Balance of Payments

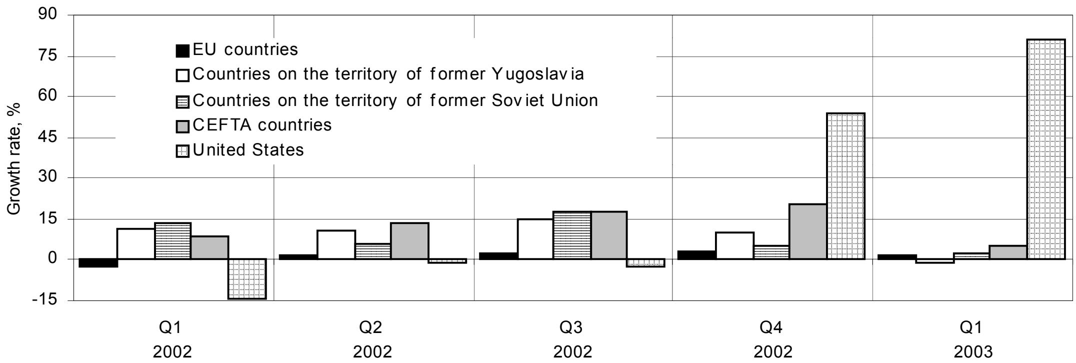
Balance of Payments, Jan-Apr 2003, EUR million	**Inflows**	**Outflows**	**Balance**[1]	**Balance Jan-Apr 2002**
Current account	4.802.9	4,808.5	-5.6	73.3
Trade balance (FOB)	3,753.0	3924.4	-171.4	-132.8
Services	718.6	518.0	200.6	192.7
Factor services	192.8	241.4	-48.6	-28.1
Unrequited transfers	138.5	124.7	13.8	41.5
Capital and financial account	514.7	-515.1	-0.5	-72.5
Capital account	3.8	-2.2	1.6	1.9
Capital transfers	1.7	-1.0	0.8	0.6
Non-produced, non-financial assets	2.1	-1.2	0.9	1.3
Financial account	510.9	-512.9	-2.1	-74.4
Direct investment	28.7	-91.7	-63.1	410.8
Portfolio investment	30.6	-56.6	-26.0	-25.0
Other long-term capital investment	416.7	-360.3	56.3	-49.7
Assets	34.3	-318.0	-283.7	-133.3
Liabilities	382.4	-42.3	340.0	83.6
International reserves (Bank of Slovenia)	34.9	-4.3	30.6	-410.5
Statistical error	6.1	0.0	6.1	-0.8

Source of data: BS. *Note*: [1]minus sign (-) indicates imports over exports in the current account, increase in assets or decrease in liabilities in the capital and financial accounts, and growth of reserve assets.

In **April**, year-on-year growth in exports of goods (expressed in current euros) slowed down to 1.2%, while imports of goods dropped by 0.8%. In the **first four months, exports of goods** increased by 2.8% in real terms against the same period last year, while **imports of goods** were up 3.8%. Broken down by **end-use product groups**, imports of investment goods rose the most, which reflected the strong demand for investment products. The trade deficit widened because exports of goods slowed down, especially those to the countries in transition. Growth in **trade in services** (4.2%) was stronger than growth in trade in goods (3.3%). On both the import and export sides, transport and other services (computer, information and communications services) rose the most, while the surplus in services trade widened mainly thanks to net exports of tourism. International trade movements from the first four months suggest that the roughly balanced current account may turn into a surplus in the second half of the year owing to the expected strengthening of export flows.

Net capital outflows (excluding international monetary reserves) totalled EUR 32.7 million in the first four months. The same period last year saw a net capital inflow of EUR 336.1 million. As regards capital inflows, the largest ones were currency and the deposits of foreign banks (EUR 204.4 million), some of which were short-term because of higher interest rates in Slovenia than abroad and non-residents' investment in government securities. Net inflows of loans raised abroad were significantly higher this year than in the same period last year, amounting to EUR 178 million and EUR 20.8 million, respectively. The government repaid more external loans than it raised, while the borrowing of banks and enterprises increased because of the tolar's slow depreciation and low interest rates abroad (also see p. 8). This year's net inflows of foreign direct investment were significantly lower than in the same period last year, totalling EUR 28.7 million and 441.4 million, respectively. **Slovenia's outward foreign direct investment** rose significantly, amounting to EUR 91.7 million, and was three times as high as in the first four months of 2002. It was mainly directed towards the countries of former Yugoslavia and other countries in transition. The biggest capital outflow was households' foreign currency withdrawn from the domestic banking system (EUR 199.1 million). The volume of short-term commercial credits fell to EUR 95.6 million because of the slowing growth in exports of goods. These credits totalled EUR 158.1 million in the same period last year. Slovenia's **foreign exchange reserves** reached USD 8,520 million at the end of April and they covered 7.6 months' average worth of imports of goods and services. The rise in **external debt** denominated in current US dollars was mainly the result of the dollar's depreciation against the euro. Debt rose by USD 688 million from the end of 2002 and totalled USD 9,487 million at the end of April.

Graph: **Year-on-year growth in exports of goods by quarters (EUR)**



Source of data: SORS, calculations by the IMAD.