

Balance of Payments	Slovenian Economic Mirror	IMAD
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Balance of Payments, Jan–Nov 2003, EUR million	Inflows	Outflows	Balance ¹	Balance Jan–Nov 2002
Current account	13,678.0	13,565.8	112.2	443.2
Trade balance (FOB)	10,539.9	10,939.7	-399.8	-117.9
Services	2,252.2	1,750.9	501.3	593.9
Factor services	487.6	550.3	-62.6	-152.8
Unrequited transfers	398.3	324.9	73.4	119.9
Capital and financial account	1,509.1	-1,652.7	-143.6	-441.4
Capital account	6.5	-3.1	3.4	1.4
Capital transfers	6.4	-1.1	5.3	2.1
Non-produced, non-financial assets	0.1	-2.0	-1.9	-0.7
Financial account	1,502.6	-1,649.6	-147.0	-442.8
Direct investment	131.6	-233.6	-102.0	1,656.4
Portfolio investment	0.0	-180.6	-180.6	23.4
Other long-term capital investment	1,371.0	-954.4	416.6	-152.6
Assets	0.0	-917.2	-917.2	-965.6
Liabilities	1,371.0	-37.2	1,333.8	813.0
International reserves (BS)	0.0	-281.0	-281.0	-1,969.9
Statistical error	31.4	0.0	31.4	-1.8

Source of data: BS. Note: 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.

The volume of trade in goods (expressed in euros) shrank by 7.5% in nominal terms in **November** over October, with exports declining by 11.1% and imports by 4%, which was partly the result of the shorter working month. Compared to November 2002, **exports of goods** maintained relatively strong nominal growth, as was expected. Exports to EU countries increased further thanks to the gradual recovery of the EU economy. Exports to the former Soviet Union were also on an upward trend, while the slowing exports to the countries of former Yugoslavia were likely due to the weak purchasing power. **Imports of goods** slowed down to 4.5% in November in nominal terms after rising by 6.4% in October and 7.9% in September compared to the same months the year before. As regards the level of processing, imports of products involving higher levels of processing intended for final domestic consumption strengthened.

In the **first eleven months of 2003**, exports of goods increased by 2.8% and imports of goods by 5.5% in nominal terms against the same period the year before. The **trade deficit** widened as a result of a wider deficit with EU and EFTA countries and a narrower surplus with the countries of former Yugoslavia and the Soviet Union. Growth in trade in services was weaker than growth in trade in goods. Exports of all types of services (transport, travel and other services) stagnated in nominal terms, while imports increased by 5.6%. This reduced the **surplus in trade in services** in spite of the improved terms of trade mainly resulting from higher export prices of transport, and restaurant and hotel services. As far as **factor incomes** are concerned, the biggest rise was seen in interest earned on investment in bonds and notes stemming from residents' increased portfolio investments abroad. Interest paid on external debt climbed by 4.8%, with interest paid by domestic enterprises and the government falling and interest paid by domestic commercial banks rising. Despite the rise in interest paid on external loans, the deficit in factor incomes narrowed mainly thanks to a lower estimate of reinvested earnings. As regards the **current transfers balance**, transfers received from other sectors were less, while transfers of other sectors abroad increased (insurance and other transfers).

The **net financial flow** (excluding international monetary reserves) totalled EUR 134 million in the **first eleven months of 2003** (EUR 1,527 million seen in the same period the year before). This low figure was mainly due to net outflows of capital in the form of direct investment. Namely, foreign direct investment inflows fell, while Slovenia's direct investment increased, primarily to the countries of former Yugoslavia. Following the rise in gross borrowing of enterprises and commercial banks in particular, **Slovenia's net creditor position** (the difference between gross external assets in debt instruments and gross external debt) fell by EUR 959 million from end-2002 to end-November 2003 to EUR 142 million.

Graph: **Current account balances, EUR million**

