

| Selected indicators, growth rates in % | Jan-March 2003, GWh | Jan-March 2004, GWh | Jan-March 04/ Jan-March 03, % |
|--|---------------------|---------------------|-------------------------------|
| <b>Production of electricity</b>       | 3,351               | 3,437               | 2.6                           |
| Prod. in hydroelectric plants          | 546                 | 627                 | 14.8                          |
| Prod. in thermal plants                | 1,376               | 1,343               | -2.4                          |
| Prod. in nuclear power plant           | 1,429               | 1,467               | 2.6                           |
| <b>Consumption of electricity</b>      | 3,176               | 3,282               | 3.4                           |
| Through distribution network           | 2,451               | 2,586               | 5.5                           |
| Direct consumers                       | 656                 | 619                 | -5.7                          |
| <b>Net electricity exports</b>         | 175                 | 155                 | -11.7                         |

Source of data: ELES, Electricity Balance for September, additional calculations by the IMAD.

Last year was relatively unfavourable in terms of the self-sufficiency of electricity supply because **electricity** production dropped by 6.0% while electricity consumption rose by 4.6%. This year's situation is better even though consumption is still rising slightly faster than production.

In the **first quarter, electricity production** rose by 2.6% over the same period last year, with the biggest monthly rise being recorded in March. Thanks to above-average water levels of Slovenian rivers, production in hydro-electric power plants climbed by 14.8% (by 69.2% in March) and exceeded the level planned by Slovenia's production-consumption balance by one-tenth. Production in the nuclear power plant increased by 2.6%, while production in thermal power plants fell by 2.4%. Despite this fall, production in thermal power plants overran the production-consumption balance by 15.1%. The rise in **electricity consumption** was held back by the 5.7% fall in the consumption of direct users. Growth in consumption from the distribution network accelerated from 3.9% in the first quarter of 2003 to 5.5% in the same period of this year. Total electricity consumption exceeded production by 3.4%. **Net electricity exports** dropped by as much as 11.7%, while still representing 4.5% of total production. Given that Slovenia became a net electricity importer in 2003 and that a deficit in the production-consumption balance was planned for the first quarter, this year's exports are estimated as encouraging.

Despite forecasts that the rising trend in **oil prices** would turn downwards in spring, this has not happened. At the end of April the price of oil (Brent crude to be delivered next month) exceeded USD 34 per barrel so the retail prices of liquid fuels remained high. The domestic retail prices of 95-octane petrol and gas oil were the highest so far (SIT 195.3 and SIT 173.1 per litre), while the price of light fuel oil (SIT 97.4 per litre) was much lower than in some periods of previous years (the highest price of SIT 113.9 was seen in September 2000). The **amounts of excise duty** per litre of fuel, which stayed unchanged in 2002 (except for minor changes in excise duties on petrol in January), varied in 2003 in line with anti-inflationary measures. Adjustments to excise duties, which were counter-cyclical to pre-tax liquid fuel prices (shaped by the model in accordance with changes in liquid fuel prices in commodity markets), were most notable in petrol, whose share in the CPI is the largest among liquid fuels. The volatility of the retail petrol price would have been much bigger if the amount of excise duty from 2002 had been retained (see graphs). However, the degree of adjustments declined gradually. Since May 2003, a particularly strong rise has been seen in the amount of excise duty on gas oil. The average retail price of gas oil would have been SIT 14 per litre lower if the 2002 excise duties had been levied from May 2003 to April 2004. Adjustments to excise duties on light fuel oil were the least intensive. The adjustments to excise duties on liquid fuels did not cause any overall fall in budget revenues in 2003 over the year before (see Spring Report 2004).

Graph: **Actual retail fuel prices (bold) and prices with excise duties from 2002 (SIT/litre)**

