

# spring forecast of economic trends 2013



**Spring Forecast of Economic Trends 2013 (Pomladanska napoved gospodarskih gibanj 2013)**

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## Summary

**After two years of modest growth, last year economic activity in Slovenia declined by 2.3%.** As exports stagnated, last year's drop in gross domestic product was the result of a pronounced decline in domestic consumption. The recovery in exports came to a halt largely due to the deterioration of the economic situation in the euro area. Given the tensions on the labour market, a real decline in average gross wages and social transfers, and the fall in consumer confidence, private consumption shrank for the first time in twenty years. Moreover, the drop in government consumption deepened as a result of measures aimed at the streamlining of the public sector. Investment activity recorded a similar decline to that in 2011. Amid the contraction in all domestic consumption components, imports also declined substantially.

***In addition to the anticipated further deterioration of the economic situation in the international environment, the key assumptions used as the basis for the Spring Forecast are the continuing difficulties in accessing funding for the government and the banks, and the continuation of fiscal consolidation.*** International institutions expect to see a gradual recovery of the economy in Slovenia's main trading partners only in the second half of this year. Economic developments in the domestic environment will continue to be influenced by fiscal consolidation. Its success is, alongside the effective implementation of measures aimed at stabilising the domestic banking system, a prerequisite for improving the perception of Slovenia on international financial markets and, in turn, easing access to funding.

***Economic activity is set to shrink further this year (by -1.9%).*** Amid the continuation of unfavourable developments in the euro area and more moderate growth in exports to non-EU markets, total exports are expected to recover only modestly (by 1.2%). After declining substantially for four years, investment will drop less this year (by -0.5%), largely due to government infrastructure investment, which is related to the anticipated faster drawing on EU funds and the construction of a major energy facility. In contrast, in view of the large stock of unsold housing, residential construction is not yet expected to recover, while the prospects for investment in machinery and equipment remain poor due to the adverse financial conditions and the need for deleveraging. This year's decline in economic activity will thus mainly reflect the substantial contraction in final consumption. The drop in private consumption (-4.0%) will track the fall in disposable income caused by a renewed decline in compensation of employees and social transfers. Further austerity measures in the general government sector will also deepen this year's fall in government consumption (-2.9%).

***Next year the economy could start to recover gradually, even though uncertainty in Slovenia and in the international environment remains high.*** If the expectations regarding the gradual recovery in the international environment materialise, export growth will begin to pick up next year. Assuming that government investment remains at the 2013 level and that the conditions for corporate investment improve, we expect modest growth in investment activity. Because of a delay in labour market adjustment and the continuation of restrictive wage policy, private consumption and government consumption will drop again in 2014, albeit less than this year.

***The situation on the labour market will continue to deteriorate this year, and as a result of its delay in adjusting to economic activity, it is also not yet expected to improve in 2014.*** This year employment will decline more than in 2012, as it is projected to fall in all private sector activities due to a further contraction of economic activity. In view of fiscal restrictions and, in turn, the foreseen reduction in the wage bill, employment is also expected to decline in the general government sector, where it had already started to shrink in the latter half of 2012. After the surge in unemployment in recent months, no major deterioration is expected for the rest of the year; unemployment will average 124,000 over the year. In light of these developments in employment and unemployment, the registered and survey unemployment rates will also increase this year (to 13.4% and 10.0%, respectively). In 2014 employment will drop slightly again, while the average number of unemployed will remain at roughly the same level as this year.

***This year and next year we expect only a modest nominal increase in the average gross wage in private sector activities, while the average gross wage in public service activities will continue to decline due to fiscal restrictions.*** In view of the further contraction of economic activity, the efforts to maintain competitiveness and high unemployment, only modest growth in the average gross wage in private sector activities, similar to that recorded last year, is forecast this year. The gross wage in public service activities will be lower in nominal terms in the year as a whole, as a result of last year's decline in June. Amid the anticipated gradual recovery in

economic activity, nominal growth in the average gross wage in the private sector will strengthen gradually over the next two years, in contrast to that of public service activities, which will remain limited due to the adverse fiscal situation.

***With the contraction in economic activity, inflation is projected to be lower than last year, and if there are no price shocks from the international environment, price developments will remain moderate in the next two years.*** Core inflation will continue to ease this year amid the expected further decline in economic activity and the deterioration on the labour market. This year price rises will again be impacted by some one-off factors (such as an increase in the charge for renewable energy and higher prices of public utilities). In the absence of major international price shocks and additional changes to taxation, price growth will hover around 2% in the next two years.

***The downside risks to economic activity in 2013 and in the following years remain high.*** The risks of a larger-than-forecast drop in economic activity this year are again associated with the international situation, with regard to both the recovery of economic activity in Slovenia's main trading partners and the situation on the financial markets. The easing of the decline mainly hinges on the successful implementation of the measures taken to stabilise the banking system and other measures intended to revive lending activity, help disburden the economy and kick-start a new investment cycle. Fiscal consolidation also remains key, as any major divergences from the set goals would make access to international funding even more difficult, not only for the government but also for the banking and corporate sectors

## Spring forecast of Slovenia's main macroeconomic aggregates

	2012	2013	2014	2015
		Spring forecast (Mar 13)		
<b>ECONOMIC ACTIVITY</b>				
GDP, real growth, in %	-2.3	-1.9	0.2	1.2
GDP in EUR m, current prices	35,466	35,255	35,735	36,810
Employment according to the SNA, growth in %	-1.3	-1.6	-0.8	0.0
Number of registered unemployed, annual average, in '000	110.2	123.5	124.1	120.0
Registered unemployment rate, in %	12.0	13.4	13.6	13.2
ILO unemployment rate, in %	8.9	10.0	10.0	9.4
Gross wage per employee, real growth, in %	-2.4	-1.8	-0.6	0.3
- private sector	-1.7	-1.3	-0.2	0.3
- public sector	-4.7	-3.1	-1.6	0.0
Labour productivity (GDP per employee), real growth in %	-1.1	-0.2	1.0	1.2
<b>INTERNATIONAL TRADE</b>				
Exports of goods and services, real growth, in %	0.3	1.2	3.3	4.9
Exports of goods	-0.1	0.9	3.4	5.2
Exports of services	2.1	2.4	3.0	3.6
Imports of goods and services, real growth, in %	-4.3	-0.7	2.4	4.4
Imports of goods	-4.6	-0.8	2.4	4.5
Imports of services	-2.4	-0.4	2.5	4.2
<b>CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS</b>				
Current account balance, in EUR m	874	1,545	1,375	1,423
- as a % of GDP	2.5	4.4	3.8	3.9
External balance of goods and services, in EUR m	1,403	1,952	2,151	2,401
- as a % of GDP	4.0	5.5	6.0	6.5
<b>DOMESTIC DEMAND</b>				
Domestic consumption, real growth, in %	-5.7	-3.4	-0.6	0.6
of which:				
Private consumption	-2.9	-4.0	-1.3	0.5
Government consumption	-1.6	-2.9	-0.6	-0.1
Gross fixed capital formation	-9.3	-0.5	0.8	1.5
<i>Change in inventories, contribution to GDP growth, in p.p.</i>	-1.9	-0.2	0.2	0.1
<b>EXCHANGE RATES AND PRICES</b>				
USD/EUR exchange rate	1.286	1.335	1.336	1.336
Real effective exchange rate – CPI deflator	-1.1	1.0	-0.5	-0.1
Inflation (Dec/Dec)	2.7	1.9	1.7	2.1
Inflation (annual average)	2.6	2.1	1.6	1.9
Oil price (Brent crude, USD/barrel)	111.7	113.7	106.4	106.4

Source: Year 2012 SORS, BS, ECB, EIA; years 2013-2015 IMAD forecasts.

The Spring Forecast is based on the guidelines from the Stability Programme (April 2012 update) and statistical data, information and adopted measures known at the cut-off date of 8 March 2013.





# **spring forecast of economic trends 2013**



## Assumptions of the Spring Forecast

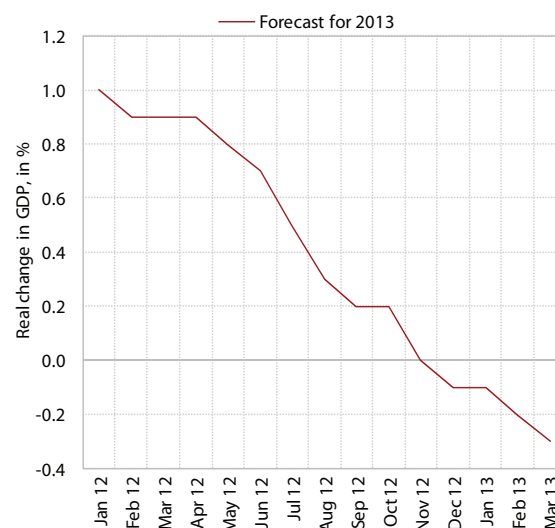
### International environment

#### **Economic activity in the euro area will decline further in 2013.**

After two years of recovery, GDP in the euro area declined by 0.6% in 2012. The largest decline was recorded in the final quarter, despite the stabilisation of the financial markets in the second half of the year. The latter was a consequence of ECB measures and measures to improve the institutional framework at the EU level.<sup>1</sup> Uncertainty on the financial markets increased again in the early part of this year due to the instability in Italy and Cyprus. However, a further strengthening of global trade flows in particular should facilitate the recovery of the euro area economy in the second half of this year. According to the European Commission's winter forecast, GDP will decline again (-0.3%) in 2013, partly as a result of the relatively large negative carry-over effect from last year.<sup>2</sup> At euro area level exports will remain the main engine of economic growth, primarily as a result of further growth in demand from outside the euro area, although growth will ease slightly due to the strengthening of the euro. Amid further private sector deleveraging and fiscal consolidation, domestic consumption will remain subdued. Private consumption will continue to decline this year, owing to a further contraction in disposable income as a result of the deterioration in the situation on the labour market. As a result of low capacity utilisation,

low levels of confidence and limited financial resources, corporate investment will only start to pick up gradually towards the end of the year. The European Commission is forecasting a gradual strengthening of the economic recovery in 2014, with domestic consumption becoming the main driver of economic growth instead of exports. The forecasts for commodity prices relied on technical

Figure 1: Revision of the forecast for 2013 GDP growth in the euro area



Source: Consensus.

Table 1: Assumptions about economic activity in Slovenia's main trading partners

Real growth rates, in %	2012	2013		2014		2015
		Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Spring forecast (Mar 13)
EU	-0.3	0.3	0.1	1.7	1.2	1.7
Euro area	-0.6	0.0	-0.3	1.5	1.0	1.5
Germany	0.7	0.9	0.5	1.7	1.5	1.8
Italy	-2.2	-0.8	-1.0	0.6	0.5	1.0
Austria	0.5	0.8	0.7	1.7	1.5	1.5
France	0.0	0.2	0.1	1.5	0.9	1.4
United Kingdom	0.2	1.1	0.9	2.2	1.7	1.9
Czech Republic	-1.1	0.8	0.0	2.6	1.8	2.5
Hungary	-1.6	0.4	-0.1	2.6	1.3	2.0
Poland	2.0	2.2	1.2	4.0	2.4	3.5
Croatia	-1.8	0.5	-0.4	2.0	1.0	2.2
Bosnia and Herzegovina	-0.8	1.2	0.7	3.0	2.0	2.5
Serbia	-1.8	1.2	1.7	3.0	2.0	2.5
US	2.2	2.1	1.9	3.2	2.8	3.0
Russia	3.4	3.7	3.7	4.2	3.9	3.7

Source: Eurostat (for 2012); Consensus Forecasts, February 2013; Eastern Consensus Forecasts, February 2013; EC Forecast Winter 2013, February 2013; IMF World Economic Outlook update, January 2013; WIIW Current Analyses and Forecasts, March 2013; IMAD estimate.

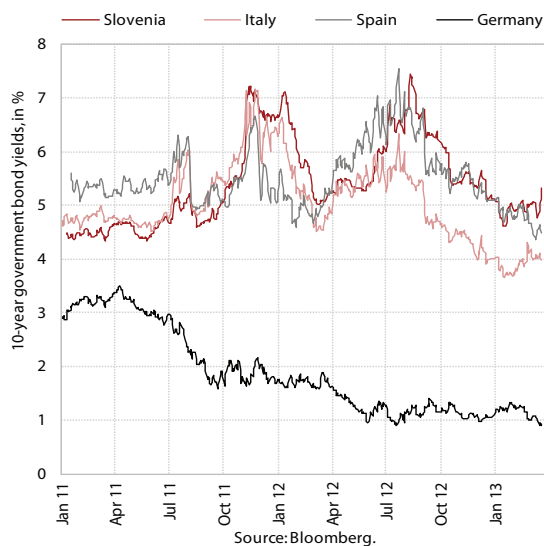
<sup>1</sup> At the beginning of September 2012 the ECB announced outright monetary transactions (OMT), i.e. purchases of bonds of individual euro area countries on the secondary market under certain conditions. The European Stability Mechanism (ESM) was established at EU level in September. The Member States also reached an agreement on integrated banking supervision, which should be one of the first steps towards a full banking union, and agreed a new bailout package for Greece.

<sup>2</sup> Were euro area GDP to remain at the Q4 2012 level in 2013 as a whole, it would be 0.6% lower than in 2012.

assumptions that are in line with expectations of international institutions.<sup>3</sup>

**Slovenia's access to funding will be hindered by the uncertain situation on government bond markets and the deterioration in the perception of Slovenia.** As a result of a combination of external and domestic factors, the perception of Slovenia on international financial markets has deteriorated in the last two years, resulting in downgradings of sovereign debt<sup>4</sup> and individual financial institutions, and rises in the required yield on government bonds. Having stood at 7.5% in August last year, the latter fell to around 5% by the start of this year, but is nevertheless higher than in certain euro area countries most exposed to fiscal problems. The fall in the required yield is primarily attributable to the ECB's announcement of the purchase of government bonds on the secondary market, though it was also a result of fiscal consolidation measures and reforms. Last October the government issued a 10-year bond with a nominal value of EUR 1.66 bn<sup>5</sup> on the USA market at an interest rate of 5.5%. With EUR 1.86 bn of bonds and treasury bills<sup>6</sup> maturing in 2013, the vast majority in the first half of the year, and further EUR 2.89 bn maturing in 2014 and 2015, it has been assumed that Slovenia will continue to have problems accessing funding this year.

Figure 2: Yields of 10-year bonds of selected countries



<sup>3</sup> The Spring Forecast is based on the assumption of more or less unchanged prices of oil and other commodities this year and in the next two years. It is assumed that the price of Brent crude, which averaged USD 114 per barrel in the first two months of 2013, will remain at this level until the end of the year. In the next two years the average oil price is forecast to fall to USD 106. Dollar prices of non-energy commodities will also be mostly unchanged on average in 2013 and the next two years. The Spring Forecast takes into account an exchange rate of the USD 1.336 to the euro. The assumption is based on the average exchange rate in February 2013.

<sup>4</sup> All three main credit agencies downgraded Slovenia in August 2012, and Standard & Poor's downgraded it again in February 2013. The credit ratings for Slovenia as reported by the three main rating agencies are thus four to six steps lower than in 2008.

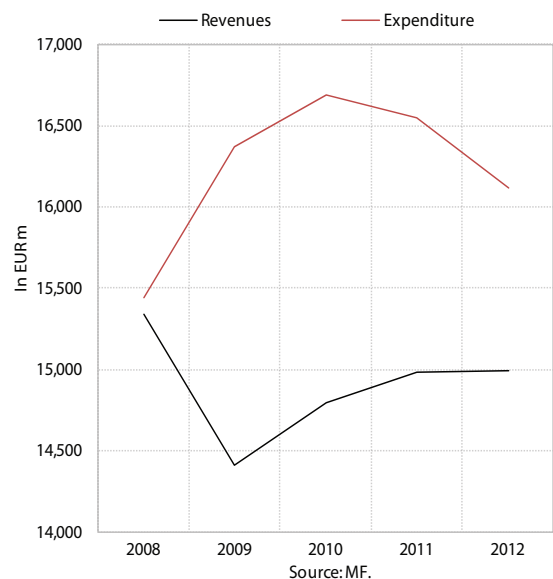
<sup>5</sup> As at 31 January 2013 (Ministry of Finance).

<sup>6</sup> Last year EUR 2.0 bn.

## Public finances

**The public finance situation in Slovenia remains unfavourable, and the anticipated consolidation will continue having a significant impact on the dynamics of economic activity in the coming years.** Slovenia was the only euro area country other than Cyprus where the general government deficit increased in 2011 (to -6.4% of GDP). In the Stability Programme (update of last April), Slovenia reaffirmed its commitment to eliminating the excessive deficit by the end of 2013 in line with the EU Council recommendations under the Excessive Deficit Procedure, and then gradually achieving a balanced public finance position by 2015. The fiscal consolidation effort was frontloaded in 2012. September's report on the general government deficit and debt forecast a general government deficit of 4.2% of GDP in 2012.<sup>7</sup> The projected reduction was achieved by further cuts in budgetary expenditure, particularly with the enforcement of changes and measures from the Fiscal Balance Act (ZUJF),<sup>8</sup> and by reductions in specific transactions (capital increases, assumption of receivables, sureties) compared with the previous year. Fiscal consolidation mainly relied on cuts in general government expenditure,<sup>9</sup> which for the first time

Figure 3: Consolidated general government revenues and expenditure (according to GFS cash flow methodology)



<sup>7</sup> Ministry of Finance forecast. The revised estimate of the deficit in 2012 (internationally comparable data according to ESA95 methodology) will be released on 31 March 2013.

<sup>8</sup> The Fiscal Balance Act (Official Gazette of the Republic of Slovenia No. 40/12), which affects more than 39 sectoral laws, was adopted by the National Assembly on 11 May 2012.

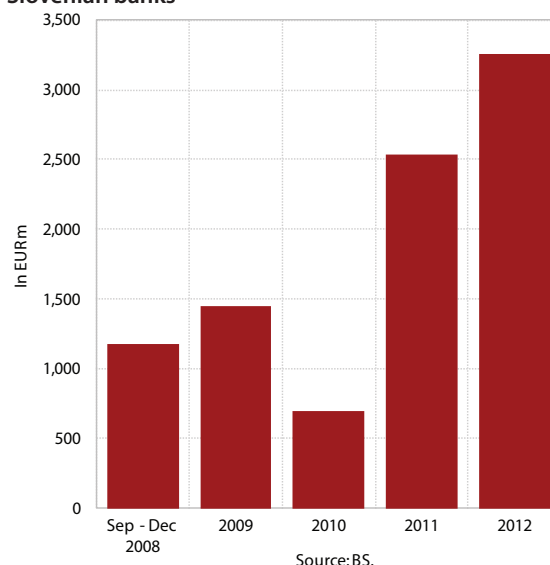
<sup>9</sup> General government revenues made a very small contribution to fiscal consolidation in 2012. They were only up slightly in nominal terms on 2011, as tax revenues declined nominally (-0.7%), while non-tax revenues and inflows from the EU budget were up. Last year consolidation also included a rise in excise duty rates for all goods subject to excise duty, and measures to improve the efficiency of collection and the quality of general government revenues. The ZUJF also introduced higher taxes on high-value real estate, motor vehicles and gains from changes in the use of agricultural land. The corporate income tax rate was also cut to stimulate economic activity.

was also down in nominal terms. This was achieved by streamlining in the public sector, which involved cutting wages and other labour costs, limiting hiring, investment, subsidies and other spending programmes, and adjusting labour market and social security policies. The forecast assumes a continuation of fiscal consolidation in line with the guidelines in the adopted budgets for 2013 and 2014 and the financial plans of the Pension and Disability Insurance Institute and Health Insurance Institute. These documents forecast that in 2013 and 2014 consolidation will be slower than last year, and also include further measures for boosting economic growth. In particular, expenditure on government investment (which will be co-financed by the planned faster disbursement of EU funds) is forecast to increase significantly in 2013.

## Banking system

***The situation on the euro area interbank market remains uncertain, but with the implementation of the planned measures Slovenia could stabilise the domestic banking system by the end of the year.*** A number of indicators of the situation on the euro area interbank market have improved since summer 2012, but lending activity in the euro area has declined further. In view of the renewed rise in uncertainty at the beginning of this year, it is felt that access to foreign funding, the main funding factor for Slovenian banks before the crisis, will remain limited this year. The banks made net repayments of EUR 9.13 bn<sup>10</sup> to the rest of the world between September 2008 and the end of last year, while the liquidity of the system was maintained by means of funding obtained through the ECB's LTROs,<sup>11</sup> alongside government deposits. By the end of this year EUR 2.14 bn of foreign liabilities will also mature, with an additional EUR 3.14 bn by the end of 2015, which will continue to affect access to finance for the entire economy in the years to come. Bad claims<sup>12</sup> continue to expand, having accounted for 14% of all classified claims at the end of 2012. In view of the ongoing deterioration in the quality of their assets, the banks are continuing to create additional impairments and provisioning at a rapid pace. Over the last four years impairments and provisioning amounted to around EUR 4 bn, while their total stock was estimated at approximately EUR 4.5 bn, around two thirds of the value of bad claims. In the event of the adoption of measures for cleaning up bank balance sheets, it has been assumed that if they are effectively and quickly implemented, the situation in the domestic banking sector would cease deteriorating towards the end of 2013.

Figure 4: Net repayments of foreign liabilities of Slovenian banks



<sup>10</sup> The banks repaid EUR 3.25 bn to the rest of the world last year alone.

<sup>11</sup> It is estimated that banks operating in Slovenia obtained a total of EUR 3 bn under the ECB's two LTROs in December 2011 and February 2012.

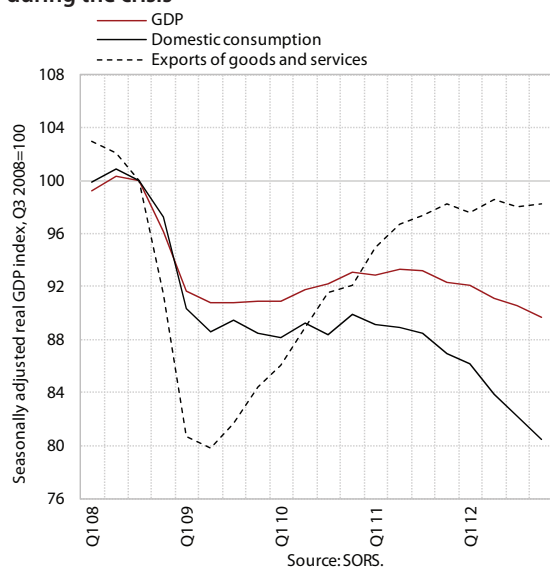
<sup>12</sup> C-, D- and E-rated claims.

## Economic growth in Slovenia

### Consumption aggregates

**Last year's decline in GDP (-2.3%) reflected the deterioration in the international environment, a further worsening of the situation on the labour market, and measures that contributed to a drop in final consumption.** After two years of faster growth, exports rose by a mere 0.3% last year as Slovenia's main euro area trading partners recorded a slowdown in growth or even a decline in economic activity. As manufacturing output declined, so did capacity utilisation, which contributed to a renewed drop in investment in machinery and equipment. Despite a slightly smaller decline in construction investment than in the previous three years, last year's overall decline in investment activity was similar to that in 2011. A significant contribution to last year's decline in GDP also came from lower final consumption. As a result of measures adopted to limit public spending

Figure 5: GDP, domestic consumption and exports during the crisis



(wage cuts and restrictions on expenditure on goods and services), the fall in government consumption deepened last year (-1.6%). Private consumption declined by even more (-2.9%) for the first time since 1992, mainly as a result of a real drop in the average gross wage and a further fall in employment. Social transfers also declined, as a result of the measures to limit public spending and changes in eligibility criteria. Amid general uncertainty, consumer confidence also deteriorated significantly last year. A considerable contribution to the decline in GDP also came from changes in inventories and valuables (-1.9 p.p.).

**GDP will decline by a further 1.9% this year.** The ongoing adverse situation in the international environment, coupled with structural weaknesses in the domestic economy, will not be conducive to any significant recovery in exports. The factors that contributed to last year's decline in domestic consumption will remain significant this year, given the anticipated further decline in household disposable income and the ongoing fiscal consolidation measures. Access to foreign financing for the government will remain limited, while the banking system will continue to make debt repayments in the rest of the world as domestic claims deteriorate. The conditions for a strengthening of lending activity will thus not be established yet, despite the anticipated introduction of measures to stabilise the banking sector. The decline in final consumption is thus expected to deepen this year, while investment will remain at a similar level to last year, thanks to government investment as a result of the anticipated faster absorption of EU funds and a major infrastructure project.

**Exports will increase only modestly this year, primarily owing to the anticipated gradual improvement in the international environment in the latter half of the year.** After last year's stagnation, merchandise exports will rise slightly this year, as the economic situation in Slovenia's main trading partners from the EU will be less unfavourable than last year. Merchandise exports to the EU are hence not expected to drop further this year. The overall increase in merchandise exports will again

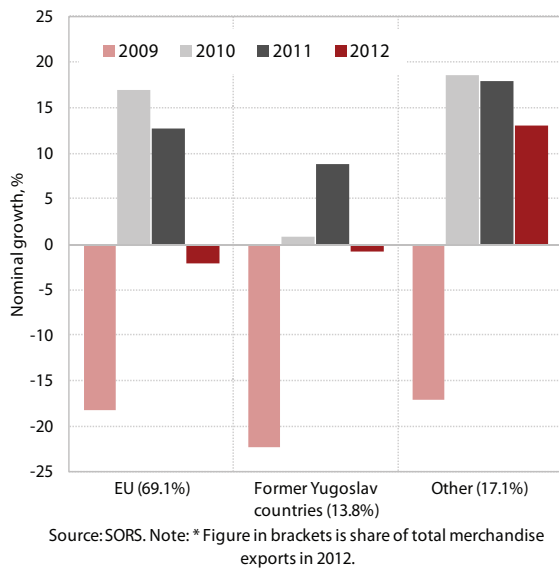
Table 2: Forecast for economic growth

Real growth rates, in %	2012	2013		2014		2015
		Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Spring forecast (Mar 13)
Gross domestic product	-2.3	-1.4	-1.9	0.9	0.2	1.2
Exports	0.3	1.9	1.2	4.7	3.3	4.9
Imports	-4.3	-1.0	-0.7	3.8	2.4	4.4
Net trade (contribution to growth in p.p.)	3.3	2.1	1.4	0.9	0.8	0.6
Private consumption	-2.9	-3.6	-4.0	0.2	-1.3	0.5
Government consumption	-1.6	-6.9	-2.9	-1.9	-0.6	-0.1
Gross fixed capital formation	-9.3	1.3	-0.5	1.5	0.8	1.5
Change in inventories and valuables (contribution to growth in p.p.)	-1.9	-0.2	-0.2	0.0	0.2	0.1

Source: SORS; 2013–2015 forecasts by IMAD.

depend on growth in non-EU exports, although this will again slow slightly again this year. The otherwise weak recovery in exports will rely on products with higher technology intensity, although exports of road vehicles will continue to shrink. Electricity exports are predicted to pick up slightly after last year's drop, but their growth is set to be much more subdued than in 2010 and 2011, when this component made a substantial contribution to the recovery in total merchandise exports.<sup>13</sup> Services exports will also strengthen slightly this year, largely on the back of exports of other business services and, in part, travel and transport services.

Figure 6: Merchandise exports – geographical breakdown\*

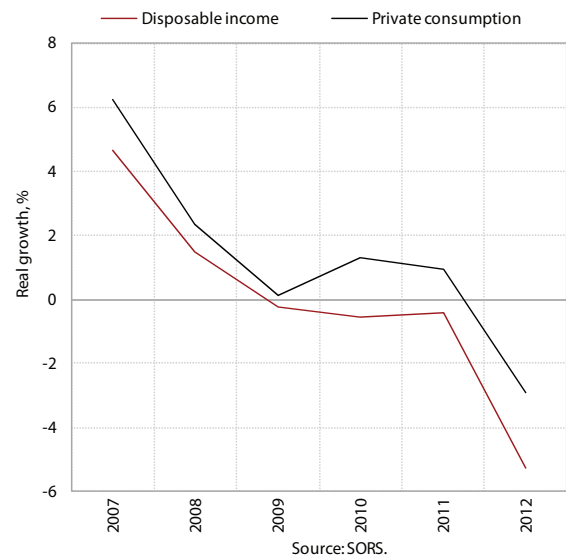


**The fall in private consumption and government consumption will deepen further this year (-4.0% and -2.9%, respectively).** Disposable income is expected to drop again in real terms this year (-3.7%), which amid a renewed real decline in the average gross wage per employee and a slightly stronger decline in employment will once again be the result of a real decline in social transfers. Households will continue to forego purchases of durables, and will be increasingly cautious in purchasing non-durables. Another factor in the anticipated decline in household consumption will be the high uncertainty, and the consequent significant deterioration in the consumer confidence indicator. A substantial part of the anticipated decline in private consumption this year will result from the large negative carryover, given that the fall in private consumption deepened further in the final quarter of 2012.<sup>14</sup> The same holds for government consumption, which in 2013 will drop more than last year. Given the ongoing fiscal consolidation and consequent restrictive

<sup>13</sup> As a result of significant regional differences in prices and increased transmission capacity on the Slovenian-Italian border, electricity transit from Croatia and Austria to Italy rose significantly in 2010. Owing to a larger volume of trading, electricity imports and exports grew considerably in 2010 and in 2011 in particular.

<sup>14</sup> If private consumption remained at the Q4 2012 level for the entire 2013, it would be 2.1% lower than last year in 2013 as a whole.

Figure 7: Household and NPISH disposable income and private consumption

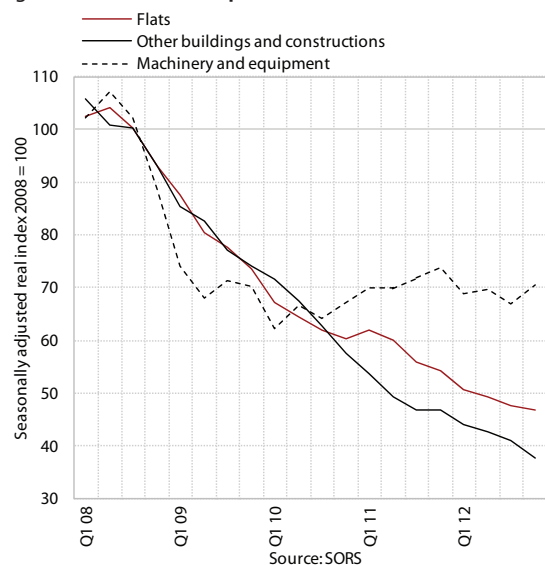


wage and staffing policy, employee compensation in the general government sector will also decline this year, as will other labour-related expenditure. Expenditure on goods in services will also drop further, in all general government accounts.

**This year investment will decline by much less (-0.5%) than in the previous four years, primarily as a result of government investment related to the faster absorption of EU funds and the construction of an energy facility.**

As the EU financial perspective comes to an end, the state budget for 2013 envisages much faster disbursement of EU funds and hence an increase in government infrastructure investment after three years of decline. Residential construction is not yet expected to improve, given that the stock of unsold housing remains large and

Figure 8: Gross fixed capital formation



that the number of building permits for flats declined for the fifth consecutive year. Furthermore, in view of the adverse financial situation, deleveraging in the highly indebted corporate sector, and low capacity utilisation, investment in machinery and equipment is not expected to strengthen; the movements of investment in machinery and equipment in 2013 will nevertheless be influenced by a major investment in electricity infrastructure.<sup>15</sup>

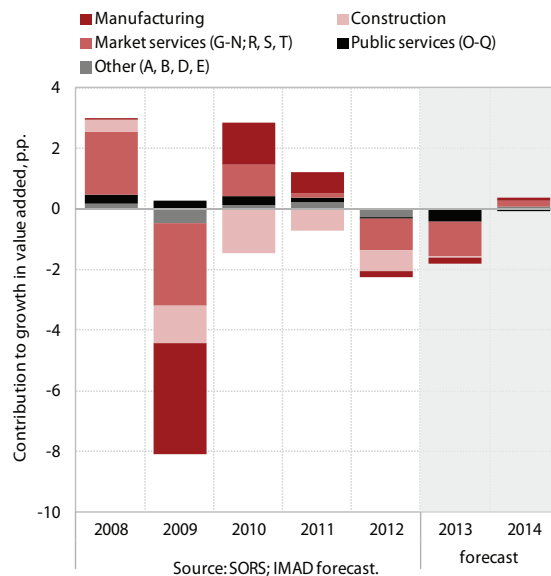
**Given the continuing uncertainty in the domestic environment and in the rest of the world, the most likely scenario for 2014 and 2015 assumes a gradual and modest recovery of the economy.** The recovery of economic activity in the international environment, which is expected to begin in the second half of 2013, should strengthen steadily over the next two years, which will in turn facilitate a gradual recovery in Slovenian exports. The otherwise modest growth in investment could continue as well. Government investment will remain at the 2013 level in the next two years, while investment in energy infrastructure is predicted to increase. Given a gradual improvement in the international environment and an end to the deterioration in the domestic banking system, the conditions for investment could also improve for the corporate sector. Given the delay in labour market adjustment and a continuation of restrictive wage policy, particularly in the general government sector, employee compensation will drop further in real terms next year. This will translate into further declines in private and government consumption, albeit significantly smaller than this year.

## Value added by sector

**Last year value added declined in all sectors, once again most notably in construction, and also in public services for the first time since the data has been available.** Last year value added in construction declined by more than 10% for the fourth consecutive year. As output declined, value added also dropped somewhat in manufacturing (-0.9%) after a recovery in the previous two years. Only the production of more technology-intensive products was up last year, while production in most industries of lower technology intensity, which focus more on the domestic market, was down. In light of these developments in manufacturing and construction, and the decline in private consumption, value added also fell in all market services last year. The deterioration relative to 2011 was largest in the sectors of wholesale and retail trade and accommodation and food service activities, as has already been suggested by short-term indicators of income. Given the austerity measures in the public sector, value added in public services also declined last year for the first time since the data has been available.

**In 2013 value added will decline further, albeit less than last year in the majority of sectors, while a gradual recovery is expected in 2014.** Value added in manufacturing will continue to fall this year, as output in industries focused on the domestic market will drop again amid the expected further decline in domestic consumption. This year value added is thus expected to grow only in production of products with higher technology intensity other than transport vehicles. Amid renewed declines in employment and private consumption, this year the situation will deteriorate in particular in the sectors of wholesale and retail trade and accommodation and food service activities. A somewhat smaller drop in activity is forecast for the sectors of financial and insurance activities and real estate activities, where the effective and rapid implementation of measures to stabilise the banking sector could contribute to a gradual improvement in the second part of the year. In view of the expected substantial acceleration of government investment that will mainly be financed by EU funds, in 2013 value added in construction could drop less than in the previous four years. Assuming that restrictive personnel policy remains in place, the decline in value added in public services will deepen slightly this year. It is also set to decline slightly in 2014, when value added in predominantly market-oriented services and manufacturing will start to recover amid the recovery in foreign demand and a smaller drop in domestic demand.

Figure 9: Change in value added



<sup>15</sup> Its impact on the change in GDP will be smaller than on the change in investment, as all equipment will be imported.



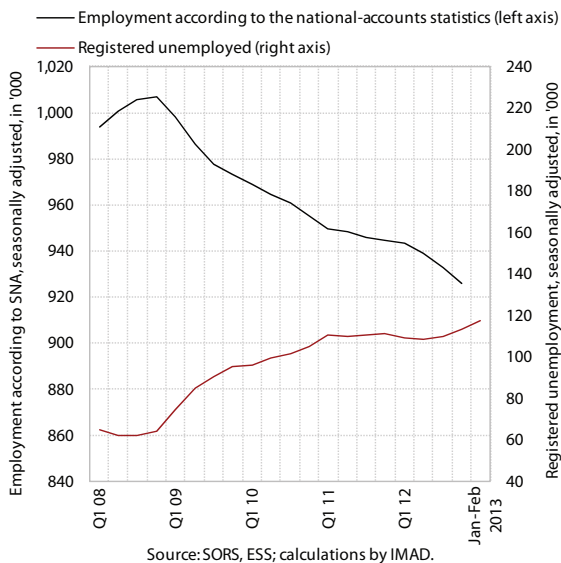
## Labour market

### Employment and unemployment

#### **The situation on the labour market deteriorated notably towards the end of 2012.**

As a result of the decline in economic activity, employment fell last year according to the national-accounts statistics (-1.3%), the construction sector again recording the largest fall. The general government sector continued to record moderate growth in employment last year (0.5%).<sup>16</sup> In the second half of the year it even started to decline, according to the seasonally adjusted figures. Towards the end of the year employment also started to fall rapidly in all other sectors, which was reflected in a higher number of registered unemployed. As a result of a fall in the first half of the year, average registered unemployment in 2012 was nevertheless somewhat lower than in the previous year at 110,200. The decline was mainly attributable to a larger number of deregistrations for breaches of regulations, increased participation in public works by the unemployed, and a larger withdrawal from the labour market into inactivity.<sup>17</sup> Inflows into unemployment increased in the final quarter of 2012, primarily as a result of a larger number of people reaching the end of their temporary employment contracts and fewer employment opportunities for first-time jobseekers.<sup>18</sup> The number of people over 55 years

Figure 10: Employment and registered unemployment



<sup>16</sup> In 2011 growth in general government employment was 2.8%; however, as a result of the reorganisation of the national railway operator Slovenske železnice, two of its affiliates (with 3,756 employees in total) were reclassified to the general government sector. Excluding these employees, growth in employment in the general government sector actually slowed in 2011, to 0.5%.

<sup>17</sup> Last year 4,610 more people (4.8%) were deregistered than in 2011. Altogether 2,695 (4.4%) fewer people found work than in 2011, 5,919 (43.6%) more were deregistered for breaches of regulations, 2,383 (177.7%) more were included in public works, and 1,072 (23.2%) more deregistered voluntarily while 805 (8.3%) more retired.

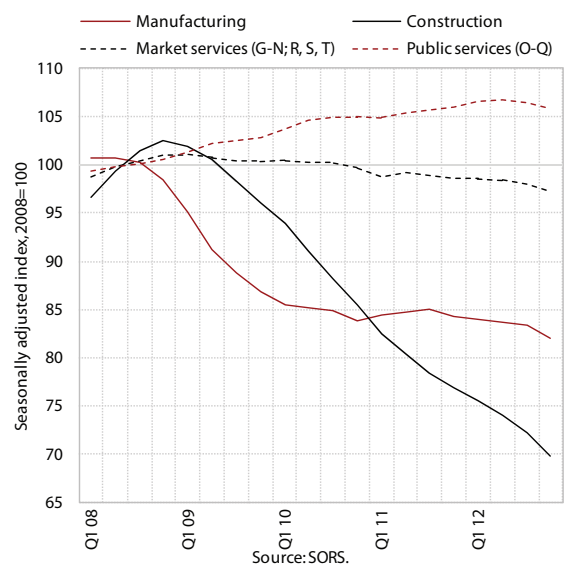
<sup>18</sup> In 2012, 5,757 more people (12.7%) registered as unemployed after reaching the end of temporary employment contracts than in 2011, while

old registering as unemployed also increased, and the increase in unemployment was also judged to be partly related to the announced pension reform. Registered unemployment had thus climbed to 118,000 by the end of 2012. The registered unemployment rate rose slightly last year (to 12.0%); the increase in the survey unemployment rate (8.9%) was larger, according to our estimation as a result of lower demand for employment, particularly student work and other informal types of work.

#### **In 2013 employment will continue to fall due to the adjustment to lower economic activity, while the high registered unemployment seen early this year will persist until the end of the year.**

The fall in employment (-1.6%) will be larger than last year at 1.6%. Amid a further contraction in economic activity, employment will decline in all segments of the private sector. In view of fiscal restrictions and the consequent decline in the total wage bill, a fall in employment in the government sector has also been assumed. The anticipated fall in employment will also be reflected in higher registered unemployment. The latter was already rising at the beginning of the year, the figure reaching 124,000 by the end of February. Given seasonal fluctuations and similar dynamics of flows into and out of unemployment, registered unemployment is expected to rise slightly more towards the end of the year.<sup>19</sup> Average registered unemployment in 2013 will therefore be significantly higher than last year. The registered and the survey unemployment rates will also be substantially higher. As the labour market tends to adjust to economic activity with a slight lag, and given certain structural imbalances, the labour market situation will not improve

Figure 11: Employment by activity (national-accounts statistics)



the number of first-time jobseekers increased by 1,881 (13.1%). Most of these increases were recorded in the final quarter of the year.

<sup>19</sup> It was assumed that the outflow from registered unemployment for breaches of regulations would be similar to last year, as would the inflow of first-time jobseekers, given that employment opportunities for young people finishing school will be similarly limited.

visibly in the next two years. Moreover, with economic activity dropping further, the adopted pension and labour market reforms will not make any visible contribution to the improvement of the labour market situation in the short term. Larger outflows from unemployment owing

to retirement are thus forecast for this year and in 2014, while more flexible forms of employment will increase the responsiveness of employers to the actual economic situation.

Table 3: Forecasts for employment and unemployment

In %	2012	2013		2014		2015
		Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Spring forecast (Mar 13)
Employment according to the SNA, growth	-1.3	-2.3	-1.6	-0.4	-0.8	0.0
Number of registered unemployed, annual average, in '000	110.2	120.0	123.5	119.5	124.1	120.0
Registered unemployment rate	12.0	13.1	13.4	13.1	13.6	13.2
ILO unemployment rate	8.9	9.1	10.0	9.1	10.0	9.4

Source: SORS; 2013–2015 forecasts by IMAD.

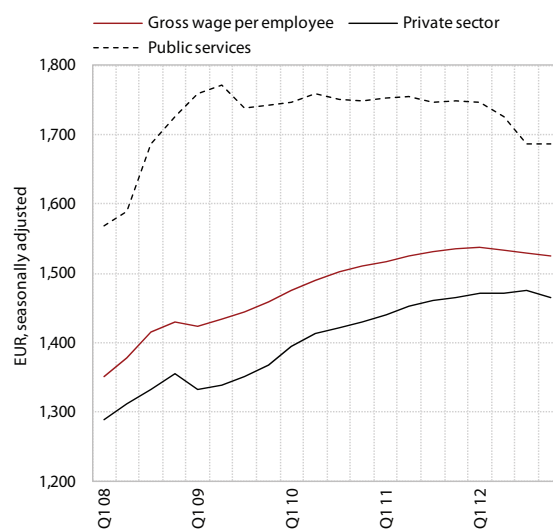
## Wages

**The gross wage per employee fell in real terms in 2012 for the first time in the last 20 years, and is expected to decline further this year and in 2014.**

After two years of stagnation, wages in public service activities declined by 2.2% in nominal terms last year, while in real terms they fell for the third consecutive year. Under the Fiscal Balance Act (ZUJF), wages in public service activities were cut linearly by 8% in June. At the same time the remaining two quarters of funding intended to eliminate wage disparities were paid, so that the actual wage reduction averaged 3%. Nominal growth in the average gross wage in private sector activities slowed further in 2012 (0.8%). In industry,<sup>20</sup> wage growth halved (1.9%), while growth in market services reached zero. This year's further contraction in economic activity and the anticipated slow recovery in the next two years as efforts are made to maintain corporate competitiveness, high unemployment and relatively low inflation will result in low nominal wage growth in private sector activities. It is forecast to stand at 0.8% in 2013, before rising slightly in the next two years (to 1.4% and 2.2%, respectively) as economic activity gradually strengthens. In view of the adverse fiscal situation, it is assumed that the restrictions on wage growth in public service activities will remain

in place during this period. This year the average wage in public service activities will be down in nominal terms (-1.0%), largely on account of the wage reduction in June 2012, while next year it will remain nominally unchanged.

Figure 12: Average gross wage per employee



Source: SORS; seasonal adjustment by IMAD.

Table 4: Forecasts for average growth in the gross wage per employee

Growth rates, in %	2012	2013		2014		2015
		Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Spring forecast (Mar 13)
Gross wage per employee – nominal	0.1	0.9	0.3	1.7	1.0	2.2
- private sector activities	0.8	1.6	0.8	2.1	1.4	2.2
- public service activities	-2.2	-0.3	-1.0	0.8	0.0	1.9
Gross wage per employee – real	-2.4	-1.3	-1.8	-0.1	-0.6	0.3
- private sector activities	-1.7	-0.6	-1.3	0.3	-0.2	0.3
- public service activities	-4.7	-2.5	-3.1	-1.0	-1.6	0.0

Source: SORS; 2013–2015 forecasts by IMAD.

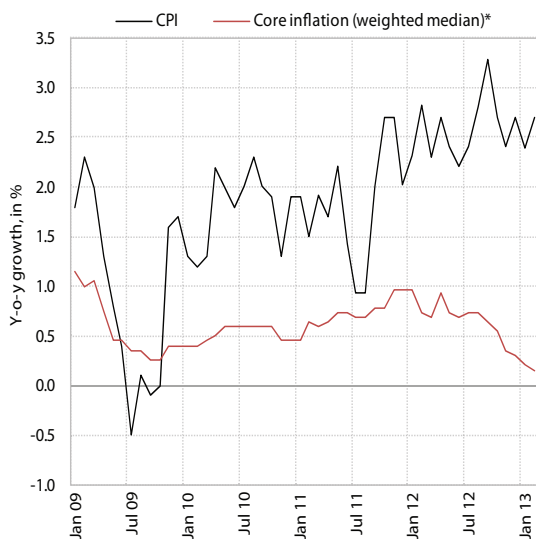
Note: Private sector activities include activities A–N and R–S, public service activities include activities O–Q.

<sup>20</sup> Including construction (activities B–F).

## Inflation

**After remaining modest for four years, growth in consumer prices rose in 2012 as a result of one-off factors, while core inflation remained moderate due to low economic activity.** Last year's price growth (2.7%) was again mainly a consequence of higher energy and food prices, while the higher headline rate than in previous years was largely attributable to higher services prices. Growth in oil prices on global markets was otherwise lower than in 2011, but as a result of an increase in excise duty rates, liquid fuel prices made a similar contribution to headline inflation as in 2011. The contribution made by energy prices (0.7 p.p.) to headline inflation would have been even larger had natural gas prices not fallen at the end of the year. The contribution made by food prices (0.7 p.p.) was similar to that in the previous year,

Figure 13: Consumer prices and core inflation



Source: SORS. Note: \*Weighted median is the mean value that divides into two equal parts the descending monthly indices of CPI components in a given month with regard to the sum of the corresponding weights.

Table 5: Inflation forecast

In %	2012	2013		2014		2015
		Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Spring forecast (Mar 13)
Inflation – annual average	2.6	2.2	2.1	1.8	1.6	1.9
Inflation – Dec/Dec	2.7	1.9	1.9	1.8	1.7	2.1

Source: SORS; 2013–2015 forecasts by IMAD.

and their growth was mainly underpinned by higher prices of fresh fruit and vegetables. Growth in services prices accelerated last year, as a result of one-off factors arising from economic policy measures, so that services prices contributed 0.8 p.p. to headline inflation.<sup>21</sup> Core inflation remained modest, which indicates the absence of inflationary pressures related to economic activity.

**Year-on-year inflation in 2013 will be lower than last year, as core inflation is expected to slow again due to low economic activity. Moderate price dynamics are also projected for the next two years.** Core inflation will ease again this year amid the expected further decline in economic activity and the continuing adverse situation on the labour market. As in previous years, price growth will be substantially affected by one-off changes, particularly in the area of taxation. Despite the absence of shocks from the international environment, higher growth in energy prices is forecast this year, primarily as a result of a rise in electricity prices because of an increase in the charge for renewable energy.<sup>22</sup> Food prices will again make a significant contribution to inflation, although growth will be lower than last year. The same goes for growth in services prices, which will mainly be attributable to changes in utility price regulation. Public utility prices did not rise markedly in the first two months of this year, but further rises are anticipated in the coming months, which is one of the main risks to this year's inflation forecast. In the absence of major price shocks from the international environment and amid the continuation of weak economic activity, price growth will also remain moderate in 2014 and 2015 at around 2%. However, the possibility of additional measures in taxation remains a significant risk to the inflation forecast over the three years in question.

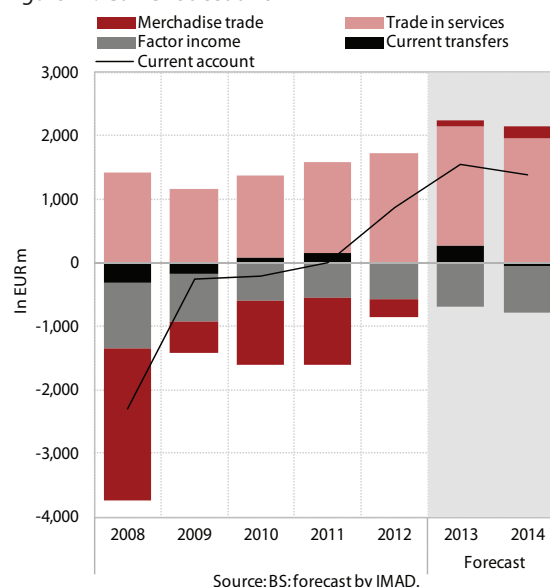
<sup>21</sup> The largest contributions came from the abolition of the subsidy on school meals (0.4 p.p.), a reduction in the subsidy for the second child in a family attending kindergarten (0.1 p.p.) and an increase in annual motor vehicle duty (0.1 p.p.).

<sup>22</sup> Electricity prices were up 11.5% in the first two months of this year.

## Current account of the balance of payments

**The surplus in the current account will increase further in 2013, and will remain high in 2014 and 2015.** After being roughly in balance between 2009 and 2011, the current account ran the highest surplus on record in 2012, primarily as a result of a smaller deficit in the balance of trade as merchandise imports declined significantly. With imports expected to fall further, a modest recovery in merchandise exports and practically unchanged terms of trade, the merchandise trade position will move into surplus this year. The surplus of trade in services is also forecast to increase, again largely as a result of a higher surplus in travel services as imports continue to fall and exports rise. Another significant contribution to the widening of the current account surplus this year will come from a higher surplus in current transfers due to the anticipated substantial improvement in the absorption of EU funds. By contrast, the deficit in factor income is forecast to widen, having remained at the same level between 2010 and 2012. The deficit in capital income will mainly be due to higher net payments of interest on external debt, alongside further net payments of dividends and other profits to foreign direct investors. As a result of further deleveraging and lower interest rates on the interbank market, interest payments by the private sector will decline further, but net interest payments by the government sector will continue to rise. This year the

Figure 14: Current account



widening deficit in capital income will again be mitigated by a relatively high surplus in labour income, which is related to a rise in the number of daily migrants working abroad. With developments mostly remaining similar this year, the current account surplus will narrow slightly in 2014 and 2015, largely as a result of the anticipated lower net absorption of EU funds.

Table 6: Current account

	2012	2013		2014		2015
		Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Autumn forecast (Sep 12)	Spring forecast (Mar 13)	Spring forecast (Mar 13)
Current account, EUR m	874	1,363	1,545	1,142	1,375	1,423
Current account, as % of GDP	2.5	3.8	4.4	3.2	3.8	3.9

Source: BS; SORS, 2013–2015 forecasts by IMAD.

## Risks to the realisation of the forecast

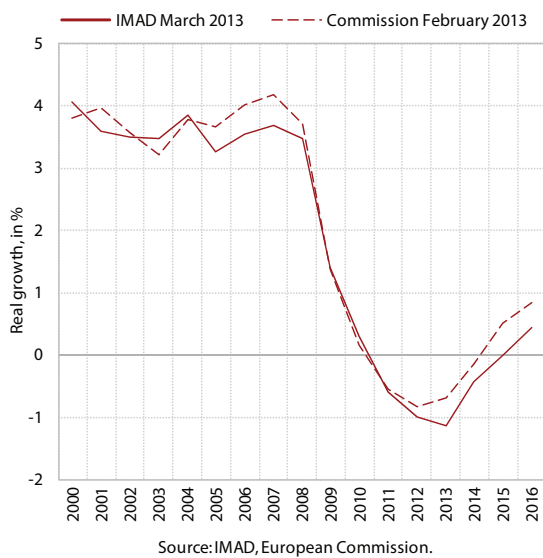
**The downside risks to economic activity, and by extension the entire economy, will remain high in 2013 and the next few years.** The risks of a larger-than-forecast decline in economic activity this year are associated with the international situation, with regard to both the recovery of economic activity in Slovenia's main trading partners and the easing of uncertainty on the financial markets. The easing of the decline mainly hinges on the successful implementation of measures taken to stabilise the banking system and other measures intended to

revive lending activity, help disburden the economy and kick-start a new investment cycle. Fiscal consolidation also remains key, as any major divergences from the set goals would make access to international funding even more difficult, not only for the government but also for the banking and corporate sectors. Additional risks are associated with the inability of the corporate sector to increase competitiveness, which may significantly widen the development gap.

## Potential GDP growth

**Based on IMAD's Spring Forecast of Economic Trends, potential GDP growth has been estimated using a production function method.** Potential GDP growth is calculated using a production function method (PF), which uses a bivariate Kalman filter (KF) to extract the cyclical component of total factor productivity.<sup>23</sup> The latest calculation of potential GDP growth made by the European Commission in February 2013 is also illustrated for comparison. The Commission's calculation uses a production function method whose basic attributes do not differ from IMAD's method.<sup>24</sup> The differences between the IMAD and the Commission calculations are the result of the differences in the forecasts on which they are based (the Commission's winter forecast from 2013 and the latest spring forecast by IMAD) and, in part, differences in input data.<sup>25</sup> The IMAD forecast also covers a longer period.

Figure 15: Potential GDP growth, comparison of different calculations



<sup>23</sup> The cyclical component of TFP and unemployment (NAWRU) were estimated using the GAP programme (Christophe Planas and Alessandro Rossi, European Commission, Joint Research Centre, 2010) available at [eemc.jrc.ec.europa.eu/Software-GAP.htm](http://eemc.jrc.ec.europa.eu/Software-GAP.htm). NAWRU and the cyclical component of TFP were estimated using the series of wage growth and capacity utilisation in a bivariate unobserved component model.

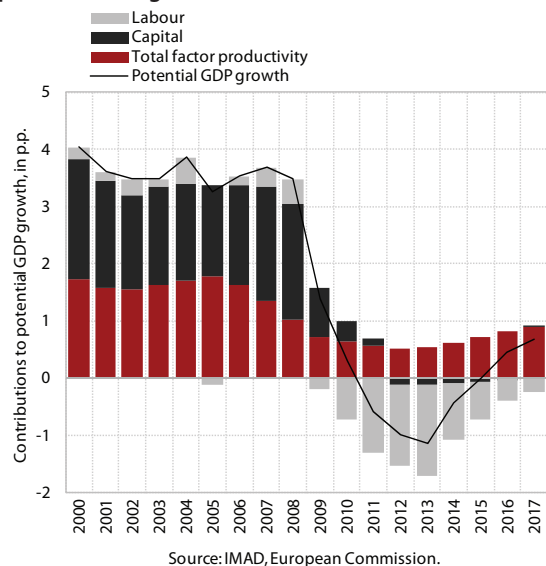
<sup>24</sup> For a more detailed description of the methodology, see F. D'Auria, Cécile Denis, K. Havik, K. Mc Morrow, C. Planas, R. Raciborski, W. Röger and A. Rossi: »The production function methodology for calculating potential growth rates and output gaps,« Economic Papers 420, July 2010, DG ECFIN.

<sup>25</sup> The employment data series according to national accounts statistics takes account of a correction for the break in the data series in 2002. IMAD's calculation is based on its own demographic projection, while the Commission uses Eurostat's Europop (15–74).

**The calculations indicate a substantial weakening of potential GDP growth in the upcoming period.** The calculations using the PF approach show that after starting to drop strongly in 2008 from around 4% before the crisis, potential GDP growth will fall to as low as -1.1% in 2013 and is expected to turn positive only after 2015.

**Among individual components of the calculated potential GDP growth, the contribution of capital will decline most relative to the pre-crisis period in the coming years.** After a significant decline in 2009, the contribution of capital continued to fall (to -0.1 p.p. in 2012), and is expected to remain around zero in the medium term. The contribution of labour, which was relatively low in the entire period before the outbreak of the crisis in 2008, has been consistently negative since 2008. The increase in the natural unemployment rate<sup>26</sup> (NAWRU) has the largest impact. The contributions of the participation rate, hours worked per employee and the decline in the population of active working age (according to IMAD's demographic projections) are also negative. The contribution of total factor productivity also diminished with the outbreak of the crisis, but a gradual recovery can be expected in this component, although not to the pre-crisis level.

Figure 16: Contributions of individual components to potential GDP growth



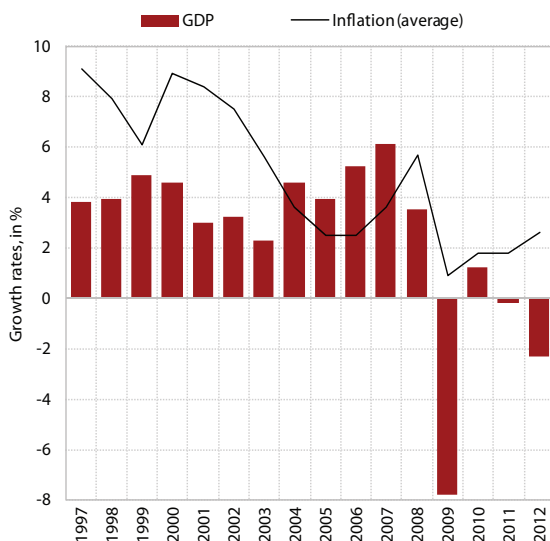
<sup>26</sup> The calculations of the natural unemployment rate (NAWRU) take account of the forecasts for the survey unemployment rate, which indicate a deterioration in the medium term (see also the Labour market section). NAWRU is estimated by a bivariate unobserved component model using the wage growth series in addition to the unemployment series. The calculations show that NAWRU increased above 10% and no improvement is expected in the medium term. An increase in NAWRU, which cannot be directly observed, is also indirectly indicated by rising long-term unemployment.

## Assessment of forecasting performance

**Comparisons of forecasting performance by IMAD and other institutions show no systematic over- or under-estimation in IMAD forecasts over a longer period of time.** After the release of data for economic activity and inflation in 2012, the forecasting performance by domestic and foreign forecasting institutions was assessed. In assessing the performance of forecasts it is important that their mean error over a longer time horizon be as small as possible. Between 1997 and 2012, the mean absolute error in IMAD forecasts for real GDP growth is 1.87 p.p. in the autumn forecasts for next year, and 1.13 p.p. in the spring forecasts for the current year. The mean absolute error in the spring forecasts for inflation in the current year is 0.51 p.p., while the error in the autumn forecasts for the year ahead is somewhat higher at 1.01 p.p. These indicator values show that IMAD forecasts are unbiased.

**The accuracy of the forecasts for macroeconomic indicators is measured on the basis of a number of statistical criteria<sup>27</sup> for the quality of the forecast and for various time horizons.** The assessment of the forecasts by two institutions (IMAD and SKEP) is based on a longer horizon, from 1997 to 2012. The analysis for the 2002–2012 period contains forecasts by six institutions,<sup>28</sup> and for the previous year forecasts by eight<sup>29</sup> institutions. The analysis thus covers a period when Slovenia's economy recorded very favourable and relatively stable economic growth and the forecasting errors were relatively small. However,

Figure 17: Movement of variables included in the analysis of forecasting performance



<sup>27</sup> Mean error, mean absolute error, root mean square error, standardised mean absolute error and standardised root mean square error. For detailed results see Table 13 in the statistical appendix.

<sup>28</sup> In addition to the forecasts by the Institute of Macroeconomic Analysis and Development (IMAD), the analysis covers forecasts by the Bank of Slovenia (BS) and SKEP – Economic Outlook, Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia, and among international institutions, the International Monetary Fund (IMF), the European Commission (EC) and Wiener Institut fuer Internationale Wirtschaftsvergleiche (WIIW).

<sup>29</sup> In addition to the aforementioned six institutions, the Organisation for Economic Co-operation and Development (OECD) and Consensus.

<sup>30</sup> Spring forecasts for the year ahead (Pnt+1), autumn forecasts for the year ahead (Jnt+1), spring forecasts for the current year (Pnt) and autumn forecasts for the current year (Jnt).

since the beginning of the global economic and financial crisis the forecasting performance indicators have deteriorated. All forecasts<sup>30</sup> have been compared against the first statistical annual estimate of economic growth based on quarterly data. A systematic comparison of how the forecasts diverge from the statistical estimate over a longer time horizon reveals the accuracy of forecasting, i.e. the mean errors made by institutions in forecasting a given aggregate. If errors are distributed evenly, the value of this measure is close to zero.

**The institutions that release their forecasts at a later time have an information advantage over other institutions, which can result in smaller forecast errors.**

In forecasting the movements of economic variables, forecasters face various limitations, such as the availability of data at the cut-off date that changes with time. In analysing the forecasts it is thus important to take into account the time when they were made: if the forecast is made later in the year, it may include new information that can considerably alter the economic picture. This new information may comprise continuing data for indicator movements in a given month or quarter, revisions of previously released figures, or changes in assumptions about the international environment, which are a strong factor of uncertainty for an open economy such as Slovenia. All institutions included in the analysis tend to release their forecasts twice a year, most of them at a later time than IMAD.

Figure 18: Timeline of forecasts released by individual institutions in 2012

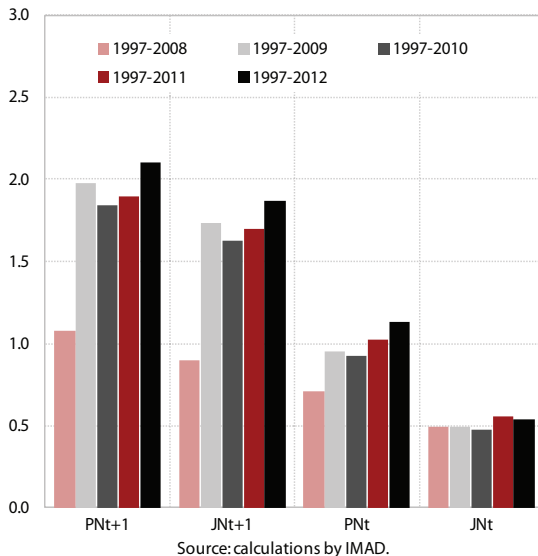
Jan				
Feb				
Mar	IMAD	Consensus Forecasts	WIIW	SKEP
Apr	BS	IMF		
May	EC			
Jun	OECD			
Jul	WIIW			
Aug				
Sep	IMAD	Consensus Forecasts	IMF	
Oct	BS	SKEP		
Nov	EC	OECD		
Dec				

Source: forecasts by individual institutions.

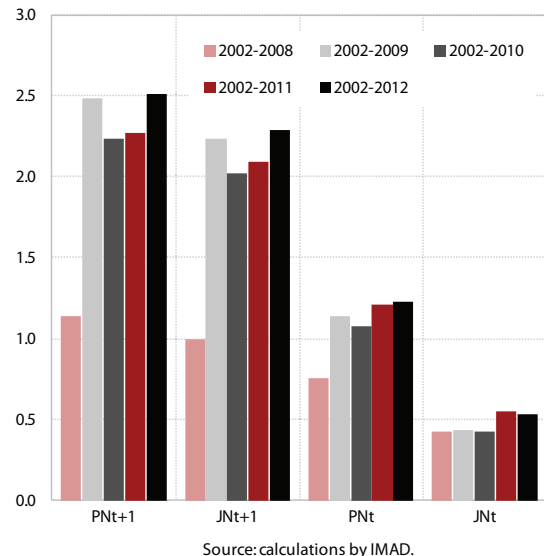
**The forecasting performance measures for the longer time horizon were significantly affected by large errors in the forecasts for 2009 and 2011.** Forecasting performance is measured by the mean error, which should be as small as possible over a longer period. If the analysed time horizon is relatively short, any error (whether in the positive or negative direction) can significantly affect

the conclusions of the previous performance analyses. The errors in the forecasts for 2009 and 2011 were much larger and had a great impact on the calculation of mean errors over the entire time horizon (the forecast error in the shorter 2002–2012 period is larger than that in 1997–2012).

Figure 19: Mean absolute error in IMAD forecasts for real GDP growth for various periods



Source: calculations by IMAD.



Source: calculations by IMAD.

**All institutions overestimated real economic growth for 2012 in their forecasts.** The forecasts for 2012 were overestimated the most in spring 2011, by 4.7 to 5.0 p.p. The next three forecasts came closer to the actual figures,

as errors were smaller, though they still ranged between 0.1 and -0.9 p.p. in autumn 2012. An accurate forecast for the current year was made by the Commission in autumn 2012.

Table 7: Errors made by forecasting institutions in their forecasts of real GDP growth for 2012

Realised: -2.3 %	Spring forecast for the year ahead		Autumn forecast for the year ahead		Spring forecast for the current year		Autumn forecast for the current year	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	2.6	-4.9	2.0	-4.3	-0.9	-1.4	-2.0	-0.3
BS	2.7	-5.0	1.7	-4.0	-1.2	-1.1	-1.8	-0.5
SKEP	2.4	-4.7	0.8	-3.1	-1.2	-1.1	-2.5	0.2
EC	2.5	-4.8	1.0	-3.3	-1.4	-0.9	-2.3	0.0
IMF	2.4	-4.7	2.0	-4.3	-1.0	-1.3	-2.2	-0.1
WIIW	2.5	-4.8	2.5	-4.8	-1.0	-1.3	-1.5	-0.8
OECD	2.6	-4.9	0.3	-2.6	-2.0	-0.3	-2.4	0.1
Consensus	2.5	-4.8	1.9	-4.2	-0.2	-2.1	-1.4	-0.9

Source: forecasts by individual institutions; calculations by IMAD.

**All institutions slightly underestimated inflation for the current year in spring 2012, and most revised their forecasts upwards in the autumn.** Absolute errors in the spring forecasts ranged between 0.2 and 0.8 percentage points, while errors in the autumn forecasts

were somewhat smaller (-0.2 and 0.6 percentage points in absolute terms). The most accurate forecasts were made by the OECD in the spring, and by IMAD, SKEP, the Commission and the OECD in the autumn.

Table 8: Errors in average inflation forecasts for 2012

Realised: 2.6 %	Spring forecast for the year ahead		Autumn forecast for the year ahead		Spring forecast for the current year		Autumn forecast for the current year	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	3.0	-0.4	1.8	0.8	2.0	0.6	2.8	-0.2
BS	2.3	0.3	1.6	1.0	2.3	0.3	2.9	-0.3
SKEP	2.4	0.2	1.7	0.9	2.1	0.5	2.4	0.2
EC	2.1	0.5	1.3	1.3	2.2	0.4	2.8	-0.2
IMF	3.1	-0.5	2.1	0.5	2.2	0.4	2.2	0.4
WIIW	2.5	0.1	2.5	0.1	2.0	0.6	2.0	0.6
OECD	2.2	0.4	1.3	1.3	2.4	0.2	2.8	-0.2
Consensus	2.5	0.1	2.1	0.5	1.8	0.8	2.2	0.4

Source: forecasts by individual institutions; calculations by IMAD.

**Looking at Slovenian institutions that forecast economic growth for Slovenia, the smallest average forecast errors for economic growth over a longer period are made by IMAD, while SKEP makes more accurate forecasts for inflation for the current year, followed by IMAD.** The mean absolute errors in the forecasts for real economic growth in 2002–2012 ranged

between 0.53 and 2.76 p.p. The root mean square errors, which assign greater weight to larger errors, were much higher (between 0.73 and 4.27 p.p.) due to errors in 2009 and 2011. In the forecasts for average inflation the mean absolute errors were smaller than in the forecasts for GDP (between 0.11 and 1.68 p.p.), while the root mean square errors ranged between 0.11 and 2.68 p.p.

Figure 20: Mean absolute errors in real GDP growth forecasts for 2002–2012

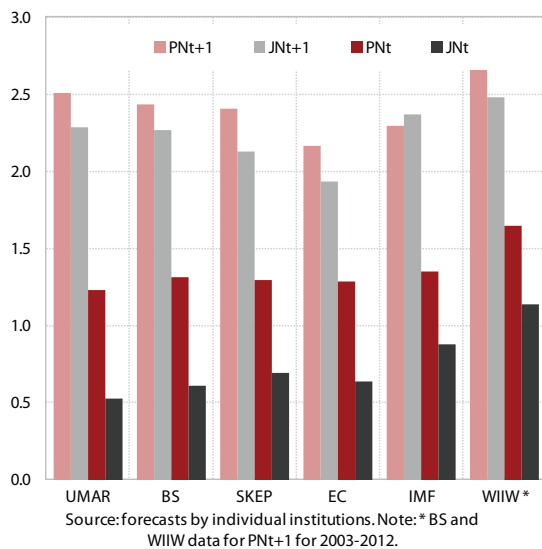
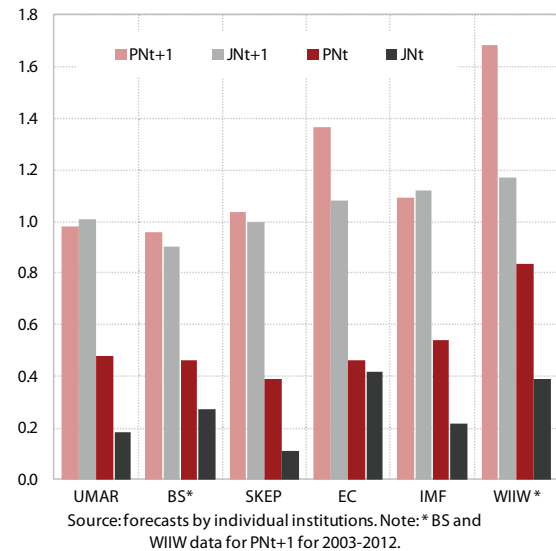


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# statistical appendix

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Table 1: Main macroeconomic indicators of Slovenia

Real growth rates in %, unless otherwise indicated

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	forecast											
<b>GROSS DOMESTIC PRODUCT</b>	4.4	4.0	5.8	7.0	3.4	-7.8	1.2	0.6	-2.3	-1.9	0.2	1.2
GDP in EUR m (at current prices and at current exchange rate)	27,253	28,723	31,050	34,594								
GDP in EUR m (at current prices and at fixed exchange rate 2007)	27,165	28,722	31,045	34,594	37,244	35,556	35,607	36,172	35,466	35,252	35,735	36,810
GDP per capita (at current prices and at current exchange rate)	13,645	14,355	15,464	17,135	18,420	17,415	17,379	17,620	17,244	17,091	17,292	17,780
<b>POPULATION, EMPLOYMENT, WAGES AND PRODUCTIVITY</b>												
Employment according to National Accounts	0.4	-0.5	1.5	3.3	2.6	-1.8	-2.2	-1.6	-1.3	-1.6	-0.8	0.0
Registered unemployed (annual average in thousand)	92.8	91.9	85.8	71.3	63.2	86.4	100.5	110.7	110.2	123.5	124.1	120.0
Rate of registered unemployment in %	10.3	10.2	9.4	7.7	6.7	9.1	10.7	11.8	12.0	13.4	13.6	13.2
Rate of unemployment by ILO in %	6.3	6.5	6.0	4.9	4.4	5.9	7.3	8.2	8.9	10.0	10.0	9.4
Gross wage per employee	2.0	2.2	2.2	2.2	2.5	2.5	2.1	0.2	-2.4	-1.8	-0.6	0.3
- Private sector	3.1	2.8	2.8	3.2	2.0	1.0	3.2	0.8	-1.7	-1.3	-0.2	0.3
- Public sector	-0.8	0.9	1.0	0.5	3.9	5.8	-1.8	-1.8	-4.7	-3.1	-1.6	0.0
Labour productivity (GDP/employee)	4.0	4.5	4.2	3.5	0.8	-6.1	3.5	2.2	-1.1	-0.2	1.0	1.2
<b>INTERNATIONAL TRADE</b>												
Exports of goods and services	12.4	10.6	12.5	13.7	4.0	-16.7	10.1	7.0	0.3	1.2	3.3	4.9
Exports of goods	12.8	10.3	13.4	13.9	1.8	-17.4	11.9	8.5	-0.1	0.9	3.4	5.2
Exports of services	10.9	12.0	8.6	13.2	14.3	-13.7	3.7	1.4	2.1	2.4	3.0	3.6
Imports of goods and services	13.3	6.7	12.2	16.7	3.7	-19.5	7.9	5.2	-4.3	-0.7	2.4	4.4
Imports of goods	14.6	6.8	12.7	16.2	3.0	-20.7	8.9	6.1	-4.6	-0.8	2.4	4.5
Imports of services	5.6	5.5	8.8	19.7	8.2	-12.0	2.7	-0.3	-2.4	-0.4	2.5	4.2
<b>CURRENT ACCOUNT BALANCE</b>												
Current account balance in EUR m	-720	-498	-771	-1,646	-2,295	-246	-209	2	874	1,545	1,375	1,423
As a per cent share relative to GDP	-2.6	-1.7	-2.5	-4.8	-6.2	-0.7	-0.6	0.0	2.5	4.4	3.8	3.9
External balance of goods and services in EUR m	-322	-106	-158	-619	-962	667	288	400	1,403	1,952	2,151	2,401
As a per cent share relative to GDP	-1.2	-0.4	-0.5	-1.8	-2.6	1.9	0.8	1.1	4.0	5.5	6.0	6.5
<b>FINAL DOMESTIC DEMAND - NATIONAL ACCOUNTS STATISTICS</b>												
Final consumption	3.1	2.4	3.1	4.8	3.2	0.7	1.4	0.4	-2.6	-3.7	-1.2	0.3
As a % of GDP *	73.8	73.2	71.6	69.8	70.7	75.8	77.9	78.7	79.0	77.3	76.4	75.7
in which:												
Private consumption	3.0	2.1	2.8	6.3	2.3	0.1	1.3	0.9	-2.9	-4.0	-1.3	0.5
As a % of GDP *	55.0	54.3	52.8	52.5	52.6	55.7	57.2	57.8	58.3	57.4	56.6	56.2
Government consumption	3.3	3.5	4.0	0.6	5.9	2.5	1.5	-1.2	-1.6	-2.9	-0.6	-0.1
As a % of GDP *	18.8	19.0	18.8	17.3	18.1	20.1	20.7	20.8	20.6	19.9	19.8	19.6
Gross fixed capital formation	5.0	3.0	10.4	13.3	7.1	-23.2	-13.8	-8.1	-9.3	-0.5	0.8	1.5
As a % of GDP *	25.0	25.4	26.5	27.8	28.6	23.1	20.1	18.5	17.4	17.6	17.9	18.0
<b>EXCHANGE RATE AND PRICES</b>												
Average exchange rate SIT/USD, BS	192.4	192.7	191.0	174.8								
Average exchange rate SIT/EUR, BS	238.9	239.6	239.6	239.6								
Ratio of USD to EUR	1.243	1.245	1.256	1.371	1.471	1.393	1.327	1.392	1.286	1.335	1.336	1.336
Real effective exchange rate - deflated by CPI <sup>1</sup>	0.0	-0.7	0.3	1.7	2.5	1.3	-1.8	-1.0	-1.1	1.0	-0.5	-0.1
Inflation (end of the year) <sup>2</sup>	3.2	2.3	2.8	5.6	2.1	1.8	1.9	2.0	2.7	1.9	1.7	2.1
Inflation (year average) <sup>2</sup>	3.6	2.5	2.5	3.6	5.7	0.9	1.8	1.8	2.6	2.1	1.6	1.9
Brent Crude Oil Price USD / barrel	38.3	54.6	65.2	72.4	96.9	61.7	79.6	111.3	111.7	113.7	106.4	106.4

Source: SORS, BS, ECB, calculations and forecasts by IMAD.

Notes: <sup>1</sup>Growth in value denotes real appreciation of national currency and vice versa; <sup>2</sup>Consumer price index; \* Shares in GDP are calculated for GDP in current prices and at fixed exchange rate 2007 (EUR=239,64).

Table 2a: Gross value added by activity at basic prices and gross domestic product

EUR million, current prices (fixed 2007 exchange rate)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
											forecast	
A Agriculture, forestry and fishing	629.8	666.4	627.0	774.7	762.9	729.2	763.1	832.8	800.8	862.7	876.1	828.2
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	6,678.1	6,814.2	7,317.2	8,070.1	8,264.8	7,111.4	7,242.6	7,717.3	7,721.9	7,562.0	7,718.8	8,002.6
of which: C Manufacturing	5,699.7	5,787.6	6,208.6	6,880.6	6,980.7	5,840.0	5,955.0	6,384.1	6,401.0	6,257.7	6,360.9	6,589.1
F Construction	1,481.5	1,671.6	1,957.4	2,450.8	2,761.5	2,464.8	2,016.6	1,888.7	1,701.9	1,775.0	1,861.8	1,951.0
GHI Trade, transportation and storage, accommodation and food service activities	4,579.6	4,966.6	5,437.3	6,234.1	6,852.0	6,337.9	6,296.3	6,464.2	6,463.9	6,363.1	6,360.9	6,638.8
J Information and communication	915.4	1,011.8	1,099.9	1,216.1	1,293.7	1,209.1	1,256.0	1,281.1	1,249.6	1,282.6	1,322.3	1,343.6
K Financial and insurance activities	1,087.6	1,163.8	1,376.1	1,460.3	1,539.2	1,581.6	1,730.1	1,661.7	1,484.4	1,498.2	1,590.2	1,619.7
L Real estate activities	1,779.4	1,920.2	2,007.6	2,150.6	2,387.1	2,612.9	2,507.3	2,446.2	2,392.2	2,379.5	2,447.2	2,528.1
MN Professional, scientific, technical, administrative and support services	2,010.3	2,050.1	2,269.2	2,610.6	2,902.1	2,755.0	2,837.0	2,804.6	2,754.9	2,784.2	2,804.6	2,834.4
OPQ Public administration, education, human health and social work	3,929.6	4,170.6	4,370.7	4,596.9	5,064.3	5,360.9	5,480.2	5,547.0	5,372.7	5,276.8	5,256.6	5,392.0
RST Other service activities	684.3	742.2	762.6	802.8	853.5	860.6	855.8	855.9	825.5	789.8	763.8	797.9
<b>1. TOTAL VALUE ADDED, basic prices</b>	<b>23,775.7</b>	<b>25,177.4</b>	<b>27,225.0</b>	<b>30,366.9</b>	<b>32,681.0</b>	<b>31,023.5</b>	<b>30,985.2</b>	<b>31,499.4</b>	<b>30,767.8</b>	<b>30,573.9</b>	<b>31,002.3</b>	<b>31,936.2</b>
<b>2. CORRECTIONS (a-b)</b>	<b>3,389.0</b>	<b>3,544.9</b>	<b>3,820.0</b>	<b>4,226.8</b>	<b>4,563.5</b>	<b>4,532.6</b>	<b>4,621.9</b>	<b>4,672.4</b>	<b>4,698.5</b>	<b>4,678.5</b>	<b>4,733.0</b>	<b>4,874.3</b>
a) Taxes on products and services	3,520.2	3,697.3	3,953.5	4,420.4	4,769.2	4,735.7	4,847.2	4,841.6	4,898.1	4,878.7	4,938.8	5,085.9
b) Subsidies on products and services	131.2	152.4	133.5	193.7	205.7	203.1	225.4	169.1	199.6	200.2	205.8	211.6
<b>3. GROSS DOMESTIC PRODUCT (3=1+2)</b>	<b>27,164.7</b>	<b>28,722.3</b>	<b>31,045.0</b>	<b>34,593.6</b>	<b>37,244.4</b>	<b>35,556.1</b>	<b>35,607.0</b>	<b>36,171.8</b>	<b>35,466.4</b>	<b>35,252.4</b>	<b>35,735.3</b>	<b>36,810.5</b>

Source: SORS, forecasts by IMAD.



Table 3a: Gross value added by activity at basic prices and gross domestic product

EUR million (fixed 2007 exchange rate)

	constant previous year prices									constant 2012 prices		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
A Agriculture, forestry and fishing	692.1	604.3	661.2	661.3	769.8	698.6	742.5	820.6	784.3	816.8	821.3	825.4
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	6,498.4	6,905.0	7,314.4	7,866.9	8,152.6	6,981.6	7,570.6	7,462.5	7,627.2	7,672.5	7,722.4	7,799.5
of which: C Manufacturing	5,613.2	5,897.6	6,216.2	6,731.3	6,893.0	5,782.1	6,265.5	6,156.9	6,324.9	6,349.8	6,381.5	6,445.4
F Construction	1,381.4	1,533.0	1,914.9	2,301.3	2,570.7	2,351.2	2,024.0	1,808.0	1,670.3	1,684.0	1,684.0	1,709.3
GHI Trade, transportation and storage, accommodation and food service activities	4,389.1	4,810.5	5,324.2	5,816.9	6,444.5	6,233.1	6,435.7	6,415.0	6,287.0	6,253.8	6,275.0	6,362.8
J Information and communication	901.6	1,019.7	1,103.9	1,199.4	1,335.5	1,234.3	1,251.3	1,249.0	1,246.2	1,236.5	1,248.8	1,267.6
K Financial and insurance activities	1,096.5	1,207.4	1,228.6	1,582.2	1,513.1	1,551.0	1,600.4	1,682.5	1,624.8	1,461.4	1,476.0	1,512.9
L Real estate activities	1,680.3	1,837.7	1,971.8	2,093.4	2,285.6	2,378.5	2,647.9	2,498.0	2,427.4	2,379.0	2,402.8	2,438.9
MN Professional, scientific, technical, administrative and support services	1,902.4	1,978.7	2,205.3	2,434.9	2,719.6	2,718.9	2,898.5	2,835.6	2,776.1	2,712.2	2,725.8	2,780.3
OPQ Public administration, education, human health and social work	3,784.2	4,069.1	4,247.2	4,454.2	4,675.8	5,155.3	5,451.6	5,525.5	5,529.1	5,246.4	5,230.7	5,251.6
RST Other service activities	646.4	729.9	740.5	760.5	805.1	829.5	849.2	854.4	830.1	775.6	752.3	756.1
<b>1. TOTAL VALUE ADDED, basic prices</b>	<b>22,972.5</b>	<b>24,695.2</b>	<b>26,712.2</b>	<b>29,170.8</b>	<b>31,272.3</b>	<b>30,132.1</b>	<b>31,471.6</b>	<b>31,151.1</b>	<b>30,802.6</b>	<b>30,238.3</b>	<b>30,339.1</b>	<b>30,704.3</b>
<b>2. CORRECTIONS (a-b)</b>	<b>3,331.8</b>	<b>3,558.0</b>	<b>3,690.2</b>	<b>4,035.0</b>	<b>4,491.8</b>	<b>4,192.1</b>	<b>4,525.2</b>	<b>4,669.5</b>	<b>4,524.0</b>	<b>4,570.2</b>	<b>4,555.0</b>	<b>4,608.7</b>
a) Taxes on products and services	3,454.7	3,688.4	3,842.7	4,171.3	4,678.4	4,382.8	4,734.0	4,903.9	4,686.8	4,765.9	4,752.6	4,807.7
b) Subsidies on products and services	122.9	130.4	152.4	136.4	186.6	190.6	208.9	234.4	162.8	195.6	197.6	199.0
<b>3. GROSS DOMESTIC PRODUCT (3=1+2)</b>	<b>26,304.3</b>	<b>28,253.2</b>	<b>30,402.4</b>	<b>33,205.8</b>	<b>35,764.1</b>	<b>34,324.3</b>	<b>35,996.8</b>	<b>35,820.6</b>	<b>35,326.6</b>	<b>34,808.5</b>	<b>34,894.1</b>	<b>35,313.1</b>

Source: SORS, forecasts by IMAD.

Table 3b: Gross value added by activity at basic prices and gross domestic product

	Real growth rates in %											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
A Agriculture, forestry and fishing	28.1	-4.1	-0.8	5.5	-0.6	-8.4	1.8	7.5	-5.8	2.0	0.5	0.5
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	4.6	3.4	7.3	7.5	1.0	-15.5	6.5	3.0	-1.2	-0.6	0.6	1.0
of which: C Manufacturing	4.4	3.5	7.4	8.4	0.2	-17.2	7.3	3.4	-0.9	-0.8	0.5	1.0
F Construction	0.7	3.5	14.6	17.6	4.9	-14.9	-17.9	-10.3	-11.6	-1.0	0.0	1.5
GHI Trade, transportation and storage, accommodation and food service activities	3.1	5.0	7.2	7.0	3.4	-9.0	1.5	1.9	-2.7	-3.2	0.3	1.4
J Information and communication	8.3	11.4	9.1	9.0	9.8	-4.6	3.5	-0.6	-2.7	-1.0	1.0	1.5
K Financial and insurance activities	10.0	11.0	5.6	15.0	3.6	0.8	1.2	-2.8	-2.2	-1.5	1.0	2.5
L Real estate activities	1.0	3.3	2.7	4.3	6.3	-0.4	1.3	-0.4	-0.8	-0.5	1.0	1.5
MN Professional, scientific, technical, administrative and support services	3.2	-1.6	7.6	7.3	4.2	-6.3	5.2	0.0	-1.0	-1.5	0.5	2.0
OPQ Public administration, education, human health and social work	3.7	3.5	1.8	1.9	1.7	1.8	1.7	0.8	-0.3	-2.3	-0.3	0.4
RST Other service activities	2.6	6.7	-0.2	-0.3	0.3	-2.8	-1.3	-0.2	-3.0	-6.0	-3.0	0.5
<b>1. TOTAL VALUE ADDED, basic prices</b>	<b>4.4</b>	<b>3.9</b>	<b>6.1</b>	<b>7.1</b>	<b>3.0</b>	<b>-7.8</b>	<b>1.4</b>	<b>0.5</b>	<b>-2.2</b>	<b>-1.7</b>	<b>0.3</b>	<b>1.2</b>
<b>2. CORRECTIONS (a-b)</b>	<b>4.3</b>	<b>5.0</b>	<b>4.1</b>	<b>5.6</b>	<b>6.3</b>	<b>-8.1</b>	<b>-0.2</b>	<b>1.0</b>	<b>-3.2</b>	<b>-2.7</b>	<b>-0.3</b>	<b>1.2</b>
a) Taxes on products and services	4.1	4.8	3.9	5.5	5.8	-8.1	0.0	1.2	-3.2	-2.7	-0.3	1.2
b) Subsidies on products and services	-1.4	-0.6	0.0	2.2	-3.6	-7.3	2.8	4.0	-3.8	-2.0	1.0	0.7
<b>3. GROSS DOMESTIC PRODUCT (3=1+2)</b>	<b>4.4</b>	<b>4.0</b>	<b>5.8</b>	<b>7.0</b>	<b>3.4</b>	<b>-7.8</b>	<b>1.2</b>	<b>0.6</b>	<b>-2.3</b>	<b>-1.9</b>	<b>0.2</b>	<b>1.2</b>

Source: SORS, forecasts by IMAD.

Table 4a: Gross domestic product and primary incomes

EUR million, current prices (fixed 2007 exchange rate)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
1. <b>Compensation of employees</b>	13,815.0	14,615.8	15,649.7	17,211.6	18,956.0	18,791.9	19,000.6	18,906.0	18,571.8	18,259.0	18,254.6	18,634.9
Wages and salaries	11,857.8	12,538.6	13,420.4	14,781.9	16,302.8	16,130.0	16,317.2	16,226.2	15,919.5	15,653.0	15,651.7	15,979.9
Employers' social contributions	1,957.2	2,077.1	2,229.3	2,429.8	2,653.2	2,661.8	2,683.5	2,679.9	2,652.3	2,606.1	2,602.9	2,655.0
2. <b>Taxes on production and imports</b>	4,288.7	4,527.2	4,725.2	5,154.3	5,361.6	5,100.4	5,208.3	5,210.6	5,270.3	5,260.1	5,328.1	5,487.4
Taxes on products and services	3,520.2	3,697.3	3,953.5	4,420.4	4,769.2	4,735.7	4,847.2	4,841.6	4,898.1	4,878.7	4,938.8	5,085.9
Other taxes on production	768.5	829.9	771.7	733.9	592.4	364.7	361.0	369.0	372.2	381.4	389.3	401.5
3. <b>Subsidies</b>	521.6	590.2	669.5	761.6	779.5	911.9	986.0	673.8	689.5	727.0	758.2	781.2
Subsidies on products and services	131.2	152.4	133.5	193.7	205.7	203.1	225.4	169.1	199.5	200.2	205.8	211.6
Other subsidies on production	390.5	437.8	536.0	568.0	573.7	708.9	760.7	504.7	490.0	526.8	552.4	569.6
4. <b>Gross operating surplus/</b>	9,582.6	10,169.5	11,339.6	12,989.4	13,706.2	12,575.7	12,384.2	12,729.1	12,313.8	12,460.2	12,910.8	13,469.4
Consumption of fixed capital	4,159.5	4,405.5	4,627.9	5,039.2	5,514.0	5,860.1	5,820.4	5,886.5	5,939.4	5,998.6	6,058.7	6,119.3
Net operating surplus	5,423.1	5,764.0	6,711.7	7,950.2	8,192.2	6,715.6	6,563.7	6,842.5	6,374.4	6,461.6	6,852.2	7,350.1
<b>Gross operating surplus</b>	6,838.7	7,190.9	8,121.1	9,314.2	9,916.0	9,182.2	9,065.8	9,310.4	9,006.7	9,109.7	9,382.6	9,715.8
Consumption of fixed capital	3,725.1	3,949.2	4,148.2	4,513.8	4,967.6	5,322.0	5,319.2	5,404.2	5,452.8	5,507.2	5,562.3	5,617.9
Net operating surplus	3,113.6	3,241.6	3,972.9	4,800.4	4,948.4	3,860.2	3,746.6	3,906.2	3,553.9	3,602.5	3,820.3	4,097.9
<b>Gross mixed income</b>	2,743.9	2,978.6	3,218.6	3,675.2	3,790.2	3,393.6	3,318.4	3,418.6	3,307.1	3,350.5	3,528.3	3,753.6
Consumption of fixed capital	434.4	456.2	479.7	525.4	546.4	538.1	501.3	482.3	486.6	491.4	496.4	501.3
Net mixed income	2,309.5	2,522.4	2,738.8	3,149.7	3,243.8	2,855.4	2,817.1	2,936.3	2,820.5	2,859.1	3,031.9	3,252.2
6. <b>GDP (6=1+2-3+4+5)</b>	27,164.7	28,722.3	31,045.0	34,593.6	37,244.4	35,556.1	35,607.0	36,171.8	35,466.4	35,252.4	35,735.3	36,810.5

Source: SORS, forecasts by IMAD.



Table 4b: Gross domestic product and primary incomes

Structure in %, current prices

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
1. <b>Compensation of employees</b>	50.9	50.9	50.4	49.8	50.9	52.9	53.4	52.3	52.4	51.8	51.1	50.6
Wages and salaries	43.7	43.7	43.2	42.7	43.8	45.4	45.8	44.9	44.9	44.4	43.8	43.4
Employers' social contributions	7.2	7.2	7.2	7.0	7.1	7.5	7.5	7.4	7.5	7.4	7.3	7.2
2. <b>Taxes on production and imports</b>	15.8	15.8	15.2	14.9	14.4	14.3	14.6	14.4	14.9	14.9	14.9	14.9
Taxes on products and services	13.0	12.9	12.7	12.8	12.8	13.3	13.6	13.4	13.8	13.8	13.8	13.8
Other taxes on production	2.8	2.9	2.5	2.1	1.6	1.0	1.0	1.0	1.0	1.1	1.1	1.1
3. <b>Subsidies</b>	1.9	2.1	2.2	2.2	2.1	2.6	2.8	1.9	1.9	2.1	2.1	2.1
Subsidies on products and services	0.5	0.5	0.4	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6
Other subsidies on production	1.4	1.5	1.7	1.6	1.5	2.0	2.1	1.4	1.4	1.5	1.5	1.5
4. <b>Gross operating surplus/</b>	35.3	35.4	36.5	37.5	36.8	35.4	34.8	35.2	34.7	35.3	36.1	36.6
Consumption of fixed capital	15.3	15.3	14.9	14.6	14.8	16.5	16.3	16.3	16.7	17.0	17.0	16.6
Net operating surplus	20.0	20.1	21.6	23.0	22.0	18.9	18.4	18.9	18.0	18.3	19.2	20.0
<b>Gross operating surplus</b>	25.2	25.0	26.2	26.9	26.6	25.8	25.5	25.7	25.4	25.8	26.3	26.4
Consumption of fixed capital	13.7	13.7	13.4	13.0	13.3	15.0	14.9	14.9	15.4	15.6	15.6	15.3
Net operating surplus	11.5	11.3	12.8	13.9	13.3	10.9	10.5	10.8	10.0	10.2	10.7	11.1
<b>Gross mixed income</b>	10.1	10.4	10.4	10.6	10.2	9.5	9.3	9.5	9.3	9.5	9.9	10.2
Consumption of fixed capital	1.6	1.6	1.5	1.5	1.5	1.5	1.4	1.3	1.4	1.4	1.4	1.4
Net mixed income	8.5	8.8	8.8	9.1	8.7	8.0	7.9	8.1	8.0	8.1	8.5	8.8
6. <b>GDP (6=1+2-3+4+5)</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SORS, forecasts by IMAD.

Table 5a: Gross domestic product by expenditures

EUR million, current prices (fixed 2007 exchange rate)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
1 <b>GROSS DOMESTIC PRODUCT (1=4+5)</b>	27,164.7	28,722.3	31,045.0	34,593.6	37,244.4	35,556.1	35,607.0	36,171.8	35,466.4	35,252.4	35,735.3	36,810.5
2 EXPORTS OF GOODS AND SERVICES	15,703.6	17,858.9	20,657.5	24,040.6	25,293.1	20,860.8	23,500.2	26,201.5	26,603.6	27,075.4	28,114.2	29,780.8
3 IMPORTS OF GOODS AND SERVICES	16,054.3	17,976.2	20,818.1	24,635.9	26,231.0	20,149.0	23,137.3	25,761.8	25,194.7	25,120.5	25,958.8	27,375.9
4 EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	-350.7	-117.2	-160.6	-595.2	-937.8	711.8	362.8	439.6	1,408.9	1,954.9	2,155.4	2,404.9
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	27,515.3	28,839.5	31,205.6	35,188.9	38,182.3	34,844.3	35,244.2	35,732.2	34,057.2	33,297.5	33,579.9	34,405.5
6 FINAL CONSUMPTION (6=7+8)	20,049.8	21,038.9	22,228.3	24,136.5	26,341.5	26,969.0	27,742.9	28,451.5	28,010.6	27,264.4	27,299.6	27,877.9
7 PRIVATE CONSUMPTION	14,932.7	15,586.5	16,403.6	18,146.9	19,583.2	19,816.9	20,374.1	20,918.3	20,690.5	20,232.3	20,239.5	20,677.7
Households	14,703.1	15,367.9	16,167.4	17,864.8	19,310.1	19,546.5	20,111.7	20,675.4	20,452.2	19,996.8	20,003.0	20,434.8
NPISH's	229.6	218.6	236.2	282.1	273.1	270.5	262.4	242.8	238.3	235.5	236.5	242.9
8 GOVERNMENT CONSUMPTION (individual and collective)	5,117.2	5,452.3	5,824.7	5,989.6	6,758.3	7,152.0	7,368.8	7,533.2	7,320.1	7,032.1	7,060.1	7,200.2
9 GROSS CAPITAL FORMATION (9=10+11)	7,465.5	7,800.6	8,977.3	11,052.4	11,840.7	7,875.3	7,501.3	7,280.8	6,046.6	6,033.1	6,280.4	6,527.6
10 GROSS FIXED CAPITAL FORMATION	6,789.5	7,294.4	8,234.6	9,603.6	10,662.6	8,225.0	7,168.9	6,694.1	6,156.8	6,214.8	6,386.7	6,608.9
11 CHANGES IN INVENTORIES AND VALUABLES	676.0	506.3	742.7	1,448.8	1,178.1	-349.6	332.4	586.7	-110.2	-181.7	-106.3	-81.3

Source: SORS, forecasts by IMAD.

Table 5b: Gross domestic product by expenditures

Structure in %, current prices

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
1 <b>GROSS DOMESTIC PRODUCT (1=4+5)</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 EXPORTS OF GOODS AND SERVICES	57.8	62.2	66.5	69.5	67.9	58.7	66.0	72.4	75.0	76.8	78.7	80.9
3 IMPORTS OF GOODS AND SERVICES	59.1	62.6	67.1	71.2	70.4	56.7	65.0	71.2	71.0	71.3	72.6	74.4
4 EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	-1.3	-0.4	-0.5	-1.7	-2.5	2.0	1.0	1.2	4.0	5.5	6.0	6.5
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	101.3	100.4	100.5	101.7	102.5	98.0	99.0	98.8	96.0	94.5	94.0	93.5
6 FINAL CONSUMPTION (6=7+8)	73.8	73.2	71.6	69.8	70.7	75.8	77.9	78.7	79.0	77.3	76.4	75.7
7 PRIVATE CONSUMPTION	55.0	54.3	52.8	52.5	52.6	55.7	57.2	57.8	58.3	57.4	56.6	56.2
Households	54.1	53.5	52.1	51.6	51.8	55.0	56.5	57.2	57.7	56.7	56.0	55.5
NPISH's	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7
8 GOVERNMENT CONSUMPTION (individual and collective)	18.8	19.0	18.8	17.3	18.1	20.1	20.7	20.8	20.6	19.9	19.8	19.6
9 GROSS CAPITAL FORMATION (9=10+11)	27.5	27.2	28.9	31.9	31.8	22.1	21.1	20.1	17.0	17.1	17.6	17.7
10 GROSS FIXED CAPITAL FORMATION	25.0	25.4	26.5	27.8	28.6	23.1	20.1	18.5	17.4	17.6	17.9	18.0
11 CHANGES IN INVENTORIES AND VALUABLES	2.5	1.8	2.4	4.2	3.2	-1.0	0.9	1.6	-0.3	-0.5	-0.3	-0.2

Source: SORS, forecasts by IMAD.

Table 6a: Gross domestic product by expenditures

EUR million (fixed 2007 exchange rate)

	constant previous year prices										constant 2012 prices		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
											forecast		
1 <b>GROSS DOMESTIC PRODUCT (1=4+5)</b>	26,304.3	28,253.2	30,402.4	33,205.8	35,764.1	34,324.3	35,996.8	35,820.6	35,326.6	34,808.5	34,894.1	35,313.1	
2 EXPORTS OF GOODS AND SERVICES	15,241.4	17,363.0	20,097.6	23,494.5	25,000.6	21,067.4	22,975.8	25,152.9	26,273.7	26,910.2	27,793.4	29,149.5	
3 IMPORTS OF GOODS AND SERVICES	15,424.7	17,123.8	20,162.1	24,290.8	25,544.1	21,113.5	21,736.3	24,332.5	24,647.9	25,005.8	25,611.4	26,742.1	
4 EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	-183.2	242.5	-64.6	-796.3	-543.5	-46.1	1,239.5	820.3	1,625.7	1,904.4	2,182.1	2,407.5	
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	26,487.6	28,014.0	30,466.8	34,002.1	36,307.6	34,370.4	34,757.2	35,000.3	33,700.9	32,904.1	32,712.1	32,905.6	
6 FINAL CONSUMPTION (6=7+8)	19,440.4	20,540.7	21,692.8	23,291.6	24,911.8	26,537.5	27,338.8	27,843.1	27,716.6	26,962.9	26,649.5	26,728.5	
7 PRIVATE CONSUMPTION	14,502.8	15,242.7	16,023.1	17,429.1	18,569.3	19,610.4	20,078.1	20,564.4	20,306.9	19,855.1	19,587.8	19,677.4	
- Households	14,283.1	15,030.4	15,793.9	17,162.3	18,309.3	19,344.5	19,818.0	20,321.6	20,069.1	19,623.9	19,359.0	19,446.3	
- NPISH's	219.7	212.3	229.2	266.8	260.0	265.9	260.1	242.9	237.8	231.2	228.8	231.1	
8 GOVERNMENT CONSUMPTION (individual and collective)	4,937.6	5,298.0	5,669.7	5,862.5	6,342.5	6,927.1	7,260.7	7,278.7	7,409.8	7,107.8	7,061.6	7,051.0	
9 GROSS CAPITAL FORMATION (9=10+11)	7,047.1	7,473.3	8,774.1	10,710.5	11,395.7	7,832.8	7,418.5	7,157.2	5,984.3	5,941.2	6,062.6	6,177.1	
10 GROSS FIXED CAPITAL FORMATION	6,381.7	6,992.2	8,053.1	9,328.3	10,283.6	8,184.7	7,093.9	6,589.1	6,074.2	6,122.9	6,168.9	6,258.4	
11 CHANGES IN INVENTORIES AND VALUABLES	665.4	481.1	721.0	1,382.1	1,112.2	-351.9	324.6	568.1	-89.8	-181.7	-106.3	-81.3	

Source: SORS, forecasts by IMAD.

Table 6b: Gross domestic product by expenditures

Real growth rates in %

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
											forecast		
											forecast		
1 <b>GROSS DOMESTIC PRODUCT (1=4+5)</b>	4.4	4.0	5.8	7.0	3.4	-7.8	1.2	0.6	-2.3	-1.9	0.2	1.2	
2 EXPORTS OF GOODS AND SERVICES	12.4	10.6	12.5	13.7	4.0	-16.7	10.1	7.0	0.3	1.2	3.3	4.9	
3 IMPORTS OF GOODS AND SERVICES	13.3	6.7	12.2	16.7	3.7	-19.5	7.9	5.2	-4.3	-0.7	2.4	4.4	
4 EXTERNAL BALANCE OF GOODS AND SERVICES <sup>1</sup>	-0.5	2.2	0.2	-2.0	0.1	2.4	1.5	1.3	3.3	1.4	0.8	0.6	
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	4.9	1.8	5.6	9.0	3.2	-10.0	-0.2	-0.7	-5.7	-3.4	-0.6	0.6	
6 FINAL CONSUMPTION (6=7+8)	3.1	2.4	3.1	4.8	3.2	0.7	1.4	0.4	-2.6	-3.7	-1.2	0.3	
7 PRIVATE CONSUMPTION	3.0	2.1	2.8	6.3	2.3	0.1	1.3	0.9	-2.9	-4.0	-1.3	0.5	
- Households	3.0	2.2	2.8	6.2	2.5	0.2	1.4	1.0	-2.9	-4.0	-1.3	0.5	
- NPISH's	1.2	-7.5	4.8	12.9	-7.8	-2.6	-3.9	-7.4	-2.1	-3.0	-1.0	1.0	
8 GOVERNMENT CONSUMPTION (individual and collective)	3.3	3.5	4.0	0.6	5.9	2.5	1.5	-1.2	-1.6	-2.9	-0.6	-0.1	
9 GROSS CAPITAL FORMATION	10.2	0.1	12.5	19.3	3.1	-33.8	-5.8	-4.6	-17.8	-1.7	2.0	1.9	
10 GROSS FIXED CAPITAL FORMATION	5.0	3.0	10.4	13.3	7.1	-23.2	-13.8	-8.1	-9.3	-0.5	0.8	1.5	
11 CHANGES IN INVENTORIES AND VALUABLES <sup>1</sup>	1.4	-0.7	0.7	2.1	-1.0	-4.1	1.9	0.7	-1.9	-0.2	0.2	0.1	

Source: SORS, forecasts by IMAD.

Note: <sup>1</sup> Contribution to real GDP growth (percentage points).

Table 7a: Main aggregates of national accounts

EUR million, current prices (fixed 2007 exchange rate)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
1 GROSS DOMESTIC PRODUCT	27,164.7	28,722.3	31,045.0	34,593.6	37,244.4	35,556.1	35,607.0	36,171.8	35,466.4	35,252.4	35,735.3	36,810.5
2 Net primary incomes with the rest of the world (a-b)	-313.1	-243.6	-367.7	-734.5	-982.6	-687.7	-577.7	-501.8	-444.2	-693.0	-736.4	-884.2
a) Primary incomes receivable from the ROW	563.3	765.4	1,032.5	1,333.5	1,406.7	752.1	660.5	1,043.9	978.6	875.4	1,082.1	1,096.6
b) Primary incomes payable to the ROW	876.3	1,009.0	1,400.3	2,068.0	2,389.4	1,439.8	1,238.2	1,545.7	1,422.7	1,568.5	1,818.4	1,980.7
3 GROSS NATIONAL INCOME (3=1+2)	26,851.6	28,478.7	30,677.3	33,859.2	36,261.8	34,868.4	35,029.4	35,670.1	35,022.1	34,559.3	34,999.0	35,926.3
4 Net current transfers with the rest of the world (c-d)	-43.4	-143.1	-215.3	-241.1	-339.1	-175.7	55.9	106.4	-41.8	286.0	-39.8	-93.9
c) Current transfers receivable from the ROW	546.7	630.9	672.2	731.4	506.5	737.1	903.9	1,015.8	949.7	1,306.0	1,021.0	1,010.0
d) Current transfers payable to the ROW	590.1	774.0	887.4	972.5	845.5	912.8	848.0	909.4	991.5	1,020.0	1,060.8	1,103.9
5 GROSS NATIONAL DISPOSABLE INCOME (5=3+4)	26,808.2	28,335.5	30,462.0	33,618.1	35,922.7	34,692.6	35,085.3	35,776.5	34,980.2	34,845.3	34,959.2	35,832.4
6 FINAL CONSUMPTION EXPENDITURE (e+f)	20,049.8	21,038.9	22,228.3	24,136.5	26,341.5	26,969.0	27,742.9	28,451.5	28,010.6	27,264.4	27,299.6	27,877.9
e) Private consumption	14,932.7	15,586.5	16,403.6	18,146.9	19,583.2	19,816.9	20,374.1	20,918.3	20,690.5	20,232.3	20,239.5	20,677.7
f) Government consumption	5,117.2	5,452.3	5,824.7	5,989.6	6,758.3	7,152.0	7,368.8	7,533.2	7,320.1	7,032.1	7,060.1	7,200.2
7 GROSS SAVING (7=5-6)	6,758.3	7,296.7	8,233.7	9,481.6	9,581.2	7,723.7	7,342.4	7,325.0	6,969.6	7,580.9	7,659.6	7,954.5
8 GROSS CAPITAL FORMATION	7,465.5	7,800.6	8,977.3	11,052.4	11,840.7	7,875.3	7,501.3	7,280.8	6,046.6	6,033.1	6,280.4	6,527.6
- Gross fixed capital formation	6,789.5	7,294.4	8,234.6	9,603.6	10,662.6	8,225.0	7,168.9	6,694.1	6,156.8	6,214.8	6,386.7	6,608.9
- Changes in inventories and valuables	676.0	506.3	742.7	1,448.8	1,178.1	-349.6	332.4	586.7	-110.2	-181.7	-106.3	-81.3
9 SURPLUS ON THE CURRENT ACCOUNT WITH THE ROW (9=7-8)	-707.1	-504.0	-743.6	-1,570.8	-2,259.5	-151.7	-158.9	44.3	922.9	1,547.8	1,379.3	1,426.9

Source: SORS, forecast by IMAD.

Table 7b: Main aggregates of national accounts

Structure in %, current prices

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
1 GROSS DOMESTIC PRODUCT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 Net primary incomes with the rest of the world (a-b)	-1.2	-0.8	-1.2	-2.1	-2.6	-1.9	-1.6	-1.4	-1.3	-2.0	-2.1	-2.4
a) Primary incomes receivable from the ROW	2.1	2.7	3.3	3.9	3.8	2.1	1.9	2.9	2.8	2.5	3.0	3.0
b) Primary incomes payable to the ROW	3.2	3.5	4.5	6.0	6.4	4.0	3.5	4.3	4.0	4.4	5.1	5.4
3 GROSS NATIONAL INCOME (3=1+2)	98.8	99.2	98.8	97.9	97.4	98.1	98.4	98.6	98.7	98.0	97.9	97.6
4 Net current transfers with the rest of the world (c-d)	-0.2	-0.5	-0.7	-0.7	-0.9	-0.5	0.2	0.3	-0.1	0.8	-0.1	-0.3
c) Current transfers receivable from the ROW	2.0	2.2	2.2	2.1	1.4	2.1	2.5	2.8	2.7	3.7	2.9	2.7
d) Current transfers payable to the ROW	2.2	2.7	2.9	2.8	2.3	2.6	2.4	2.5	2.8	2.9	3.0	3.0
5 GROSS NATIONAL DISPOSABLE INCOME (5=3+4)	98.7	98.7	98.1	97.2	96.5	97.6	98.5	98.9	98.6	98.8	97.8	97.3
6 FINAL CONSUMPTION EXPENDITURE (e+f)	73.8	73.2	71.6	69.8	70.7	75.8	77.9	78.7	79.0	77.3	76.4	75.7
e) Private consumption	55.0	54.3	52.8	52.5	52.6	55.7	57.2	57.8	58.3	57.4	56.6	56.2
f) Government consumption	18.8	19.0	18.8	17.3	18.1	20.1	20.7	20.8	20.6	19.9	19.8	19.6
7 GROSS SAVING (7=5-6)	24.9	25.4	26.5	27.4	25.7	21.7	20.6	20.3	19.7	21.5	21.4	21.6
8 GROSS CAPITAL FORMATION	27.5	27.2	28.9	31.9	31.8	22.1	21.1	20.1	17.0	17.1	17.6	17.7
- Gross fixed capital formation	25.0	25.4	26.5	27.8	28.6	23.1	20.1	18.5	17.4	17.6	17.9	18.0
- Changes in inventories and valuables	2.5	1.8	2.4	4.2	3.2	-1.0	0.9	1.6	-0.3	-0.5	-0.3	-0.2
9 SURPLUS ON THE CURRENT ACCOUNT WITH THE ROW (9=7-8)	-2.6	-1.8	-2.4	-4.5	-6.1	-0.4	-0.4	0.1	2.6	4.4	3.9	3.9

Source: SORS, forecast by IMAD.

Table 8: Labour market

Numbers in thousands, indicators in %

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
											forecast	
<b>LABOUR SUPPLY</b>												
Participation rate (15-64)	69.9	70.7	70.9	71.3	71.8	71.8	71.5	70.3	70.4	69.8	69.7	69.6
- 15-24 years of age	39.3	40.5	40.6	41.8	42.9	40.9	39.9	37.4	34.4	34.1	33.9	33.7
- 25-54 years of age	88.8	88.8	89.0	89.3	90.1	89.6	90.0	90.1	90.8	89.3	88.9	88.7
- 55-64 years of age	31.1	32.1	33.4	34.6	34.2	36.9	36.5	33.3	35.1	35.5	35.9	36.4
Participation rate (65 years and more)	7.2	7.8	7.7	8.8	6.4	7.6	7.3	6.3	5.0	5.1	5.1	5.2
Labour force (LFS concept)	1006	1015	1022	1035	1042	1042	1041	1019	1014	1009	1002	995
Yearly changes (in perc.)	5.0	0.9	0.7	1.3	0.6	0.0	0.0	-2.1	-0.6	-0.5	-0.7	-0.7
<b>LABOUR DEMAND</b>												
<b>Yearly changes (in perc.)</b>												
GDP	4.4	4.0	5.8	7.0	3.4	-7.8	1.2	0.6	-2.3	-1.9	0.2	1.2
Productivity	4.0	4.5	4.2	3.5	0.8	-6.1	3.5	2.2	-1.1	-0.2	1.0	1.2
Persons in employment (National accounts concept)	0.4	-0.5	1.5	3.3	2.6	-1.8	-2.2	-1.6	-1.3	-1.6	-0.8	0.0
Persons in employment (LFS concept)	5.5	0.4	1.3	2.5	1.1	-1.5	-1.5	-3.1	-1.3	-1.6	-0.8	0.0
Persons in formal employment (statistical register)*	0.8	0.7	1.4	3.5	3.0	-2.4	-2.7	-1.3	-1.7	-1.7	-0.7	0.1
- Persons in paid employment *	0.3	1.0	1.4	3.3	3.1	-2.8	-2.6	-2.4	-1.6	-1.9	-1.1	-0.2
<b>Numbers (in thousand)</b>												
Persons in employment (National accounts concept)	935.1	930.8	945.2	976.7	1001.9	983.7	962.5	947.0	935.1	919.7	912.7	912.4
Persons in formal employment (statistical register)	807.5	813.1	824.8	854.0	879.3	858.2	835.0	824.0	810.0	796.0	790.6	791.3
- Persons in paid employment *	724.4	731.6	741.6	766.0	789.9	767.4	747.2	729.1	717.0	703.1	695.7	694.0
- Selfemployed	83.1	81.5	83.3	87.9	89.4	90.8	87.8	94.9	93.0	92.9	94.9	97.3
Persons in employment (LFS concept)	946	949	961	985	996	981	966	936	924	908	902	901
- Employment rate (15-64 y.of age, in %)	65.8	65.9	66.6	67.9	69.5	67.5	66.2	64.4	64.1	63.1	62.8	63.1
<b>Economic structure of employment (LFS concept in %)</b>												
Agriculture	9.7	9.1	9.6	9.9	8.6	9.1	8.8	8.6	8.4	8.4	8.4	8.4
Industry and construction	36.4	37.1	35.5	35.3	35.2	33.2	32.6	31.7	31.0	31.0	31.0	30.9
Services	53.9	53.8	54.9	54.9	56.2	57.7	58.6	59.7	60.6	60.6	60.6	60.7
<b>UNEMPLOYMENT</b>												
- ILO concept	60.5	66.0	60.8	49.9	45.5	61.0	75.4	83.2	89.9	100.5	100.3	93.5
- Registered	92.8	91.9	85.8	71.3	63.2	86.4	100.5	110.7	110.2	123.5	124.1	120.0
Rate of unemployment (ILO concept)	6.0	6.5	6.0	4.9	4.4	5.9	7.3	8.2	8.9	10.0	10.0	9.4
Rate of registered unemployment	10.3	10.2	9.4	7.7	6.7	9.1	10.7	11.8	12.0	13.4	13.6	13.2

Source: SORS, ESS, Eurostat, forecasts by IMAD and Eurostat (Population projection).

Note: \* As in statistical register of persons in employment.

Table 9: Indicators of international competitiveness

	Annual growth rates in %										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
											forecast
<b>Effective exchange rate <sup>1</sup></b>											
Nominal	-1.3	-1.0	-0.1	0.4	0.7	1.1	-2.1	-0.1	-1.2	1.0	0.0
Real - based on consumer prices	0.0	-0.7	0.3	1.7	2.5	1.3	-1.8	-1.0	-1.1	1.0	-0.5
Real - based on ULC in economy as a whole	2.0	-1.0	-0.1	1.1	3.4	6.1	-1.6	-2.3	-3.5	-0.1	-1.1
<b>Unit labour costs components</b>											
Nominal unit labour costs	3.6	1.5	1.1	2.6	6.4	8.5	0.4	-0.6	0.7	0.6	0.0
Compensation of employees per employee	7.7	6.0	5.4	6.2	7.2	1.8	3.9	1.6	-0.4	0.3	1.1
Labour productivity, real <sup>2</sup>	4.0	4.5	4.2	3.5	0.8	-6.1	3.5	2.2	-1.1	-0.3	1.1
Real unit labour costs	0.3	-0.2	-1.0	-1.6	2.2	4.7	1.5	-1.6	0.2	-0.7	-1.1
Labour productivity, nominal <sup>3</sup>	7.4	6.2	6.4	7.8	5.0	-2.8	2.3	3.2	-0.6	0.6	2.2

Sources: SORS national accounts statistics, BS, ECB, OECD, Consensus Forecasts February 2013, calculations and forecasts by IMAD.

Notes: <sup>1</sup>Harmonised effective exchange rate - 20 group of trading partners and 17 Euro area countries; a rise in the value indicates appreciation of national currency and vice versa; <sup>2</sup>GDP per employee (in constant prices); <sup>3</sup>GDP per employee (in current prices).

Table 10: Balance of payments - balance of payments statistics

EUR million

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
										forecast		
I. CURRENT ACCOUNT	-720	-498	-771	-1,646	-2,295	-246	-209	2	874	1,545	1,375	1,423
1. GOODS	-1,009	-1,026	-1,151	-1,666	-2,385	-498	-997	-1,043	-295	93	190	371
1.1. Exports of goods	12,933	14,599	17,028	19,798	20,295	16,410	18,762	21,265	21,446	21,704	22,476	23,881
1.2. Imports of goods	13,942	15,625	18,179	21,464	22,680	16,908	19,759	22,308	21,741	21,611	22,286	23,510
2. SERVICES	688	920	993	1,047	1,424	1,165	1,285	1,443	1,698	1,859	1,961	2,030
2.1. Exports	2,783	3,214	3,572	4,145	4,957	4,347	4,616	4,839	5,085	5,305	5,568	5,826
Transport	809	923	1,058	1,259	1,436	1,085	1,206	1,305	1,325	1,384	1,439	1,510
Travel	1,312	1,451	1,555	1,665	1,827	1,804	1,925	1,952	2,011	2,091	2,173	2,281
Other	662	840	959	1,221	1,694	1,458	1,485	1,583	1,749	1,829	1,956	2,035
2.2. Imports	2,095	2,293	2,580	3,098	3,533	3,182	3,331	3,396	3,387	3,445	3,607	3,796
Transport	485	525	601	734	875	648	710	720	706	715	740	779
Travel	703	707	772	831	922	913	923	817	715	658	644	671
Other	906	1,061	1,206	1,533	1,736	1,621	1,698	1,860	1,966	2,073	2,222	2,346
1., 2. EXTERNAL BALANCE OF GOODS AND SERVICES	-322	-106	-158	-619	-962	667	288	400	1,403	1,952	2,151	2,401
Exports of goods and services	15,715	17,813	20,601	23,944	25,252	20,757	23,378	26,104	26,531	27,008	28,044	29,707
Imports of goods and services	16,037	17,918	20,759	24,562	26,213	20,090	23,090	25,704	25,128	25,056	25,892	27,306
3. INCOME	-322	-295	-440	-789	-1,030	-754	-599	-550	-555	-693	-736	-884
3.1. Receipts	530	647	872	1,169	1,262	666	574	918	808	875	1,082	1,097
Compensation of employees	201	205	218	229	238	198	233	312	439	445	448	430
Investment	329	442	654	940	1,024	468	341	606	369	430	634	667
3.2. Expenditures	852	942	1,312	1,957	2,292	1,420	1,173	1,469	1,362	1,568	1,818	1,981
Compensation of employees	63	77	110	179	230	116	90	94	101	125	135	150
Investment	789	866	1,202	1,778	2,062	1,303	1,083	1,375	1,262	1,443	1,683	1,831
4. CURRENT TRANSFERS	-76	-97	-173	-239	-303	-159	102	153	26	286	-40	-94
4.1. In Slovenia	561	738	785	941	871	959	1,203	1,373	1,366	1,656	1,371	1,360
4.2. Abroad	638	835	958	1,180	1,174	1,119	1,100	1,220	1,340	1,370	1,411	1,454
II. CAPITAL AND FINANCIAL ACCOUNT	698	970	1,092	1,920	2,597	175	535	-452	-803			
A CAPITAL ACCOUNT	-96	-114	-131	-52	-25	14	53	-102	-47			
1. Capital transfers	-96	-109	-126	-51	-26	19	61	-98	-48			
2. Non-produced non-financial assets	0	-5	-5	-1	1	-5	-8	-4	1			
B FINANCIAL ACCOUNT	794	1,084	1,223	1,972	2,622	161	482	-350	-755			
1. Direct investment	224	-43	-174	-256	327	-657	431	638	197			
Abroad	-441	-516	-687	-1,362	-1,002	-187	160	-81	85			
In Slovenia	665	473	513	1,106	1,329	-470	271	719	112			
2. Portfolio investment	-637	-1,313	-1,442	-2,255	572	4,628	1,956	1,838	-53			
3. Financial derivatives	6	-10	-13	-15	46	-2	-117	-136	-34			
4. Other investment	945	2,639	1,571	4,358	1,656	-3,976	-1,806	-2,762	-896			
4.1. Assets	-1,308	-1,459	-1,939	-4,696	-322	-267	783	-1,461	-1,493			
4.2. Liabilities	2,252	4,098	3,510	9,054	1,978	-3,708	-2,589	-1,301	597			
5. Reserve assets	256	-189	1,281	140	21	167	19	72	31			
III. NET ERRORS AND OMISSIONS	22	-473	-321	-273	-302	71	-326	450	-72			

Source: BS, forecasts by IMAD.



Table 11a: Consolidated general government revenues; GFS - IMF Methodology

EUR million, current prices (fixed 2007 exchange rate)

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>I. TOTAL GENERAL GOVERNMENT REVENUES</b>	11,196	11,976	12,959	14,006	15,339	14,408	14,794	14,982	14,995
<b>TAX REVENUES</b>	10,211	10,884	11,762	12,758	13,937	12,955	12,848	13,209	13,118
TAXES ON INCOME AND PROFIT	2,115	2,242	2,735	2,918	3,442	2,805	2,491	2,724	2,657
Personal income tax	1,596	1,648	1,793	1,805	2,185	2,092	2,039	2,054	2,077
Corporate income tax	519	594	942	1,113	1,257	712	449	668	579
SOCIAL SECURITY CONTRIBUTIONS	3,753	3,988	4,231	4,598	5,095	5,161	5,234	5,268	5,244
TAXSES ON PAYROLL AND WORKFORCE	491	526	473	418	258	28	28	29	26
Payroll tax	472	506	450	392	230	0	0	0	0
Tax on work contracts	19	20	23	27	28	28	28	29	26
TAXES ON PROPERTY	165	170	189	206	215	207	220	215	233
DOMESTIC TAXES ON GOODS AND SERVICES	3,575	3,915	4,077	4,498	4,805	4,660	4,781	4,856	4,876
TAXES ON INTERN. TRADE AND TRANSACTIONS	81	39	51	117	120	91	91	100	83
OTHER TAXES	31	4	5	2	2	3	4	17	0
<b>NON-TAX REVENUES</b>	677	633	633	709	855	684	923	829	910
CAPITAL REVENUES	87	113	167	136	118	107	176	65	62
GRANTS	8	9	5	12	10	11	13	10	9
TRANSFERS REVENUES	31	34	43	43	54	54	110	54	52
RECEIPTS FROM THE EU BUDGET	183	302	348	348	365	597	723	815	845

Source: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

Table 11b: Consolidated general government revenues; GFS - IMF Methodology

Per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>I. TOTAL GENERAL GOVERNMENT REVENUES</b>	41.2	41.7	41.7	40.5	41.2	40.5	41.5	41.4	42.3
<b>TAX REVENUES</b>	37.6	37.9	37.9	36.9	37.4	36.4	36.1	36.5	37.0
TAXES ON INCOME AND PROFIT	7.8	7.8	8.8	8.4	9.2	7.9	7.0	7.5	7.5
Personal income tax	5.9	5.7	5.8	5.2	5.9	5.9	5.7	5.7	5.9
Corporate income tax	1.9	2.1	3.0	3.2	3.4	2.0	1.3	1.8	1.6
SOCIAL SECURITY CONTRIBUTIONS	13.8	13.9	13.6	13.3	13.7	14.5	14.7	14.6	14.8
TAXSES ON PAYROLL AND WORKFORCE	1.8	1.8	1.5	1.2	0.7	0.1	0.1	0.1	0.1
Payroll tax	1.7	1.8	1.4	1.1	0.6	0.0	0.0	0.0	0.0
Tax on work contracts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TAXES ON PROPERTY	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7
DOMESTIC TAXES ON GOODS AND SERVICES	13.2	13.6	13.1	13.0	12.9	13.1	13.4	13.4	13.7
TAXES ON INTERN. TRADE AND TRANSACTIONS	0.3	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.2
OTHER TAXES	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>NON-TAX REVENUES</b>	2.5	2.2	2.0	2.0	2.3	1.9	2.6	2.3	2.6
CAPITAL REVENUES	0.3	0.4	0.5	0.4	0.3	0.3	0.5	0.2	0.2
GRANTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TRANSFERS REVENUES	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.1	0.1
RECEIPTS FROM THE EU BUDGET	0.7	1.1	1.1	1.0	1.0	1.7	2.0	2.3	2.4

Source: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

Table 12a: Consolidated general government expenditure; GFS - IMF Methodology

EUR million, current prices (fixed exchange rate)

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>II. TOTAL EXPENDITURE</b>	11,552	12,276	13,209	13,915	15,442	16,368	16,693	16,546	16,118
<b>CURRENT EXPENDITURE</b>	5,150	5,354	5,689	5,951	6,557	6,800	6,960	6,927	6,810
WAGES AND OTHER PERSONNEL EXPENDITURE	2,456	2,521	2,671	2,761	3,037	3,363	3,359	3,330	3,185
SOCIAL SECURITY CONTRIBUTIONS	466	495	509	515	542	549	553	553	543
PURCHASES OF GOODS AND SERVICES	1,794	1,911	2,073	2,212	2,527	2,510	2,512	2,443	2,370
INTEREST PAYMENTS	384	372	376	357	335	336	488	527	648
BUDGETARY RESERVES	50	55	59	105	116	42	47	74	64
<b>CURRENT TRANSFERS</b>	5,216	5,599	5,926	6,144	6,743	7,340	7,629	7,819	7,685
SUBSIDIES	324	381	403	423	477	598	582	496	502
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	4,396	4,629	4,871	5,093	5,619	6,024	6,278	6,534	6,384
OTHER CURRENT DOMESTIC TRANSFERS	496	589	651	628	647	718	769	789	799
<b>CAPITAL EXPENDITURE TOTAL</b>	1,017	1,038	1,306	1,464	1,714	1,789	1,707	1,395	1,233
CAPITAL EXPENDITURE	631	654	901	1,130	1,256	1,294	1,311	1,023	912
CAPITAL TRANSFERS	386	383	405	334	459	495	396	372	320
<b>PAYMENTS TO THE EU BUDGET</b>	170	286	288	356	428	439	397	405	390
<b>III. GENERAL GOVERNMENT BUDGETARY SURPLUS / DEFICIT (I. - II.)</b>	-356	-300	-250	91	-103	-1,961	-1,899	-1,564	-1,123

Source: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

Table 12b: Consolidated general government expenditure; GFS - IMF Methodology

Per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>II. TOTAL EXPENDITURE</b>	42.5	42.7	42.5	40.2	41.5	46.0	46.9	45.7	45.5
<b>CURRENT EXPENDITURE</b>	19.0	18.6	18.3	17.2	17.6	19.1	19.5	19.2	19.2
WAGES AND OTHER PERSONNEL EXPENDITURE	9.0	8.8	8.6	8.0	8.2	9.5	9.4	9.2	9.0
SOCIAL SECURITY CONTRIBUTIONS	1.7	1.7	1.6	1.5	1.5	1.5	1.6	1.5	1.5
PURCHASES OF GOODS AND SERVICES	6.6	6.7	6.7	6.4	6.8	7.1	7.1	6.8	6.7
INTEREST PAYMENTS	1.4	1.3	1.2	1.0	0.9	0.9	1.4	1.5	1.8
BUDGETARY RESERVES	0.2	0.2	0.2	0.3	0.3	0.1	0.1	0.2	0.2
<b>CURRENT TRANSFERS</b>	19.2	19.5	19.1	17.8	18.1	20.6	21.4	21.6	21.7
SUBSIDIES	1.2	1.3	1.3	1.2	1.3	1.7	1.6	1.4	1.4
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	16.2	16.1	15.7	14.7	15.1	16.9	17.6	18.1	18.0
OTHER CURRENT DOMESTIC TRANSFERS	1.8	2.0	2.1	1.8	1.7	2.0	2.2	2.2	2.3
<b>CAPITAL EXPENDITURE TOTAL</b>	3.7	3.6	4.2	4.2	4.6	5.0	4.8	3.9	3.5
CAPITAL EXPENDITURE	2.3	2.3	2.9	3.3	3.4	3.6	3.7	2.8	2.6
CAPITAL TRANSFERS	1.4	1.3	1.3	1.0	1.2	1.4	1.1	1.0	0.9
<b>PAYMENTS TO THE EU BUDGET</b>	0.6	1.0	0.9	1.0	1.1	1.2	1.1	1.1	1.1
<b>III. GENERAL GOVERNMENT BUDGETARY SURPLUS / DEFICIT (I. - II.)</b>	-1.3	-1.0	-0.8	0.3	-0.3	-5.5	-5.3	-4.3	-3.2

Source: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

Table 13: Comparison of the performance assessment of forecasts for economic growth and inflation of individual institutions\*

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
<b>ME ... Mean Error</b>									
<b>IMAD</b>	2002 - 2008	-0.03	-0.17	-0.24	0.03	-0.76	-0.36	-0.47	0.11
	2002 - 2009	1.46	1.21	0.26	0.09	-0.38	0.06	-0.48	0.11
	2002 - 2010	1.28	1.04	0.17	0.04	-0.36	0.02	-0.48	0.13
	2002 - 2011	1.41	1.21	0.39	0.21	-0.34	0.11	-0.39	0.10
	2002 - 2012	1.73	1.49	0.48	0.22	-0.27	0.03	-0.41	0.11
	1997 - 2008	0.01	-0.19	-0.10	0.09	-0.97	-0.45	-0.28	0.14
	1997 - 2009	1.00	0.73	0.20	-0.04	-0.70	-0.17	-0.29	0.14
	1997 - 2010	0.91	0.65	0.14	-0.06	-0.66	-0.18	-0.31	0.15
	1997 - 2011	1.03	0.80	0.29	0.06	-0.63	-0.10	-0.26	0.13
	1997 - 2012	1.29	1.03	0.36	0.07	-0.56	-0.15	-0.28	0.13
<b>BS</b>	2002 - 2008	-0.11	-0.43	-0.39	-0.10	-0.88	-0.81	-0.46	-0.03
	2002 - 2009	1.36	1.04	0.39	0.05	-0.39	-0.39	-0.46	0.00
	2002 - 2010	1.29	0.97	0.36	0.03	-0.34	-0.38	-0.43	-0.06
	2002 - 2011	1.36	1.08	0.52	0.18	-0.34	-0.31	-0.30	0.07
	2002 - 2012	1.69	1.35	0.57	0.21	-0.34	-0.37	-0.30	0.09
<b>SKEP</b>	2002 - 2008	-0.14	-0.24	-0.33	0.04	-0.63	-0.43	-0.24	0.06
	2002 - 2009	1.38	1.19	0.38	0.14	-0.23	-0.04	-0.20	0.04
	2002 - 2010	1.27	1.00	0.28	0.08	-0.20	-0.09	-0.18	0.04
	2002 - 2011	1.36	1.11	0.44	0.19	-0.16	-0.03	-0.08	0.02
	2002 - 2012	1.66	1.29	0.50	0.24	-0.16	-0.11	-0.12	0.00
	1997 - 2008	-0.18	-0.14	-0.26	0.10	-0.99	-0.71	-0.32	0.09
	1997 - 2009	0.83	0.80	0.17	0.15	-0.69	-0.43	-0.28	0.08
	1997 - 2010	0.80	0.70	0.12	0.11	-0.64	-0.43	-0.26	0.08
	1997 - 2011	0.90	0.80	0.24	0.25	-0.58	-0.36	-0.19	0.06
1997 - 2012	1.15	0.96	0.29	0.22	-0.55	-0.40	-0.21	0.04	
<b>EC</b>	2002 - 2008	-0.23	-0.34	-0.37	-0.16	-0.36	-0.10	-0.13	0.17
	2002 - 2009	1.25	1.04	0.23	-0.09	-0.01	0.26	-0.14	0.15
	2002 - 2010	1.06	0.93	0.19	-0.09	0.01	0.22	-0.12	0.17
	2002 - 2011	1.15	1.05	0.38	0.05	0.03	0.22	-0.03	0.16
	2002 - 2012	1.27	1.05	0.22	-0.16	0.22	0.32	0.17	0.40
<b>IMF</b>	2002 - 2008	-0.19	-0.39	-0.42	-0.34	-0.66	-0.63	-0.58	0.07
	2002 - 2009	1.25	1.10	0.27	0.09	-0.39	-0.25	-0.56	0.01
	2002 - 2010	1.13	0.91	0.23	0.03	-0.38	-0.26	-0.53	-0.02
	2002 - 2011	1.24	1.08	0.43	0.24	-0.29	-0.18	-0.44	-0.02
	2002 - 2012	1.55	1.37	0.50	0.23	-0.22	-0.21	-0.43	-0.05
<b>WIIW</b>	2002 - 2008	-0.73	-0.29	-0.23	-0.43	-1.53	-0.90	-0.44	-0.01
	2002 - 2009	0.90	1.26	0.78	0.10	-1.01	-0.28	-0.19	0.06
	2002 - 2010	0.89	1.10	0.67	0.01	-0.82	-0.22	-0.20	0.02
	2002 - 2011	1.02	1.21	0.82	0.23	-0.72	-0.18	-0.08	0.09
	2002 - 2012	1.36	1.54	0.86	0.28	-0.66	-0.17	-0.13	0.03

Table 13: Comparison of the performance assessment of forecasts for economic growth and inflation of individual institutions - *continue*

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
<b>MAE ... Mean Absolute Error</b>									
<b>IMAD</b>	2002 - 2008	1.14	1.00	0.76	0.43	1.10	0.87	0.47	0.17
	2002 - 2009	2.49	2.24	1.14	0.44	1.25	1.14	0.48	0.16
	2002 - 2010	2.23	2.02	1.08	0.42	1.13	1.04	0.48	0.18
	2002 - 2011	2.27	2.09	1.21	0.55	1.04	1.03	0.47	0.18
	2002 - 2012	2.51	2.29	1.23	0.53	0.98	1.01	0.48	0.18
	1997 - 2008	1.08	0.90	0.71	0.49	1.34	0.93	0.51	0.19
	1997 - 2009	1.98	1.73	0.95	0.49	1.42	1.10	0.51	0.18
	1997 - 2010	1.84	1.62	0.93	0.48	1.32	1.04	0.51	0.19
	1997 - 2011	1.90	1.70	1.02	0.56	1.24	1.03	0.50	0.19
	1997 - 2012	2.10	1.87	1.13	0.54	1.19	1.01	0.51	0.19
<b>BS</b>	2002 - 2008	1.06	1.03	0.79	0.50	1.05	0.81	0.46	0.26
	2002 - 2009	2.39	2.31	1.41	0.58	1.27	1.04	0.46	0.25
	2002 - 2010	2.20	2.10	1.27	0.52	1.11	0.96	0.43	0.28
	2002 - 2011	2.18	2.10	1.34	0.62	1.03	0.89	0.48	0.27
	2002 - 2012	2.44	2.27	1.32	0.61	0.96	0.90	0.46	0.27
<b>SKEP</b>	2002 - 2008	1.03	0.93	0.79	0.59	1.20	0.91	0.41	0.09
	2002 - 2009	2.40	2.21	1.35	0.61	1.38	1.14	0.38	0.09
	2002 - 2010	2.18	2.02	1.26	0.59	1.22	1.07	0.33	0.09
	2002 - 2011	2.18	2.03	1.32	0.65	1.12	1.01	0.38	0.10
	2002 - 2012	2.41	2.13	1.30	0.69	1.04	1.00	0.39	0.11
	1997 - 2008	0.95	1.00	0.76	0.68	1.61	1.11	0.62	0.19
	1997 - 2009	1.87	1.85	1.11	0.69	1.69	1.24	0.58	0.18
	1997 - 2010	1.75	1.74	1.06	0.67	1.56	1.18	0.54	0.18
	1997 - 2011	1.79	1.77	1.12	0.77	1.46	1.14	0.55	0.18
1997 - 2012	1.98	1.86	1.12	0.73	1.38	1.12	0.55	0.18	
<b>EC</b>	2002 - 2008	1.03	1.06	0.89	0.41	1.44	1.07	0.27	0.20
	2002 - 2009	2.35	2.26	1.33	0.41	1.56	1.29	0.26	0.18
	2002 - 2010	2.14	2.02	1.19	0.38	1.41	1.16	0.23	0.19
	2002 - 2011	2.13	2.03	1.28	0.47	1.29	1.06	0.29	0.18
	2002 - 2012	2.16	1.94	1.29	0.64	1.36	1.08	0.46	0.42
<b>IMF</b>	2002 - 2008	0.99	1.01	0.88	0.57	1.31	1.23	0.64	0.19
	2002 - 2009	2.28	2.33	1.41	0.89	1.34	1.38	0.61	0.21
	2002 - 2010	2.04	2.13	1.26	0.83	1.22	1.26	0.57	0.22
	2002 - 2011	2.06	2.18	1.36	0.96	1.15	1.18	0.56	0.20
	2002 - 2012	2.30	2.37	1.35	0.88	1.09	1.12	0.54	0.22
<b>WIIW</b>	2002 - 2008	1.47	1.14	0.94	0.71	2.13	1.19	0.81	0.30
	2002 - 2009	2.83	2.51	1.80	1.10	2.19	1.55	0.91	0.34
	2002 - 2010	2.60	2.26	1.62	1.06	2.02	1.40	0.84	0.33
	2002 - 2011	2.56	2.25	1.68	1.17	1.84	1.28	0.86	0.37
	2002 - 2012	2.76	2.48	1.65	1.14	1.68	1.17	0.84	0.39

Table 13: Comparison of the performance assessment of forecasts for economic growth and inflation of individual institutions - *continue*

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
<b>RMSE ... Root Mean Square Error</b>									
<b>IMAD</b>	2002 - 2008	1.31	1.14	0.88	0.60	1.45	1.12	0.64	0.23
	2002 - 2009	4.38	4.00	1.58	0.58	1.58	1.49	0.62	0.22
	2002 - 2010	4.13	3.77	1.50	0.56	1.49	1.41	0.61	0.23
	2002 - 2011	4.00	3.68	1.61	0.76	1.42	1.37	0.59	0.23
	2002 - 2012	4.09	3.74	1.59	0.73	1.36	1.33	0.59	0.23
	1997 - 2008	1.21	1.03	0.89	0.63	1.78	1.24	0.67	0.28
	1997 - 2009	3.36	3.30	1.35	0.62	1.83	1.47	0.66	0.27
	1997 - 2010	3.48	3.17	1.32	0.60	1.76	1.42	0.65	0.27
	1997 - 2011	3.43	3.14	1.41	0.73	1.69	1.39	0.64	0.27
	1997 - 2012	3.43	3.23	1.41	0.71	1.64	1.35	0.63	0.26
<b>BS</b>	2002 - 2008	1.19	1.19	0.96	0.59	1.47	1.18	0.53	0.32
	2002 - 2009	4.28	4.15	2.24	0.67	1.68	1.44	0.53	0.31
	2002 - 2010	4.05	3.91	2.11	0.64	1.57	1.36	0.50	0.33
	2002 - 2011	3.89	3.77	2.10	0.77	1.49	1.29	0.55	0.32
	2002 - 2012	4.00	3.79	2.03	0.75	1.42	1.27	0.54	0.32
<b>SKEP</b>	2002 - 2008	1.17	1.08	0.94	0.70	1.53	1.14	0.53	0.11
	2002 - 2009	4.38	4.09	2.07	0.71	1.70	1.43	0.49	0.11
	2002 - 2010	4.13	3.86	1.96	0.68	1.60	1.36	0.46	0.11
	2002 - 2011	3.98	3.72	1.95	0.75	1.52	1.30	0.51	0.12
	2002 - 2012	4.05	3.67	1.89	0.89	1.45	1.27	0.51	0.13
	1997 - 2008	1.08	1.19	0.92	0.86	1.98	1.46	0.74	0.31
	1997 - 2009	3.61	3.43	1.71	0.86	2.04	1.60	0.71	0.30
	1997 - 2010	3.47	3.30	1.66	0.83	1.96	1.54	0.68	0.29
	1997 - 2011	3.40	3.23	1.67	0.97	1.89	1.49	0.69	0.28
	1997 - 2012	3.50	3.22	1.64	0.94	1.82	1.46	0.68	0.28
<b>EC</b>	2002 - 2008	1.19	1.21	1.05	0.50	1.71	1.22	0.43	0.26
	2002 - 2009	4.25	3.95	1.84	0.49	1.81	1.51	0.40	0.24
	2002 - 2010	4.01	3.72	1.74	0.46	1.71	1.42	0.38	0.25
	2002 - 2011	3.86	3.59	1.78	0.60	1.62	1.35	0.44	0.24
	2002 - 2012	3.75	3.44	1.75	0.90	1.67	1.35	0.79	0.87
<b>IMF</b>	2002 - 2008	1.14	1.19	0.99	0.67	1.58	1.57	0.89	0.22
	2002 - 2009	4.14	4.22	2.03	1.26	1.57	1.69	0.85	0.25
	2002 - 2010	3.90	3.98	1.91	1.20	1.48	1.60	0.81	0.26
	2002 - 2011	3.76	3.86	1.94	1.32	1.42	1.53	0.77	0.24
	2002 - 2012	3.86	3.91	1.89	1.25	1.36	1.46	0.75	0.26
<b>WIIW</b>	2002 - 2008	1.73	1.31	1.08	0.79	3.20	1.58	1.00	0.43
	2002 - 2009	4.64	4.45	2.94	1.53	3.13	2.07	1.10	0.46
	2002 - 2010	4.38	4.20	2.77	1.46	2.96	1.95	1.04	0.44
	2002 - 2011	4.22	4.04	2.72	1.55	2.81	1.85	1.04	0.47
	2002 - 2012	4.27	4.12	2.62	1.50	2.68	1.77	1.00	0.49

Table 13: Comparison of the performance assessment of forecasts for economic growth and inflation of individual institutions - *continue*

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
<b>stdMAE ... Standardised Mean Absolute Error</b>									
<b>IMAD</b>	2002 - 2008	0.89	0.78	0.59	0.33	0.58	0.46	0.25	0.09
	2002 - 2009	0.57	0.51	0.26	0.10	0.58	0.53	0.22	0.08
	2002 - 2010	0.54	0.49	0.26	0.10	0.53	0.49	0.22	0.08
	2002 - 2011	0.57	0.53	0.30	0.14	0.49	0.49	0.22	0.09
	2002 - 2012	0.63	0.57	0.31	0.13	0.49	0.50	0.24	0.09
	1997 - 2008	1.03	0.86	0.68	0.46	0.55	0.38	0.21	0.08
	1997 - 2009	0.57	0.50	0.28	0.14	0.52	0.40	0.19	0.07
	1997 - 2010	0.55	0.48	0.28	0.14	0.47	0.37	0.18	0.07
	1997 - 2011	0.57	0.51	0.31	0.17	0.44	0.36	0.18	0.07
	1997 - 2012	0.60	0.54	0.33	0.16	0.42	0.36	0.18	0.07
<b>BS</b>	2002 - 2008	0.82	0.80	0.61	0.39	0.56	0.43	0.24	0.14
	2002 - 2009	0.55	0.53	0.32	0.13	0.59	0.48	0.22	0.12
	2002 - 2010	0.53	0.51	0.31	0.13	0.52	0.45	0.20	0.13
	2002 - 2011	0.55	0.53	0.34	0.16	0.49	0.42	0.23	0.13
	2002 - 2012	0.61	0.57	0.33	0.15	0.48	0.45	0.23	0.14
<b>SKEP</b>	2002 - 2008	0.80	0.72	0.61	0.46	0.64	0.49	0.22	0.05
	2002 - 2009	0.55	0.51	0.31	0.14	0.64	0.53	0.18	0.04
	2002 - 2010	0.53	0.49	0.30	0.14	0.57	0.50	0.16	0.04
	2002 - 2011	0.55	0.51	0.33	0.16	0.53	0.48	0.18	0.05
	2002 - 2012	0.60	0.53	0.32	0.17	0.51	0.50	0.19	0.05
	1997 - 2008	0.90	0.95	0.72	0.65	0.66	0.45	0.25	0.08
	1997 - 2009	0.54	0.54	0.32	0.20	0.62	0.45	0.21	0.07
	1997 - 2010	0.52	0.52	0.32	0.20	0.56	0.42	0.19	0.06
	1997 - 2011	0.54	0.53	0.34	0.23	0.51	0.40	0.19	0.06
	1997 - 2012	0.57	0.54	0.32	0.21	0.49	0.40	0.19	0.06
<b>EC</b>	2002 - 2008	0.80	0.82	0.69	0.32	0.77	0.57	0.14	0.11
	2002 - 2009	0.54	0.52	0.30	0.09	0.73	0.60	0.12	0.08
	2002 - 2010	0.52	0.49	0.29	0.09	0.66	0.54	0.11	0.09
	2002 - 2011	0.54	0.51	0.32	0.12	0.61	0.50	0.14	0.09
	2002 - 2012	0.54	0.49	0.32	0.16	0.65	0.51	0.22	0.20
<b>IMF</b>	2002 - 2008	0.77	0.79	0.68	0.44	0.70	0.65	0.34	0.10
	2002 - 2009	0.52	0.53	0.32	0.20	0.62	0.64	0.28	0.10
	2002 - 2010	0.50	0.52	0.31	0.20	0.57	0.59	0.27	0.10
	2002 - 2011	0.52	0.55	0.34	0.24	0.55	0.56	0.26	0.10
	2002 - 2012	0.57	0.59	0.34	0.22	0.54	0.55	0.27	0.11
<b>WIIW</b>	2002 - 2008	1.15	0.89	0.73	0.56	1.13	0.63	0.43	0.16
	2002 - 2009	0.65	0.57	0.41	0.25	1.02	0.72	0.43	0.16
	2002 - 2010	0.63	0.55	0.39	0.26	0.95	0.66	0.40	0.16
	2002 - 2011	0.64	0.57	0.42	0.29	0.88	0.61	0.41	0.18
	2002 - 2012	0.69	0.62	0.41	0.28	0.83	0.58	0.42	0.19

Table 13: Comparison of the performance assessment of forecasts for economic growth and inflation of individual institutions - continue

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
<b>stdRMSE ... Standardised Root Mean Square Error</b>									
<b>IMAD</b>	2002 - 2008	1.02	0.88	0.69	0.46	0.77	0.60	0.34	0.12
	2002 - 2009	1.00	0.91	0.36	0.13	0.74	0.70	0.29	0.10
	2002 - 2010	1.00	0.91	0.36	0.14	0.70	0.66	0.29	0.11
	2002 - 2011	1.01	0.92	0.41	0.19	0.67	0.65	0.28	0.11
	2002 - 2012	1.02	0.93	0.40	0.18	0.67	0.66	0.29	0.11
	1997 - 2008	1.15	0.98	0.84	0.60	0.73	0.51	0.27	0.11
	1997 - 2009	1.05	0.96	0.39	0.18	0.67	0.54	0.24	0.10
	1997 - 2010	1.04	0.95	0.39	0.18	0.47	0.37	0.18	0.07
	1997 - 2011	1.03	0.94	0.42	0.22	0.44	0.36	0.18	0.07
	1997 - 2012	0.99	0.93	0.41	0.20	0.42	0.36	0.18	0.07
<b>BS</b>	2002 - 2008	0.93	0.92	0.75	0.46	0.78	0.63	0.28	0.17
	2002 - 2009	0.98	0.95	0.51	0.15	0.79	0.67	0.25	0.14
	2002 - 2010	0.98	0.95	0.51	0.15	0.74	0.64	0.23	0.16
	2002 - 2011	0.98	0.95	0.53	0.19	0.71	0.62	0.26	0.15
	2002 - 2012	1.00	0.95	0.51	0.19	0.70	0.63	0.27	0.16
<b>SKEP</b>	2002 - 2008	0.91	0.84	0.74	0.54	0.81	0.61	0.28	0.06
	2002 - 2009	1.00	0.93	0.47	0.16	0.79	0.67	0.23	0.05
	2002 - 2010	1.00	0.94	0.48	0.17	0.75	0.64	0.22	0.05
	2002 - 2011	1.00	0.94	0.49	0.19	0.72	0.62	0.24	0.06
	2002 - 2012	1.01	0.91	0.47	0.22	0.72	0.63	0.25	0.06
	1997 - 2008	1.03	1.14	0.87	0.82	0.81	0.60	0.30	0.13
	1997 - 2009	1.05	1.00	0.50	0.25	0.75	0.59	0.26	0.11
	1997 - 2010	1.04	0.98	0.49	0.25	0.70	0.55	0.24	0.10
	1997 - 2011	1.02	0.97	0.50	0.29	0.66	0.52	0.24	0.10
1997 - 2012	1.01	0.93	0.47	0.27	0.65	0.52	0.24	0.10	
<b>EC</b>	2002 - 2008	0.92	0.94	0.82	0.39	0.91	0.65	0.23	0.14
	2002 - 2009	0.97	0.90	0.42	0.11	0.84	0.70	0.19	0.11
	2002 - 2010	0.97	0.90	0.42	0.11	0.80	0.67	0.18	0.12
	2002 - 2011	0.97	0.90	0.45	0.15	0.77	0.64	0.21	0.11
	2002 - 2012	0.94	0.87	0.44	0.23	0.79	0.64	0.37	0.42
<b>IMF</b>	2002 - 2008	0.89	0.93	0.77	0.52	0.84	0.83	0.48	0.12
	2002 - 2009	0.94	0.96	0.46	0.29	0.73	0.79	0.40	0.12
	2002 - 2010	0.95	0.97	0.46	0.29	0.70	0.75	0.38	0.12
	2002 - 2011	0.95	0.97	0.49	0.33	0.67	0.73	0.37	0.12
	2002 - 2012	0.96	0.97	0.47	0.31	0.67	0.73	0.37	0.13
<b>WIIW</b>	2002 - 2008	1.35	1.02	0.84	0.62	1.70	0.84	0.53	0.23
	2002 - 2009	1.06	1.02	0.67	0.35	1.46	0.97	0.51	0.21
	2002 - 2010	1.06	1.02	0.67	0.36	1.39	0.92	0.49	0.21
	2002 - 2011	1.06	1.02	0.68	0.39	1.34	0.88	0.49	0.23
	2002 - 2012	1.07	1.03	0.65	0.37	1.33	0.88	0.50	0.24

Signs: \*This is the assessment of forecast accuracy that was based on data available at the time of the preparation of the Spring Forecast of Economic Trends 2013.

Negative values indicate an overestimation, while positive values indicate an underestimation.

The BS and WIIW data for inflation forecast PNt+1 cover the period since 2003; the WIIW data for GDP PNt+1 cover the period since 2003.

PNt+1 - Spring Forecast for the year ahead; JNt+1 - Autumn Forecast for the year ahead; PNt - Spring Forecast for the current year; JNt - Autumn Forecast for the current year.

Source of data: Spring Forecast of economic trends (March), Autumn Forecast of economic trends (September), Ljubljana, Institute of Macroeconomic Analysis and Development (IMAD). Price Stability Report (April, October), Ljubljana, Bank of Slovenia (BS). Current Economic Trends and Indicators, (June, November), Ljubljana, (SKEP) - Economic Outlook, Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia. Spring Economic Forecast, Autumn Economic Forecast (May, November), European Commission (EC). World Economic Outlook (April, October), Washington, International Monetary Fund (IMF). Current Analyses and Forecasts (March, July), WIIW.

## Acronyms

### Acronyms in the text

**BS** – Bank of Slovenia, **CPI** – Consumer Price Index, **EC** – European Commission, **ECB** – European Central Bank, **EIA** – Energy Information Administration, **ESA** – European System of Accounts, **ESS** – Employment Service of Slovenia, **EU** – European Union, **GDP** – Gross Domestic Product, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **NAWRU** – Non-Accelerating Wage Rate of Unemployment, **NPISH** – Non-profit Institutions Serving Households, **OECD** – Organization for Economic Co-operation and Development, **OMT** – Outright Monetary Transactions, **PDII** – Pension and Disability Insurance Institute, **RS** – Republic of Slovenia, **SNA** – System of National Accounts, **SORS** – Statistical Office of the Republic of Slovenia, **WIIW** – The Vienna Institute for International Economic Studies, **ZUJF** – The Public Finance Balance Act, **ZZZS** – The Health Insurance Institute of Slovenia.

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

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

### Acronyms of Countries

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



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