

Performance of commercial companies in 1994-2002					
Year	Commercial companies		Employment		Difference between net profit and net loss SIT million
	Number	Chain index	Number	Chain index	
1994	30,941	-	475,120	-	- 36,467
1995	33,609	108.6	484,602	102.0	- 24,937
1996	35,786	106.5	467,238	96.4	- 60,417
1997	36,717	102.6	460,376	98.5	- 3,868
1998	37,585	102.4	459,094	99.7	36,536
1999	37,553	99.9	463,481	101.0	119,520
2000	37,695	100.4	468,677	101.1	117,521
2001	37,210	98.7	473,447	101.0	- 299,443
2002	38,051	102.3	469,166	99.1	215,498

Source of data: Agency for Payments – statistical data from profit and loss statements for 1994, 1995, 1996, 1997, 1998, 1999, 2000 and 2001; Agency for Public and Legal Records and Services – data from the statement of commercial companies' business results for 2002. Note: excluding data for banks and insurance companies, selected funds and authorised investment companies which operate in line with the chart of accounts for banks, and commercial companies undergoing bankruptcy or liquidation proceedings.

Commercial companies have kept their accounts in line with the Companies Act and the Slovenian Accounting Standards since 1994 inclusive.

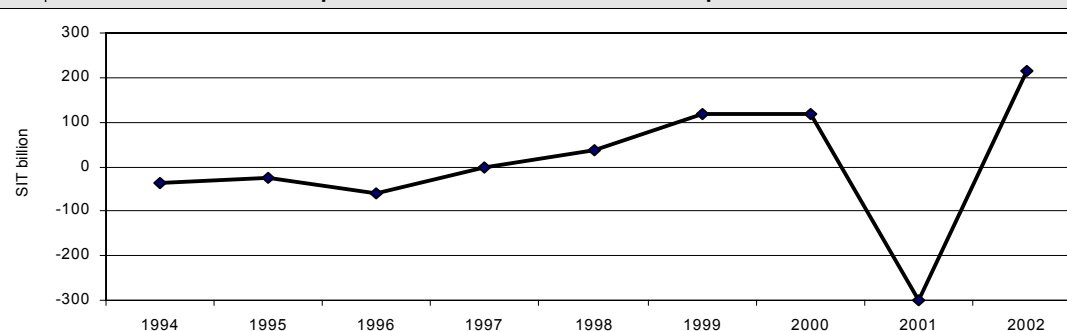
In 1994-2002, the **number of companies** rose each year, except in 1999 and 2001, while the **number of employees** fell, except in 1995, 1999, 2000 and 2001. In **2002**, there were 4,442 more companies than in 1995 when they were first classified according to the Standard Classification of Activities. The number rose by 2,201 in real estate, renting and business services, by 1,127 in construction, and by 775 in manufacturing. The highest number of companies operated in the activity of wholesale and retail trade and certain repair, even though the number was 1,450 lower than in 1995. The total number of employees was 15,436 lower. In manufacturing, employing almost half of all employees, the number fell by 23,413. On the other hand, employment rose by 9,626 in real estate, renting and business services and by 4,627 in construction.

Financial results of companies turned **positive in 1998** (net profits were higher than net losses). They would also have been positive in 2001 if 15 companies operating in the mining and electricity sectors had not reported a negative difference between net profit and net loss of SIT 414,537 million resulting from the revaluation of tangible fixed assets. The remaining companies reported a positive difference between net profit and net loss of SIT 115,094 million (see SEM 5/2002:15). In **2002**, companies were obliged to keep their accounts in line with the **Act Amending the Companies Act** and the new Slovenian Accounting Standards. Companies reported a positive difference between net profit and net loss of SIT 215,498 million (or SIT 208,760 million if the 15 companies from the mining and electricity sectors are excluded), the highest in the given nine-year period.

These favourable business results were largely due to the new accounting standards. They changed the content of some items and, most of all, changed their evaluation with a view to presenting business results and balance sheets as realistically as possible. Further, indexation was removed from the accounting standards and **revaluation** was introduced. A distinction is made between **general revaluation**, which results from changes in the purchasing power of domestic currency and is only applied to capital if the euro's nominal exchange rate rises over 5.5%, and **specific revaluation**, which results from changes in the prices of economic categories and is applied to assets and liabilities if they rise or fall. Another reason for the better performance in 2002 is the fact that companies did not have to carry out a general revaluation of capital. Namely, the euro's exchange rate climbed by 4.7%.

Almost half of the total positive difference between net profit and net loss was generated by manufacturing companies, 23.6% by companies operating in wholesale and retail trade and certain repair, and 16.5% by companies from the activity of real estate, renting and business services.

Graph: **Difference between net profit and net loss of commercial companies in 1994-2002**



Source of data: AP, Agency for Public and Legal Records and Services, calculations by the IMAD.