

<b>Trade in Services</b>	Slovenian Economic Mirror	IMAD
	No. 2/2004	p. 6

Trade in services, EUR million (current prices)	Exports of services		Imports of services		Balance		% nominal growth 2003/2002	
	2002	2003	2002	2003	2002	2003	Exports	Imports
Total services	2,449.2	2,464.6	1,822.4	1,923.6	626.9	540.9	0.6	5.6
Transport	634.5	678.7	384.8	419.6	249.7	259.1	7.0	9.1
Travel	1,142.7	1,182.2	637.8	666.5	504.8	515.7	3.5	4.5
Other services	672.1	603.6	799.8	837.5	-127.7	-233.9	-10.2	4.7
Communications services	60.5	61.4	89.0	94.7	-28.4	-33.3	1.5	6.4
Construction services	95.5	69.9	60.4	72.2	35.0	-2.3	-26.8	19.5
Insurance services	7.9	5.7	13.2	13.8	-5.3	-8.1	-28.1	4.2
Financial services	48.6	17.1	30.5	28.6	18.1	-11.6	-64.9	-6.1
Computer and information services	84.2	78.1	85.1	88.3	-0.9	-10.2	-7.3	3.8
Licences, patents, copyrights	7.9	9.4	82.8	79.4	-74.9	-69.9	19.1	-4.2
Other business services	346.2	339.1	380.7	398.3	-34.4	-59.3	-2.1	4.6
-Intermediation	149.5	109.0	60.4	59.0	89.2	50.0	-27.1	-2.2
Personal, cultural & recreation services	15.8	18.3	40.2	44.0	-24.4	-25.7	16.0	9.7
Government services	5.4	4.5	17.9	18.1	-12.5	-13.6	-15.5	1.5

Source of data: the Bank of Slovenia, provisional figures for 2003.

After exports and imports of services had increased significantly in 2002, imports halved and exports almost stagnated in 2003. **Exports** of services (expressed in euros) edged up 0.6% in nominal terms. Exports of goods rose faster than exports of services (see pp. 4-5) so the share of services in total exports of goods and services shrank to below 18%, which was the share seen in 2002. **Imports** of services (expressed in euros) climbed by 5.6% in nominal terms over 2002 and, as a result, the surplus in trade in services narrowed by about EUR 85 million.

The poor export performance was mainly due to the slump in exports of other services (all services except travel and transport), going down 10.2% in nominal terms: intermediation, construction and financial services suffered particularly strong falls, while insurance and computer services also declined. These movements suggest low competitiveness of Slovenia's knowledge-based services (also see SEM 12/2003:17). Imports of other services continued to rise steadily as a result of the economy's growing need for such services; the deficit in other services widened to over EUR 100 million compared to 2002. Transport services stood out on the export side, as exports climbed by 7% in nominal terms. Even though imports of transport services rose strongly in 2002, the surplus in transport services widened in 2003. Exports of travel increased, however, imports of travel rose more than exports. Nevertheless, the surplus in travel widened compared to 2002.

Gradual shifts in Slovenia's exports of services have been seen for some time. Slovenia has recorded low rates of export growth **compared to EU member-states** (see graph). While Slovenia's exports of services recorded a growth index of 145 in 1996-2002, EU members saw an average growth index of 170. Slovenia's export performance was slightly better in the second half of the period. In most small EU members, except Finland, exports of services rose much faster than in Slovenia, especially in Ireland. While Finland was behind Slovenia in terms of exports of services, it recorded a fast rise in high-technology exports containing knowledge-based services. Data show Slovenia significantly lagging behind EU members in the field of exports of services, reflecting shortcomings in developing knowledge-based services.

Graph: Exports of services in 1996-2002, growth indexes

