

<b>Trade in Services</b>	Slovenian Economic Mirror	IMAD
	No. 8-9/2003	p. 7

	Jan-July, EUR million		Nominal growth rates	Structure Jan-July, %	
	2002	2003	Jan-Jul 2003/Jan-Jul 2002, %	2002	2003
<b>Services balance</b>	327.9	311.2	-5.1	–	–
<b>Exports of services</b>	1,350.0	1,384.3	2.5	100.0	100.0
Transport	362.3	379.2	4.7	26.8	27.4
Travel	643.8	657.7	2.2	47.7	47.5
Other services	343.9	347.5	1.0	25.5	25.1
<b>Imports of services</b>	1,022.1	1,073.1	5.0	100.0	100.0
Transport	213.3	227.1	6.5	20.9	21.2
Travel	361.2	372.3	3.1	35.3	34.7
Other services	447.7	473.8	5.8	43.8	44.1

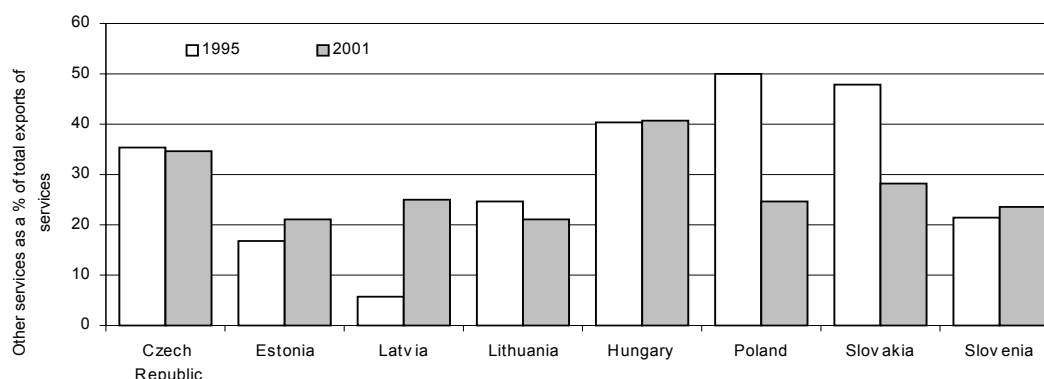
Sources of data: provisional figures from the Bank of Slovenia.

In the **first seven months exports of services**, expressed in euros, rose by just 2.5% in nominal terms over the same period last year. This roughly equalled the growth in exports of goods (see p. 6), while the share of services in the total trade in goods and services continued to be modest at 17.2%. This weak growth was mainly due to the slow rise in exports of travel, which generally prevail in exports of services, as well as due to the moderate growth in exports of other services. As far as the latter are concerned, only communication services, and licences, patents and copyrights saw strong export growth. The share of other services in total exports of services shrank in nominal terms over the same period last year as a result of low absolute amounts of exports of other services and falls in exports of construction, financial and computer services. Only transport services recorded relatively high growth rates, so they further increased their share in total exports of services.

**Imports of services** increased by 5% in nominal terms, thus exceeding the rate of export growth. As a result, the **surplus in services trade** shrank in the first seven months compared to the same period last year. As on the export side, transport services recorded the strongest growth on the import side and moved in line with import growth of goods (see p. 6). The second strongest growth was seen in other services, of which construction, insurance and financial services recorded 20-30% nominal growth expressed in euros. This suggests that Slovenia's market is increasingly opening up to imports of services, a trend that is likely to continue especially after accession to the EU.

**Other services** accounted for over 44% of the total imports of services, while their share on the export side remained at a modest 25%. Exports of other services have grown slowly but steadily since 1995, as has their share in total exports of services. Similar trends have been seen in most other accession countries from Central and Eastern Europe; however, it was only Estonia and Lithuania that had smaller shares of other services in total exports of services in 2001 (see graph). Hungary and the Czech Republic, in particular, performed much better in exports of other services than Slovenia. Nevertheless, all future EU members will have to focus more on accelerating the development of other services which are based on the extensive use of know-how if they want to penetrate foreign markets more with these services, including the EU single market.

Graph: **Other services relative to total exports of services in EU applicant countries**



Source of data: Eurostat NewCronos data base, Balance of Payments data.