	353,432	240,285	17,390	18,137	28,517	26,078	20,898	-43,730	18,162	22,216	53,872	17,725	19,792	22,507	21,080	18,437	
In econ. infrastructure, total <sup>1</sup>	166,027	162,078	177,777	223,096	180,751	8,656	11,379	15,647	15,414	13,344	16,749	10,942	17,214	29,409	11,917	11,312	14,411	7,283	13,947	
Energy sector	26,742	36,959	46,562	46,469	42,212	1,973	1,533	3,321	3,970	3,760	4,194	1,884	3,050	6,625	2,686	3,337	5,026	1,405	2,119	
Electricity supply	16,012	25,132	26,903	23,107	24,251	1,077	1,120	2,411	2,974	2,292	2,654	940	1,756	2,433	1,554	1,947	2,948	941	1,381	
Gas supply	506	1,380	1,282	689	678	43	15	27	30	33	77	57	74	111	74	32	125	41	30	
Hot water supply	966	1,168	2,725	2,027	2,564	125	95	139	410	244	190	140	253	144	73	205	283	41	140	
Cold water supply	9,259	9,280	15,652	20,645	14,720	728	303	744	555	1,191	1,273	746	966	3,939	986	1,153	1,671	381	569	
Transport infrastructure	139,285	125,119	131,215	176,627	138,539	6,683	9,846	12,326	11,444	9,583	12,555	9,058	14,164	22,783	9,231	7,975	9,384	5,878	11,828	
Railways	30,074	16,924	1,717	1,822	2,615	204	245	481	256	306	351	87	291	263	78	123	586	608	571	
Air traffic	821	618	1,774	2,660	3,462	184	563	267	233	116	170	77	450	137	135	216	73	10	207	
Roads, motorways	67,506	81,467	103,849	141,157	106,040	4,583	6,932	9,682	8,729	7,181	9,894	6,116	10,930	19,875	6,791	5,887	5,968	3,760	9,044	
Postal and telecom services	38,757	24,573	20,923	26,717	24,143	1,535	1,912	1,741	1,997	1,893	1,944	2,693	2,359	2,393	2,161	1,621	2,563	1,330	1,749	
Other	2,127	1,538	2,952	4,271	2,279	176	193	156	229	87	195	85	135	116	66	128	195	171	257	

Sources of data: SORS, BS, AP. Notes: A large infrastructure company has been included in the construction activity since September 2005. <sup>1</sup>outlays collected on the basis of data for individual investors.

# Labour Market

Slovenian Economic Mirror	IMAD
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Number in thousand	2001	2002	2003	2004	2005	2005				2006	2005								2006				
						Q I	Q II	Q III	Q IV	Q I	4	5	6	7	8	9	10	11	12	1	2	3	4
A FORMAL LABOUR FORCE (A=B+E)	908.2	911.4	899.1	900.3	905.0	900.5	904.5	905.0	910.0	908.2	903.8	904.6	905.0	904.6	903.3	907.2	911.7	912.2	906.1	907.7	908.3	908.7	909.9
B PERSONS IN FORMAL EMPLOYM. (C+D)	806.3	808.7	801.4	807.5	813.1	807.5	814.3	814.1	816.5	814.6	812.2	814.8	816.1	813.5	812.7	816.1	817.5	818.3	813.6	812.5	814.1	817.3	819.9
In agriculture, forestry, fishing	42.3	45.4	37.7	41.2	38.7	38.7	39.0	38.9	38.8	39.5	39.0	39.0	38.9	38.9	38.9	38.9	38.9	38.9	38.6	39.4	39.5	39.6	39.2
In industry, construction	321.8	323.3	318.4	313.9	310.9	310.9	313.5	313.3	311.8	308.2	312.0	314.2	314.5	313.7	313.2	313.1	313.5	313.0	308.8	307.8	307.8	308.9	310.3
Of which: in manufacturing	240.8	243.1	238.9	236.1	233.7	233.4	233.0	230.9	229.8	227.5	232.9	233.3	232.7	231.6	230.7	230.5	230.7	230.5	228.3	227.7	227.5	227.3	227.0
In construction	64.1	63.4	63.3	62.2	61.7	61.9	64.9	66.9	66.5	65.4	63.4	65.3	66.1	66.5	66.9	67.1	67.2	67.0	65.2	64.8	65.1	66.3	67.9
In services	442.2	440.0	445.2	452.3	463.5	457.9	461.8	461.9	465.9	467.0	461.2	461.6	462.6	460.9	460.7	464.0	465.1	466.4	466.1	465.4	466.8	468.8	470.3
Of which: in public administration	44.6	45.9	47.7	49.9	49.1	49.3	49.7	49.8	49.9	49.8	49.5	49.7	49.9	49.8	49.8	49.9	49.9	49.9	49.8	49.5	49.7	50.1	50.3
in education, health-services soc. work	110.1	101.6	102.7	105.0	106.5	106.9	107.7	107.0	108.4	108.5	107.5	107.7	107.9	106.7	106.4	107.9	108.2	108.5	108.4	108.1	108.6	108.7	108.9
C FORMALLY EMPLOYED <sup>1</sup>	722.1	721.4	722.1	724.4	731.6	726.4	732.9	732.6	734.4	731.7	730.9	733.4	734.6	732.1	731.3	734.4	735.5	736.2	731.5	729.6	731.1	734.2	737.0
In enterprises and organisations	653.8	654.6	656.0	658.7	666.2	662.4	667.1	666.6	668.6	667.6	665.4	667.4	668.4	666.1	665.5	668.3	669.1	670.1	666.7	665.9	667.3	669.7	671.5
In small scale sector	68.4	66.8	66.2	65.6	65.4	64.0	65.9	66.0	65.8	64.0	65.4	66.0	66.2	66.0	65.8	66.2	66.4	66.2	64.8	63.8	63.8	64.5	65.5
D SELF EMPLOYED AND FARMERS	84.2	87.3	79.2	83.1	81.5	81.1	81.4	81.5	82.0	83.0	81.3	81.4	81.4	81.4	81.5	81.6	82.0	82.1	82.0	82.8	83.0	83.1	82.9
E REGISTERED UNEMPLOYMENT	101.9	102.6	97.7	92.8	91.9	92.9	90.1	90.9	93.6	93.6	91.6	89.8	88.9	91.1	90.6	91.1	94.2	93.9	92.6	95.2	94.1	91.4	90.0
Female	51.7	52.5	51.6	49.3	49.4	48.8	48.6	49.7	50.6	50.3	49.0	48.4	48.3	50.0	49.6	49.7	51.3	50.9	49.7	50.7	50.5	49.6	49.1
By age: Under 26	24.5	24.7	25.5	24.3	22.2	21.1	22.1	21.7	23.9	21.7	22.9	22.0	21.4	21.7	21.4	22.1	24.6	24.4	22.8	22.6	21.8	20.7	20.0
Older than 40	51.5	50.7	43.1	39.7	40.1	41.2	39.4	39.8	39.9	41.7	39.7	39.4	39.2	39.7	39.9	39.8	39.9	39.8	40.0	41.8	41.9	41.2	40.9
Unskilled	47.9	48.2	43.2	38.6	37.5	38.4	37.0	36.9	37.5	37.4	37.7	36.9	36.4	36.6	36.8	37.3	37.6	37.7	37.2	38.1	37.8	36.4	35.5
For more than 1 year	60.0	55.8	47.5	42.9	43.4	42.6	42.9	44.6	43.6	43.6	43.0	42.9	42.9	44.0	44.4	45.5	43.9	44.0	42.9	43.8	43.6	43.2	43.0
Those receiving benefits	25.8	24.4	24.3	22.3	23.3	23.6	22.9	23.5	23.2	25.4	23.1	22.9	22.8	23.1	23.9	23.5	22.7	23.1	23.7	25.6	25.2	25.3	18.0
F RATE OF REG. UNEMPLOYM., E/A, in %	<b>11.2</b>	<b>11.3</b>	<b>10.9</b>	<b>10.3</b>	<b>10.2</b>	<b>10.3</b>	<b>10.0</b>	<b>10.0</b>	<b>10.3</b>	<b>10.3</b>	<b>10.2</b>	<b>10.1</b>	<b>9.8</b>	<b>10.1</b>	<b>10.0</b>	<b>10.0</b>	<b>10.3</b>	<b>10.3</b>	<b>10.2</b>	<b>10.5</b>	<b>10.4</b>	<b>10.1</b>	<b>9.9</b>
G FLOWS OF FORMAL LABOUR FORCE	2.8	-2.3	-10.2	2.4	8.0	3.7	3.2	2.2	-1.0	2.6	2.0	0.8	0.4	-0.4	-1.3	3.8	4.6	0.5	-6.1	1.6	0.6	0.4	1.2
New unemployed first job seekers	21.9	21.4	25.4	26.0	21.7	3.3	3.4	6.3	8.6	3.7	1.3	1.0	1.1	1.1	1.4	3.8	5.6	1.9	1.1	1.4	1.0	1.3	1.2
Redundancies	65.8	66.0	68.8	69.6	67.2	18.6	14.7	17.0	17.0	19.4	4.9	4.9	4.9	6.0	5.3	5.6	5.3	5.6	6.0	9.0	5.0	5.5	4.9
Reg. unemployed who found employment	52.7	52.2	50.5	54.3	53.9	14.9	14.1	12.9	11.9	15.6	5.0	4.9	4.2	3.1	4.8	5.0	4.3	4.4	3.2	5.0	4.4	6.1	4.9
Other unemployed erased out of register	35.3	39.9	47.3	46.6	33.1	5.5	7.4	8.2	12.1	8.7	2.2	2.7	2.6	1.9	2.4	3.8	3.5	3.4	5.3	2.7	2.6	3.4	2.6
Change in no. of work permits for foreigners	-6.4	2.1	3.5	-0.5	3.9	-0.2	3.0	1.4	-0.3	2.7	1.7	0.9	0.4	0.9	0.7	-0.2	-0.1	-0.1	-0.1	0.1	0.7	1.9	1.6
Retirements <sup>2</sup>	14.6	14.8	15.1	15.4	12.3	1.6	2.7	4.2	3.9	4.4	0.8	0.9	1.0	1.1	1.1	1.9	1.7	1.1	1.0	2.3	0.9	1.2	1.3
Deaths <sup>2</sup>	2.7	2.6	2.5	2.5	2.5	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Others who found employment <sup>2</sup>	37.9	29.4	23.9	39.5	28.9	8.0	7.1	6.9	6.8	9.4	1.9	2.7	2.7	0.7	0.3	6.0	4.2	3.3	-0.8	5.0	2.5	1.9	2.4
H JOB VACANCIES	11.9	11.6	12.1	14.1	16.9	14.3	18.3	18.0	16.5	19.1	16.9	18.6	19.2	17.2	15.8	21.1	17.2	15.5	16.7	19.2	16.5	21.7	18.4
For fixed term, in %	72.4	74.4	73.8	73.7	75.6	73.8	76.4	77.9	73.7	71.6	76.3	76.2	76.6	75.5	83.6	75.5	75.0	73.9	72.1	66.1	71.4	76.6	75.4
I WORK PERMITS FOR FOREIGNERS	38.2	35.3	39.7	39.7	41.6	38.9	39.5	42.0	43.3	43.0	40.6	41.4	41.9	42.8	43.5	43.3	43.2	43.0	43.0	43.1	43.7	45.7	47.2
As % of labour force (I/A)	4.2	3.9	4.4	4.4	4.6	4.3	4.4	4.6	4.8	4.7	4.5	4.6	4.6	4.7	4.8	4.8	4.7	4.7	4.7	4.7	4.8	5.0	5.2

Sources of data: SORS, PDII, ESS. Notes: <sup>1</sup>In January 2005, the SORS adopted a 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.

# Wages, Competitiveness, Exchange Rate

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	2001	2002	2002	2003	2004	2004	2005	2005				2006	2005				2006			
								Q I	Q II	Q III	Q IV	Q I	9	10	11	12	1	2	3	4
<b>GROSS WAGE PER EMPLOYEE, in SIT<sup>1</sup></b>	<b>New methodology</b>																			
Total	214,561	235,436	235,436	253,200	267,571	264,403	277,279	267,391	270,945	275,944	294,659	281,562	277,374	279,506	313,965	290,505	281,593	277,403	285,690	279,896
Agriculture, fishing	185,256	200,608	196,197	207,446	217,474	215,981	224,253	215,223	217,556	223,266	240,966	227,817	224,381	225,272	263,472	234,155	227,922	222,596	232,932	224,718
A Agriculture	185,550	201,007	196,758	207,565	217,554	216,252	224,225	215,269	217,738	223,375	241,171	227,475	224,541	225,229	264,305	233,978	227,776	222,116	232,534	224,525
B Fishing	172,752	183,110	183,110	197,567	207,828	205,207	218,670	213,271	209,434	218,378	232,990	241,535	216,878	227,108	230,539	241,323	233,696	242,475	248,433	233,254
Industry, construction	182,498	201,146	200,160	215,547	230,884	229,615	243,067	233,610	236,353	241,806	260,500	248,540	243,545	245,164	284,908	251,428	249,600	241,494	254,527	242,758
C Mining and quarrying	248,031	274,202	274,202	298,122	326,739	324,410	344,670	328,429	340,491	339,288	371,164	347,854	343,936	343,040	429,683	340,770	348,582	345,434	349,545	345,081
D Manufacturing	178,596	197,166	196,220	211,060	226,029	225,806	238,985	231,044	232,293	237,742	255,026	245,762	239,215	241,126	277,158	246,795	247,403	238,025	251,857	239,263
E Elect., gas&water supply	250,000	278,616	277,009	299,812	324,344	322,478	353,836	322,401	329,251	343,676	420,375	347,421	349,465	355,189	543,751	362,186	352,398	335,951	353,915	341,094
F Construction	173,179	189,015	188,911	204,316	218,781	214,536	224,794	214,090	221,927	225,868	236,563	227,539	227,709	227,058	245,273	237,358	225,028	224,250	233,339	225,300
Production services	199,109	216,813	216,457	232,528	247,320	242,355	253,747	245,079	247,339	250,493	272,077	256,947	251,513	256,038	283,231	276,960	255,447	253,401	261,993	257,312
G Distributive trade	189,609	207,203	207,059	222,101	237,002	233,682	244,880	236,359	239,801	242,147	260,919	248,976	243,131	245,925	274,812	262,020	247,515	246,450	252,962	249,304
H Hotels & restaurants	165,159	178,438	178,105	189,230	200,054	196,458	202,895	196,853	198,691	203,743	212,225	205,712	202,979	206,529	218,077	212,069	207,214	203,880	206,041	207,644
I Transport, storage & communications	232,483	252,308	251,625	272,238	290,603	284,881	299,377	288,958	288,468	292,814	326,711	299,517	294,559	303,318	333,740	343,074	296,790	292,584	309,176	299,354
Business services	262,436	287,424	283,209	305,446	322,248	312,967	325,355	310,803	317,632	317,531	355,454	325,652	321,306	320,118	401,887	344,356	324,323	321,702	330,931	330,016
J Financial intermediation	313,370	339,900	339,900	370,832	392,954	388,044	413,896	380,954	407,582	393,531	471,964	402,474	403,903	393,382	589,766	432,744	396,145	397,594	413,684	426,939
K Real estate	233,439	258,709	254,626	273,716	288,965	283,421	292,763	284,126	284,678	289,166	312,335	297,356	290,583	293,101	332,240	311,663	297,527	293,543	300,999	294,896
Public services	262,648	285,571	293,973	312,583	321,405	319,911	330,580	321,851	325,880	333,536	341,066	334,543	333,562	335,906	347,301	339,990	335,371	334,065	334,193	334,641
L Public administration	278,826	299,889	299,889	321,502	322,912	322,928	333,302	325,806	330,083	337,434	339,869	338,015	339,196	338,944	341,618	339,045	338,904	339,765	335,376	335,054
M Education	255,222	288,267	288,038	309,968	326,002	325,463	340,967	329,453	334,639	347,544	352,250	347,883	347,915	348,599	355,151	353,000	346,243	348,008	349,399	348,245
N Health & social work	253,131	267,824	291,318	308,013	312,423	310,990	316,827	310,231	313,273	317,824	325,926	318,848	315,768	320,518	332,207	325,053	322,135	315,908	318,501	321,717
O Other soc.&person.serv.	273,443	293,855	293,764	307,184	325,541	316,566	325,159	316,045	318,560	319,481	346,260	322,738	318,012	326,343	373,778	338,659	324,857	320,575	322,783	323,475
<b>INDICATORS OF OVERALL COMPETITIVENESS, 2001=100</b>																				
<b>Foreign exchange rates</b>																				
Effective exch. rate <sup>2</sup> nominal	100.0	96.4	-	95.9	94.7	-	94.0	94.4	94.1	93.8	93.6	93.6	93.7	93.7	93.6	93.5	93.6	93.5	93.7	94.0
Real	100.0	101.7	-	105.0	105.0	-	104.7	104.7	104.8	104.7	104.5	103.9	104.8	104.9	104.5	104.1	103.7	103.6	104.5	105.2
Real	100.0	101.5	-	102.6	102.8	-	99.4	102.8	102.1	101.1	100.8	100.8	100.8	100.5	100.9	101.1	100.6	100.8	101.1	100.9
SIT/US\$	242.7	240.2	-	207.1	192.4	-	192.7	182.7	190.2	196.4	201.5	199.3	195.3	199.3	203.2	202.2	197.9	200.4	199.5	195.9
SIT/EUR	217.2	226.2	-	233.7	238.9	-	239.6	239.7	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6
<b>Unit labour costs<sup>3</sup></b>																				
Nominal	100.0	105.9	-	109.8	111.4	111.7	111.6	114.4	109.8	110.8	112.9	109.3	100.6	103.4	119.2	116.1	111.6	112.4	104.0	-
Real <sup>4</sup>	100.0	100.7	-	101.8	99.0	99.4	96.7	99.4	95.2	96.1	97.3	93.5	86.9	89.3	102.8	99.7	95.9	96.1	88.4	-
In currency basket <sup>5</sup>	100.0	102.0	-	105.3	105.3	105.7	104.8	107.8	103.2	103.9	105.7	102.3	94.2	96.9	111.6	108.6	104.4	105.0	97.4	-
<i>Sources of data:</i> SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD. <i>Notes:</i> The September 2005 data on the monthly gross wage per employee were calculated according to the new methodology for 2004 and beyond.																				
<sup>1</sup> data on wages based on SCA, basic data on wages - SORS, since January 2002, SORS' figures used, which ignore the changes in subgroup 85.322 - organisations for handicapped persons. Figures in the second column for 2002 and onwards include corrections made by the SORS to the subgroup 85.322. <sup>2</sup> Change of methodology: the calculation of the tolar'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 the tolar and vice versa. <sup>3</sup> for manufacturing in enterprises and organisations. <sup>4</sup> based on producer prices in SIT. <sup>5</sup> only domestic factors.																				

# Public Finance

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Current prices in SIT million	2001	2002	2003	2004	2005	2005				2006	2005					2006		
						QI	QII	QIII	QIV	QI	8	9	10	11	12	1	2	3
CONSOLIDATED GENERAL GOVERNMENT REVENUES, EXPENDITURES AND FINANCING; GFS - IMF METHODOLOGY																		
<b>CONSOLIDATED GENERAL GOVERNMENT REVENUES</b>																		
TOTAL GENERAL GOVERNMENT REVENUES	2,048,224	2,176,399	2,477,425	2,683,055	2,869,949	657,129	693,963	718,353	800,505	684,516	258,771	237,827	228,085	273,457	298,963	240,624	218,132	225,761
Current revenues	2,017,807	2,136,049	2,440,298	2,609,053	2,759,987	636,453	680,054	686,862	756,618	665,732	240,569	231,216	221,267	260,709	274,642	233,411	212,016	220,304
Tax revenues	1,878,783	2,002,134	2,291,071	2,446,899	2,608,230	609,274	646,633	641,479	710,844	637,904	230,114	206,754	204,825	247,057	258,962	224,142	203,674	210,087
Taxes on income and profit	357,877	395,045	460,520	506,878	537,260	118,919	155,316	119,541	143,484	130,290	43,770	40,333	43,868	44,774	54,843	43,455	42,415	44,420
Social security contributions	701,347	774,355	839,216	899,400	955,611	228,022	233,486	237,070	257,033	242,274	77,764	80,528	79,807	81,703	95,523	81,038	80,204	81,032
Taxes on payroll and workforce	83,369	93,897	107,424	117,676	126,097	29,098	30,198	30,812	35,989	26,465	10,040	10,493	10,379	10,844	14,766	9,066	8,713	8,686
Taxes on property	32,965	34,428	34,419	39,513	40,834	5,493	10,570	12,456	12,314	6,440	5,752	3,310	2,805	5,893	3,616	1,683	2,459	2,298
Domestic taxes on goods and services	673,380	672,703	814,577	856,610	938,118	229,437	214,583	239,187	254,911	229,658	92,186	71,241	62,931	102,901	89,079	88,232	69,108	72,318
Taxes on internat. trade & transactions	29,607	31,341	34,653	19,339	9,360	2,133	2,381	2,175	2,672	2,638	703	804	804	879	989	665	699	1,274
Other taxes	238	365	261	7,484	950	-3,829	99	238	4,441	138	-103	45	4,232	63	146	4	77	58
Non-tax revenues	139,024	133,915	149,227	162,154	151,756	27,180	33,420	45,383	45,774	27,828	10,455	24,462	16,442	13,652	15,680	9,269	8,342	10,217
Capital revenues	10,199	15,165	15,857	20,751	27,181	4,597	4,028	6,681	11,874	7,031	1,699	2,275	2,969	2,125	6,780	3,513	1,849	1,669
Voluntary donations	10,788	14,223	13,384	1,877	2,173	222	474	631	846	179	233	167	191	243	412	136	23	20
Grants	9,431	10,962	7,887	7,536	8,140	130	402	296	7,312	83	109	110	241	6,721	351	40	9	33
Receipts from the EU budget	-	-	-	43,838	72,469	15,726	9,004	23,884	23,855	11,492	16,162	4,059	3,417	3,659	16,778	3,524	4,233	3,735
<b>CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE</b>																		
TOTAL EXPENDITURE	2,111,417	2,332,422	2,555,894	2,768,427	2,941,756	692,026	743,751	681,190	824,788	715,868	238,984	223,026	230,469	260,454	333,865	224,443	252,271	239,155
Current expenditure	1,004,446	1,118,539	1,225,523	1,234,113	1,283,018	310,643	334,838	295,176	342,362	337,194	99,625	97,075	104,506	109,941	127,915	104,062	116,601	116,530
Wages, salaries and other personnel expenditure in government agencies and local communities	536,849	607,464	662,776	700,349	727,075	173,907	189,379	180,665	183,123	179,419	61,847	59,699	59,604	61,308	62,210	60,500	59,389	59,531
Purchases of goods and services in state bodies and local communities	385,770	417,688	451,440	429,861	453,690	99,739	111,371	105,362	137,218	111,643	35,754	34,197	35,418	41,381	60,420	37,137	36,450	38,056
Interest payments	72,809	83,528	92,661	91,933	89,180	34,698	31,744	5,629	17,109	43,396	868	2,075	8,275	5,891	2,942	5,512	20,015	17,869
Reserves	9,018	9,858	18,646	11,969	13,074	2,299	2,343	3,519	4,912	2,736	1,156	1,105	1,209	1,360	2,343	913	748	1,075
Current transfers	908,026	1,006,977	1,097,369	1,249,909	1,341,641	315,995	349,625	321,761	354,261	317,304	115,972	103,035	104,364	113,062	136,835	102,604	108,409	106,291
Subsidies	63,161	60,435	69,470	77,571	91,362	24,520	21,180	9,228	36,434	8,908	3,560	2,503	3,284	6,003	27,147	1,680	4,428	2,800
Current transfers to individuals and households	821,358	910,391	986,100	1,053,417	1,109,197	265,338	295,887	273,111	274,860	279,310	95,477	88,261	89,234	93,448	92,178	91,077	94,196	94,036
Current transfers to non-profit institut., other current domestic transfers	18,085	31,075	36,722	113,675	134,930	25,757	30,780	36,981	41,412	28,405	16,221	11,234	11,521	12,981	16,909	9,651	9,718	9,036
Current transfers	5,421	5,076	5,077	5,247	6,154	380	1,777	2,441	1,555	681	713	1,036	325	630	600	196	66	419
Capital expenditure	127,996	128,733	142,131	151,305	156,784	26,720	26,340	32,182	71,542	29,696	11,468	11,991	12,169	16,548	42,825	10,145	11,145	8,405
Capital transfers	70,949	78,174	90,871	92,464	91,874	14,851	19,614	16,704	40,706	9,156	7,097	5,202	5,503	15,158	20,045	3,736	2,020	3,399
Payments to the EU budget	-	-	-	40,637	68,438	23,818	13,335	15,368	15,918	22,520	4,823	5,723	3,927	5,745	6,246	3,895	14,095	4,530
<b>SURPLUS / DEFICIT</b>	<b>-63,193</b>	<b>-156,023</b>	<b>-78,469</b>	<b>-85,372</b>	<b>-71,807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.



<b>Main Indicators</b>	Slovenian Economic Mirror	IMAD
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Real growth rates, in %	2000	2001	2002	2003	2004	2005	2006	2007
								Spring Forecast
GDP	4.1	2.7	3.5	2.7	4.2	3.9	4.2	4.0
GDP per capita, in EUR	10,543	11,094	11,866	12,461	13,103	13,677	14,500	15,440
GDP per capita, PPS <sup>1</sup>	14,600	15,400	16,000	16,500	17,900	18,700	-	-
Standardised rate of unemployment (ILO)	7.0	6.4	6.4	6.7	6.3	6.5	6.6	6.7
Labour productivity (GDP per employee)	3.3	2.2	3.8	2.9	3.7	3.1	3.4	3.3
Inflation <sup>2</sup> , annual average	8.9	8.4	7.5	5.6	3.6	2.5	2.1	2.1
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>								
Exports of goods and services <sup>3</sup>	13.2	6.3	6.7	3.1	12.5	9.2	8.2	7.9
Exports of goods	13.2	7.0	6.4	4.4	12.8	8.7	8.5	8.2
Exports of services	13.4	3.2	8.0	-2.5	10.9	11.6	6.8	6.7
Imports of goods and services <sup>3</sup>	7.3	3.0	4.8	6.7	13.2	5.3	7.6	7.4
Imports of goods	7.4	3.2	4.4	7.3	14.5	5.1	7.6	7.4
Imports of services	6.8	1.8	7.5	3.0	5.6	6.8	7.0	7.1
Current account balance, In EUR million	-583	38	344	-81	-544	-301	-480	-390
Average exchange rate, SIT/EUR	205.0	217.2	226.2	233.7	238.9	239.6	239.6	239.6
Foreign exchange reserves, In EUR million	4,705	6,514	7,842	7,703	7,484	8,833	8,562 <sup>4</sup>	-
Gross external debt, In EUR million	9,490	10,403	11,484	13,259	15,271	19,566	20,564 <sup>4</sup>	-
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS (share in GDP in %)</b>								
Private consumption	57.4	56.6	55.5	55.8	55.4	55.4	55.0	54.3
Government consumption	19.3	20.0	19.7	19.6	19.5	19.6	19.6	19.4
Gross fixed capital formation	25.6	24.1	22.6	23.3	24.1	24.8	25.5	25.8
<b>CONSOLIDATED GENERAL GOVERNMENT REVENUE AND EXPENDITURE BY THE GFS – IMF METHODOLOGY (as a % of GDP)</b>								
General government revenue	41.7	42.7	40.6	42.6	42.9	43.8 <sup>5</sup>	-	-
General government expenditure	43.0	44.0	43.5	44.0	44.3	44.9 <sup>5</sup>	-	-
Surplus (deficit)	-1.3	-1.3	-2.9	-1.4	-1.4	-1.1 <sup>5</sup>	-	-
Sources of data: SORS, BS, MF, calculations, estimate and forecasts by the IMAD – Spring forecast 2006.								
Notes: <sup>1</sup> Eurostat – New Cronos, June 2006; <sup>2</sup> the consumer price index; <sup>3</sup> balance of payments statistics (exports F.O.B., imports F.O.B.), changes in exchange rates and prices in foreign markets eliminated by calculating real rates;								
<sup>4</sup> end April 2006, <sup>5</sup> preliminary data of Ministry of finance.								

**International Comparisons / I**

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	Real GDP growth				GDP per capita in PPS <sup>1</sup> EU25=100				Inflation <sup>2</sup> (annual average)			
	2002	2003	2004	2005	2001	2002	2003	2004	2002	2003	2004	2005
<b>Slovenia</b>	3.5	2.7	4.2	3.9	74.5	75.9	79.0	80.0	7.5	5.7	3.7	2.5
EU25	1.2	1.2	2.4	1.6	100	100	100	100	2.1	1.9	2.1	2.2
Euro Area	0.9	0.8	2.1	1.3	107.7	107.3	106.7	106.6	2.2	2.1	2.1	2.2
Belgium	1.5	0.9	2.6	1.2	117.5	118.0	118.2	117.7	1.6	1.5	1.9	2.5
Czech Republic	1.5	3.2	4.7	6.0	66.3	67.8	70.2	73.0	1.4	-0.1	2.6	1.6
Denmark	0.5	0.7	1.9	3.1	121.4	120.9	121.6	124.2	2.4	2.0	0.9	1.7
Germany	0.1	-0.2	1.6	1.0	108.6	108.3	108.5	109.8	1.4	1.0	1.8	1.9
Estonia	7.2	6.7	7.8	9.8	45.0	48.2	51.2	57.4	3.6	1.4	3.0	4.1
Greece	3.8	4.8	4.7	3.7	77.2	81.0	81.9	82.2	3.9	3.4	3.0	3.5
Spain	2.7	3.0	3.1	3.4	95.2	97.3	97.5	98.7	3.6	3.1	3.1	3.4
France	1.0	1.1	2.3	1.2	112.0	111.7	109.6	109.0	1.9	2.2	2.3	1.9
Ireland	6.1	4.4	4.5	4.7	132.9	134.0	136.9	137.1	4.7	4.0	2.3	2.2
Italy	0.3	0.0	1.1	0.0	110.1	107.7	105.6	102.8	2.6	2.8	2.3	2.2
Cyprus	2.1	1.9	3.9	3.8	82.0	79.8	82.7	83.1	2.8	4.0	1.9	2.0
Latvia	6.5	7.2	8.5	10.2	38.7	40.8	42.8	47.1	2.0	2.9	6.2	6.9
Lithuania	6.8	10.5	7.0	7.5	41.9	45.2	47.8	52.1	0.3	-1.1	1.2	2.7
Luxembourg	3.6	2.0	4.2	4.0	220.3	233.6	238.3	247.8	2.1	2.5	3.2	3.8
Hungary	3.8	3.4	5.2	4.1	58.1	59.2	60.1	60.9	5.2	4.7	6.8	3.5
Malta	1.7	-2.6	-0.5	2.4	75.2	73.2	69.8	69.3	2.6	1.9	2.7	2.5
Netherlands	0.1	-0.1	1.7	1.1	125.3	124.6	124.3	123.5	3.9	2.2	1.4	1.5
Austria	1.0	1.4	2.4	1.8	119.9	120.7	122.5	123.2	1.7	1.3	2.0	2.1
Poland	1.4	3.8	5.3	3.2	46.3	46.9	48.8	49.9	1.9	0.7	3.6	2.2
Portugal	0.8	-1.1	1.2	0.4	79.6	72.9	72.4	71.4	3.7	3.3	2.5	2.1
Slovakia	4.1	4.2	5.4	6.1	51.0	51.9	53.0	55.1	3.5	8.4	7.5	2.8
Finland	2.2	2.4	3.6	2.1	112.2	111.1	112.2	112.1	2.0	1.3	0.1	0.8
Sweden	2.0	1.7	3.7	2.7	113.7	115.7	117.3	114.7	1.9	2.3	1.0	0.8
United Kingdom	2.0	2.5	3.1	1.8	116.0	116.1	116.1	115.3	1.3	1.4	1.3	2.1
USA	1.6	2.7	4.2	3.5	145.4	147.7	150.4	149.5	1.6	2.3	2.7	3.4

Sources of data: SORS; Eurostat, New Cronos. Notes: <sup>1</sup>PPS – Purchasing Power Standard. Data for 2005 were published by Eurostat on 15 June 2006. <sup>2</sup>Harmonised Index of Consumer Prices for EU countries and Consumer Price Index for the USA. N/A - not available

## International Comparisons / II

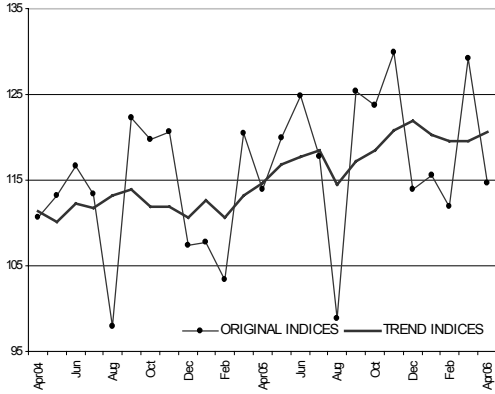
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	Survey Unemployment Rate				Current account balance <sup>1</sup> , % GDP				General Government Balance <sup>2</sup> , % GDP				General Government Gross Debt <sup>2</sup> , % GDP			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
Slovenia	6.3	6.7	6.3	6.5	1.5	-0.3	-2.0	-1.1	-2.7	-2.8	-2.3	-1.8	29.7	29.1	29.5	29.1
EU25	8.8	9.0	9.1	8.7	0.0	-0.1	-0.2	-0.8	-2.3	-3.0	-2.6	-2.3	60.5	62.0	62.4	63.4
Euro Area	8.3	8.7	8.9	8.6	0.8	0.5	0.6	-0.4	-2.5	-3.0	-2.8	-2.4	68.1	69.3	69.8	70.8
Belgium	7.5	8.2	8.4	8.4	5.0	4.5	3.5	2.2	0.0	0.1	0.0	0.1	103.2	98.5	94.7	93.3
Czech Republik	7.3	7.8	8.3	7.9	-5.6	-6.3	-6.0	-2.3	-6.8	-6.6	-2.9	-2.6	28.8	30.0	30.6	30.5
Denmark	4.6	5.4	5.5	4.8	2.5	3.2	2.3	2.9	1.2	1.0	2.7	4.9	46.8	44.4	42.6	35.8
Germany	8.2	9.0	9.5	9.5	2.2	2.1	3.7	3.9	-3.7	-4.0	-3.7	-3.3	60.3	63.8	65.5	67.7
Estonia	10.3	10.0	9.7	7.9	-10.2	-11.9	-12.7	-10.6	1.0	2.4	1.5	1.6	5.5	6.0	5.4	4.8
Greece	10.3	9.7	10.5	9.8	-9.7	-10.0	-9.5	-9.2	-4.9	-5.8	-6.9	-4.5	110.7	107.8	108.5	107.5
Spain	11.1	11.1	10.7	9.2	-3.7	-4.1	-5.8	-7.4	-0.3	0.0	-0.1	1.1	52.5	48.9	46.4	43.2
France	8.9	9.5	9.6	9.5	0.8	0.2	-0.7	-1.2	-3.2	-4.2	-3.7	-2.9	58.2	62.4	64.4	66.8
Ireland	4.5	4.7	4.5	4.3	-1.0	0.0	-0.8	-1.9	-0.4	0.2	1.5	1.0	32.1	31.1	29.4	27.6
Italy	8.6	8.4	8.0	7.7	-0.3	-0.9	-0.5	-1.1	-2.9	-3.4	-3.4	-4.1	105.5	104.2	103.8	106.4
Cyprus	3.6	4.1	4.7	5.3	-3.8	-0.9	-5.3	-5.7	-4.5	-6.3	-4.1	-2.4	65.2	69.7	71.7	70.3
Latvia	12.2	10.5	10.4	8.9	-6.6	-8.1	-12.9	-12.4	-2.3	-1.2	-0.9	0.2	13.5	14.4	14.6	11.9
Lithuania	13.5	12.4	11.4	8.3	-5.1	-6.8	-7.9	-7.0	-1.4	-1.2	-1.5	-0.5	22.3	21.2	19.5	18.7
Luxembourg	2.8	3.7	5.1	4.5	11.0	6.4	10.5	8.4	2.0	0.2	-1.1	-1.9	6.5	6.3	6.6	6.2
Hungary	5.8	5.9	6.1	7.2	-7.0	-8.6	-8.4	-7.4	-8.4	-6.4	-5.4	-6.1	55.0	56.7	57.1	58.4
Malta	7.5	7.6	7.3	7.3	0.3	-5.8	-9.6	-12.9	-5.6	-10.2	-5.1	-3.3	61.2	71.3	76.2	74.7
Netherlands	2.8	3.7	4.6	4.7	6.1	5.9	6.2	7.1	-2.0	-3.1	-1.9	-0.3	50.5	51.9	52.6	52.9
Austria	4.2	4.3	4.8	5.2	2.6	1.5	2.7	2.9	-0.5	-1.5	-1.1	-1.5	66.0	64.4	63.6	62.9
Poland	19.9	19.6	19.0	17.7	-2.5	-2.1	-4.2	-1.5	-3.2	-4.7	-3.9	-2.5	39.8	43.9	41.9	42.5
Portugal	5.0	6.3	6.7	7.6	-8.2	-6.5	-7.8	-9.5	-2.9	-2.9	-3.2	-6.0	55.5	57.0	58.7	63.9
Slovakia	18.7	17.6	18.2	16.3	-7.3	-0.5	-3.4	-8.5	-7.7	-3.7	-3.0	-2.9	43.3	42.7	41.6	34.5
Finland	9.1	9.0	8.8	8.4	7.3	3.8	4.1	2.4	4.1	2.5	2.3	2.6	41.3	44.3	44.3	41.1
Sweden	4.9	5.6	6.3	7.8	5.3	6.6	6.6	5.9	-0.2	0.1	1.8	2.9	52.0	51.8	50.5	50.3
United Kingdom	5.1	4.9	4.7	4.7	-1.6	-1.4	-2.0	-2.6	-1.6	-3.3	-3.3	-3.6	37.6	39.0	40.8	42.8
USA	5.8	6.0	5.5	5.1	-4.4	-4.6	-5.6	-6.3	-3.8	-4.6	-4.4	N/A	60.2	62.5	63.4	N/A

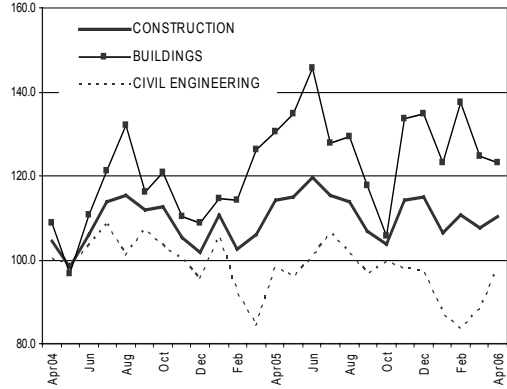
Sources of data: SORS; Eurostat. Notes: <sup>1</sup>EU25 and euro area aggregates are adjusted for reporting errors concerning intra-EU trade; <sup>2</sup> data from Eurostat news release on 24 April 2006.

# Graphs

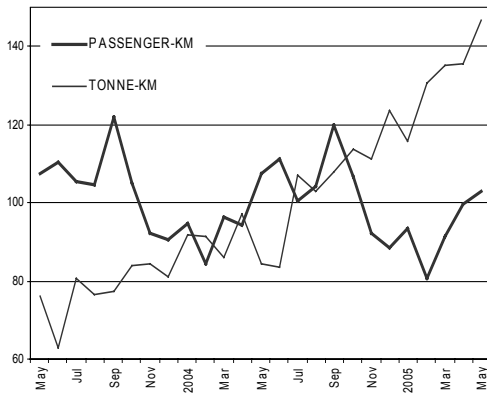
INDUSTRY indices: average 2000=100  
trend indices by the TRAMO-SEATS method



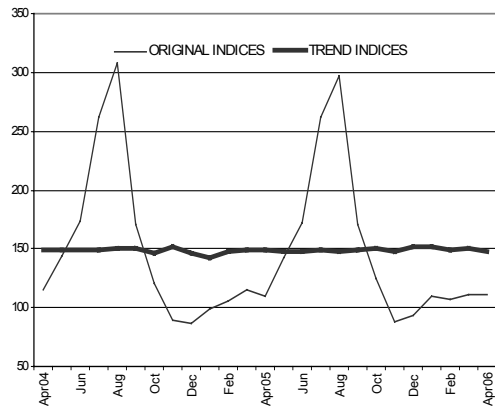
REAL INDICES OF CONSTRUCTION PUT IN PLACE  
indices: average 2000=100;  
trend indices by the TRAMO-SEATS method



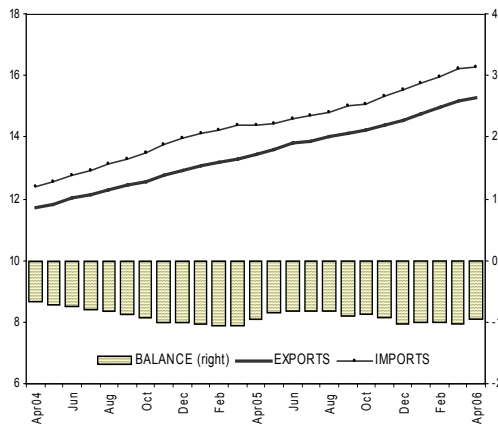
TRANSPORT OF PASSENGER AND GOODS  
indices: average 2004=100



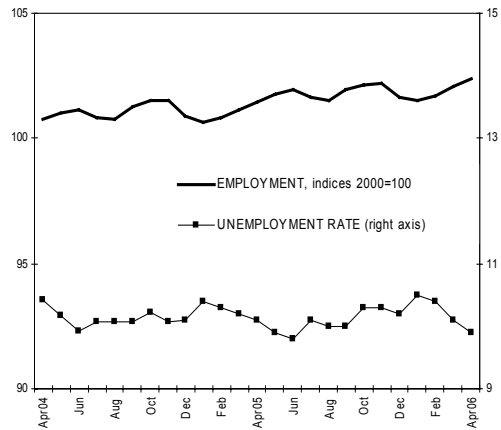
OVERNIGHT STAYS TOTAL indices: average 1992=100;  
trend indices by the TRAMO-SEATS method



GOODS TRADE FOB, EXCL. INTERCURRENCY CHANGES  
12-month cummulatives in EUR, bn

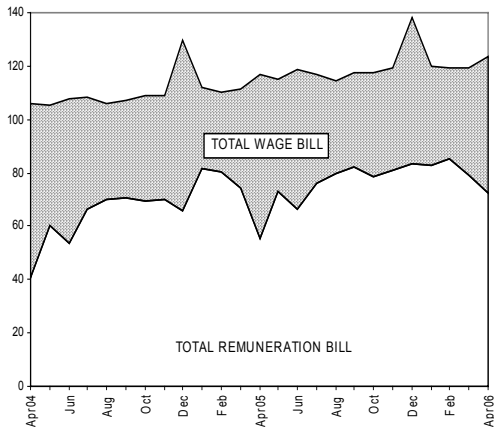


EMPLOYMENT AND UNEMPLOYMENT

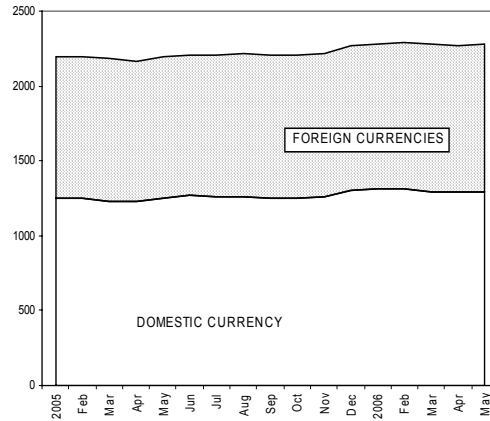


# Graphs

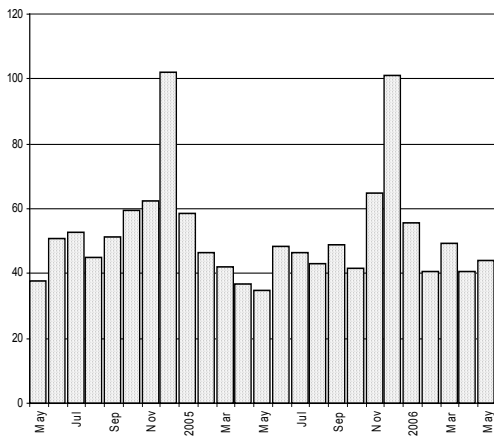
NET WAGES AND OTHER REMUNERATION, in SIT bn



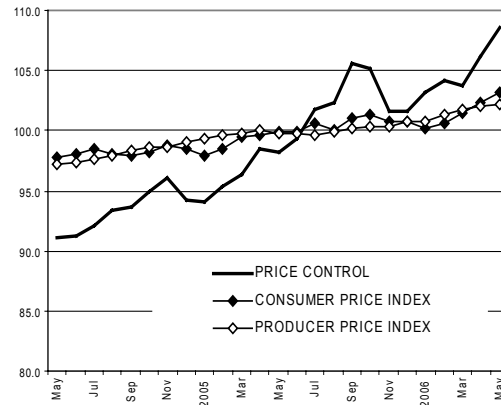
HOUSEHOLDS' DEPOSITS in SITbn in constant 2001 prices



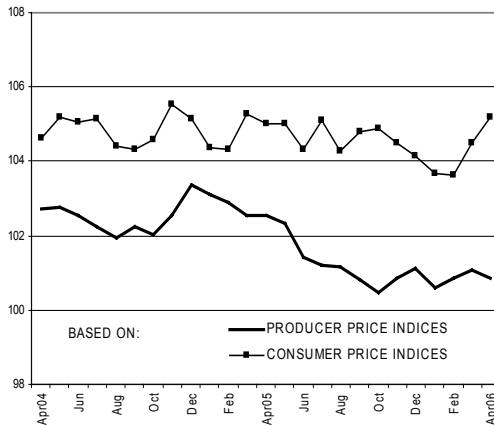
PAYMENTS FOR INVESTMENT in SITbn, constant 2000 prices



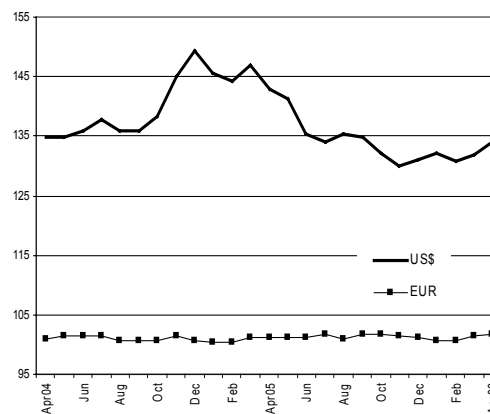
GROWTH IN SELECTED PRICE INDICATORS INDICES:2005=100



EFFECTIVE EXCHANGE RATE OF THE TOLAR IN REAL TERMS INDICES: AVERAGE 2001=100



EXCHANGE RATE OF SELECTED CURRENCIES TO THE TOLAR IN REAL TERMS, INDICES: AVERAGE 2001 = 100



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**Acronyms** in the text have the following meanings: **AIS**-Agricultural Institute of Slovenia, **AJPES**-Agency for Public Legal Records and Related Services, **AP**-Agency of the Republic of Slovenia for Payments, **APr**-Agency of the Republic of Slovenia for Privatisation, **BS**-Bank of Slovenia, bn – billion, **CCIS**-Chamber of Commerce and Industry of Slovenia, **CSCC**-Central Securities Clearing Corporation, **DAIA**-Directorate of Administrative Interior Affairs, **EIMV**-Electro Institute Milan Vidmar, **ELES**-Electro Slovenia, **ESS**-Employment Service of Slovenia, **GEM**-Global Entrepreneurship Monitor, **HICP**-Harmonised Index of Consumer Prices, **HI**-Health Insurance Institute, **ICT**-information and communications technologies, **IER**-Institute for Economic Research, **IMAD**-Institute of Macroeconomic Analysis and Development, **IPI**-Industrial Price Index, **LSE**-Ljubljana Stock Exchange, **m** – million, **MAFF**-Ministry of Agriculture, Forestry and Food, **MEA**-Ministry of Economic Affairs, **MES**-Ministry of Education and Sport, **MF**-Ministry of Finance, **MIA**-Ministry of Internal Affairs, **MLFSA**-Ministry of Labour, Family and Social Affairs, **MMTS**-Market Maker Trading Segment, **MST**-Ministry of Science and Technology, **N/A** or (-) – not available, **N/R** – not reasonable, **NFC** - National Financial Corporation, **OG**-Uradni list Republike Slovenije (Official Gazette of the Republic of Slovenia), **PDII**-Pension and Disability Insurance Institute, **p.p.** -percentage points, **PPA**-Public Payments Administration of the Republic of Slovenia, **PPP** – purchasing power parity, **PPS** – purchasing parity standards, **SDC**-Slovene Development Corporation, **SEC**-Slovene Exports Corporation, **SIA**-Slovenian Insurance Association, **SITC**-Standard International Trade Classification, **SORS**-Statistical Office of the Republic of Slovenia.

**Acronyms of Standard Classification of Activities (SCA):** **A**-Agriculture, hunting, forestry, **B**-Fishing, **C**-Mining and quarrying, **D**-manufacturing, **DA**-food beverages and tobacco, **DB**-textiles and textile products, **DC**-leather and leather products, **DD**-wood and wood products, **DE**-paper, publishing, printing, **DF**-coke, petroleum products and nuclear fuel, **DG**-chemicals, **DH**-rubber and plastic products, **DI**-non-metal mineral products, **DJ**-metals and metal products, **DK**-machinery and equipment, **DL**-electrical and optical equipment, **DM**-transport equipment, **DN**-furniture and NEC, **E**-Electricity, gas and water supply, **F**-Construction, **G**-Wholesale, retail, trade, repair, **H**-Hotels and restaurants, **I**-Transport, storage, communications, **J**-Financial intermediation, **K**-Real estate, renting and business activities, **L**-Public administ.& defence; comp.soc.sec., **M**-Education, **N**-Health and social work, **O**-Other social and personal services.

**Acronyms of Countries:** **AT**-Austria, **BE**-Belgium, **BG**-Bulgaria, **BY**-Belarus, **CH**-Switzerland, **CZ**-Czech Republic, **CY**-Cyprus, **DE**-Germany, **DK**-Denmark, **ES**-Spain, **EE**-Estonia, **EL**-Greece, **FR**-France, **FI**-Finland, **HU**-Hungary, **I**-Italy, **IE**-Ireland, **JP**-Japan, **LU**-Luxembourg, **LV**-Latvia, **LT**-Lithuania, **MT**-Malta, **NL**-Netherlands, **NO**-Norway, **PT**-Portugal, **RO**-Romania, **RU**-Russia, **SE**-Sweden, **UA**-Ukraine, **UK**-United Kingdom, **US**-United States of America, **PL**-Poland, **SI**-Slovenia, **SK**-Slovakia.

The IMAD's Other Publications		Slovenian Economic Mirror	IMAD	
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Analysis, Research and Development	Slovenia's Development Strategy (SDS 2006-2013), 2005			
	Spring Report 2005			
	Autumn Report 2005			
	Human Development Report Slovenia 2002-2003			
	Development Report 2006			
Slovenia – On the Way to the Information Society				
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