

Private Consumption	Slovenian Economic Mirror	IMAD
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	Real annual growth rates, %						
	QI 02	QII 02	QIII 02	QIV 02	QI 03	QII 03	QIII 03
Private consumption ¹	1.3	0.6	1.0	1.4	2.5	3.3	3.1
Household consumption ¹	1.2	0.5	0.9	1.3	2.4	3.3	3.2
Consumption of NPISH ¹	5.1	4.8	4.4	7.1	5.0	4.4	1.5
Household income ^{2,3}	3.3	4.0	3.0	1.5	1.4	2.9	2.2
Long-term household loans (end-of-period stock) ³	-0.4	0.1	0.8	0.9	1.8	3.2	4.4
Household savings in banks (end-of-period stock) ³	22.6	19.3	15.2	5.1	4.9	5.4	6.8
Imports of consumer goods ³	0.7	-6.9	2.8	1.2	-2.2	3.1	5.0
Turnover in retail sales ^{3,4}	10.5	6.4	10.0	9.7	4.2	6.2	4.7
Gross domestic product (GDP) ¹	2.4	3.0	3.2	3.1	2.2	2.1	2.3
Private consumption adding to GDP growth (perc. point)	0.7	0.3	0.6	0.8	1.3	1.9	1.7

Sources of data: SORS, AP, BS, Tax Administration, calculations by the IMAD.
Notes: ¹2000 constant prices, ²net wages, other remuneration and transfers to individuals and households, ³deflated by the consumer price index, ⁴calculated using the figures in SIT.

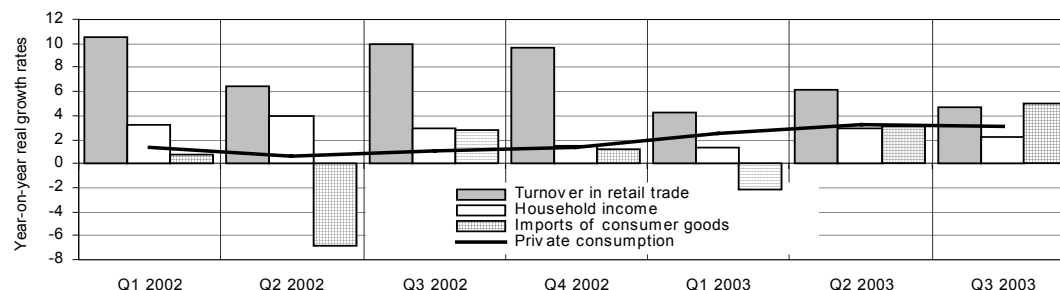
After faltering for three years in a row, **private consumption** strengthened gradually in **2003**. According to the SORS' quarterly accounts, private consumption rose by 2.5% year on year in the first quarter, 3.3% in the second quarter and 3.1% in the third quarter. In the first three quarters, private consumption increased by 3.0% in real terms over the same period of 2002 and contributed 1.6 percentage points (73%) to the 2.2% GDP growth.

The strengthening of private consumption growth was indicated by figures on imports of consumer goods and the number of passenger car registrations. **Imports of consumer goods** rose by 3.1% in the second and 5.0% in the third quarter over the same period of 2002. Figures on the number of **first passenger car registrations** from the Bureau for Administrative Interior Affairs show a significant improvement in the second and last quarters, when the number surged by 23% and 24%, respectively, over the same period of 2002, while the number rose by 15% in 2003 over the year before. After the rising significantly in 2002, albeit chiefly due to the low level of 2001, **turnover in retail trade** increased by 4.2% year on year in the first quarter, 6.2% in the second quarter, and the still robust 4.7% in the third quarter in real terms.

The Bank of Slovenia's estimates on **receipts and expenditures on travel** show that Slovenian households' expenditure on travel abroad rose more than foreign visitors' expenditure in Slovenia (up 7.5% and 6.2% year on year in the first three quarters in nominal terms), which also helped push up Slovenia's private consumption. The only indicator suggesting subdued household spending was **VAT charged on final consumers**, which fell in real terms compared to the first three quarters of 2002. However, this indicator points to a rise in private consumption at the end of the year, resulting from the 4% real increase in October and stagnation in November over the same month the year before.

The total bill of **net wages and compensations** increased by 2.3% in real terms year on year in the first three quarters, according to figures submitted by payment transaction operators to the Agency for Public Legal Records and Related Services, while **expenditure on transfers to individuals and households** climbed by 2.2% in real terms according to the consolidated government finance accounts. Total household income rose by 2.2% in real terms. **Long-term household loans** were on the increase in 2003, going up by 1.8% in the first, 3.2% in the second and 4.4% in the third quarter over the same period of 2002. On the other hand, **household savings** in banks faltered after having surged in 2002: following interest rate falls, real savings growth was much weaker in the first nine months of 2003 than the year before, coming in at 5.7% and 19.0%, respectively.

Graph: **Movements in private consumption and selected aggregates**



Sources of data: SORS, APLRS, MF, BS, calculations by the IMAD. Notes: see table.