

Slovenian Economic Mirror (SEM) is a translation of *Ekonomsko ogledalo*, a survey of key macroeconomic trends in Slovenia, and is a continuation of the publication *Monthly Data on Economic Situation in Slovenia*. It is published around the 8th day of the month, except for the issue in September. SEM reflects the current situation in the Slovenian economy as seen by the Institute of Macroeconomic Analysis and Development of the Republic of Slovenia, using data published by the Statistical Office of the Republic of Slovenia, government bodies, the Bank of Slovenia and the Agency of the Republic of Slovenia for Payments.

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Selected indicators of current economic developments, change in %	Latest Data	Compared to the			
		previous month	same period of previous year		
			latest data	pre-latest data	pre-pre latest data
Industrial production, production volume indices	October	-3.1	4.8	5.8	6.0
Mining and quarrying	October	-31.7	-2.3	0.9	-0.2
Manufacturing	October	-4.1	5.0	6.0	6.1
Electricity, gas and water supply	October	35.0	4.3	4.5	7.4
Exports of goods (FOB, real terms)	October	-1.7	9.7	10.2	10.2
Imports of goods (FOB, real terms)	October	1.6	10.9	11.1	11.2
Unit labour costs ¹	October	3.1	0.8	0.2	0.2
Tolar's real effective exchange rate ²	November	1.4	0.9	0.8	0.9
Gross wage per employee, real terms	October	0.4	1.8	1.8	1.8
Total household savings in banks, real terms	November	0.7	4.2	3.7	4.1
General government revenue, real terms	November	10.0	2.7	2.0	2.3
Growth in the no. of persons in paid employment	October	0.4	0.5	0.4	0.3
Growth in the no. of registered unemployed	November	-1.7	-4.9	-4.9	-4.7
Growth in the no. of job vacancies	November	-19.7	15.0	15.5	13.9
		Month			
		current	previous	pre-previous	
Registered unemployment rate	October	10.5	10.3	10.3	
		current	cumulative³	annual⁴	
Consumer prices	December	-0.3	3.2	3.2	
Retail prices	December	0.4	4.9	4.9	

Sources of data: SORS, BS, ESS, estimates and calculations by IMAD. Notes: ¹in manufacturing, in the currency basket, current month trend against previous month established by TRAMO-SEATS, ²measured by relative consumer prices, ³total from January to the current month, ⁴total over the last 12 months.

The gradual lowering of inflation continued in 2004. Consumer prices edged down 0.3% in December, hence their growth in 2004 totalled 3.2% (1.4 percentage points less than in 2003). Similarly, average inflation was cut further and totalled 3.6% in December, i.e. 2.0 percentage points less than in December 2003, which is in line with the IMAD's Autumn Report forecast. The lowering of inflation in 2004 was the result of the measures applied by the Bank of Slovenia and the government that were presented during preparations for entry to the ERM II. In addition, two one-off effects had a significant impact on price rises: the abolition of customs duties on food products that reduced inflation by 1.0 percentage point, and the rises in oil prices (in December, they were 43% higher than in December 2003) that pushed inflation up by 0.8 of a percentage point. In spite of the considerable cuts seen in 2004, inflation still derogates sharply from the Maastricht criterion calculated on the basis of average (HICP) inflation which, according to Eurostat's provisional data, stood at 2.1% in November.

The Slovenian economy grew by 4.5% in the first nine months of 2004 over the same period of the previous year. Real GDP growth had been robust from the beginning of the year, peaking in the third quarter when it reached 4.9% over the same period of the previous year (the second quarter of 2004 recorded 4.7% growth). Like in the first half of the year, economic growth was mainly driven by exports (more than by domestic consumption), while the boost in the third quarter derived from the stronger growth of final consumption and the positive balance of external trade. Final consumption (up 3.4% year on year) saw the strongest growth in the past few years generated by the pick-up in private consumption (up 3.8%; 3.1% in the second quarter) and general government consumption (2.4%; 1.6% in the second quarter). The positive contribution of changes in inventories to economic growth that was particularly high in the second quarter (1.8 percentage points) turned negative (-0.2 of a p.p.) in the third quarter. The growth of gross fixed capital formation, in comparison, remained at an essentially unchanged level (6.3%) compared to the second quarter but saw a change in its structure in favour of construction investment. There was also a turnaround in the external balance of goods and services which recorded a positive contribution to economic growth for the first time in six quarters. Real export growth, sustaining a high level throughout 2004, fell slightly in the third quarter (to 11.9%), despite the step-up seen in the growth of services exports after their decline in 2003. The growth of merchandise exports to the EU-25 expanded in the third quarter, particularly to Italy and France; Austria sustained its high level, while Germany registered a slight decline. The growth of exports to new EU members, Russia, Serbia and Croatia also remained high but it eased to Macedonia and BiH. The latter confirms the assumption about the one-off EU-accession effect which was most pronounced in the trade with these two countries due to the new external trade regime. Import growth in the third quarter softened even more (to 10.1%) on account of the lower rise in imports of consumer and investment goods, while import growth of intermediate goods picked up on the back of the favourable dynamics enjoyed in manufacturing (see p. 13). The slowdown in international trade seen in the second quarter indicates that the high growth rates seen in the second quarter of 2004 were caused by the one-off adjustment to the changes to the foreign trade regime. The structure of economic growth is generally in line with the autumn forecast; the observed growth rates even slightly exceed the expectations. On this basis, we assume that the annualised economic growth in 2004 will be above 4%, as projected in the autumn forecast. Movements in the labour market (in both wages and employment) remain within the expected values (see pp. 9-10).

Changes in the key macroeconomic aggregates were a key contributor to the general government deficit's expansion in 2004. The Budget Memorandum for 2004 and 2005, prepared on the basis of the IMAD 2003 autumn forecast, projected that the general government deficit would total 1.9% in 2004, assuming the forecast 3.6% economic growth and 4.9% inflation. As inflation in 2004 was 1.3 percentage points lower than projected in the Memorandum, and we can assume on the basis of the GDP growth figures for the first nine months that the annualised economic growth for 2004 will exceed 4% (totalling around 0.5 of a percentage point more than was projected in the Memorandum), the general government expenditure balance will also be different than projected. While general government revenues are being adjusted to the changes in the macroeconomic environment during the financial year, between 80% and 90% of government expenditure is fixed and cannot be changed in response to shifts in other macroeconomic aggregates. In our estimate, the difference between the projected growth (in the Budget Memorandum) and the actual economic growth of 2004 will be smaller than the difference in inflation. At the same time, accession to the EU has caused a one-off shortfall in VAT revenues. For these two reasons, general government revenue is set to be smaller than expected in 2004. According to the IMAD's estimate based on a macroeconomic model, the overall negative impact of these macroeconomic changes on the budgetary balance totalled between 0.3 and 0.4 of a percentage point of GDP in 2004. These calculations suggest the high sensitivity of the general government position to the normal deviations of the macroeconomic environment from forecasts. In order to reduce these risks, a more flexible fiscal policy should be applied throughout the year, also for the expenditure side of the government budget: the 'fixed part of the budget' should be reduced and the rules on expenditure should be adjusted accordingly.

Balance of Payments	Slovenian Economic Mirror	IMAD
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Balance of Payments, Jan-Oct 2004, EUR million	Inflows	Outflows	Balance ¹	Balance Jan-Oct 2003
Current account	13,739.9	13,688.8	51.1	46.5
Trade balance (FOB)	10,490.2	10,972.3	-482.1	-329.5
Services	2,316.2	1,758.0	558.2	473.5
Factor services	448.2	527.1	-78.9	-155.8
Unrequited transfers	485.3	431.4	53.8	58.3
Capital and financial account	2,616.2	-2,494.9	121.4	-217.3
Capital account	64.7	-179.6	-114.8	-104.8
Capital transfers	63.6	-179.1	-115.4	-101.9
Non-produced, non-financial assets	1.1	-0.5	0.6	-2.9
Financial account	2,551.5	-2,315.3	236.2	-112.5
Direct investment	306.6	-352.0	-45.4	-198.3
Portfolio investment	0.0	-611.6	-611.6	-146.6
Financial derivatives	0.0	-0.6	-0.6	0.0
Other long-term capital investment	1,851.2	-1,351.1	500.2	463.1
Assets	0.0	-1,351.1	-1,351.1	-925.9
Liabilities	1,851.2	0.0	1,851.2	1,389.1
International reserves (BS)	393.7	0.0	393.7	-230.7
Statistical error	0.0	-172.6	-172.6	170.8

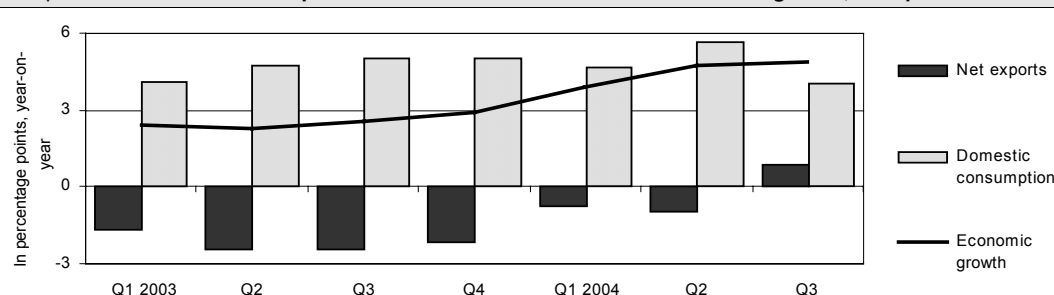
Source of data: Bank of Slovenia. Notes: ¹ minus sign (-) in the balance indicates the surplus of imports over exports in the current account and the rise in assets in the capital and financial account and the central bank's international reserves.

According to the national accounts, total trade in goods and services rose by 11.6% in real terms in the first three quarters of 2004 over the same period of 2003. Exports of goods increased by 12.3% in real terms, exports of services by 7.5%, imports of goods by 12.3% and imports of services by 6.6%. As expected, merchandise **exports** were stepped up within the EU-25 market. The highest rise in Slovenia's main trading partners was recorded in exports to Austria and France, while the upturn was more modest in Germany and Italy. The pick-up in exports to former Yugoslav republics exceeded the expectations. It was largely generated by the robust April exports of Slovenian enterprises in anticipation of the higher customs duties on imports of Slovenian products that were enforced upon EU accession. Exports of goods to Russia also picked up sharply as the Russian economy and demand grew on the back of high oil prices (oil represents over 50% of total Russian exports). Exports of services, after falling continually in all four quarters of 2003 in real terms, recorded rising year-on-year growth rates in 2004. This dynamic was partly underpinned by the low comparative levels seen in 2003, but even more so by the strong increase in exports of transport and other services (notably communication, construction, IT and other business services). **On the import side**, consumer and intermediate goods were up most markedly as a result of the stronger growth of private consumption and the increase in the volume of industrial production. The vigorous year-on-year growth in imports of investment goods began to cool off in the second quarter of 2004. Imports of services registered the largest increase in transport services. Despite the positive contribution (0.9 of a percentage point) of the external trade payments to economic growth seen in the third quarter of 2004, its contribution in the first nine months of the year was still negative (-0.3 of a percentage point, see graph).

The worsened terms of trade did not have a major impact on the growth of real gross domestic income. The terms of trade in goods and services deteriorated slightly in the first nine months of 2004 year on year (index value of 99.6). The worsening was mainly induced by rises in the Brent crude price (average rise of 26.9%) and other commodity prices (up 20.9%). We estimate that the terms of trade had a negligible implicit effect since the growth of real gross domestic income growth was just 0.1 of a percentage point slower than real GDP growth. According to this criterion, the purchasing power of the Slovenian economy rose by 4.4%.

The growth of trade in goods and services eased slightly in October. In the first ten months of 2004, the volume of trade in goods (expressed in euros) rose by 10.3% in nominal terms compared to the same period last year (exports up by 9.7%, imports up by 10.9%). October's surpluses in the balance of goods and services, factor incomes and current transfers turned the current account balance for the first ten months of 2004 into a surplus of EUR 51.1 million.

Graph: **Contribution of net exports and total domestic demand to economic growth, in % points**



Source of data: SORS, calculations by the IMAD.

Price Trends

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Price indices	2003		2004		
	Dec 2003/ Dec 2002	Φ (Jan 03-Dec 03)/ Φ (Jan 02-Dec 02)	Nov 2004/ Oct 2004	Nov 2004/ Nov 2003	Φ (Dec 03-Nov 04)/ Φ (Dec 02-Nov 03)
Consumer prices	104.6	105.6	100.6	103.6	103.7
Goods	103.9	105.0	100.9	102.7	102.7
Fuels and energy	103.6	103.5	101.5	112.9	106.3
Other	104.0	105.3	100.8	100.6	102.0
Services	106.5	106.9	100.0	105.7	106.1
Administered prices¹	104.0	104.4	101.1	111.5	107.0
Energy	103.5	103.5	101.3	113.3	106.6
Other	104.8	106.1	100.7	107.7	107.9
Core inflation					
Trimmean	104.2	105.9	100.3	103.1	103.5
Excluding food and energy	103.7	104.9	100.2	102.5	102.9
Producer prices	102.1	102.5	100.1	105.0	104.1
Intermediate goods	102.5	102.0	100.0	107.1	105.6
Investment goods	98.9	99.6	100.0	103.4	102.1
Consumer goods	102.4	104.1	100.1	103.0	102.8
Inflation in the EU-12					
Consumer prices	102.0	102.1	99.9	102.2	102.1
Excluding food, energy, tobacco, alcohol	101.6	101.8	100.0	101.9	101.8
Producer prices	101.0	101.5	100.2 ²	101.8 ²	101.8 ²

Sources of data: HICP, IPI: SORS, administered prices: calculated by the IMAD, core inflation: calculated by the IMAD, HICP in the EU: Eurostat (preliminary data) and calculated by the IMAD. Notes: numbers do not always round off: ¹figures between years are not fully comparable because of changes introduced to the consumer price index in 2004, ²a figure for the previous month.

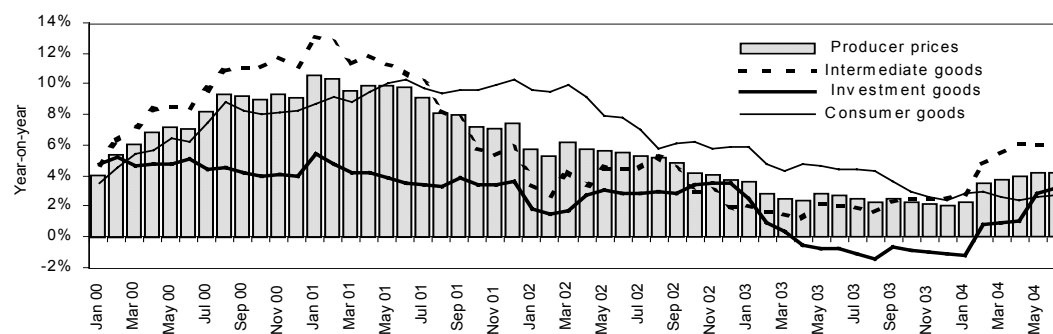
In november consumer prices rose by 0.6% for the second time in 2004. The highest monthly price rise was the same as in April (0.3% in November 2003), while year-on-year inflation rose to 3.6%. Compared to November 2003, inflation fell by 1.5 percentage points. Average inflation also continued to decline gradually and was 2.1 percentage points lower in November 2004 than a year before. Average inflation measured by the HICP fell by the same amount to total 3.8% in November. The Maastricht criterion which is calculated on the basis of the average (HICP) inflation, by comparison, stood at 2.1% according to Eurostat's provisional data.

Like in previous months, the strongest fluctuations were seen in prices susceptible to seasonal impacts and those dependent on oil price changes. After the substantial seasonal price reductions seen in the third quarter, the current seasonal rises were not unexpected. The upward contributions to inflation in November were thus generated by the higher prices of food and non-alcoholic beverages (adding 0.2 of a percentage point to inflation), housing (contributing another 0.2 of a percentage point), transport (0.1 of a percentage point) and clothing and footwear groups (0.1 of a percentage point). Downward contributions, on the other hand, came from lower prices in recreation and culture, hotels and restaurants, alcoholic beverages and tobacco groups, which together reduced November's inflation by 0.1 of a percentage point.

Nevertheless, the long-term reduction of consumer price rises continued in November. Price rises excluding non-processed food and energy were lower than 3%, indicating that the currently applied set of macroeconomic measures is enabling the sustained lowering of inflation. Namely, in addition to those measures linked to EU accession (stabilisation of the tolar's exchange rate and changes to food trade regimes), the government continued to pursue the Administered Prices Rise Plan and the adopted excise duty and tax policies in the second half of 2004.

Industrial producer prices rose faster than consumer prices in 2004. This development was primarily the result of higher commodity prices passing through to Slovenian prices directly as well as indirectly through the rising industrial producer prices abroad.

Graph: Dynamics of industrial producer prices



Source of data: SORS.

Monetary Developments	Slovenian Economic Mirror	IMAD
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Monetary aggregates, exchange rates, the Bank of Slovenia's interest rates, end of month values					
Monetary aggregates ¹ , % growth	2003			2004	
	Dec 03/ Dec 02	Φ Oct 03-Dec 03/ Φ Oct 02-Dec 02	Nov 04/ Oct 04	Nov 04/ Nov 03	Φ Sept 04-Nov 04/ Φ Sept 03-Nov 03
M1	10.6	10.8	3.3	21.0	19.6
M2	5.2	8.5	1.9	1.2	0.7
M3	4.9	7.2	1.5	4.1	4.1
Exchange rate, % rise	Dec 03/ Dec 02	Φ Jan 03-Dec 03/ Φ Jan 02-Dec 02	Dec 04/ Nov 04	Dec 04/ Dec 03	Φ Jan 04-Dec 04/ Φ Jan 03-Dec 03
EUR	2.8	3.3	0.0	1.3	2.1
USD	-15.0	-14.0	-2.6	-6.2	-6.6
Nominal interest rates, %	Dec 03	Jan-Dec 03	March 04	June 04	December 04
Overnight deposit	3.00	3.6	2.75	2.25	2.25
TBZ ² 60-d	6.00	6.9	5.25	4.00	4.00
TBZ ² 270-d	6.75	8.0	5.50	4.25	4.20
Temp. purchase of FX	3.00	3.7	2.50	1.00	1.25
BS' refinancing rate	5.00	5.9	4.50	3.00	3.25

Source of data: Bank of Slovenia. *Notes:* ¹national definition, ²tolar bills (60- and 270-day bills).

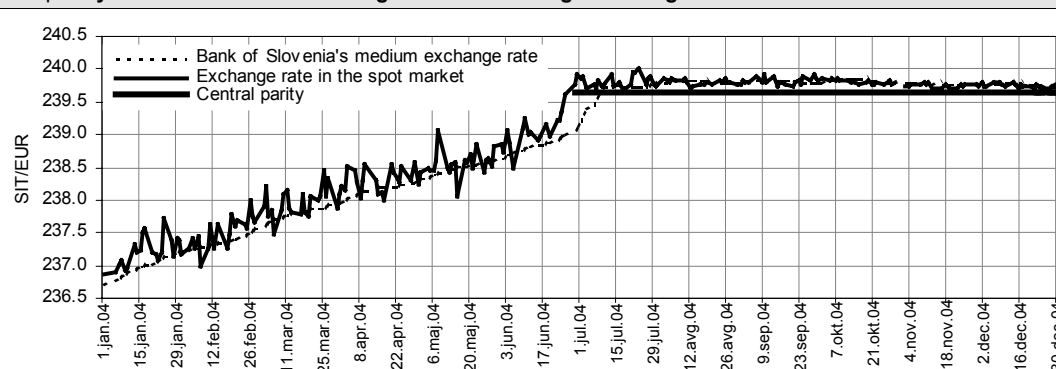
The Bank of Slovenia maintained the adopted monetary policies in the final quarter of 2004. As there were no major changes in the macroeconomic environment in the last quarter of 2004, and Slovenia's entry to the ERM II induced no unexpected changes, the Bank of Slovenia continued to pursue the adopted policies set out in the Programme for Entering ERM II and Introducing the Euro.

The BS' central task therefore remains to keep the tolar exchange rate stable. Following its stabilisation at the end of June 2004, the tolar's exchange rate hovered in a narrow band predominantly below the central parity; its fluctuations in the foreign exchange market (based on exchange rates reported by banks) did not exceed 0.15% and averaged out at 0.06%. The tolar's depreciation thus totalled 1.3% in 2004 and was largely generated by the gradual depreciation seen in the first six months of the year. Besides, in the days following the tolar's stabilisation its exchange rate came close to the central parity which was set slightly above the tolar's market value at that time. The effects of stabilising the tolar, which was the key measure in bringing inflation down in 2004 due to the practically complete pass-through of the exchange rate growth to price rises, will therefore not be seen in full until 2005.

After keeping interest rates unchanged following entry to the ERM II, the Bank of Slovenia raised the interest rate on temporary purchases of foreign exchange at the end of December. After the BS' key interest rates had been cut in the first half of 2004 by 2.0 percentage points (60-day tolar bills) to 2.5 percentage points (270-day tolar bills), they remained at the achieved level until the end of the year. At the end of December the BS raised the interest rate on temporary purchases of foreign exchange by 0.25 of a percentage point. As a result, the BS' refinancing rate also increased by the same amount and totalled 3.25% at the end of December, while the ECB refinancing interest rate remained unchanged (2.0%).

The fourth quarter of 2004 also saw no shifts in the dynamics of money aggregates. The growth of the broad money aggregates M2 and M3 continued to soften in the three months to December, and the net financial outflows were correspondingly relatively bigger. The growth of the narrow money aggregate M1, on the other hand, increased further. These trends are largely attributable to the lower interest rates and the consequent changes in the structure of residents' investments in favour of non-monetary investments.

Graph: Dynamics of the euro exchange rate in the foreign exchange market



Source of data: BS.

The Money Market – Household Savings	Slovenian Economic Mirror	IMAD
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Household savings in banks	SIT billion, nominal		Real growth rates, in %		
	31 December 2003	31 November 2004	30 Nov 04/ 31 Oct 04	30 Nov 04/ 31 Dec 03	30 Nov 03/ 31 Dec 02
Total savings	2,138.5	2,236.7	0.7	2.6	3.6
Tolar savings, total	1,293.1	1,329.0	0.8	-0.7	4.6
Demand deposits	466.3	566.5	2.3	17.3	7.6
Short-term deposits	608.2	617.4	-0.2	-2.0	4.4
Long-term deposits	218.3	144.0	-1.1	-36.3	-0.7
Foreign currency savings	845.5	907.7	0.6	6.8	2.4
Short-term, demand d.	766.6	821.8	0.5	6.7	5.0
Long-term deposits	78.9	85.9	1.7	8.3	-17.3

Sources of data: Monthly Bulletin of the BS, calculations by IMAD.

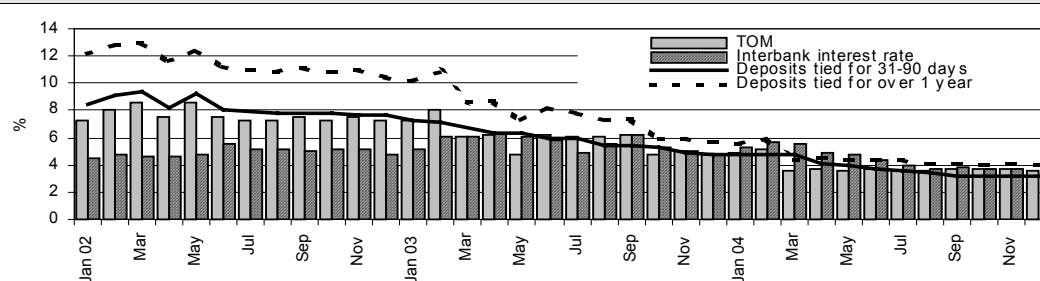
Following the decrease seen in October, the real volume of household savings in banks rose by 0.7% in November, which equals the highest monthly growth rate seen in 2004. After a one-month interlude tolar demand deposits rose again in November. Similarly, foreign currency savings were still on the increase, recording the highest growth rate year on year since 2002. Although the year-on-year growth rate of total household savings in banks rose slightly over the previous month, it nevertheless remained at a low level (4.2%). Net flows excluding tolar demand deposits registered a net outflow of SIT 2 billion in the first eleven months of 2004.

Deposit interest rates remain low, causing the volume of tolar time deposit to decline further. In the first eleven months of 2004, their real volume shrank by as much as 11%. The drop in tolar savings was substantially offset by the rise in demand deposits which grew at a 1.5% average monthly real rate during this period and now account for as much as 42.6% of total tolar savings (6.5 percentage points more than at the end of 2003). Long-term demand deposits have been on a decrease throughout 2004, falling at least 1% per month. They hence dropped by as much as 36.3% in the first eleven months of 2004 (largely due to the release of funds from the National Housing Savings Scheme and due to the low interest rates). The year-on-year growth of tolar savings strengthened by 0.4 of a percentage point over the month before to total 1.1%.

Despite the lower interest rates on foreign currency deposits compared to tolar deposits, foreign currency savings continue to rise. Interest rates on euro deposits averaged 1.4% in November, while interest rates on tolar deposits ranged between 3.1% and 4%. Foreign currency savings rose in real terms by 8.1% year on year in November 2004; the highest rise here was seen in long-term deposits. Net flows of foreign currency savings amounted to SIT 62.2 billion and were 90.1% higher in real terms compared to the same period of 2003.

The volume of assets in mutual funds and their number rose again in November, while their average year-on-year returns fell for the fourth month in a row. At the end of November, mutual funds managed over SIT 200 billion of assets, reaching 9% of total household savings in banks. The value of assets was 1.2-times higher than at the end of 2003. The number of mutual funds climbed to 33 by the end of November, and their net inflows totalled SIT 7.3 billion in that month. They amounted to SIT 75.7 billion in the first eleven months of 2004, which is more than triple the amount recorded in the same period of 2003. Nearly 60% of total net inflows were registered in mixed mutual funds that manage over two-thirds of total assets. The weighted average return of mutual funds fell by almost 5 percentage points to 18%, which is still well above the interest rate levels seen a year before. In the last twelve months, the individual returns averaged out at 6.9% in bond mutual funds and 19% in stock mutual funds. With the new tax legislation enforcing radical changes in the taxation of investments in mutual funds, the appeal of such investments might change considerably in the future.

Graph: Trends of selected interest rates



Sources of data: BS, SORS.

The Money Market – Loans	Slovenian Economic Mirror	IMAD
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Domestic banks' loans	Nominal amounts, SIT billion		Real loan growth, %		
	31 December 2003	30 November 2004	30 Nov 2004/ 31 Oct 2004	30 Nov 2004/ 31 Dec 2003	30 Nov 2003/ 31 Dec 2002
Total tolar loans	1,831.0	2,018.0	1.8	6.4	4.6
Tolar loans to comp. and OFO*	1,062.9	1,112.6	1.8	1.1	3.7
Short-term, overdrafts, advances	553.3	599.7	2.1	4.7	0.8
Long-term	509.6	512.8	1.4	-2.8	7.1
Foreign currency loans to comp., OFO	625.7	869.9	1.6	38.3	34.3
Household tolar loans	637.5	750.5	0.5	13.7	4.7
Short-term, overdrafts, advances	127.6	136.0	0.3	2.9	-1.2
Long-term	509.8	614.5	0.5	16.4	6.2
Government tolar loans	130.7	154.9	8.4	14.5	10.8
Short-term, overdrafts, advances	23.3	31.7	15.2	31.6	41.7
Long-term	107.4	123.3	6.8	10.8	1.7

Source of data: the BS, calculations by the IMAD. Notes: *OFO – other financial organisations.

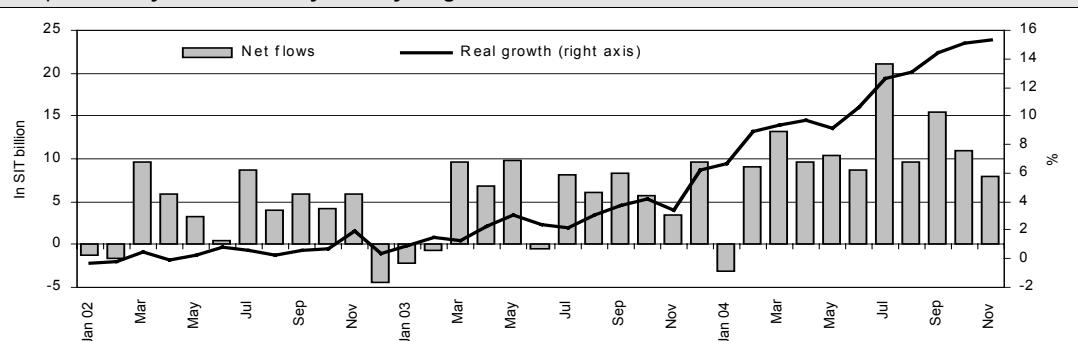
November's 1.8% rise in tolar loans, underpinned by the strong real growth of short-term loans, was the second highest in 2004 and topped only by September's 2.3% real rise in these loans. Short-term tolar loans increased by 2.3% in November, largely on the back of the robust short-term borrowing by enterprises, OFOs and, to a lesser extent, the government. While these loans account for about 30% of total tolar loans, they contributed 0.7 of a percentage point to the overall growth in loans. The weakest growth was seen in long-term tolar loans (up 1.5%), but their contribution to total growth nevertheless amounted to 0.9 of a percentage point because of their large share (over 60%) in total tolar loans. Tolar loans to enterprises and OFOs picked up in particular, while the growth of household loans slowed down slightly in November. Year on year, tolar loans growth rose by 1.4 percentage points in November to total 6.5%. The total net flows of tolar loans amounted to SIT 187 billion in the first eleven months of 2004 or 15.3% more than in the same period of 2003.

The monthly growth rates of tolar loans to enterprises and OFOs varied in the first eleven months of 2004. A monthly rise was usually followed by a decrease in the next month. This pattern was also observed in November. After the 0.8% decrease seen in October, November again recorded high real growth that contributed 1 percentage point to the total growth of tolar loans. At the year-on-year level, the real growth of these loans strengthened to 1.2%. The net flows of tolar loans to enterprises and OFOs totalled SIT 49.7 billion, which corresponds to less than 60% of the 2003 level in real terms.

The growth of domestic banks' foreign currency loans to enterprises and OFOs recorded its lowest rate since January 2004 in November, while its year-on-year growth rate remained high (44.2%). Net flows of foreign currency loans to enterprises and OFOs amounted to SIT 244.1 billion in the first eleven months of the year, an over 50% real rise year on year. Following the slightly higher net flows from July onwards, October recorded a moderate slowdown in net corporate borrowing abroad which totalled SIT 7.1 billion for the month and SIT 113 billion for the first ten months of 2004, which was 2.2% more in real terms than in the same period of the previous year.

The volume of tolar loans to households registered its lowest real growth since January 2004 in November. A large part of this rise was still generated by the increasing volume of long-term loans that were up 17.5% year on year, while household loans in total rose by 15.3%. The net flows of tolar loans to households reached SIT 113 billion in the first eleven months of 2004 – twice as much in real terms as in the same period of 2003.

Graph: Monthly net flows and year-on-year growth rates of tolar loans to households



Source of data: BS, calculations by the IMAD.

Labour Market	Slovenian Economic Mirror	IMAD
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Selected labour market indicators	thousands			% growth		
	Φ 2003	Oct 2003	Oct 2004	Oct 04/ Sept 04	Jan-Oct 04/ Jan-Oct 03	Φ 2003/ Φ 2002
A Registered labour force (A=B+C)	874.9	877.4	881.6	0.6	-0.1	-1.3
B People in formal employment	777.2	778.5	789.1	0.4	0.5	-0.8
in enterprises and organisations	633.0	635.4	641.2	0.3	0.6	0.3
by those self-employed	66.2	67.0	66.6	0.2	-0.8	-0.9
self-employed and farmers	78.1	76.1	81.4	2.0	0.9	-8.8
C Registered unemployed	97.7	98.9	92.5	2.0	-4.9	-4.8
women	51.6	52.7	49.6	1.7	-4.4	-1.8
aged over 40	43.1	41.6	38.1	-0.7	-7.9	-14.9
unemployed over 1 year	47.5	46.7	42.9	1.7	-10.1	-14.9
D Rate of register. unemployment (C/A), %	11.2	11.3	10.5	-	-	-
male	9.7	9.7	8.9	-	-	-
female	13.0	13.2	12.4	-	-	-
E Job vacancies	12.1	13.5	17.3	7.2	15.5	4.4
for a fixed term, %	73.8	74.6	74.6	-	-	-

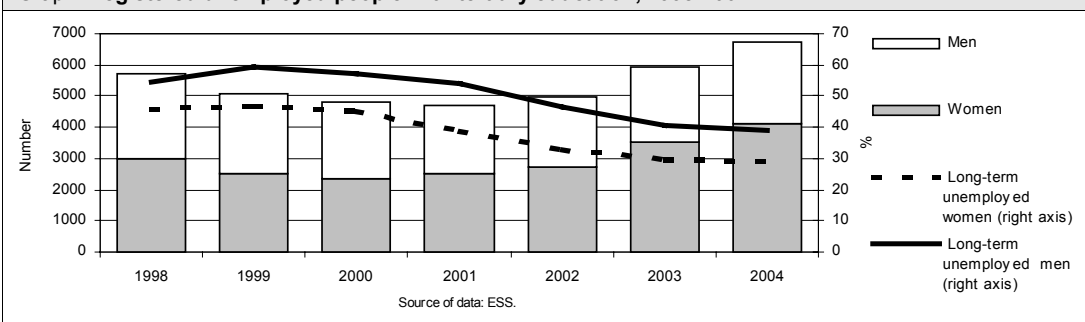
Sources of data: the SORS, the ESS, calculations by the IMAD.

In October, the number of people in employment continued to rise. The number of farmers was up again, according to figures from the labour force survey, hence self-employment went up by 2%. Apart from that, a continued rise in employment was also seen in enterprises and organisations as well as with private individual entrepreneurs and their employees. The highest rise in employment was recorded in agriculture (up 3.5% over September), business activities, wholesale and retail trade, and education, while a decline was seen in transport. For statistical reasons – the transfer of the Public Company for Motorway Maintenance from construction activity to DARS (Slovenian motorway construction company), which is a part of public administration – the number of employees fell in construction and correspondingly rose in public administration. In manufacturing's subsectors, employment shrank most markedly in October in the manufacture of leather and leather products (by 240 or 3.7%), the wood-processing and paper industry, while it rose in the manufacture of metals and metal products as well as machinery and equipment (up 0.6%).

Registered unemployment decreased slightly in November, but there were also fewer vacancies and new recruitments. As in October, many people (around 5,600) lost their jobs in November, while only 4,200 unemployed people found work. Nevertheless, unemployment fell by 1,615 to 90,923 in November since the number of deletions from unemployment registers for other reasons (5,100) was even higher in that month than in October. The number of vacancies was highest in October last year (17,321); in November it dropped sharply (to 13,904). Similarly, new recruitments were in decline for the second month running, but their number was still higher in November (10,322) than the average of this year's first nine months.

In the past three years the unemployment rate and the number of unemployed people with tertiary education have risen despite the increase seen in their recruitment. On average, there were as many as 6,721 people with tertiary education registered as unemployed in the first eleven months of 2004, representing 7.2% of total registered unemployment. 4,090 (61%) of these people were women. In 2003 and 2001 the comparable figures were 5,925 and 4,708. The 2001 figure was the lowest since 1991; it accounted for 4.6% of total unemployment, and the share of women was 53%. Although their numbers have risen, the duration of their unemployment is getting shorter. The duration of unemployment for people with tertiary education fell from the average of 19.5 months in 1999 (the longest time recorded in the 1990s) to the 12.5 months recorded in 2004. Women found work faster than men. Jobless people with a higher (non-university) education waited slightly longer for a new job. The long-term unemployment of people with tertiary education decreased as well. In 1999 it was almost 60% for men and 47% for women, falling to 39% and 29%, respectively, in 2004. On the other hand, the unemployment rate of workers with tertiary education has gone up again in the past few years, according to the labour force surveys. It hovered around 3% in the 1990s, fell to 1.9% in 2001, then climbed again to 3.4% in 2003, while it stood at 2.6% in the second quarter of 2004 year.

Graph: Registered unemployed people with tertiary education, 1998-2004



Earnings	Slovenian Economic Mirror	IMAD
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Gross wage per employee, growth index	Wages in SIT Oct 2004	In nominal terms		In real terms ¹	
		Oct 2004/ Sept 2004	Oct 2004/ Oct 2003	Oct 2004/ Sept 2004	Oct 2004/ Oct 2003
Gross wage per employee, total	270,303	100.7	105.1	100.4	101.7
Private sector (activities A to K)	249,766	100.7	105.5	100.4	102.1
A Agriculture	221,763	101.6	105.1	101.3	101.7
B Fisheries	211,250	101.0	103.6	100.7	100.3
C Mining and quarrying	335,435	101.1	109.6	100.8	106.1
D Manufacturing	228,418	100.7	105.2	100.4	101.9
E Electricity, gas and water supply	321,676	99.2	101.5	98.9	98.2
F Construction	222,418	99.3	105.0	99.0	101.7
G Wholesale, retail; certain repairs	240,014	101.1	105.6	100.8	102.2
H Hotels and restaurants	202,233	100.8	105.5	100.5	102.2
I Transp., storage & communications	296,320	103.0	108.5	102.7	105.0
J Financial intermediation	378,131	99.4	106.1	99.1	102.7
K Real estate, renting, business service	288,232	100.0	104.2	99.7	100.9
Public services (activities L to O)	326,244	100.6	103.7	100.3	100.4
L Public administration	328,065	100.7	102.1	100.4	98.8
M Education	334,828	100.7	106.0	100.4	102.6
N Health services and social work	312,879	100.1	101.7	99.8	98.5
O Other social and personal services	327,639	100.9	106.4	100.6	103.0

Source of data: SORS; wages for the private sector and public services calculated by the IMAD.
Note: ¹deflated by the consumer price index.

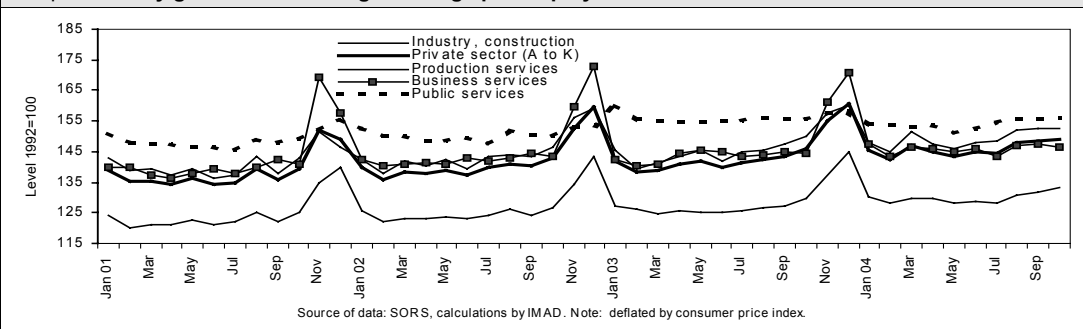
Recording almost level growth in both private and public sectors, the gross wage per employee rose by 0.7% in nominal terms and 0.4% in real terms in October 2004.

The gross wage in the private sector (activities A to K) was up 0.7% in nominal terms. The accelerated increase in wages typically seen in October was slightly smaller in 2004 because the month had one working day less than September. The gross wage per employee rose the most in **industry and construction (activities C, D, E, F)**, going up 0.4% in nominal terms. A comparably more pronounced rise was seen in mining and quarrying on account of the seasonal increase in overtime work. In **production services (activities G, H, I)** the gross wage grew by 1.6%, mainly as a result of increases in transport, storage and communications. In **business services (activities J and K)**, a rise in wages was expected because collective agreements fixing the adjustment amounts to wages were signed in most industries of this group in October; their effects, however, were still not observed in that month.

In public services (activities L to O), the gross wage per employee edged up 0.6% in October 2004. All public sector activities registered roughly equal wage growth, except for health and social care where the gross wage per employee stagnated. The rise was the result of promotions in accordance with the Act Regulating Wage Rates in Public Institutions, State Bodies and Local Community Bodies. The new system of promotion will be taken into account as laid down in the new Public Sector Wage System Act three months after all the required implementing regulations will have been adopted.

In the first ten months of 2004, the average Slovenian gross wage per employee rose by 5.5% in nominal terms and by 1.8% in real terms year on year. The gross wage in the private sector rose continually on the back of the favourable economic trends and registered 6.7% nominal and 3.0% real growth in that period. In public services the gross wage climbed by 2.5% in nominal terms and fell by 1.0% in real terms. In the last two months of 2004, a marked rise in gross wages is expected in the private sector due to the payments of the '13th salary' and Christmas bonuses. At the same time, a continued decelerating trend was observed in the falling of gross wages in the public sector, induced by the slowdown in this sector's wages in the second half of 2003. According to the autumn forecast, the gross wage per employee is hence expected to record a 5.9% nominal and 2.2% real rise in 2004.

Graph: **Monthly growth of the real gross wage per employee**



General Government Revenue	Slovenian Economic Mirror	IMAD
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General government revenue	Jan-Nov 2004 in SIT mln	Growth index, nominal			Structure, Jan-Nov	
		Nov 2004/ Oct 2004	Nov 2004/ Nov 2003	Jan-Nov 2004/ Jan-Nov 2003	2003	2004
Corporate income tax	116,116.6	74.2	93.3	116.0	4.8	5.2
Personal income tax	337,999.6	105.6	111.5	107.7	15.0	15.1
Value-added tax, excise duties ¹	724,654.3	120.5	121.1	104.7	33.0	32.4
Customs duties, other import taxes	18,628.3	95.8	18.6	59.1	1.5	0.8
Social security contributions	798,780.3	101.4	108.6	107.1	35.5	35.7
Other revenue ²	238,254.7	137.2	129.5	110.4	10.3	10.7
Total revenue	2,234,433.8	110.7	113.2	106.4	100.0	100.0

Source of data: Public Payments Administration, B-2 Report (gross deposits). Notes: ¹working-day adjusted data; ²fees and taxes (court fees, waste and environmental taxes, administrative fees), payroll tax, fines and other taxes imposed on individuals.

Following the rise in October, general government revenue increased in real terms by a further 10% in November 2004. Total revenues were 9.3% higher compared to November 2003 and 12% higher than the monthly average of the previous year. In the first eleven months, general government revenue rose by 2.7% in real terms year on year.

Revenues from value-added tax again rose significantly in November but were nevertheless lower in year-on-year terms. After the 21.3% real rise seen in October, revenues from value-added tax rose by another 30% in November. The substantial inflows of value-added tax recorded in the past two months indicate that the situation is normalising slowly following the reduced liquidity of these revenues in the period after Slovenia joined the EU. Due to the liquidity shortfalls seen in the past few months, revenues from value-added tax dropped in real terms by 2.9% in the first eleven months of 2004 compared to the same period of 2003.

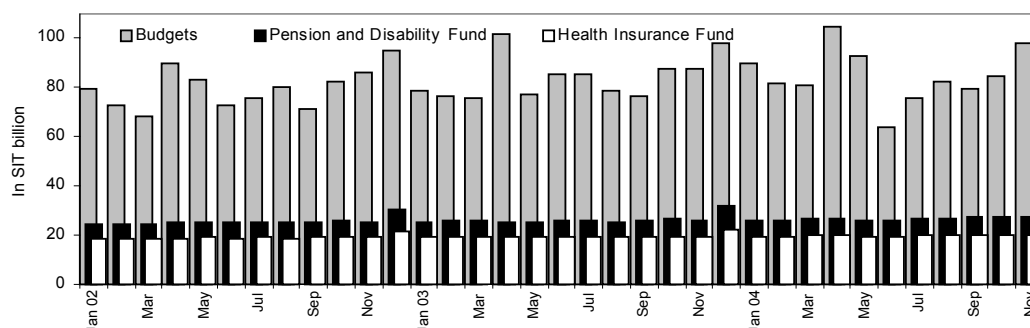
Revenues from excise duties fell in real terms by 2.7% in November and rose by 5.9% in the first eleven months of 2004 year on year. Compared to October, November saw a real fall in revenues from all types of excise duties. Revenues from excise duties on mineral oils thus edged down 0.4%, revenues from excise duties on tobacco and tobacco products fell by 4.3%, while revenues from excise duties on alcohol and alcoholic beverages dropped by 21%. In the first eleven months of 2004, excise duties on tobacco and tobacco products recorded the highest rise in revenues (14.4%) primarily as a result of harmonising the national legislation with the EU rules that prescribe higher specific and proportionate excise duties on these products. A slightly slower increase was seen in revenues from excise duties on mineral oils (up 4.1%), while revenues from excise duties on alcohol and alcoholic beverages dropped 3.6% in real terms during the same period.

Total revenues from wage-related taxes and contributions registered a 1.3% month-on-month real rise in November and a 3.7% year-on-year real rise in the eleven months to November. Revenues from social security contributions thus rose by 0.8% in November over October. In the first eleven months of the 2004, they recorded a 3.4% real increase over the same period in 2003. Revenues from personal income tax rose by 5% month on month in November in real terms. Revenues from taxes on wages, representing the bulk of personal income tax, rose by 1.7% in November, while other personal income tax revenues increased by 3.2% in real terms. For the first time since May, final annual tax assessments for 2003 were positive in November and contributed SIT 573 million to the revenues from personal income tax. In the first eleven months of 2004, total revenues from personal income tax rose by 4% in real terms year on year. Of these, revenues from taxes on wages rose by 3.9%, while revenues from other subcategories of personal income tax were up 2.6% in real terms. Negative final annual tax assessments reached approximately the same level in the first eleven months of 2004 as in the same period of 2003. In September, the threshold of payroll taxation was raised from SIT 130,000 to SIT 165,000. Revenues from payroll tax rose by 4.3% in November and by 6.1% in the first eleven months of 2004 in real terms.

The corporate income tax monthly advance payment was over a quarter less in November than in October, while the first eleven months of 2004 recorded a 12% year-on-year real rise in revenues from this tax.

Customs duties and import taxes only apply to imports from non-EU countries after Slovenia joined the EU and hence achieve just about a quarter of the value recorded in the last few months prior to EU accession. After the rise seen in October, November's revenues from customs duties and import taxes registered a slight fall. In the eleven months to November, they were 43% lower in real terms than in the same period of 2003.

Graph: Revenues of public budgets, in SIT billion (1999 constant prices)



Sources of data: AP, Office of the RS for Public Payments (OPP), B-2 Report (gross deposits), methodology and calculations by the IMAD.

Private Consumption	Slovenian Economic Mirror	IMAD
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Selected private consumption indicators	Stopnje rasti na letni ravni, realno v %						
	Q1 03	Q2 03	Q3 03	Q4 03	Q1 04	Q2 04	Q3 04
Private consumption ¹	1.7	3.0	2.8	3.3	3.8	3.1	3.8
Household consumption ¹	1.7	3.1	2.8	3.4	3.8	3.1	3.8
Consumption of NPISH ¹	1.7	0.6	2.3	-1.6	2.9	3.2	4.1
Household income ^{2,3}	0.6	2.1	1.9	3.1	5.3	5.1	4.7
Household loans (end-of-period stock) ³	1.3	2.4	3.8	6.8	10.0	11.6	15.9
Household savings in banks (end-of-period stock) ⁴	7.4	7.6	8.2	5.2	4.7	3.3	4.1
Gross domestic product (GDP) ¹	2.4	2.3	2.6	2.9	3.9	4.7	4.9
Private consumpt. contribution to GDP growth (percentage points)	0.9	1.7	1.6	1.9	2.0	1.7	2.1

Sources of data: SORS, APLRS, Ministry of Finance, Bank of Slovenia, calculations by IMAD. Notes: ¹2000 constant prices; ²net wages, other remuneration (payments based on contracts for work and services and copyright contracts, work-related allowances, other personal income), transfers to individuals and households; ³deflated by the consumer price index; ⁴deflated by the consumer price index and the nominal effective exchange rate.

In the first nine months of 2004, private consumption strengthened by 3.6% in real terms compared to the same period of 2003, and contributed 1.9 percentage points (43.1%) to GDP growth in that period.

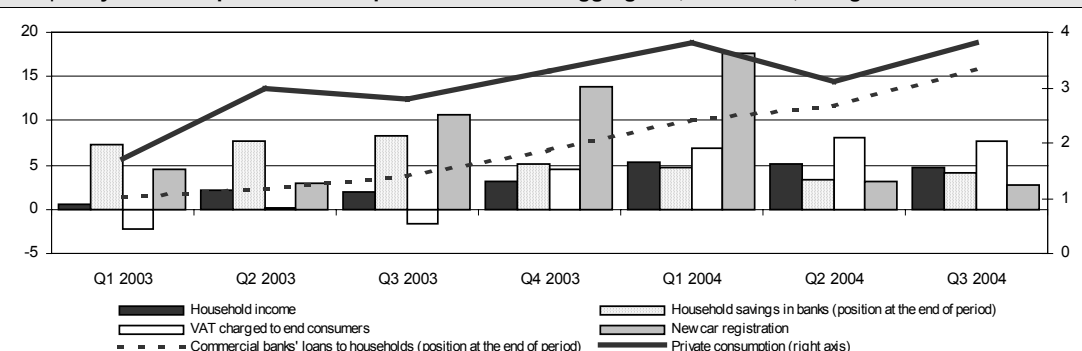
Household income rose by 5.1% in real terms against the same period of the year before. Roughly equal contributions to this rise came from the wage bill, which (according to APLRS data) increased by 4.4% in real terms, and from other remuneration, which was 10.0% higher. According to the consolidated general government revenue and expenditure, transfers to individuals and households recorded a 3.6% real rise.

Household borrowing is continuing. The year-on-year real growth rate of bank loans totalled 15.9% at the end of September. The volume of short-term loans rose by 17.1% in real terms, which is the highest growth rate seen since March 2000. The commercial banks' **loan burden on households** (the ratio of loans to income) climbed from 2.75 to 2.92 relative to the same period in 2003, thereby already exceeding the value from 2000 (2.84). The real-term increase in the volume of savings recorded at the end of September (4.1%) was by fifty percent less than in the same period of the previous year. Household **indebtedness** (the ratio of loans to deposits) increased from 0.29 to 0.32 in the first nine months of 2004 in year-on-year terms.

Most other short-term indicators further confirm the strengthening of household spending in the first nine months of 2004. The year-on-year real rise in the turnover of retail trade, the sale and repair of motor vehicles and the sale of automotive fuels amounted to 5.2% in the nine months, according to the SORS' monthly survey. The real growth rate of VAT charged to end consumers retained a high level (7.0%) in the third quarter of 2004, so that VAT went up 7.4% in the first nine months year on year. According to the Directorate for Administrative Interior Affairs, there were 7.7% more new car registrations from January to September 2004 over the same period in 2003, even though their growth rate began to ease in the second quarter. In an analogous comparison, the increase of residential households' spending abroad (up 9.2% in nominal terms) was 0.5 of a percentage point higher than the rise seen in non-residents' spending in Slovenia.

Data available for the final quarter of 2004 already suggest a softening in the growth of certain indicators. The consumer confidence indicator reached its all-time highest overall value in October (surpassing a long-term average by 11 percentage points) and remained above the long-term average in December (for the seventh month in a row). The year-on-year real rise of the net wage bill totalled 4.3% in October and November together, while other remuneration increased by 6.6% in these two months. November saw a renewed year-on-year real increase in the volume of loans (up 17.1%). The increase in the volume of savings in banks remained modest in year-on-year terms (4.2%), while the volume of savings in mutual funds was 2.2-times bigger in real terms. The number of new car registrations fell by 9.1% in the fourth quarter of 2004 year on year (recording the first negative quarterly growth rate since Q3 of 2002). VAT charged to end consumers persisted at around the same level as in the same month in 2003, while turnover in wholesale and retail trade recorded a 4.1% year-on-year rise in October. Imports and exports of travel were up by roughly the same percentage in October (12.1% and 12.0%, respectively).

Graph: Dynamics of private consumption and selected aggregates, 2003-2004, real growth in %



Sources of data: SORS, APLRS, MF, BS, Tax administration, Directorate for administrative interior affairs, calculations by the IMAD.

Manufacturing

Slovenian Economic Mirror

IMAD

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Selected economic indicators	Growth rates, %			
	Oct 2004/ Sept 2004	Oct 2004/ Oct 2003	Jan-Oct 2004/ Jan-Oct 2003	Jan-Dec 2003/ Jan-Dec 2002
Production volume ¹	-4.1	-2.6	5.0	1.6
- highly export-oriented industries ^{1a}	-4.5	-0.1	10.0	3.6
- mainly export-oriented industries ^{1b}	-5.9	-5.5	5.3	1.3
- mainly domestic-market-oriented industries ^{1c}	0.7	1.2	-0.6	0.4
Average number of employees ¹	0.3 ²	-0.6 ²	-1.3 ²	-2.0
Labour productivity	25.3 ²	6.0 ²	7.4 ²	3.7
Level of inventories	-1.7	11.2	13.9	5.9
Average gross wage ³	-0.1 ^{2,3}	3.5 ^{2,3}	3.6 ^{2,3}	1.9 ³
Industrial producer prices	0.2	5.1	4.0	2.9
- producer prices/inflation	-0.1	1.7	0.4	-2.6

Source of data: SORS, calculations by the IMAD. *Notes:* figures cover enterprises employing 10 or more workers; ^{1a} manufacturing industries (DF, DG, DK, DM) which earn over 70% of their average revenues from sales in foreign markets, according to data for Slovenian commercial companies released by the Agency for Public Legal Records and Related Services; ^{1b} manufacturing industries (DB, DC, DD, DH, DJ, DL, DN) which earn 50% to 70% of their average revenues from sales in foreign markets; ^{1c} manufacturing industries (DA, DE, DI) which earn less than 50% of their average revenues from sales in foreign markets; ² a figure for September 2004; ³ real growth – calculated by the consumer price index.

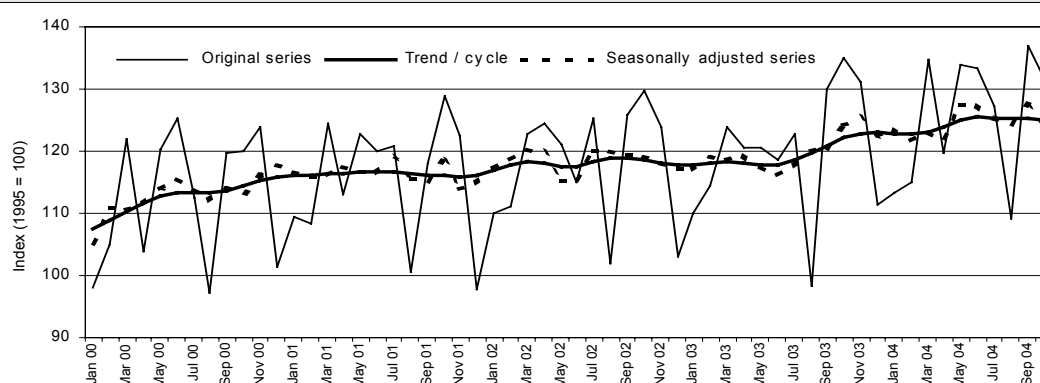
Manufacturing's economic activity sustained a high level in the third quarter of the year. Following its 4.4% real growth in the first quarter and 7.8% growth in the second quarter, the value added of manufacturing increased by 7.4% year on year in the third quarter, according to the SORS' preliminary data. The achieved growth is in line with the forecast value added growth from the IMAD's Autumn Report (2004). The figures on manufacturing's production volumes portray a similar picture: in year-on-year terms they were up 4.1% in the first quarter, 7.6% in the second quarter and 6.3% in the third quarter.

The economic upturn in manufacturing softened slightly in October. Manufacturing's production activity fell by 4.1% compared to September, which had one working day less (4.5% of working time). If we take into account seasonal impacts and disregard the difference in working days, October's month-on-month drop totalled 2.7%. At the year-on-year level, production volumes fell by 2.6% in October, which had one working day less than last year. Production activity rose by 5.0% in the first ten months of the year over the same period the year before.

Export-oriented industries recorded the best production results. Similarly as in 2003, production volumes registered the highest year-on-year rise from January to October 2004 in the manufacture of electrical and optical equipment – DL (16.2%), a mainly export-oriented industry. The manufacture of chemicals and chemical products (DG, a highly export-oriented industry) also recorded high production levels (14.8% year-on-year growth in the first ten months). The lowest levels of production activity were seen in labour-intensive industries (the manufacture of textiles – DB and the manufacture of leather accessories products – DC) where production volumes fell by 8.4% and 11.1% respectively in the first ten months year on year, and in the manufacture of coke, refined petroleum products and nuclear fuel (DF), which dropped by 16.8%.

Business optimism was slipping at the end of the year. According to the SORS' survey on business tendencies in manufacturing, the composite confidence indicator (see SEM 7/2004:14) deteriorated slightly further in December over November, hitting the lowest level of 2004. The share of enterprises estimating the business climate as below normal was 7.0 percentage points larger than the share of enterprises estimating it to be better. The seasonally adjusted series of the indicator did not change compared to November. The December confidence indicator value was influenced negatively by estimates of above-average volumes of inventories and lower levels of total order books, while the slightly improved expectations of the enterprise sector regarding production in the next three months provided a positive impulse.

Graph: **Production volumes in manufacturing**



Source of data: SORS, IMAD's calculations using the Tramo-Seats method.

Construction	Slovenian Economic Mirror	IMAD
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Selected construction indicators, real indexes	October 2004/ October 2003	Q3 2004/ Q3 2003	2003/ 2002
Value of construction put in place ¹	112.3	107.5	108.0
Building	109.1	120.7	100.7
Residential building	n.a.	178.8	88.1
Non-residential building	n.a.	103.3	103.2
Civil engineering	115.5	96.2	115.6
Value of contracts ¹	n.a.	136.7	96.7
Value of new contracts ¹	n.a.	131.7	99.7
Average number of construction workers	100.7	101.3	100.6
Average gross wage per construction worker ^{2, 3}	101.7	103.1	102.4

Sources of data: SORS, CCIS, calculations by the IMAD. *Notes:* ¹the analysis covers enterprises whose value of construction put in place totalled at least SIT 300 million according to the financial statements for 2002, divisions engaged in construction activity employing at least 20 workers, and some non-construction enterprises which carry out construction activity; ²applies to enterprises and organisations employing three or more workers; ³deflated by the consumer price index.

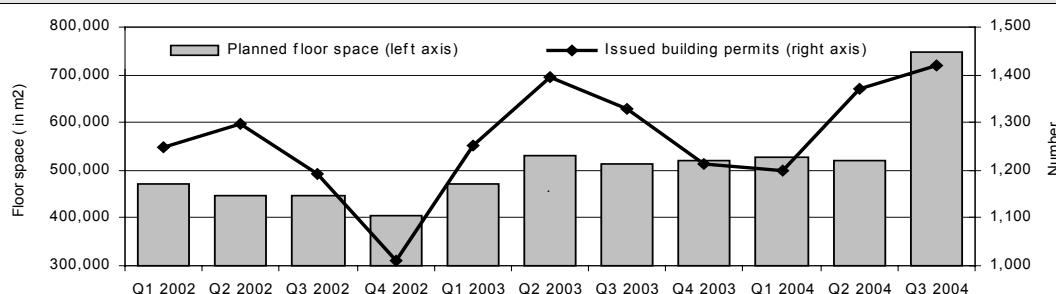
Construction activity picked up in the third quarter of 2004. Value added in construction rose by 4.1% in real terms over the same period of 2003. This increase is also indicated by the figures on the value of construction put in place by larger enterprises (see note below the table); according to seasonally adjusted data, the value of construction put in place rose by 9.3% over the previous quarter and by 7.5% year on year.

According to seasonally adjusted data, the value of construction put in place reached its highest level in the last five years in August 2004. This surge was generated by residential construction. The value of residential construction put in place was up 168.7% in that month over August 2003. Housing construction slackened in September but it was still considerably stronger than in the comparable period a year before (it recorded 75.0% year-on-year real growth in the first nine months of 2004). It should be noted that the enterprises included in this survey (see note below the table) represent a relatively small share of overall residential construction in Slovenia. Non-residential construction picked up after the relatively sluggish second quarter of 2004; in the third quarter, its value of construction put in place was up 3.3% year on year in real terms (3.8% in the first nine months of 2004). Civil engineering, according to seasonally adjusted figures, strengthened in the third quarter of 2004 but declined in year-on-year terms because of the high comparative level seen in the previous year. The value of construction put in place in this construction segment was 15.5% higher in October 2004 over the same month the year before, which was linked to the relatively weak activity in 2003 owing to the unfavourable weather conditions.

The number of people working in the construction industry continued to rise in the third quarter. It increased by 1.3% year on year. Employment rose in enterprises while declining in the sector of individual private entrepreneurs. By activities, employment was up particularly in building installation and completion, whereas it decreased in road construction, airport building and the like (this was linked to the takeover of one company from this industry – see p. 9).

The total floor space planned within issued building permits reached its record value in the third quarter of 2004. According to provisional figures on building permits, 1,495 permits for the construction of buildings were issued in the third quarter of 2004, 1.5% more than a year before. The planned floor space of new buildings and extensions rose by 45.4% over the same period of 2003 and thus reached its highest value in the past six years. The floor space increased in both residential (by 51.4%) and non-residential buildings (by 39.5%). The building permits issued in the third quarter were intended for the construction of 2,330 new dwellings (new construction and extensions), which was 75.1% more than the year before. The planned total floor space of these dwellings also increased substantially (by 49.1%).

Graph: **Planned floor space of buildings and number of issued permits for new constructions and extensions**



Source of data: SORS.

Selected indicators	Absolute data		Growth in %		
	Q3 2003	Q3 2004	Q3 2004 Q3 2003	Q1-Q3 2004/ Q1-Q3 2003	
Passenger transport	Railways, ¹ in million pass. km	192	197	2.6	-1.5
	Roads, ^{1,2} in million passenger km	225	156	-30.7	-14.6
	Urban ¹ , in thousand passengers	14,923	15,256	2.2	2.0
	Air, in million passengers km	313	328	4.8	8.7
	Airport, in thousand passengers	337	386	14.5	12.0
Freight transport	Railways, in million tonne km	795	832	4.7	5.3
	Road, in million tonne km	1,599	1,848	15.6	28.6
	Maritime, in million tonne miles	7,120	10,195	43.2	25.5
	Harbour, in thousand tonnes	2,650	2,917	10.1	14.4
Loading, unloading in all transp., in thousand tonnes		6,183	5,776	-6.6	-1.1
Letters and parcels delivered, in thousand		181,112	151,305	19.7	20.8

Source of data: SORS. Notes: ¹estimate by SORS, ²excluding private transport of passengers by taxi, bus and personal vehicle.

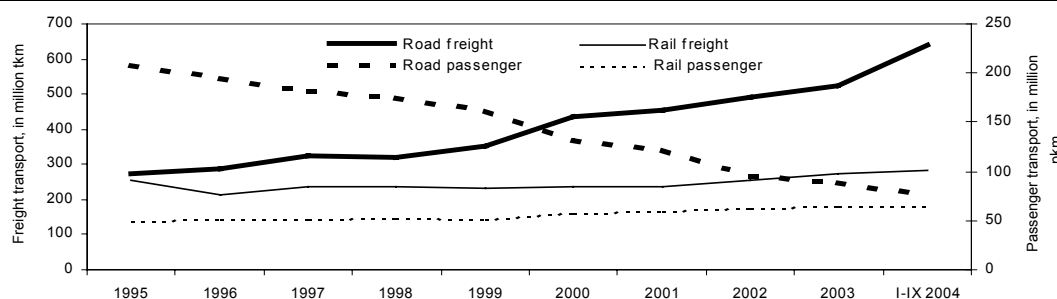
In the third quarter of 2004, transport, storage and communications recorded a 3.9% increase in value added compared to the same period of 2003. Since value added in these activities rose slightly more in the previous two quarters, its annualised growth is expected to exceed the Autumn Report 2004 forecast (3.5%) by at least 0.5 of a percentage point. The higher growth rates seen in 2004 were generated to a large extent by the rapid growth seen in road freight transport.

In passenger transport, road transport is still in sharp decline, while air transport in particular has gained ground. Road passenger transport (intercity and suburban bus transport) shrank by as much as 30.7% in the third quarter of 2004 year on year. Railway and urban passenger transport strengthened modestly, by 2.6% and 2.2%, respectively. Air passenger transport growth slackened gradually in 2004, recording a mere 4.8% rise in the third quarter (after its 15.1% and 10.2% growth seen in the first and second quarters). Conversely, airport traffic was on a gradual increase in 2004 and grew by 14.5% in the third quarter (5.1% in the first, 13.6% in the second quarter). Such a substantial rise in the volume of airport traffic was largely brought about by the first low-fare airline that started operating in Slovenia in 2004. The consequent stronger competition, at least to some extent, also affected the performance of the domestic air transport operator.

The volume of freight transport recorded the largest increase in maritime transport in the third quarter of 2004, while road freight transport sustained its high growth. Maritime freight transport registered robust growth already in the first half of 2004, which was topped by its 43.2% surge in the third quarter of 2004. An even more significant contribution to the value-added growth in transport, storage and communications in 2004 was generated by the substantial increase in road freight transport which accounts for about one-third of total value added in transport, storage and communications. According to the SORS' calculations, in which the series of figures for freight transport from 2001 onwards has been revised, road freight transport increased by 36.3% in the first quarter, by just one percentage point less in the second quarter and by a still high 15.6% in the third quarter of 2004. Harbour freight transport also rose by over 10%, while the volume of railway transport was up 4.7%. Despite the increased volumes of freight transport, surprisingly total loading and unloading (including harbour transshipment) shrank by 6.6%.

In the past ten years, land transport has seen major changes particularly in the volumes of road transport, both passenger and freight (see graph). The average monthly amount of bus passenger transport dropped by 64% (133 million pkm), while road freight transport surged by 133% (366 million tkm). Meanwhile, railway transport rose modestly: passenger transport by 29% (14 million pkm) and freight transport by 9% (24 million tkm). Similar trends were observed in most other EU countries where the car has been gaining ground against public transport, while the shift of freight transport from road to rail has not taken place in spite of the alleged efforts in favour of the more environment-friendly and rational transport modes.

Graph: Land freight and passenger transport of domestic operators (monthly averages)



Sources of data: SORS.

Distributive Trades	Slovenian Economic Mirror	IMAD
	No. 12/2004	p. 16

Selected distributive trades indicators	Growth rates, %						
	Q ₁ 2003/ Q ₁ 2002	Q ₂ 2003/ Q ₂ 2002	Q ₃ 2003/ Q ₃ 2002	Q ₄ 2003/ Q ₄ 2002	Q ₁ 2004/ Q ₁ 2003	Q ₂ 2004/ Q ₂ 2003	Q ₃ 2004/ Q ₃ 2003
Value added, real growth¹	2.7	3.2	3.3	3.1	3.4	3.8	4.1
Turnover in retail trade (nominal terms)	10.8	12.1	10.6	8.9	3.0	1.8	2.4
sale of food, beverages and tobacco	8.4	13.7	9.5	7.7	3.2	-5.9	-9.8
sale of non-food products	10.8	11.7	12.6	6.3	5.5	11.4	13.8
sale of motor vehicles and fuels	14.0	10.4	9.7	14.3	0.6	2.9	6.9
Turnover in wholesale trade (nominal terms)	10.5	9.2	9.8	10.2	9.6	9.7	7.8
sale of food, beverages and tobacco	-6.4	-5.7	-3.7	-0.9	0.4	-2.4	-0.1
sale of non-food products	14.8	13.2	14.3	13.1	8.8	7.3	3.6
sale of motor vehicles and fuels	19.1	17.7	13.3	15.4	18.5	26.9	25.1
Av. number of people in employment¹	0.1	0.1	-0.2	0.0	0.2	-0.1	0.2
Av. gross wage per employee^{1,2,3} (real terms)	0.9	1.8	1.1	2.5	3.3	2.5	3.4

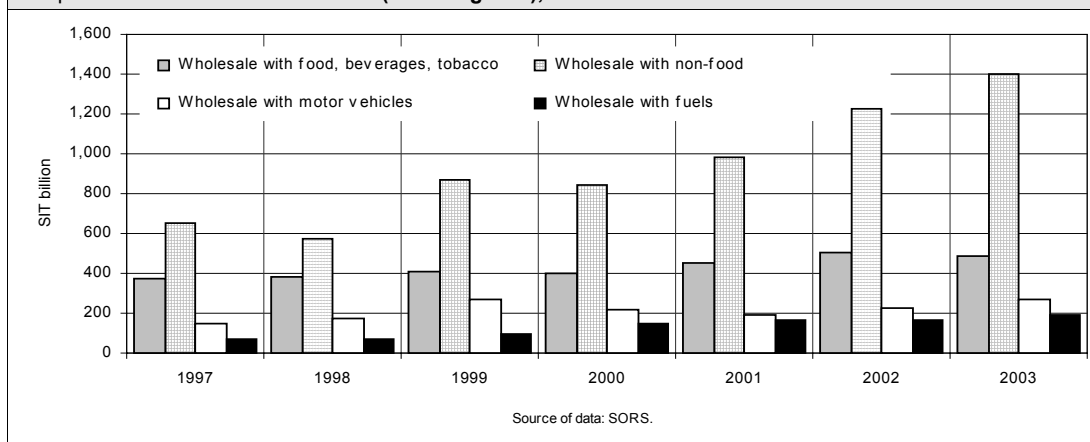
Sources of data: SORS, IMAD's calculations.

Notes: ¹the activity of retail and wholesale trade, repair of motor vehicles and personal and household goods, ²companies and organisations employing three or more workers, ³deflated by the consumer price index.

According to the SORS' quarterly survey, turnover growth in wholesale trade eased slightly in the third quarter of 2004, primarily as a result of a slowdown in the sale of non-food products. Turnover in wholesale trade was 7.8% higher in nominal terms and 4.1% higher in real terms (deflated by the consumer price index) than in the same period of 2003. The greatest increase was registered in the sale of motor vehicles and automotive fuels (up 25.1% in nominal terms) owing to the 29.8% rise in the sale of motor vehicles. Although less than in the first two quarters, turnover also increased in the sale of non-food products (up 3.6% in nominal terms) mainly due to the higher turnover in the sale of machinery and equipment for use in construction, industry, agriculture and trade (up 25.8%), the sale of metal ores, metals, metal products and hardware (up 18.1%), and the sale of wood, construction materials and sanitary equipment (up 16.6%). Lower turnover than in the third quarter of 2003 was recorded in the sale of chemical products and other intermediate products, waste and oddments (down 20.0% in nominal terms), the sale of textiles and leather goods (down 12.8%) and in other wholesale trade (down 8.1%). In the sale of food, beverages and tobacco, turnover fell in year-on-year terms in the second and third quarters of 2004 after its minimal increase seen in the first quarter.

The increase in turnover was again lower in retail than in wholesale trade in the third quarter of 2004. Turnover in retail trade was 2.4% higher in nominal terms and 1.1% lower in real terms compared to the same period of 2003. The highest rise in turnover was seen in the sale of non-food products, primarily on account of the increase in turnover of non-specialised shops selling mainly non-food products (up 80.5% in nominal terms), which was caused by the change in commercial activity of a major unit that had previously predominantly traded in food products. Turnover also rose in specialised shops selling furniture, household equipment and construction material (up 4.4% in nominal terms), shops selling textiles, clothing and leather goods (4.3%) and other specialised shops selling mainly non-food products (22.5%). Increased turnover in the sale of motor vehicles and fuels was caused by the rise in the turnover of automotive fuels (up 17.6%), while motor vehicles recorded a 11.5% fall in sales. In the sale of food, beverages and tobacco, turnover shrank by 9.8% in the third quarter over the same period of 2003, which was partly generated by the change of activity in one unit.

Graph: **Turnover in wholesale trade (including VAT), 1997-2003**



Tourism	Slovenian Economic Mirror	IMAD
	No. 12/2004	p. 17

Selected indicators for tourism & hotels and restaurants	Growth rates, %						
	Q ₁ 2003/ Q ₁ 2002	Q ₂ 2003/ Q ₂ 2002	Q ₃ 2003/ Q ₃ 2002	Q ₄ 2003/ Q ₄ 2002	Q ₁ 2004/ Q ₁ 2003	Q ₂ 2004/ Q ₂ 2003	Q ₃ 2004/ Q ₃ 2003
Overnight stays, total	3.7	4.4	2.6	-1.9	1.2	-1.6	2.3
Domestic tourists	4.8	1.9	-0.4	-2.4	-1.3	-6.5	-3.3
Foreign tourists	2.5	6.3	4.9	-1.5	4.0	2.0	6.4
Average number of employees ¹	-1.9	-1.4	-0.5	-0.1	0.1	0.3	0.5
Average gross wage per employee ^{1,2,3} , SIT	0.2	0.3	1.1	1.5	2.1	1.4	2.2
Passenger road border crossings, in thousands	-6.1	-1.9	1.1	3.0	6.0	8.0 ⁴	-
Prices of hotel and restaurant services, total	8.5	7.3	6.9	6.7	5.3	5.3	4.4
Prices of catering services	7.6	5.8	5.7	5.8	4.6	4.7	4.1
Prices of accommodation services	12.8	15.2	13.0	11.1	9.4	9.0	6.7
Turnover in hotels and restaurants (real terms)	-0.6	2.4	3.8	1.6	2.7	0.2	1.8

Sources of data: SORS, IMAD's calculations. Notes: ¹hotels and restaurants, ²companies and organisations employing three or more workers, ³deflated by the consumer price index, ⁴April.

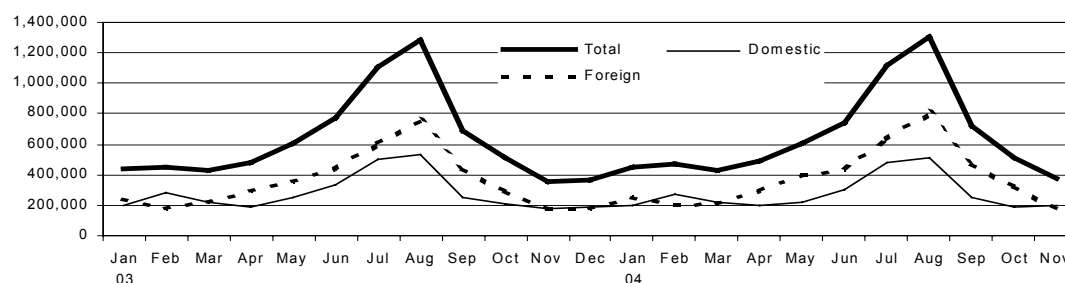
After the number of overnight stays had fallen in the second quarter of 2004, it again picked up in the third quarter, mostly on account of foreign visitors. The preliminary figures for October and November are also promising. Almost 920,000 tourists stayed in Slovenia in the third quarter of 2004 (5.5% more than in the same period of 2003), who made 3.1 million overnight stays. This increase was generated entirely by foreign tourists and their overnight stays since the number of domestic visitors and overnight stays they made fell again in the third quarter compared to the same period of 2003. October also recorded a year-on-year drop in the number of domestic visitors and their overnight stays. In November, however, the number of domestic tourists rose for the first time after April 2004, according to preliminary data. The provisional figures indicate that 4.3% more tourists visited Slovenia in the first eleven months of 2004 compared to the same period of 2003, and they made 1.1% more overnight stays. Overnight stays made by domestic visitors fell by 3.3%, while foreign tourists spent 4.7% more nights in Slovenia.

Among countries that are significant for Slovenia's tourism, most overnight stays in the first eleven months of 2004 were made by visitors from Germany, Italy and Austria, followed by tourists from the UK, Croatia and the Netherlands. On the whole, these tourists made 68.4% of the total foreign overnight stays in Slovenia. Of these, overnight stays made by visitors from the UK surged most markedly (up 32.2%). The first eleven months of 2004 also saw more overnight stays made by tourists from the Netherlands (up 9.9%), Italy (up 8.2%) and Austria (up 0.8%), while Germans and Croats made fewer overnight stays in Slovenia over the same period of 2003 (down 4.9% and 0.9%, respectively).

Ljubljana registered the largest year-on-year increase in overnight stays in the first nine months of 2004 (up 13.4%). By type of resort, the number of overnight stays also rose in other towns (up 4.0%) and health resorts (up 2.8%), whereas it dropped in mountain resorts (down 0.2%), seaside towns (down 1.2%) and other tourist towns (down 2.6%). Over the same period, overnight stays made by domestic visitors fell in all types of resorts, except in other towns where their number rose by 3.4%. Foreign visitors, on the other hand, made more overnight stays especially in Ljubljana (up 15.2%) but also in health resorts (up 8.2%), mountain resorts (up 5.1%), other towns (up 3.7%) and seaside towns (up 1.4%).

According to the Bank of Slovenia, the foreign currency surplus from travel totalled EUR 477 million in the first ten months, i.e. 8.4% more than in the same period of 2003 in nominal terms. Foreign exchange receipts from travel totalled EUR 1,123 million in the first ten months of 2004 or 9% more in nominal terms than in the same period of 2003. Slovenian citizens' travel expenditure abroad totalled EUR 646 million in the same period, up 9.4% in nominal terms over the same period of the previous year.

Graph: Tourist overnight stays in Slovenia in 2003 and January-November 2004



Source of data: SORS.

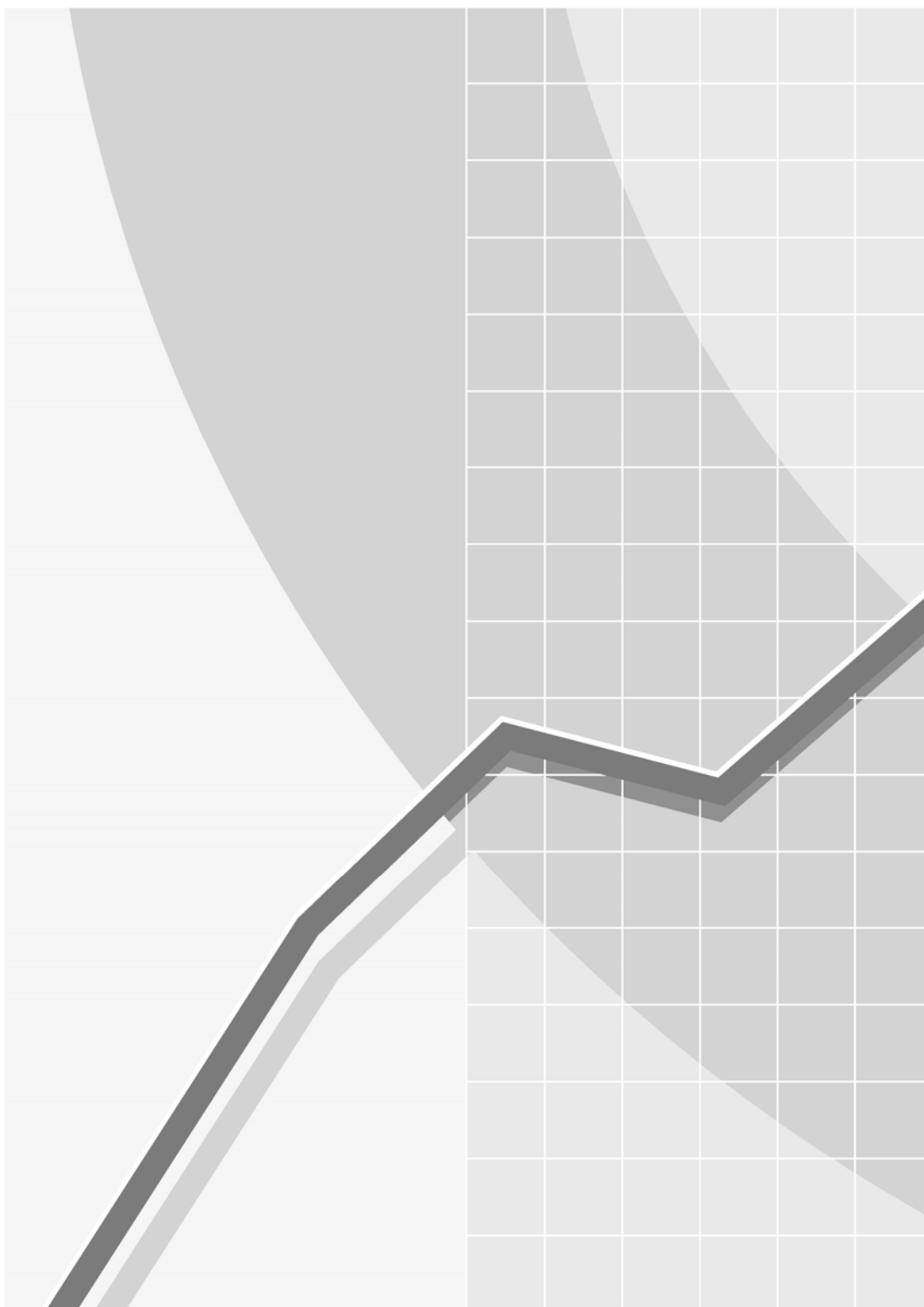
Selected Topics

Slovenian Economic Mirror

IMAD

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Public Expenditure on Education – International Comparison

Slovenian Economic Mirror

IMAD

No. 12/2004

P. 21

	Share of public expenditure on educat., % of GDP				Share of public expenditure by purpose in 2001, %	
	1995	2000	2001	2002 ⁴	Directly for education. institutions	Transfers to households & private entities ⁵
Slovenia	n/a	n/a	6.13	6.02	87.5	12.5
EU-25 ²	5.19	n/a	5.03	4.94	n/a	n/a
EU-15 ²	5.19	4.97	5.09	n/a	n/a	n/a
OECD ³	5.3	5.2	5.3	n/a	93.0	7.1
Austria	6.04	5.66	5.7	n/a	94.3	n/a
Denmark	7.67	8.39	8.50	8.51	80.2	19.8
Finland	6.85	6.12	6.24	6.39	91.5	8.5
France	6.04	5.83	5.76	5.81	96.1	3.9
Ireland	5.07	4.36	4.35	n/a	94.2	5.8
Germany	4.62	4.53	4.57	n/a	93.4	6.6
Portugal	5.37	5.74	5.91	5.83	97.9	2.1
Spain	4.66	4.42	4.41	4.44	97.3	2.7
Sweden	7.22	7.39	7.31	7.66	84.9	15.1
UK	5.24	4.58	4.69	n/a	99.0	1.0
Estonia	5.83	5.59	5.48	n/a	n/a	n/a
Cyprus	4.81	5.60	6.28	6.83	n/a	n/a
Czech Rep.	4.62	4.04	4.16	4.41	94.4	2.7
Hungary	5.37	4.54	5.15	5.39	89.5	10.5
Norway	7.4	6.7	7.0	n/a	87.4	12.6
USA	n/a	5.0	5.6	n/a	90.2	9.8

Sources: Eurostat for EU countries; SORS for Slovenia, OECD for Norway, USA and public expenditure by purpose. Notes: According to the UOE methodology, public expenditure on education comprises the total budgetary expenditure on the formal education of youth and adults at national and municipal levels. Public direct expenditure on educational institutions (both instructional and non-instructional) is covered, as are transfers and payments to households and other private entities.
²Weighted averages for the EU-25 and EU-15 are the Eurostat's estimates. ³Arithmetic averages of OECD countries according to the OECD calculation. ⁴Data for 2002 are preliminary for all countries. ⁵Including scholarships (national, Zois, government and municipal), scholarships for the unemployed, subsidies for textbooks, evaluation expenses etc.)

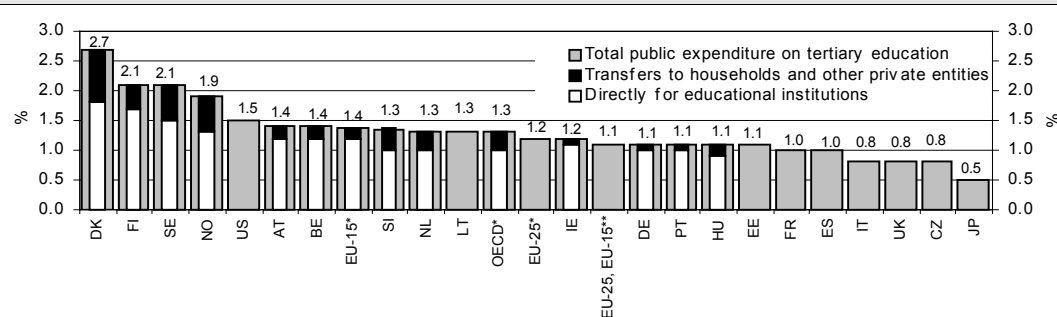
The share of total public expenditure on education as a share of GDP is the main structural indicator measuring the level of investment in education used in international comparisons. Financial data for Slovenia released by the SORS at the end of 2004 were for the first time acquired by an internationally comparable method – the UOE questionnaire, which is the common methodology of three organisations: UNESCO, OECD and Eurostat.

In 2002, the percentage of public expenditure on education in Slovenian GDP totalled 6.02%. This figure puts Slovenia in the upper third of EU countries (using figures for 2001 Slovenia ranks fifth). Preliminary data indicate that the share grew slightly further in 2003 – to 6.09%. Hence, Slovenia's spending on education is above the average level of most European countries (4-6% of GDP) and well above the weighted average of the EU-25 which amounted to 5.1% in 2003, according to the Eurostat's estimate. From 1995 to 2000, some countries observed a falling trend in the share of public expenditure on education as a percentage of GDP. From 2000 onwards, however, most countries have recorded a rising trend in these expenses, which is in line with the goals of the Lisbon strategy. The relatively high share of public expenditure on education in GDP achieved by Slovenia is still lower than the shares recorded in several Northern European countries, notably Denmark, Sweden, Finland and Norway, which are also in the lead according to some other education indicators – the structure of education, writing skills and inclusion of adults in education. Slovenia still lags behind considerably in these indicators, not only in comparison with the most successful countries but also with some other member-states that spend less on education than Slovenia. Considering Slovenia's relatively high level of expenditure on education, we may question the effectiveness of the Slovenian system of education.

Slovenia earmarks a fairly high share of public expenditure on education for transfers to households and other private entities (12.5%). At the tertiary level, this share is even much higher (25.9%). Admittedly, in the mentioned Northern European countries these transfers are also high, particularly in tertiary education.

Slovenia also exceeds the EU average by the share of public expenditure on tertiary education in GDP (see graph). In 2001 and 2002, this share totalled 1.33% and edged up to 1.36% in 2003, according to the preliminary estimate. Among the new member-states, only Lithuania spends as much as Slovenia on tertiary education.

Graph: Public expenditure on tertiary education as a share of GDP, 2001



Sources of data: SORS, Eurostat, OECD. Notes: according to ISCED, levels 5 and 6 belong to tertiary education; expenditure on R&D in tertiary education is included; arithmetic average of shares; ** weighted average according to Eurostat's estimate.

Table 1: Drivers of GDP growth in the past and in projections for the future

Contribution to GDP growth	Labour	Human capital	Physical capital	TFP	GDP
Past (1993-2002)	0.1	1.1	2.0	0.8	4.1
Future (2003-2013)	0.1	1.6	1.4	0.5	3.6

Source: IMAD Working Paper No. 3/2004.

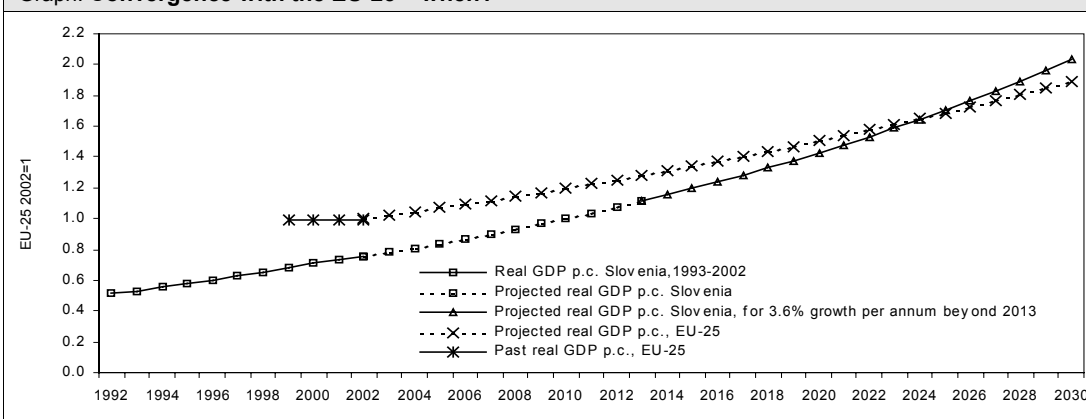
IMAD recently published two **Working Papers** by Egbert Jongen: '**An Analysis of Past and Future GDP Growth in Slovenia**' and '**Future GDP Growth in Slovenia: Looking for Room for Improvement**'. The first paper considers the determinants of past and future growth in real gross domestic product (GDP) in Slovenia and addresses the question of whether we can expect Slovenia to catch up with the EU-25 in terms of GDP per capita in the foreseeable future. The second paper considers where the main growth potential is for Slovenia relative to the EU-25. The main findings of these two papers are presented below.

Over the 1993-2002 period real GDP growth in Slovenia was a remarkable 4.1% per year on average. What were the main determinants of this high growth? We examine the contribution of four determinants: labour, human capital, physical capital and so-called 'total factor productivity' (TFP, measured as the residual/unexplained growth in GDP). Using growth accounting we find that the main driving force of the high growth rates was physical capital deepening, in second place is human capital deepening, TFP comes third while labour contributed only marginally to GDP growth over the 1993-2002 period.

We next turn to the future, where we focus on the period up to 2013 (the 'planning' period for the new development strategy of the Slovenian government). Using an educated guess for the determinants above we make a base projection for GDP growth in the future. Labour growth is expected to remain low, and we project a gradual end to physical capital deepening. We further project TFP growth to be somewhat lower than over the 1993-2002 period (data from the past suggest a downward trend in TFP growth). On the positive side, the growth in human capital is expected to pick up. The net result is the projected average annual growth in real GDP of 3.6% for the 2002-2013 period. This growth rate is in line with studies that superimpose the results of growth regressions on Slovenian data. A sensitivity analysis suggests that past physical capital growth is the most uncertain factor in this projection.

The remainder of the first Working Paper is then concerned with the question of whether Slovenia will be able to catch up with the EU-25 in terms of GDP per capita by purchasing power standards by 2013 (one of the quantitative goals of the new development strategy of the Slovenian government). In 2002 GDP per capita in Slovenia was 76 percent of the average GDP per capita in the EU-25. Using the average growth rate of real GDP per capita in the EU-25 over the 1972-2002 period, namely 2.1%, and assuming an average growth rate for the 10 new member-states of 3.6% (the same as for Slovenia), we project real GDP per capita in the EU-25 to grow at 2.3% up to 2013. To catch up with the EU-25 by 2013 Slovenian GDP per capita would then have to grow on average by 4.9% per year over the 2002-2013 period. With population growth projected to be negligible in Slovenia, this is 1.3% above our base projection. Indeed, extrapolating the growth rates of 2.3% for the EU-25 and 3.6% for Slovenia beyond 2013 (which is relatively optimistic), we find that convergence would not occur before 2025 (see Graph below).

Graph: **Convergence with the EU-25 – when?**



Room for Future Improvement of Slovenian GDP Growth	Slovenian Economic Mirror	IMAD
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Table 2: **Determinants of GDP per capita, Slovenia vs. EU-25**

Indicator	Year	Slovenia	EU-15	NMS	EU-25
Employment rate	2002	63	64	56	63
Share of part-time employment in total employment	2002	6	18	8	17
Employment rate 55-64	2002	25	40	30	39
Average years of schooling	2002	11.6	11.1	-	-
Share of tertiary educated 25-64	2001	17	22	-	-
Capital-output ratio	2002	2.1	2.4	-	-
TFP vs. EU-25	2002	77	110	57	100
Change in TFP vs. EU-25 1990-2002	1990-2002	1	-2	9	0
R&D/GDP	2001	1.6	1.9	0.8	1.7
Inward FDI stock/GDP	2002	17	29	34	30
Duration of starting a business (in days)	2003	61	32	44	34
Duration of enforcing a contract (in days)	2003	1003	238	692	311

Note: ¹See the corresponding tables in IMAD Working Paper No. 4/2004 for sources and definitions.

In the base projection of the first Working Paper (see p. 22) Slovenia would not catch up with the EU-25 in terms of real GDP per capita by 2013. In the second working paper we then consider where room still remains for higher growth rates relative to the EU-25. Specifically, we compare Slovenia with the EU-25 countries for various indicators of inputs for production. Table 2 presents a selection of the indicators we use in the comparison (most data are for 2002).

The top rows in Table 2 suggest that Slovenia is already quite close to the EU-25 regarding the employment rate (measured in the working-age population). When measured in full-time equivalents, Slovenia would do even better given the low share of part-time workers. Hiding behind the average is the relatively low participation rate of the elderly (55-64). Quality differences aside, including in terms of human capital (measured here by 'average years of schooling' of the active population), on average Slovenia does not appear to do worse, although the share of tertiary educated workers is still relatively low. Finally, the capital-output ratio in Slovenia is not too far below the EU-15 average.

Overall, it seems that differences in labour participation, human capital and physical capital cannot account for the 24 percent gap in GDP per capita with the EU-25 in 2002 in purchasing power standards. This is confirmed through a formal decomposition of income differences in the EU-25 using cross-country 'growth' accounting, where we find that all of the gap in GDP per capita between Slovenia and the EU-25 in 2002 is 'explained' by differences in TFP. Further, calculating the development of TFP over time we find that TFP relative to the EU-25 average grew only about 1 percent over the 1990-2002 period in Slovenia, whereas it grew at some 9 percent over this period in the 10 new member-states on average. Although this cross-country 'growth' accounting has many potential limitations it does suggest that most of the room left for higher growth rates involves factors that affect TFP and that the relative performance on this front has been relatively limited in Slovenia over the past decade.

We then turn to some factors that may explain some of the TFP 'gap' and its sluggish growth. Regarding Slovenia's exposure to better technologies (broadly defined so as to include institutions), we find that Slovenia still lags behind the EU-25 in terms of expenditures on (and perhaps the quality of) research and development and (inward) foreign direct investment. Regarding the adoption of better technologies, there are some indicators that suggest that adoption may have been held back in the past. Until recently, the employment protection legislation was comparatively strict, and the costs of starting a business are relatively high in Slovenia. However, the data on job flows do not suggest that resource reallocation was more 'sclerotic' in Slovenia than in the EU-25, although worker flows seem to be somewhat lower. However, the fact that transition countries have higher reallocation rates on average makes it relatively hard to judge whether flow rates in Slovenia are too low or too high. We conclude with some other factors that can explain part of the difference in TFP. It takes relatively a lot of time to enforce a contract in Slovenia and the use of credit seems limited. Further, the government still plays a somewhat larger role than in the EU-15 on average, as measured for example by government expenditures and state aid as a percentage of GDP.

The second Working Paper concludes with some tentative calculations of the corresponding growth potential from the remaining 'gaps' (over and above that part of the gap filled in the base projection). Raising the participation of the elderly to the Lisbon strategy target, and achieving the (ambitious) goals of the government's education strategy will not be enough to catch up with the EU-25 by 2013. For this, TFP would have to grow faster. Unfortunately, the impact of the factors considered above on TFP is quite hard to quantify, however a sizeable TFP gap and hence growth potential remains for the factors that affect TFP.

Life Satisfaction in EU	Slovenian Economic Mirror	IMAD
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Country	Life satisfaction (in %)	Index of social exclusion ² (in %)	Differences in perceived social exclusion ³ Men:Women	Differences in perceived social exclusion ³ Unemployed: Employed	Differences in perceived social exclusion ³ Old:Young	Key determinant of a good life
Slovenia	81	6	1	1.5	1	Work
Denmark	91	7	1	7.3	2.3	Being useful
Austria	89	10	1	3.6	1.5	Work
Luxembourg	88	9	1	2.5	1.6	Work
Netherlands	88	7	1	4.2	0.6	Leisure time
Finland	85	14	1	2.4	1.6	Holiday
Sweden	85	8	0.5	2.3	0.5	Leisure time
Cyprus	84	12	1.4	9.2	1.6	Being useful
Belgium	83	12	1.3	2.9	1.7	Accommodation
Malta	83	13	1	2.8	0.5	Work
France	82	15	1	2.5	1.2	Accommodation
Ireland	82	10	1.3	5.7	1.8	Accommodation
UK	81	14	0.9	4.6	0.7	Accommodation
Germany	80	12	0.8	4.2	0.7	Work
Spain	78	8	1	0.6	1.4	Work
Italy	72	14	1.8	2	1	Work
Portugal	71	15	0.7	1.2	1.7	Fun
Czech Rep.	70	18	1.3	1.9	2.4	Work
Greece	70	12	0.8	1.5	1.4	Being useful
Poland	64	11	1.2	2.1	2	Work
Hungary	63	13	1.4	1.6	2.5	Work
Estonia	62	18	1.2	2.8	3.1	Work
Slovakia	62	27	1	1.3	1.3	Accommodation
Lithuania	59	16	1	1.6	2.2	Work
Latvia	55	20	0.9	1.9	3.1	Work
EU-15	80	12	1	2.5	1	
New member-states	64	14	1.2	1.6	2	
EU-25	77	12	1	2.9	1	

Source: (2004) *Quality of life in Europe. Perceptions of living conditions in an enlarged Europe*. European Foundation for the Improvement of Living and Working Conditions, European Commission. Notes: ¹Share of respondents feeling satisfied with employment, income, family life, social life, neighbourhood, personal safety and home, health and health care system (average); ²Summing up four statements (from strongly agree to strongly disagree); ³Ratios in contrast categories. For example, unemployed people in Slovenia feel 1.5-times more excluded than the employed; ⁴People aged 55+ relative to people aged 15-24; ⁵Which of the following is necessary for a good life? Job, children, partner, accommodation, holiday, leisure time, education, being useful to others, seeing friends, going out.

Soon after the last EU enlargement, the European Foundation for the Improvement of Living and Working Conditions and the European Commission conducted a comparative study of the quality of life in the EU-25 and in three candidate countries (Bulgaria, Romania and Turkey).

The basic concept of the research is the 'quality of life'. This is a multi-dimensional concept characterised, on one hand, by perceptions and, on the other hand by socioeconomic conditions. In this study, the quality of life is measured by six key determinants: 1/ relationships with family and friends (family and friendship networks); 2/ emotional well-being; 3/ health; 4/ work and productive activity; 5/ belonging; and 6/ personal safety. These determinants were further divided into three groups (based on Allardt, 1975): *having* (a good job, sufficient accommodation, a good education, leisure time etc.); *loving* (*belonging* – partner, friends, neighbourhood, children); and *being* (useful to others, recognised by society, with a successful career, participating). The quality of life hence comprises having one's material, societal (safety and security) and cultural needs satisfied through balanced economic growth, social integration, social cohesion and the underlying value system.

The study has some statistical and methodological shortcomings. The single composite dataset was compiled from Eurobarometer surveys. The data for the EU-15 (surveys carried out between 1998 and 2002) were extracted and added to data gathered for new member-states (NMS) and candidate-countries (from surveys carried out in 2002). Finally, data on working and living conditions (from a survey conducted by the European Foundation in 2003 in the 28 countries) were added to the entire dataset. This caused a certain time lag (time being a vital determinant of public opinion) and inconsistency in the classification of countries (acceding countries, candidates, new members). A further difficulty was the uneven response rate ranging between 38% in Slovenia and Turkey and up to 65% in Cyprus and the Czech Republic. Obviously, modest sample sizes (1,000 to 2,000 respondents) are also problematic. Although weighted, these samples can only show general population profiles but no profiles of sub-groups (e.g. single-parent families, unemployed people, migrants, homeless people, Roma, ethnic minorities). In spite of these methodological reservations, however, the study is important for examining the needs and aspirations of people. This shows that human beings do not solely react to purely material incentives.

The study measures the quality of life, taking into account both objective (GDP, household income) and subjective indicators. The latter are a blend of an individual's perception and comprehension of diverse life dimensions. People have different notions of well-being, the ability to cope with different life situations, personal relationships and health. Such perceptions determine their optimistic/pessimistic disposition. Different forms of

satisfaction (with life in general, with work or material standards) reflect a person's assessment of their past and present life situation and are a summary of their personal history. Respondents were most satisfied with their home and family life (from 96% in Denmark to 75% in Latvia; Slovenia has 94%) and least satisfied with the health care system (from 85% in Austria, 58% in Slovenia to a mere 17% in Slovakia). Although the perception of the quality of life is most often measured by the question 'Are you satisfied with life?', this indicator is subject to ongoing debates as to whether the ensuing answers reflect actual living conditions or just (normative) expectations of respondents. Although there is a statistically significant correlation between life satisfaction and income and GDP, respondents in countries with higher GDP are not necessarily most satisfied. Namely, perceptions can develop even faster than objective socioeconomic conditions. This is why subjective indicators can have a high predictive value.

Social integration and cohesion are operationalised through four statements that were used as the basis for calculating the index of perceived social exclusion. It indicates: 1/ a person's perceived ability to effect a desired outcome in society (*the value of what I do is not recognised*); 2/ perceived feeling of belonging/exclusion (*I feel left out of society*); and 3/4 perceived anomie – cultural poverty, helplessness, social disorganisation – (*I don't have a chance to play a useful part in society, I am looked down on because of my income or job situation*). The index of perceived social exclusion indicates perceived rather than actual social exclusion.

According to the perceived social exclusion index, only a minor share of respondents in the EU-25 feel socially excluded. Slovenia is the country with the lowest level of subjectively perceived social exclusion – just 6% of respondents agree with two or more of the above statements, 14% identify with one, while 81% agree with none of the above statements (see table). The country with the highest rate of perceived social exclusion is Slovakia, where 27% of respondents agreed with two or more statements. In the EU-15, the lowest values of perceived exclusion were found in Denmark and the Netherlands (7%), the highest in France and Portugal (15%). Biographical events (relationship with a partner/spouse, divorce, childbirth etc.) and support networks within and outside of the family (so-called buffers) were found to be in a statistically significant relation with perceived social integration and inclusion. Perceived social exclusion almost halves in those people with children, for instance.

There are sharp contrasts in life satisfaction across EU countries and across individual groups of people. Since the quality of life involves a number of dimensions which are not all equally important to all people, these contrasts in satisfaction rates are expected. Although the differences in economic development levels in EU countries are well-known, it is less obvious how they translate into life satisfaction. On average, the levels of life satisfaction are lower in NMS (the percentage of people who are 'very satisfied' ranges between 48% in Cyprus, 34% in the Czech Republic, 27% in Slovenia and 4% in Latvia), and the disparities between countries are bigger. Age is an important determinant of life satisfaction. Older people are usually less satisfied than younger ones (see table) and the generation gap is, with the exception of Slovenia (where there are no differences with regard to age) more marked in post-socialist states (in Latvia and Estonia, people aged over 55 feel three times more excluded than young people). Gender differences in perceived satisfaction are marginal (with the exception of Sweden, where women feel twice as excluded as men). The study also shows that life satisfaction is statistically significantly correlated with the quality of working conditions, the possibility to balance out work and private life and the autonomy in managing one's own private time. Large differences in perception were observed between employed and unemployed people (in Denmark, the unemployed feel seven times more excluded than the employed). Namely, employment as a source of income, social status and contacts is an important determinant of social integration and the structure of daily life.

The study brings several novelties to the research of working and living conditions, notably in the use of indicators. The researchers modelled four indices based on different indicators: 1/ *index of physical working conditions*, which shows a higher prevalence of adverse physical conditions in NMS (work in dangerous and unhealthy conditions); 2/ *index of psychological working conditions* (stressful work, verbal abuse, exhaustion), which similarly shows a higher prevalence of adverse psychological conditions in NMS; 3/ *index of work autonomy* (influence in deciding about tasks and about the exercise of these tasks), showing prevalence of low-autonomy jobs in NMS; and 4/ *index of work intensity* (lacking the time to get everything done, often working extra time, working at high speed, working to tight deadlines etc.) that shows the intensity of work is higher in the EU-15.

The study reveals a correlation between one's work load and private life and between overall life satisfaction. Respondents who work overtime, in high intensity jobs or in physically or psychologically demanding jobs, tend to rate their family life and social relations negatively. These conclusions are therefore an important signal of the 'sandwich generation' phenomenon – an overworked active population, strained between work and family responsibilities (about one out of five working Europeans suffers from troubled relations due to work). For this group, social networks are no longer just buffers against social stress and pressure but also a source of additional stress and pressure – especially for women as primary caregivers. The findings of this study could have important implications for future collective bargaining processes. People are relatively more dependent on income from paid employment. That is why people increasingly accept ever worse working conditions.

Long-Term Care in EU and Slovenia	Slovenian Economic Mirror	IMAD
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Table 1: Projected increase of general government expenditure for long-term care (as a share of GDP) until 2050*			
	Share of GDP in 2000 %	Projected increase in expenditure in % of GDP, 2000-2050	
		per capita	per employee
Belgium	0.8	+ 0.8	+ 0.8
Denmark	3.0	+ 2.1	+ 2.5
France	0.7	+ 0.5	+ 0.6
Ireland	0.7	+ 0.4	+ 0.2
Italy	0.6	-	+ 0.4
Netherlands	2.5	+ 2.2	+ 2.5
Austria	0.7	+ 1.0	+ 1.1
Finland	1.6	+ 1.7	+ 2.1
Sweden	2.8	+ 2.0	+ 2.1
UK	1.7	+ 0.8	+ 1.0
EU, weighted average**	1.3	+ 0.9	+ 1.0

Source: Economic Policy Committee (2001): Budgetary challenges posed by ageing populations. Notes: *Such long-term projections are highly dependent on assumptions and should be considered with reserve. **Average for the 10 countries for which the projections were made.

The notion of **long-term care** comprises a set of services designed to support people who, due to physical or mental illness, age, disability or for other reasons, need special care and assistance in carrying out basic daily activities and satisfying certain health needs. The conditions for the provision of such care on a long-term basis are laid down in regulations. Normally, long-term care is justified when it is expected to be required for 6 months or longer by expert criteria. Long-term care can be provided in institutions or at home. Claimants are entitled to the necessary benefits in kind or in cash, and usually also to certain medical devices.

In contrast to the existing social protection systems for the events of illness and old age, long-term care was not recognised until recently as one of the main social risks that has to be covered by social protection systems. In the past few years, this issue has been a major concern in EU countries, primarily because of the growing expenditure for long-term care and the realisation that the existing systems do not provide the required services in the best possible way. Costs have risen mainly on account of longer life expectancy, lower birth rates and the related changes in the European demographic structure. Projections indicate that by 2050 the total population will decline as will the total number of working-age population (15-64). On the other hand, the number of people aged over 65 will grow markedly. In consequence, a substantial rise is expected in expenditure on pensions and health care, including long-term care. The volume of expenditure for long-term care differs considerably across countries. Projections of future rises vary as well; on average, however, costs for long-term care are set to almost double by 2050 over 2000. The growing need for these services is being intensified by the expansion of chronic illnesses (chronically ill elderly people typically predominate among the users of long-term care) and the declining capability of families to take on the role of informal carers for their elderly relatives.

Apart from enabling risk distribution and ensuring an adequate insurance against the rising costs, **a comprehensively regulated system of long-term care would also bring a number of qualitative advantages compared to the solutions that could be provided within the existing health and old-age insurance systems.** As a rule, systems of long-term care promote home care which allows users greater independence than can be facilitated in an institution. They support the development of community services which are relatively cheaper compared to institutional care and hence contribute to deinstitutionalisation. They promote family support, thereby encouraging the maintenance of family ties. They combine separate health and social services into a single system that makes user access easier and the financing and provision of care more transparent and rational. And, last but not least: they give users a choice.

In the past, most risks and responsibilities of providing long-term care were taken on by the family. The family remains an important factor in most countries, in addition to private funds. At the same time, the public sector and public funds are gaining ground. Several countries have become aware of the need for the broader distribution of risks. The need for care and the dependency on it are increasingly becoming a life risk of the future, which cannot be faced by individuals alone and without solidarity in cost sharing. The main objective of setting up public finance systems in this area is to provide long-term care for every person who needs it urgently, regardless of their current financial situation. This would prevent potential enormous costs later due to more demanding care required.

Public finance schemes vary across EU countries. Taxes (collected at the national, regional or local level) are the most common source of financing. Some EU countries have already introduced a special form of social insurance (insurance for long-term care) to satisfy these needs.

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Table 2: Public financing of long-term care, 2003			
Country	Services	Source	Entitlement to financing
Austria	institutional care	taxes	universal
	home care	taxes	universal
Germany	institutional care	contributions	universal
	home care	contributions	universal
Ireland	institutional care	taxes	means-tested
	home care	taxes	means-tested
Luxembourg	institutional care	contributions, taxes	universal
	home care	contributions, taxes	universal
Netherlands	institutional care	contributions	universal
	home care	contributions	universal
Spain	institutional care	taxes	means-tested
	home care	taxes	means-tested
Sweden	institutional care	taxes	universal
	home care	taxes	universal
UK	institutional care	taxes	means-tested
	home care	taxes	means-tested

Source: OECD, Long-term Care for Older People, 2004.

This benefit is financed from the contributions of insured persons just like pension, health and other social insurances. In other countries the issue of whether to introduce such a benefit is still being debated. The entitlement to long-term care covers the right to care and assistance in an institution or at home but excludes 'hotel costs' for food and accommodation. As a rule, health care for users who live at home is provided within the health system. In many countries, the entitlement to long-term care is universal (i.e. independent of one's own income), while in some countries it is means-tested.

The concept of long-term care has still not been established in Slovenia. This is not to say that these services are not provided by the existing social protection systems. Services for people who need such care are provided within social services (services provided by homes for the elderly and special social institutes, home care, home helpers) and health services (home nursing service and health care at home). In addition, there is a cash benefit called an 'attendance allowance' for people who need help in all or most of their daily activities. The number of users of all types of services is growing each year. In 2003, approximately SIT 40 billion of public resources (0.7% of GDP) was spent on these benefits (within pension insurance, health insurance, national budget and municipal budgets). However, this figure does not include expenditure for extended hospitalisation and non-acute health care in hospitals, meaning that the costs were actually higher. As we can see, these services are financed partly by taxes and partly by social security contributions. Social services are financed by the state only if the person in need cannot cover the costs themselves. The fact is, however, that the existing services and benefits providing long-term care are not encompassed in one single system which makes access to them more difficult, reduces their quality and encourages the extension of expensive hospitalisations and institutionalised care schemes.

Slovenia can expect similar dynamics in the future age structure of its population as those seen in other European countries. However, **Slovenia's main problem lies in its present access inequality and uneconomical financing in providing long-term care.** By introducing the proposed long-term care insurance, these benefits should be integrated into a single comprehensive system. The proposal for its enforcement was prepared in May 2004 at the Health Insurance Institute of Slovenia and approved by a project council composed of representatives of the Ministry of Health and the Ministry of Labour, Family and Social Affairs. The plan is to introduce the new compulsory insurance and eliminate certain costs from the pension and health insurance systems. The insurance should cover the entitlement to benefits in kind and devices up to a certain standard. It would not cover the costs of accommodation and meals, which would be subject to private financing also when the claimant is accommodated in a home for the elderly. Estimates from the study indicate that the potential number of long-term care users exceeds their current numbers and will continue to grow in the future in view of the demographic trends.

The project has been elaborated up to the phase when it should be opened up to broader debate. It is indisputable that the provision of long-term care services in Slovenia should be reformed, and that this should be one of the priority near-future tasks given the current demographic trends. It should also be noted that, considering the current level of tax and contribution burden on wages, the introduction of a new insurance benefit would be a highly demanding task, regardless of the fact that it would not present an entirely new cost but would largely be provided by a reallocation between the existing public funds and the elimination of the currently inefficient uses. There is a concern, however, that efficient co-ordination between the funds might become even more difficult due to the rising number of benefit claimants.

Third quarter	Private travel ¹								
	% of travel			Av. number of overnight stays			Av. daily expenses per person (in SIT) ²		
	total	in Slovenia	abroad	total	in Slovenia	abroad	total	in Slovenia	abroad
2000	100.0	46.1	53.9	6.0	3.6	8.0	4,928	4,223	5,193
2001	100.0	38.9	61.1	6.2	3.6	8.0	4,977	4,087	5,232
2002	100.0	31.7	68.3	6.8	4.4	7.9	5,895	4,916	6,140
2003	100.0	35.7	64.3	6.6	4.0	8.1	6,557	5,199	6,926
2004	100.0	35.8	64.2	5.9	3.9	7.1	7,255	5,550	7,777

Third quarter	Business travel ¹								
	% of travel			Av. number of overnight stays			Av. daily expenses per person (in SIT) ⁴		
	total	in Slovenia	abroad	total	in Slovenia	abroad	total	in Slovenia	abroad
2000	100.0	26.2	73.8	4.1	2.3	4.7	21,675	16,796	22,332
2001	100.0	17.9	82.1	3.9	1.9	4.3	20,161	15,050	20,655
2002	100.0	46.5	53.5	4.6	2.4	6.6	20,693	12,242	22,075
2003	100.0	24.8	75.2	3.3	2.5	3.6	31,334	11,832	35,755
2004	100.0	15.6	84.4	3.2	1.9	3.4	33,178	21,492	34,682

Source of data: SORS. Note: ¹tourist trip – departures that include at least one overnight stay but no more than 365 overnight stays. ²Expenses on business travel also include expenses covered by the employer and business traveller's private expenses.

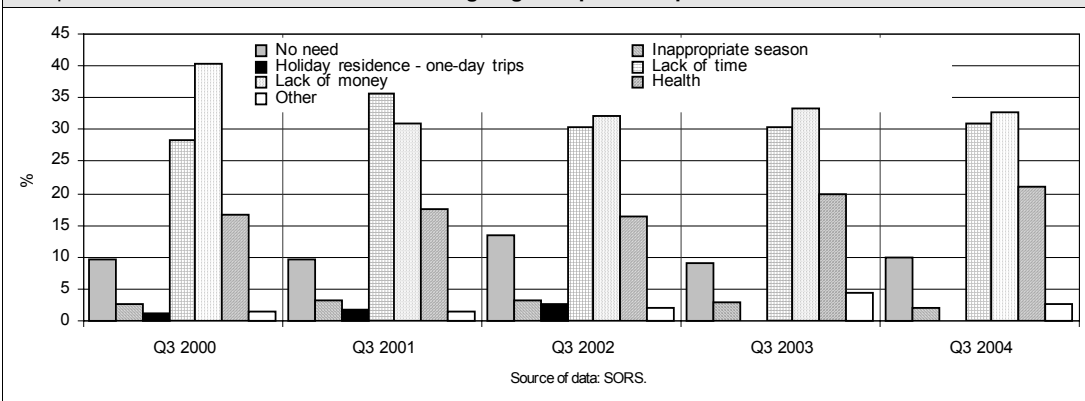
57.3% of Slovenians aged 15 or above went on a tourist trip in the third quarter of 2004, the highest figure recorded in the last five years. According to the SORS' quarterly survey on travels of domestic population, about 978,000 Slovenians aged 15 or above (hereafter: tourists) made a long or short, private or business tourist trip in the third quarter of 2004. The share of tourists who decided to make a trip rose by 4.8 percentage points over the third quarter of 2003 and by 4.6 percentage points over the third quarter of 2002.

The third quarter registered an increase in the share of tourists who made a private trip and in the number of private trips per tourist. At the same time, private trips were shorter on average. 55.2% of Slovenian residents aged 15 or above made a private trip in the third quarter of 2004. Their share increased by 7.6% compared to the same period in 2003. The number of private trips made also rose considerably in the observed quarter (by 17.3%). The average tourist made 2.0 private trips between July and September (1.8 in the comparable period of 2003). On the other hand, the average duration of private trips shortened from 6.6 to 5.9 overnight stays. In particular private trips abroad, made by 64.2% of tourists, were shorter (see table).

Most trips abroad were made in Europe, within both private (97.6%) and business travel (98.9%). Croatia was the destination for 82.6% of tourists travelling privately in Europe, followed by BiH (3.8%), Greece (2.4%), Serbia and Montenegro (2.4%) and Italy (1.7%). Most people travelling on business in the third quarter went to Italy (27.7%), Croatia (13.6%) and Switzerland (12.1%). The average number of overnight stays in business travel was lower than in private travel, but the average daily expenses per person were much higher in business trips (see table).

The share of residents who made no tourist trip dropped in the third quarter of 2004. Lack of money remains the main reason holding people back from travelling privately. 42.7% of Slovenian residents aged 15 or above did not go on a tourist trip in the third quarter of 2004, which is less than in the same period of 2003 (47.5%). The largest increase (also in the last four years) was recorded in the share of people who did not travel for health reasons (by 1.2 percentage points) and those who did not have the time to do it (by 0.5 of a percentage point). Although the share of residents not travelling for financial reasons has declined (by 7.5 percentage points over the past four years), lack of money remains the predominant reason for staying at home (see graph).

Graph: Slovenian residents' reasons for not going on a private trip



Trade in Services	Slovenian Economic Mirror	IMAD
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Market share growth in services imports of EU-15 (from non-members) in 2001-2002, in %							
Imports from	Services total	Transport	Travel	Other services	Communication services	IT services	Business services
Czech Rep.	-6.08	7.16	-7.23	-10.64	0.55	1.54	-14.72
Estonia	-3.74	13.60	-13.77	1.82	-21.05	3.63	7.11
Latvia	16.20	22.12	18.33	13.22	-9.12	3.63	19.91
Lithuania	16.02	10.02	21.07	17.07	-16.92	-92.74	-15.11
Hungary	-6.13	7.99	-10.89	-4.99	3.87	-73.75	3.64
Poland	-5.45	3.15	-4.95	-16.62	8.50	-42.14	-11.59
Slovenia	-0.77	-1.76	4.99	-15.85	15.82	35.75	-15.81
Slovakia	-19.27	-30.52	-23.43	-11.45	0.96	-33.43	-4.97
Bulgaria	26.18	21.78	41.36	-20.06	22.05	-6.00	-25.49
Romania	6.61	21.92	22.12	-24.92	-53.97	35.75	-18.47

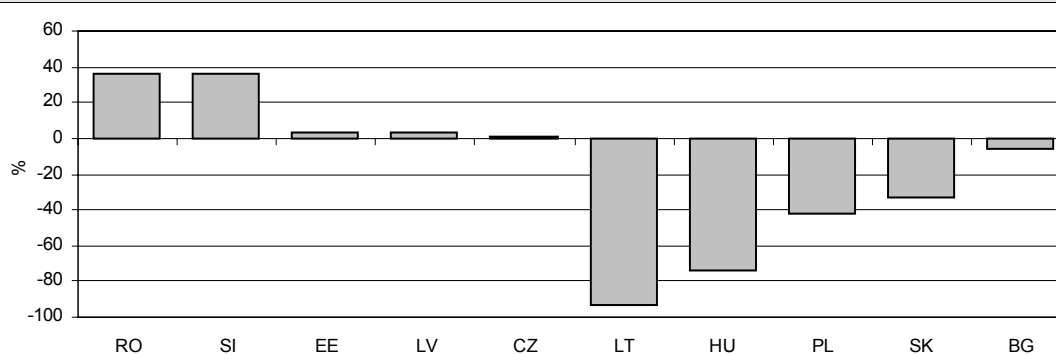
Source: Eurostat, NewCronos, Economy and Finance.

In order to assess the performance of Central and Eastern European countries (CEEC) in terms of their exports of services to EU-15 markets and particularly the position of Slovenia, we have analysed data on the regional distribution of these countries' trade in services. The main sources of data were figures from the Eurostat's statistical database which unfortunately are incomplete (the latest available data are from 2002).

In the 2001-2002 period, most CEEC countries recorded a decline in their market shares in EU-15 services imports from non-member states (see table). The largest drop was registered in Slovakia, followed by Hungary and the Czech Republic. Slovenia's market share, by contrast, fell only marginally. It should be noted, however, that Slovenia's market share in the EU-15 services imports had shrunk by 15% already in the 1997-2001 period (see SEM 12/2003:17). On the other hand, less developed CEE countries – Bulgaria, Latvia, Lithuania and Romania – increased their market shares in imports of services in the EU-15 in the 2001-2002 period, mainly in travel and transport services. Most CEECs have the largest market shares in EU imports in travel services, except for Latvia, Lithuania and Poland, which recorded higher shares in transport services.

The changes seen in 2001-2002 in the market shares of main services imports by the EU-15 varied across the CEE countries (see table). Slovenia expanded its share only in travel services, while its shares in transport and other services declined. In transport services, Slovenia was obviously left behind by cheaper operators from other CEE countries whose market shares in EU 15 rose robustly in 2002 over 2001 (with the exception of Slovakia). In other services, Slovenia's market shares in the EU-15 services imports fell just like in other CEECs (except the Baltic states), but in communication and IT services it was successful: Slovenia, along with Romania, recorded the largest growth of their market shares in IT services imports in the EU-15, while half of the CEE countries registered a sharp drop in exports of these services (see graph). Since Slovenia expanded its market share in imports of IT services in the EU-15 already in the 1996-2001 period (see SEM 12/2002:17), we can assume that the competitiveness of Slovenian IT services in EU markets picked up. The same applies to communication services. More recent figures (for 2003 and 2004) will show whether Slovenia has been able to retain these market shares in the EU markets, bearing in mind that certain IT services are increasingly being outsourced from the EU-15 to certain CEE countries (notably Romania) and to Asia.

Graph: **Changes in market shares in EU-15 services imports from non EU-15, 2001-2002, in %**



Source of data: Eurostat, NewCronos, Economy and Finance.

Co-operative Societies	Slovenian Economic Mirror	IMAD
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Performance indicators for co-operative societies for 2003							
Indicators	Total	Activities incorporating a large no. of co-operative societies*					
		A	D	F	G	I	K
Number of co-operative societies	327	130	31	20	57	18	59
Number of employees	4,122	1,978	444	117	1,391	78	113
Differ. between net profit and net loss, SIT million	-188	-352	-79	36	50	160	13
Revenues/expenses	1.000	0.996	0.995	1.014	1.001	1.049	1.011
Export revenues as a % of total revenues	2.8	1.3	13.3	0.6	0.9	22.1	0.2
Valued added per employee, SIT thousand	4,277	4,150	4,342	4,209	4,019	9,372	5,816
Return on assets, %	-0.2	-0.6	-0.8	1.6	0.2	6.4	0.3
Return on capital, %	-0.4	-1.2	-1.7	4.3	0.3	18.9	0.9
Debt-to-equity ratio	0.99	0.84	1.11	1.36	1.01	1.90	2.49
Long-term coverage of long-term assets & inventories	0.81	0.80	0.83	1.40	0.80	0.98	0.97

Source of data: Agency for Public Legal Records and Related Services – data from the balance sheets and profit and loss statements for 2003, calculations by IMAD. Note: *Other co-operative societies operated in activities B (4), E (3), N (3), C (1) and H (1); for abbreviations see p. A 22

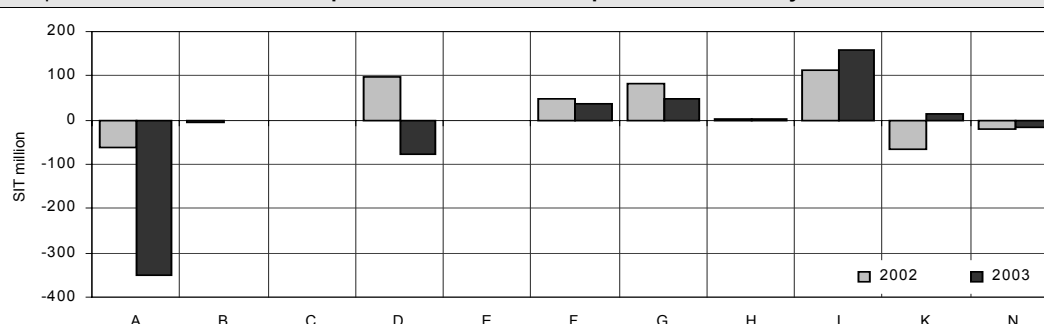
For the second year, the book-keeping and annual reports of co-operative societies have had to in line with the Act Amending the Companies Act and the revised Slovenian Accounting Standards (SAS), particularly SAS 34 regulating the accounting of co-operative societies.

According to data from the 2003 annual report, 327 co-operative societies employing 4,122 workers recorded a negative difference between net profit and net loss. In comparison with the previous year, the total number of co-operative societies rose by 1, while the number of their employees dropped by 169, mainly on account of a decline in agriculture, hunting and forestry. In 2002, 326 co-operative societies registered a SIT 191 million positive difference between net profit and net loss. In 2003, by contrast, 327 co-operative societies generated a negative difference between net profit and net loss amounting to SIT 188 million. The biggest negative difference was recorded in co-operatives dealing in agriculture, hunting and forestry. These were followed by co-operatives operating in manufacturing, health and social work, fishing, electricity, gas and water supply and mining and quarrying. In all other activities, co-operative societies ended 2003 with a positive difference between net profit and net loss. The best performing co-operatives were those providing transport, storage and communication services (see graph).

The poor business results achieved in 2003 largely reflect the unsatisfactory overall performance of co-operative societies operating in agriculture, hunting and forestry which registered a SIT 352 million negative difference between net profit and net loss. Most co-operative societies (39.7%) deal in these activities and employ the largest number of workers (48.0%) who made the biggest contribution to total revenues (46.5%), total value added (46.6%) and the total value of assets (51.9%). Their operations hence had a strong impact on the overall business operations of Slovenian co-operative societies.

In 2003, 177 (54.1%) co-operative societies generated a net profit of SIT 1,153 million, while 118 (36.1%) societies recorded a net loss totalling SIT 1,341 million. Over 50% of net profits were generated by 70 co-operative societies operating in agriculture, hunting and forestry. One of them recorded net profits totalling over SIT 100 million. 51 co-operative societies engaged in these activities registered net losses in 2003, accounting for as much as 70.9% of the overall net losses generated by Slovenian co-operative societies. Two of those 51 co-operatives produced net losses exceeding SIT 100 million in total, representing 44.2% of total net losses generated in these activities and 31.4% of the overall net losses recorded in all co-operatives.

Graph: Differences between net profit and net loss of co-operative societies by activities in 2002 and 2003



Source of data: APLRS - Data from balance sheets and profit and loss statements 2002 and 2003, calculations by the IMAD.

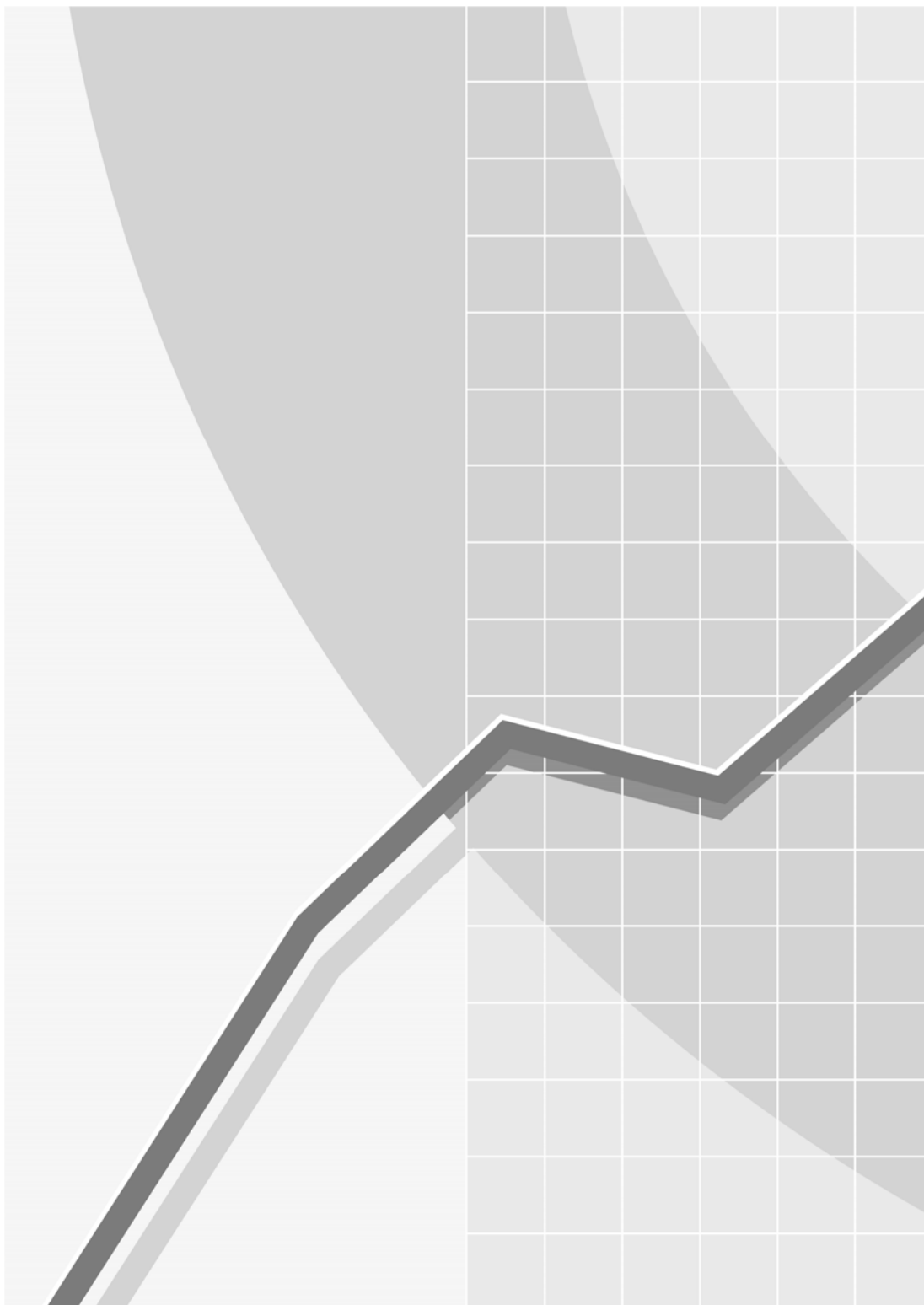
Statistical Appendix

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Gross Domestic Product / I

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	Current prices, in SIT mln							Real growth rates in %						
	2000	2001	2002	2003	2004 estimate	2005 forecast	2006 forecast	2000	2001	2002	2003	2004 estimate	2005 forecast	2006 forecast
VALUE ADDED BY ACTIVITIES AND GROSS DOMESTIC PRODUCT														
A Agriculture, hunting, forestry	118,746	121,903	148,032	131,773	150,133	147,162	152,420	0.8	-12.2	15.5	-15.4	10.0	1.0	1.0
B Fishing	732	751	884	1,115	866	892	916	-2.7	1.6	-4.2	5.1	-25.0	0.0	0.0
C Mining and quarrying	25,567	23,490	22,844	27,048	27,117	27,657	28,391	-1.4	-5.5	-8.4	5.8	-2.0	0.0	1.0
D Manufacturing	1,013,226	1,139,198	1,242,106	1,365,106	1,499,069	1,600,178	1,699,469	8.9	5.1	4.8	3.9	6.4	5.1	4.9
E Electricity, gas and water supply	105,521	127,026	144,532	148,407	158,072	165,272	172,231	5.5	7.0	6.1	-3.1	2.5	0.5	1.0
F Constructing	237,291	248,368	264,720	290,819	309,910	335,310	358,083	0.9	-2.2	0.6	3.4	2.5	4.0	3.5
G Wholesale, retail; certain repair	421,961	484,756	541,123	593,885	639,354	691,755	738,023	1.3	2.4	3.5	2.9	3.6	4.0	3.4
H Hotels and restaurants	87,811	98,293	104,081	113,909	121,919	131,912	142,232	4.2	6.5	3.4	3.5	3.0	4.0	4.5
I Transport, storage and communications	264,215	295,821	327,641	363,183	390,612	424,658	460,075	2.8	5.0	3.1	3.4	3.5	4.5	5.0
J Financial intermedation	186,798	184,639	242,554	232,701	263,581	289,298	316,412	2.5	6.4	5.8	6.1	9.0	5.5	6.0
K Real estate, renting and business services	559,948	634,955	736,673	798,186	855,977	926,133	996,681	0.7	4.1	3.3	3.7	3.2	4.0	4.3
L Public administration and defence	230,632	269,095	298,935	333,153	356,928	386,182	410,416	5.6	5.3	3.3	4.4	3.1	4.0	3.0
M Education	206,452	239,831	263,782	287,896	306,795	327,153	345,994	4.9	2.2	2.6	2.4	2.5	2.5	2.5
N Health and social work	191,869	217,892	234,368	251,688	270,697	292,742	314,135	4.3	2.6	4.0	3.1	3.5	4.0	4.0
O Other community and personal services	134,172	149,631	154,863	168,537	179,513	194,226	208,426	3.8	2.8	-2.2	1.5	2.5	4.0	4.0
P Private households with employed persons	1,369	1,789	1,728	1,336	1,361	1,423	1,476	11.0	12.5	-9.8	-34.1	-2.0	0.5	0.5
FISIM (IBS)	-106,919	-98,989	-128,748	-128,792	-145,070	-164,193	-181,344	2.1	12.2	7.0	12.3	8.3	8.8	7.0
1. VALUE ADDED (A+...+P+IBS)	3,679,390	4,138,450	4,600,119	4,979,950	5,386,834	5,777,760	6,164,035	4.4	3.1	3.7	2.5	4.3	4.0	3.9
2. CORRECTIONS (taxes on production and imports minus subsidies)	572,924	623,364	714,376	767,218	807,666	848,240	902,365	1.6	0.0	0.6	2.5	2.1	2.4	4.1
Taxes on products and services	597,109	646,009	737,489	795,366	838,638	881,370	937,697	4.7	-0.1	0.9	2.3	2.2	2.5	4.0
Subsidies	24,185	22,644	23,115	28,148	30,972	33,130	35,332	3.9	-3.6	6.6	-0.6	3.0	2.5	2.2
GDP (1 + 2)	4,252,315	4,761,815	5,314,494	5,747,168	6,194,500	6,626,000	7,066,400	3.9	2.7	3.3	2.5	4.0	3.8	3.9

Source of data: SORS, IMAD – Autumn Report 2004.

Gross Domestic Product / II

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	Current prices, in SIT mln							Real growth rates, in %						
	2000	2001	2002	2003	2004 estimate	2005 forecast	2006 forecast	2000	2001	2002	2003	2004 estimate	2005 forecast	2006 forecast
EXPENDITURE ON GROSS DOMESTIC PRODUCT														
GROSS DOMESTIC PRODUCT (3+4+5)	4,252,315	4,761,815	5,314,494	5,747,168	6,194,500	6,626,000	7,066,400	3.9	2.7	3.3	2.5	4.0	3.8	3.9
1. Exports of goods and services	2,387,289	2,744,468	3,060,345	3,245,428	3,656,435	3,938,614	4,265,800	13.0	6.3	6.7	3.2	8.5	5.8	6.6
2. Imports of goods and services	2,538,115	2,776,503	2,981,749	3,247,262	3,671,064	3,975,345	4,300,200	7.6	3.0	4.9	6.8	9.2	6.5	6.5
3. FOREIGN TRADE BALANCE * (1-2)	-150,826	-32,035	78,596	-1,834	-14,628	-36,730	-34,399	2.4	1.7	1.0	-2.2	-0.7	-0.7	-0.1
4. FINAL CONSUMPTION	3,269,505	3,656,738	3,973,047	4,293,961	4,593,198	4,888,603	5,180,603	0.9	2.7	0.7	2.7	3.3	3.3	3.1
Private consumption	2,426,039	2,682,049	2,900,011	3,127,977	3,354,772	3,573,807	3,787,089	0.4	2.3	0.3	2.7	3.5	3.4	3.1
Government consumption (individual and collective)	843,466	974,689	1,073,036	1,165,984	1,238,426	1,314,796	1,393,514	2.3	3.9	1.7	2.6	2.7	2.9	2.9
5. GROSS CAPITAL FORMATION	1,133,636	1,137,111	1,262,851	1,455,041	1,615,930	1,774,127	1,920,197	2.7	-4.3	7.4	10.5	7.9	6.9	6.0
Gross fixed capital investment	1,066,779	1,164,431	1,239,153	1,373,343	1,522,053	1,672,534	1,806,845	0.6	4.1	3.1	6.3	7.4	7.0	5.5
Changes in stocks *	66,857	-27,320	23,698	81,698	93,877	101,593	113,352	0.6	-2.2	1.0	1.1	0.3	0.1	0.2
SUPPLY AND USE OF RESOURCES														
1. GROSS DOMESTIC PRODUCT	4,252,315	4,761,815	5,314,494	5,747,168	6,194,500	6,626,000	7,066,400	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2. Net primary income from the rest of the world	6,008	9,333	-34,427	-41,152	-27,701	-30,669	-39,774	0.1	0.2	-0.6	-0.7	-0.4	-0.5	-0.6
3. GROSS NATIONAL INCOME (1+2)	4,258,323	4,771,148	5,280,067	5,706,016	6,166,799	6,595,331	7,026,626	100.1	100.2	99.4	99.3	99.6	99.5	99.4
4. Net current transfers from the rest of the world	25,746	31,166	32,267	21,739	27,940	43,368	44,326	0.6	0.7	0.6	0.4	0.5	0.7	0.6
5. DISPOSABLE GROSS NATIONAL INCOME (3+4)	4,284,069	4,771,148	5,312,334	5,727,755	6,194,738	6,638,699	7,070,953	100.7	100.2	100.0	99.7	100.0	100.2	100.1
6. Final national consumption	3,269,505	3,656,738	3,973,046	4,293,961	4,593,198	4,888,603	5,180,603	76.9	76.8	74.8	74.7	74.1	73.8	73.3
Private consumption	2,426,039	2,682,049	2,900,011	3,127,977	3,354,772	3,573,807	3,787,089	57.1	56.3	54.6	54.4	54.2	53.9	53.6
Government consumption	843,466	974,689	1,073,036	1,165,984	1,238,426	1,314,796	1,393,514	19.8	20.5	20.2	20.3	20.0	19.8	19.7
7. GROSS NATIONAL SAVINGS (5-6)	1,014,565	1,114,409	1,339,288	1,433,794	1,601,541	1,750,096	1,890,350	23.9	23.4	25.2	24.9	25.9	26.4	26.8
8. Current account balance	-119,072	8,464	76,436	-21,247	-14,390	-24,031	-29,847	-2.8	0.2	1.4	-0.4	-0.2	-0.4	-0.4
9. GROSS CAPITAL INVESTMENT (7-8)	1,133,636	1,105,945	1,262,852	1,455,041	1,615,930	1,774,127	1,920,197	26.7	23.2	23.8	25.3	26.1	26.8	27.2

Source of data: SORS, BS, IMAD – Autumn Report 2004

Note: * As contributions to real GDP growth (in percentage points)

Industrial Production

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	1998	1999	2000	2001	2002	2003	2003			2004		2003			2004									
							Q _{III}	Q _{IV}	Q _I	Q _{II}	Q _{III}	10	11	12	1	2	3	4	5	6	7	8	9	10
INDUSTRIAL PRODUCTION by sectors, indices, 1992=100																								
INDUSTRY, total 1	111.6	111.1	118.0	121.4	124.3	126.1	122.8	132.0	128.8	135.0	129.9	141.8	136.5	117.8	121.5	122.7	142.2	126.2	140.4	138.4	133.0	114.7	141.8	137.5
C Mining and quarrying	87.4	83.9	81.6	75.2	81.0	85.7	90.4	83.1	88.1	84.6	89.1	98.7	83.6	66.9	82.5	84.5	97.3	78.6	97.6	77.6	84.8	76.8	105.6	72.1
D Manufacturing	112.5	112.5	120.3	123.7	126.1	128.2	125.4	134.8	129.5	138.0	133.3	144.6	140.5	119.3	121.3	123.2	144.1	128.1	143.2	142.8	136.3	116.8	146.8	140.8
DA Food, beverages, tobacco	104.7	106.9	112.6	112.8	111.1	112.1	121.4	123.5	97.1	100.6	101.7	118.9	130.7	120.7	95.2	90.6	105.6	102.6	101.8	97.4	100.8	98.1	106.3	105.6
DB Textiles & textile prod.	100.6	93.6	97.6	89.8	78.6	69.6	67.7	66.6	69.1	63.2	62.9	73.5	66.0	60.2	66.0	67.5	73.9	56.0	65.9	67.6	62.0	54.0	72.8	63.8
DC Leather & textile products	61.9	48.8	50.7	49.9	42.4	36.9	32.4	37.2	37.5	32.9	28.4	36.8	37.1	37.8	30.4	35.5	46.5	34.3	32.0	32.3	32.5	21.3	31.4	30.8
DD Wood & wood products	78.4	74.7	75.9	69.4	71.5	69.1	68.6	71.3	67.5	75.7	70.5	78.8	70.7	64.4	62.5	68.1	72.0	72.0	76.6	78.3	77.2	56.2	78.3	78.1
DE Paper, publishing, printing 2	73.1	70.8	72.9	69.8	73.5	73.3	75.5	75.3	72.6	82.1	79.4	75.2	74.3	76.2	65.9	68.6	83.3	75.9	83.9	86.6	80.5	72.8	84.9	86.9
DFCoke,petrol. rod.,nuclear fuel	34.5	40.6	28.8	9.4	10.1	10.5	11.0	10.2	8.8	9.7	8.2	12.4	9.7	8.6	7.6	8.8	10.1	9.5	11.0	8.5	7.3	7.4	9.8	9.3
DG Chem., prod.,man-made fibres	132.1	134.2	148.1	160.1	169.6	189.7	160.2	213.4	206.0	221.8	210.1	195.3	246.5	198.5	187.9	180.7	249.2	183.8	230.1	251.5	220.6	197.2	212.4	187.6
DH Rubber & plastic prod.	131.3	128.8	141.9	143.6	141.6	147.0	146.8	150.9	149.6	157.0	155.3	169.8	158.5	124.3	137.7	148.5	162.6	148.3	157.7	164.9	151.0	138.6	176.2	177.7
DI Non-metal mineral prod.	127.8	132.7	128.0	128.1	129.2	130.0	143.5	133.9	99.2	141.4	146.3	152.4	138.7	110.7	80.0	95.6	122.1	127.0	146.0	151.2	146.7	136.0	156.2	157.5
DJ Basic metals & fabric. prod.	99.9	103.9	117.0	122.3	126.6	131.0	126.5	136.7	131.0	141.4	136.9	146.0	141.3	122.7	119.9	124.9	148.2	141.9	145.1	137.3	143.8	119.4	147.4	145.5
DK Machinery & equipm. nec.	103.4	102.8	108.4	125.1	139.4	131.0	127.5	138.1	139.8	139.9	140.3	159.5	140.7	114.1	141.5	130.3	147.6	134.5	139.3	146.0	136.6	123.6	160.8	160.8
DL Electrical & optical equip.	169.0	177.4	202.5	215.4	223.3	248.5	240.8	265.8	293.4	305.0	282.5	325.0	273.6	198.8	288.3	294.5	297.5	255.2	350.2	309.7	286.3	229.6	331.5	274.4
DM Transport equipment	94.6	95.3	105.7	107.2	112.5	118.1	105.8	118.6	125.1	135.6	115.7	130.9	124.3	100.7	110.9	119.9	144.6	127.6	137.4	141.7	127.4	77.8	141.9	150.4
DN Manufacturing nec.	130.0	125.2	124.7	135.2	132.6	127.9	124.8	130.1	122.5	128.8	125.1	150.5	132.3	107.5	113.3	115.2	139.0	125.2	131.2	129.9	129.4	102.9	142.8	146.9
E Electr., gas & water supply 3	116.8	112.0	113.8	124.4	131.2	126.7	111.9	129.7	148.8	130.6	114.4	135.6	121.3	132.3	153.6	142.8	150.1	134.6	134.1	122.9	123.9	115.5	103.7	140.1
NUMBER OF PERSONS IN PAID EMPLOYMENT IN INDUSTRY																								
Total, in 1000	256.8	252.7	251.1	252.8	255.0	250.6	249.7	249.9	247.9	248.4	247.8	250.4	250.6	248.7	247.7	247.7	248.3	248.2	248.3	248.6	247.8	247.6	247.8	247.9
C Mining & quarrying	7.4	7.0	5.7	5.4	5.1	4.8	4.8	4.7	4.4	4.3	4.3	4.7	4.7	4.6	4.5	4.4	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.2
D Manufacturing	237.8	234.1	234.0	236.1	238.4	234.5	233.7	234.1	232.5	232.9	232.3	234.4	234.8	233.0	232.3	232.4	232.8	232.8	232.8	233.1	232.3	232.2	232.3	232.5
E Electr., gas & water supply	11.6	11.6	11.4	11.3	11.5	11.2	11.3	11.2	11.0	11.2	11.2	11.2	11.2	11.1	10.9	10.9	11.1	11.1	11.2	11.2	11.2	11.2	11.2	11.2
CONSTRUCTION 4, real indices of construction put in place, indices 2000=100																								
Construction	-	99.9	100.0	92.9	97.9	105.7	118.3	122.8	78.3	103.5	127.2	129.3	120.1	119.0	67.2	80.1	87.7	95.6	101.2	113.8	119.1	130.0	132.4	145.2
Buildings	-	107.0	100.0	107.1	104.2	104.9	112.7	129.1	90.7	105.0	136.1	134.4	129.8	123.0	79.8	92.4	100.0	104.9	98.4	111.8	124.7	151.4	132.1	146.6
Civil engineering	-	93.3	100.0	79.8	92.1	106.4	123.6	117.0	66.8	102.1	118.9	124.5	111.2	115.2	55.6	68.7	76.2	86.9	103.8	115.5	113.9	110.3	132.6	143.9
Persons in paid employment in construction	-	96.1	100.0	99.1	99.5	100.1	101.4	100.5	98.6	100.7	102.8	101.5	101.0	98.8	98.3	98.7	98.9	99.7	100.7	101.8	102.4	102.7	103.2	102.3

Source of data: SORS. Notes: 1 final data; 2 enterprises with activity of publishing are excluded; 3 only companies with activity of electricity supply are included; 4 the survey covers all construction enterprises whose value of construction put in place was at least 300 million tolar according to Final Accounts in 2002 and their units having at least 20 persons in paid employment and some other enterprises who perform construction work.

Production

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	1999	2000	2001	2002	2003	2003		2004			2002				2004										
						Q _{III}	Q _{IV}	Q _I	Q _{II}	Q _{III}	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
TRANSPORT																									
Passengers km, indices 2002 = 100	126.7	117.6	111.0	100.2	100.0	109.0	94.4	90.5	102.6	101.7	120.2	103.3	90.6	89.3	93.3	83.2	94.9	92.6	105.7	109.5	99.1	99.5	106.6	93.4	80.5
Tonne km, indices 2002 = 100	111.9	106.0	109.0	98.8	100.0	100.6	106.7	115.3	113.5	142.7	99	107.8	108.1	104.2	117.9	117.3	110.7	124.8	108.4	107.2	144.3	138.2	145.7	145.8	146.4
Passengers carried total ¹ , in mln	82.9	105.5	78.3	71.5	96.0	13.8	18.1	16.4	16.9	10.9	6.1	6.3	6.1	5.7	5.7	5.1	5.6	5.7	5.5	5.1	2.6	2.7	5.5	5.3	5.3
Goods carried total ² , mln tons	16.2	22.4	38.3	67.5	108.5	15.8	19.3	15.0	17.3	22.4	5.5	6.8	6.5	5.9	4.5	5.0	5.5	5.9	5.9	5.8	6.8	7.4	8.2	8.1	7.9
Urban passenger traffic, in mln	106.9	130.0	105.6	103.9	98.3	14.9	29.3	28.8	28.4	15.3	7.3	9.6	10.1	9.7	9.4	9.3	10.1	9.3	8.9	8.0	4.1	3.8	7.4	9.6	10.1
Airport passen. traffic, in 000	757	1007	906	873	922	337	196	166	209	386	106	81	59	57	58	52	56	68	85	106	134	136	116	91	72
Harbour freight.trans, in 000 t	6130	8525	9145	10218	10483	2114	3052	3283	2988	2917	930	1003	1006	1043	1096	921	1266	675	1047	911	861	1040	1016	929	1234
Loading, unloading, in 000 t	13467	18663	20538	21942	24917	6107	6461	5159	5846	5776	2240	2052	1875	2534	1759	1691	1709	2310	1827	2312	1761	1937	2078	1645	2338
Transport of gas, mln m ³	1562	2229	1039	1007	1098	217	304	353	249	213	69	85	99	120	130	118	105	78	66	70	69	68	76	86	97
Postal services ³ , in mln	319	476	524	587	658	153	192	-	-	-	56	64	57	71	-	-	-	-	-	-	-	-	-	-	-
TRADE, turnover, SIT bln																									
Turnover of retail trade and sales of motor vehicles ⁴	1581	1794	1948	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOURISM, overnight stays, in 000																									
Total	4931	6716	7130	7319	7479	3072	1231	1343	1528	3150	689	507	356	368	449	468	427	490	611	730	1114	1310	727	510	375
Domestic tourists	2672	3313	3316	3300	3311	1284	575	684	635	1244	252	211	176	188	195	273	217	201	217	302	481	509	253	189	195
Foreign tourists	2258	3404	3814	4019	4168	1788	656	659	893	1907	437	297	179	181	254	195	211	289	394	428	633	801	473	322	179
Health resorts	1526	2113	2284	2327	2360	744	523	489	562	799	208	206	165	152	156	166	168	193	201	206	263	317	219	-	-
Seaside	1604	1884	2016	2052	2009	990	256	197	390	993	192	120	75	61	46	62	89	133	168	241	377	412	204	-	-
AGRICULTURE, slaughter in slaughterhouses, in 000 tons																									
Cattle	26.8	34.6	39.2	40.5	43.1	10.6	13.0	10.6	10.5	8.6	4.1	4.3	4.3	4.4	3.5	3.2	3.9	3.4	3.2	3.0	2.7	2.8	3.1	3.3	3.9
Pigs	36.4	38.0	35.8	37.1	36.5	8.7	9.4	9.4	9.2	7.8	3.0	3.1	2.8	3.6	3.0	2.7	3.6	3.0	2.6	3.3	2.7	2.7	2.4	2.4	2.9
Poultry	38.1	52.1	56.6	51.4	56.1	14.6	15.1	12.2	13.4	12.8	5.2	5.3	4.9	4.9	4.3	3.7	4.3	4.5	4.6	4.2	4.2	4.2	4.5	4.9	4.4
Purchase of agricultural products, SIT mln	64.0	87.4	98.5	100.1	102.2	26.3	30.8	21.4	23.6	23.9	9.7	9.9	9.6	11.3	7.0	6.6	7.7	7.9	8.0	7.2	7.2	8.1	9.2	9.8	8.4
FISHING, in 000 tons																									
Catches in marine waters	1.4	1.7	1.7	1.6	1.2	0.3	0.3	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.1	0.1	0.1

Source of data: SORS, Notes: ¹excluding private carriers (taxis, buses, cars), ²excluding private carriers, ³only ordinary letters and parcels, ⁴by the Standard Classification of Activities on the basis of a monthly panel survey.

Balance of Payments

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	1999	2000	2001	2002	2003	2003		2004			2003			2004									
						Q III	Q IV	Q I	Q II	Q III	10	11	12	1	2	3	4	5	6	7	8	9	10
BALANCE OF PAYMENTS, EUR mln																							
Current account	-664	-583	38	335	-91	73	-72	35	-129	74	66	-13	-124	74	20	-59	-75	-74	20	26	-41	90	71
Trade balance ¹	-1164	-1227	-684	-269	-546	-52	-209	-97	-287	-72	8	-58	-158	9	-33	-73	-156	-106	-24	-15	-68	12	-27
Exports	8103	9574	10454	11082	11414	2820	2952	2992	3185	3147	1,099	984	868	870	974	1148	1065	1024	1096	1106	855	1186	1166
Imports	9267	10801	11139	11351	11960	2872	3160	3089	3471	3219	1,092	1,042	1,026	861	1007	1221	1221	1130	1120	1121	924	1174	1193
Services	330	489	536	616	538	108	122	140	195	167	57	33	32	52	35	53	62	77	56	25	56	85	57
Exports	1763	2052	2178	2440	2,469	735	598	554	689	854	210	182	207	178	168	208	220	236	233	296	293	266	219
Imports	1434	1562	1642	1823	1,930	627	477	415	494	687	153	149	175	126	134	155	159	158	177	270	237	180	162
Income	58	29	43	-154	-178	-16	-19	-15	-64	-14	3	-2	-20	12	15	-42	-12	-30	-22	10	-18	-6	14
Receipts	400	471	511	480	517	128	123	127	136	137	41	40	43	42	38	48	45	41	49	44	47	46	48
Expenditure	342	442	468	634	695	143	142	143	199	151	38	42	62	29	23	90	57	71	71	34	65	52	34
Current transfers	112	125	144	142	94	33	34	8	26	-7	-2	15	21	1	4	3	32	-15	9	6	-11	-2	28
Receipts	316	371	436	478	448	112	125	93	157	162	31	42	52	26	29	38	59	39	59	67	42	52	73
Expenditure	203	245	293	336	354	79	91	85	131	169	33	28	31	26	25	35	27	55	50	62	54	54	46
Capital and financial account	625	542	-148	-142	26	-75	202	-73	141	60	-42	-6	250	-93	-20	39	32	50	59	68	-12	4	-7
Capital account	-1	4	-4	-164	-165	-39	-69	-24	-40	-43	-9	-19	-42	-8	-4	-12	-6	-11	-22	-4	-18	-21	-8
Financial account	625	538	-144	21	192	-36	271	-49	182	103	-34	13	292	-84	-16	51	38	62	82	73	5	25	1
Direct investment ²	55	77	251	1582	-115	-90	30	-81	-6	-31	-54	53	31	-6	-64	-10	10	5	-21	12	-84	41	73
Domestic abroad	-45	-72	-161	-168	-414	-103	-76	-137	-69	-102	-89	11	2	-47	-57	-33	-36	-12	-21	-55	-26	-21	-44
Foreign in Slovenia	99	149	412	1750	299	13	106	56	63	70	35	42	28	41	-8	23	46	17	0	67	-58	61	117
Portfolio investment ³	324	185	80	-69	-218	-99	-122	-76	-306	-145	-51	-32	-39	-28	-40	-7	-19	-76	-211	-59	-26	-60	-85
Other investment	159	462	964	393	788	194	381	24	240	262	56	9	317	-13	122	-85	164	-54	130	9	154	99	-26
Assets	-540	-576	248	-703	-836	-166	-48	-404	-466	-287	-138	-100	190	-63	-91	-250	-88	-220	-158	32	-226	-93	-194
Commercial credits ⁴	-276	-174	-239	-136	-119	-17	130	-217	-56	-100	-89	-43	262	-33	-86	-98	-27	-34	5	3	59	-162	-64
Loans	-39	-72	19	-250	-242	-62	-149	-95	-94	-62	-45	-34	-70	-33	-29	-33	-23	-26	-45	-20	-24	-18	-16
Currency and deposits	-194	-296	500	-247	-410	-76	-9	-78	-311	-105	-3	-18	13	-15	31	-93	-60	-144	-107	49	-254	100	-92
Other assets	-31	-33	-32	-71	-65	-10	-20	-14	-5	-20	0	-6	-14	18	-7	-25	21	-16	-11	0	-7	-13	-22
Liabilities	699	1038	716	1097	1,624	360	428	428	706	549	193	109	126	50	212	165	252	166	288	-23	380	192	168
Commercial credits ⁴	-19	-21	-10	95	62	-56	60	53	123	11	97	27	-65	-44	55	41	125	0	-3	-18	-73	102	4
Loans	710	1038	575	832	1,165	397	212	237	356	719	133	66	13	91	46	100	145	38	173	35	564	120	104
Deposits	2	34	152	130	428	14	154	126	212	-182	-35	16	173	6	91	29	-21	126	107	-49	-113	-20	6
Other liabilities	6	-13	-1	39	-31	6	3	12	15	2	-2	0	5	-3	21	-5	3	3	10	10	3	-11	54
International reserves ⁵	88	-187	-1439	-1885	-264	-41	-18	84	253	18	16	-17	-16	-37	-33	154	-118	186	185	111	-39	-54	39
Statistical error	40	41	110	-193	65	3	-129	38	-12	-134	-23	19	-125	19	-1	20	43	24	-79	-94	54	-94	-64
FOREIGN TRADE BALANCE BY END USE, in EUR mln																							
Export of investment goods	1014	1219	1417	1542	1634	410	450	421	465	462	168	148	134	117	136	168	155	155	156	171	120	171	n.p.
Intermediate goods	3773	4643	5039	5245	5463	1344	1375	1496	1592	1543	516	471	388	445	488	563	521	527	544	538	432	573	n.p.
Consumer goods	3243	3629	3891	4175	4188	1018	1098	1045	1098	1093	404	358	336	300	342	403	384	336	377	376	288	430	n.p.
Import of investment goods	1829	1981	2009	2072	2322	551	652	572	628	549	201	203	248	144	180	248	244	201	183	213	158	178	n.p.
Intermediate goods	5216	6552	6700	6816	7079	1696	1813	1848	2063	1995	648	611	554	539	606	703	712	665	686	670	578	746	n.p.
Consumer goods	2433	2451	2635	2686	2836	683	765	749	874	761	268	254	243	199	248	302	292	302	281	265	208	288	n.p.

Sources of data: BS, SORS. Notes: ¹ exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports, ² only cash flows, corrections will be reported, ³ includes issue of government bonds in exchange for a part of allocated foreign debt in the amount of US\$ 465.4 m - banks' liabilities in foreign loans are decreased by the same amount. Includes issue of Eurobonds in the amount of US\$ 320.6 m, balanced by receipts on government deposits at BS, shown in international reserves, ⁴ short-term claims include net changes in commercial credits, ⁵ reserve assets of the BS.

Monetary Indicators

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	1998	1999	2000	2001	2002	2003	2003						2004									
	December						7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
	MAIN MONETARY AGGREGATES, end of the month, in SIT bln, national definition																					
Currency in circulation	93.7	125.0	119.8	142.1	143.1	156.0	147.3	152.7	151.2	154.6	155.4	156.0	152.9	153.3	152.6	156.9	162.5	163.3	161.9	157.3	160.7	167.2
Sight deposits with banks	328.7	376.6	421.6	490.3	564.5	626.5	597.2	588.9	604.1	591.7	599.7	626.5	619.5	624.5	633.1	649.1	679.5	709.9	719.4	725.9	735.5	721.8
Deposits of enterprises and OFO with the BS	3.5	3.8	4.9	6.7	8.0	10.3	6.3	8.0	9.3	9.4	10	10.3	6.8	6.3	6.8	7.9	7.4	7.0	5.9	7.0	9.3	8.0
State budget deposits with the BS	2.3	2.3	3.4	8.9	4.5	3.8	4.4	4.0	4.4	3.6	3.7	3.8	3.2	3.3	3.4	3.3	3.6	3.7	3.5	3.8	3.6	3.3
Total sight deposits of non-banking sectors with the BS	5.9	6.2	8.4	15.6	12.6	14.1	10.7	12.0	13.7	13.0	13.7	14.1	10.0	9.6	10.2	11.2	10.9	10.7	9.4	10.9	12.9	11.3
Tolar savings and time deposits with banks	841.8	914.9	1,002.0	1,296.4	1,545.3	1591.6	1612.3	1592.8	1578.7	1622.3	1612.4	1591.6	1591.2	1600.1	1590.3	1582.1	1552.3	1500.8	1503.2	1489.4	1496.4	1480.7
Public sector's time deposits with the BS	0.0	0.0	0.0	19.9	130.3	105.8	100.7	100.7	100.7	102.9	101.5	105.8	106.8	110.8	110.8	111.0	105.4	110.9	110.9	110.9	110.9	110.9
Tolar securities	48.8	52.3	65.9	96.1	181.1	217.7	209.8	211.1	210.0	222.3	219.5	217.7	220.2	210.2	194.3	191.5	188.3	184.2	190.1	190.6	189.6	192.2
Foreign currency deposits with banks	489.5	569.1	739.7	962.6	1,020.8	1062.3	1033.9	1050.3	1057.0	1052.0	1070.8	1062.3	1079.8	1081.3	1097.6	1122.7	1126.2	1172.5	1183.8	1182.3	1208.9	1188.1
Foreign currency securities	24.4	11.6	13.3	17.5	3.1	3.7	5.3	7.6	5.3	3.5	4.7	3.7	4.2	2.8	3.0	2.7	1.9	3.0	3.4	6.1	3.5	3.6
M1	428.2	507.8	549.8	648.1	720.1	796.7	755.2	753.6	769.0	759.4	768.8	796.7	782.5	787.4	795.8	817.1	852.9	883.7	890.8	894.1	909.1	900.3
M2	1,318.8	1,475.0	1,617.6	2,060.4	2,576.8	2711.8	2678.1	2658.2	2658.4	2706.8	2702.2	2711.8	2700.7	2708.6	2691.3	2701.7	2698.8	2679.7	2694.9	2685.4	2706.0	2684.1
M3	1,832.7	2,055.7	2,370.6	3,040.6	3,600.7	3777.8	3717.4	3716.0	3720.7	3762.3	3777.7	3777.8	3784.7	3792.6	3791.9	3827.1	3826.9	3855.3	3882.1	3873.8	3918.4	3875.7
DEPOSIT MONEY BANKS CLAIMS, end of the month, in SIT bln																						
Claims of BS on central gov.	16.0	16.6	17.8	9.8	9.2	27.0	25.2	25.5	25.8	27.1	27.1	27.0	26.7	27.9	27.9	27.0	28.9	29.8	29.9	30.1	30.0	29.5
Deposit money banks claims to general government	41.6	45.6	73.1	84.0	109.9	137.7	124.9	123.6	127.9	135.3	131.8	137.7	142.6	148.6	142.1	143.9	145.9	150.0	136.9	134.3	133.7	135.8
To central government	379.4	420.4	457.4	520.0	652.1	620.0	630.6	619.1	616.1	629.2	626.4	620.0	625.1	639.0	645.8	658.6	666.1	728.3	740.8	743.2	764.2	742.1
To individuals	303.1	438.9	495.0	536.4	577.4	639.9	609.1	615.1	623.4	629.9	633.6	639.9	640.8	650.9	665.0	675.7	686.8	696.8	719.4	730.1	746.6	759.2
To enterprises	726.9	839.4	1010.6	1264.0	1402.5	1731.6	1598.4	1605.7	1630.1	1671.4	1701.1	1731.6	1734.3	1753.9	1790.2	1811.3	1836.4	1858.2	1905.6	1914.2	1949.7	1971.0
Tolar loans: Up to 1 year	325.1	404.4	497.6	586.6	581.0	597.3	598.2	582.9	595.7	602.8	603.4	597.3	608.3	612.5	608.3	611.2	620.2	624.1	614.3	610.8	633.3	618.5
Over 1 year	580.0	715.7	793.1	904.9	996.3	1126.3	1056.7	1055.9	1068.1	1095.1	1106.1	1126.3	1127.2	1135.3	1151.3	1158.7	1162.2	1175.6	1208.9	1205.7	1224.7	1224.9
Com.papers and bonds(tolar)	337.7	330.6	355.7	425.6	531.7	576.3	565.0	563.1	556.5	570.0	570.2	576.3	578.0	584.5	581.4	598.1	601.3	630.6	652.2	651.4	667.8	674.9
DEPOSIT MONEY BANK LIABILITIES TO DOMESTIC NON-BANKING SECTORS, end of the month, in SIT bln																						
Total tolar deposits	1166.9	1287.9	1419.7	1783.1	2106.8	2210.0	2204.9	2177.1	2178.3	2208.4	2207.6	2210.0	2206.2	2217.8	2218.8	2230.3	2231.3	2210.1	2222.1	2215.5	2231.4	2201.4
Demand deposits	233.2	268.6	295.8	344.4	407.8	626.5	597.2	588.9	604.1	591.7	599.7	626.5	619.5	624.5	633.1	649.1	679.5	709.9	719.4	725.9	735.5	721.8
Savings deposits	99.8	124.5	148.0	170.7	156.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Time deposits	829.7	890.9	970.8	1261.7	1537.8	1579.1	1604.0	1582.8	1570.3	1611.3	1603.4	1579.1	1577.2	1588.5	1581.2	1576.1	1547.0	1494.6	1496.8	1484.1	1490.6	1473.8
Short-term	582.8	630.8	682.4	876.2	1050.0	1135.8	1130.2	1108.9	1098.5	1143.6	1141.1	1135.8	1146.0	1159.4	1162.6	1164.0	1140.3	1111.2	1146.9	1141.1	1156.6	1147.0
1- 30 days	105.4	116.6	92.1	98.5	121.1	110.6	92.3	88.9	105.3	129.7	112.5	110.6	102.8	106.7	118.1	126.6	117.6	123.3	114.3	113.5	146.1	125.5
31 - 90 days	215.3	205.5	221.8	256.0	346.0	426.3	382.2	387.0	373.3	397.3	409.5	426.3	483.9	492.8	479.6	497.2	497.4	488.5	519.5	498.3	566.8	566.4
91 days - 1 year	262.1	308.7	368.6	521.6	582.9	598.9	655.7	633.1	619.8	616.6	619.1	598.9	559.2	559.8	565.0	540.2	525.2	499.4	513.0	529.4	443.7	455.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over 1 year	246.9	260.1	288.3	385.5	487.7	443.2	473.9	473.8	471.8	467.7	462.3	443.2	431.2	429.1	418.6	412.1	406.7	383.4	349.9	342.9	334.0	326.9
Total foreign current liabilities	472.6	544.6	704.1	930.8	990.2	1025.2	998.0	1013.4	1020.5	1017.2	1034.6	1025.2	1043.5	1046.4	1058.4	1076.8	1082.2	1129.0	1126.0	1125.7	1156.2	1140.5
Demand deposits	65.7	96.8	116.7	154.2	166.1	191.2	186.4	196.2	196.9	190.9	198.9	191.2	199.2	204.7	207.3	219.3	222.4	236.6	257.1	260.5	263.6	251.3
Savings deposits	126.6	142.9	147.4	233.1	230.8	243.2	236.1	242.5	239.9	239.6	240.9	243.2	243.3	244.9	246.9	253.2	255.2	256.1	237.9	239.2	238.5	244.6
Time deposits	220.8	247.6	386.1	504.4	567.7	570.7	543.7	548.0	550.7	558.5	566.0	570.7	573.6	566.7	572.0	572.2	567.2	594.7	601.8	595.3	617.0	614.7
Short-term	181.4	201.7	306.8	399.7	448.3	454.3	433.1	437.8	438.3	445.9	448.9	454.3	458.1	449.5	455.2	455.5	451.2	475.6	479.6	469.9	476.2	472.7
Long-term	39.4	46.0	79.4	104.7	119.3	116.4	110.6	110.2	112.4	112.6	117.0	116.4	115.5	117.2	116.8	116.6	119.1	122.3	125.4	140.8	142.0	

Source of data: BS. Note: ¹General government, individuals, companies and non-profit institutions.

Prices

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Indices, 1992=100	1999	2000	2001	2002	2003	2003		2004			2003		2004										
						Q III	Q IV	Q I	Q II	Q III	11	12	1	2	3	4	5	6	7	8	9	10	11
GROWTH IN SELECTED PRICE INDICATORS																							
Retail price index	247.3	274.1	299.9	322.4	340.4	342.6	344.4	347.7	355.4	360.3	344.5	345.2	346.2	347.3	349.7	352.4	356.2	357.6	360.4	360.4	360.0	361.4	363.8
Goods	230.7	255.6	276.7	295.0	310.9	312.0	314.2	316.3	323.7	326.9	314.6	314.6	315.2	315.2	318.4	320.9	325.0	325.3	327.2	326.2	327.2	329.7	332.5
Foodstuffs	240.6	250.7	278.3	294.4	316.2	317.6	313.3	334.3	338.6	304.0	315.9	313.1	334.4	328.8	339.7	338.5	341.3	336.0	317.5	301.2	293.4	288.4	300.3
Manufactured goods	230.3	255.6	276.7	294.9	309.6	310.7	313.3	314.3	322.0	327.3	313.5	313.8	313.2	313.5	316.3	319.1	323.2	323.8	327.0	326.7	328.2	330.7	333.3
Services	326.2	362.3	411.0	454.2	484.6	491.8	490.9	499.4	509.1	521.1	489.8	493.5	496.5	500.9	500.9	504.9	508.3	514.2	520.6	524.6	518.2	515.2	516.2
Consumer price index	248.7	270.8	293.6	315.6	333.1	335.0	337.0	339.7	345.2	347.0	337.1	337.5	338.7	339.2	341.3	342.9	345.8	346.9	348.1	346.6	346.2	347.2	349.3
Food, non-alcoholic beverages	227.6	240.4	262.7	282.4	295.6	296.7	296.0	301.6	301.3	294.4	296.6	295.7	301.6	299.8	303.4	301.0	302.2	300.7	298.3	294.1	290.9	288.3	291.1
Alcoholic beverages, tobacco	326.9	340.9	366.8	419.2	471.9	483.3	482.5	494.7	492.2	505.9	481.2	482.2	495.7	494.2	494.2	491.7	491.2	493.7	504.5	506.6	506.6	505.5	505.0
Clothing and footwear	239.5	256.2	261.2	269.8	286.6	275.3	295.1	280.4	297.9	286.3	299.4	293.1	278.8	275.4	287.0	294.2	299.5	300.1	296.2	273.4	289.5	301.1	302.9
Housing, water, electricity, gas	342.8	405.8	450.4	481.1	513.3	514.6	521.8	530.4	543.1	553.4	522.2	523.2	526.4	531.1	533.8	539.1	543.9	546.1	548.3	553.8	558.2	571.1	581.3
Furnishings, household equip.	178.0	188.5	203.5	215.0	225.4	227.3	227.0	227.4	230.4	231.9	226.4	227.1	228.0	227.6	226.7	229.8	230.1	231.4	231.9	232.4	231.4	231.0	231.9
Medical, pharmaceutical products	232.9	269.0	302.2	322.4	341.1	347.0	345.1	346.2	344.9	347.4	343.1	344.4	344.4	347.2	346.8	345.1	344.8	344.8	347.2	347.5	347.5	346.1	346.5
Transport	232.3	265.2	292.2	313.5	328.6	331.2	334.4	339.2	346.0	351.5	333.9	336.9	337.2	339.6	340.9	341.9	348.4	347.7	350.5	351.9	351.9	353.0	355.4
Communications	329.0	349.0	386.8	445.6	452.5	452.4	448.6	451.5	448.5	455.4	450.3	445.3	451.5	451.5	451.5	448.4	447.5	449.7	449.3	458.7	458.3	458.3	458.3
Recreation and culture	270.9	287.4	304.0	325.3	341.2	351.7	340.4	343.0	352.2	368.7	338.6	344.7	343.0	344.0	342.0	345.0	351.3	360.4	370.8	375.7	359.5	350.5	350.2
Education	438.2	477.8	523.1	575.4	600.8	603.6	609.2	636.1	641.8	643.9	609.2	609.2	634.8	636.7	636.7	641.8	641.8	641.8	641.8	641.8	648.2	655.4	655.4
Catering services	332.4	347.7	372.2	406.1	436.2	441.6	443.9	447.9	457.2	461.7	443.5	443.5	447.0	447.9	448.8	455.6	456.5	459.7	460.1	462.4	462.4	468.4	468.0
Miscellaneous goods & services	249.3	265.4	285.9	310.5	330.1	332.3	335.3	339.6	342.9	344.4	335.1	335.7	337.1	341.1	340.8	341.8	343.2	343.8	344.5	344.2	344.5	344.5	344.9
Producer price index	198.0	213.0	232.0	243.9	250.2	250.6	252.1	256.1	260.2	262.5	251.8	253.1	254.2	256.7	257.4	258.9	260.7	261.0	261.8	262.2	263.6	264.3	264.4
Capital goods	172.9	180.7	187.8	192.9	192.2	192.1	193.5	192.1	195.8	199.8	193.5	193.7	192.0	192.1	192.3	193.1	196.8	197.4	198.4	200.4	200.6	200.2	200.2
Intermediate goods	189.4	206.6	226.1	234.5	239.2	239.6	241.1	247.7	252.9	254.6	240.8	242.7	244.4	248.8	249.9	251.6	253.6	253.6	253.6	254.0	256.3	257.7	257.8
Consumption goods	210.3	224.5	246.0	264.5	275.3	275.9	277.4	280.1	282.6	284.9	277.2	277.9	279.3	280.3	280.6	281.9	282.6	283.2	284.9	284.6	285.1	285.3	285.5
PRICE CONTROL ¹																							
Energy prices	298.1	351.3	398.8	423.9	435.0	436.6	437.8	443.0	460.1	476.1	438.2	440.2	439.9	442.6	446.4	451.0	464.4	464.7	470.5	477.7	480.1	488.7	494.9
Oil products	221.0	278.2	328.6	350.2	356.1	355.7	357.0	359.7	376.6	394.0	357.5	359.9	359.6	357.6	361.7	366.8	381.4	381.7	387.8	395.8	398.4	407.9	414.9
Electr. for households	389.6	414.6	437.5	463.0	480.6	486.7	486.7	499.7	506.2	507.5	486.7	486.7	486.7	506.2	506.2	506.2	506.2	506.2	507.5	507.5	507.5	507.5	507.5
Basic utilities	321.2	377.4	475.7	558.3	593.2	602.3	605.9	616.1	644.9	648.5	605.9	603.7	605.8	612.5	629.9	643.8	644.4	646.6	647.7	648.9	648.9	656.6	667.7
Transport & communic.	319.4	335.5	389.6	504.2	524.5	533.0	533.0	533.0	537.3	544.4	533.0	533.0	533.0	533.0	533.0	533.0	539.5	539.5	544.4	544.4	544.4	544.4	544.4
Other controlled prices	225.0	235.3	244.6	257.5	268.9	272.3	272.9	278.8	285.8	291.6	272.9	272.9	278.4	278.8	279.1	285.1	285.9	286.5	287.5	293.7	293.6	294.6	294.9
Direct control – total	303.3	346.0	398.0	439.6	455.8	459.0	460.3	466.1	482.6	496.1	460.6	461.7	462.9	465.5	469.8	475.6	485.8	486.4	491.2	497.7	499.4	506.3	511.8

Source of data: SORS, calculations and estimates IMAD. Note: ¹ the structure of groups varies, data published are not directly comparable to those published previously.

Monetary Indicators	Slovenian Economic Mirror																IMAD			
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	End year						2003				2004										
	1998	1999	2000	2001	2002	2003	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
INTEREST RATES, in %																					
Discount rate	10.00	8.00	8.67	10.75	9.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General legal penal. rate	26.55	20.68	24.65	27.99	21.16	18.25	17.00	17.00	17.00	17.00	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50
Tolar bills (7 days)	3.53	2.70	2.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange bills ¹	3.36	2.75	4.16	4.08	3.14	2.17	1.98	1.98	1.99	1.99	1.93	1.88	1.88	1.98	2.00	2.02	2.02	2.02	2.02	2.02	-
Deposits interest rates (r)																					
Demand deposits (n)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.7	0.7	0.6	0.5	0.5	0.5	0.5	-
Time deposits 31-90 days (r)	1.8	0.9	0.9	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Time deposits over 1 year (r)	4.3	4.0	4.5	4.7	3.6	1.7	1.1	1.1	1.0	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.5	0.4	0.4	-
Lending interest rates																					
Short-term loans	6.9	5.7	6.2	5.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loans	8.1	7.4	7.9	7.8	7.4	6.2	6.1	6.1	5.4	5.2	5.1	5.1	5.1	5.1	5.0	4.9	4.9	5.0	4.7	4.8	-
REVALUATION CLAUSES, in %																					
Tolar: annualised rate	8.51	6.27	9.06	8.62	7.66	5.96	6.26	4.81	4.98	4.81	4.83	5.17	3.60	3.72	3.60	3.72	3.60	3.60	3.72	3.60	-
Forex clause: annualised	2.1	4.7	7.2	4.7	4.0	2.8	1.3	2.7	2.6	2.4	2.8	1.7	2.0	1.7	1.6	2.7	3.4	0.0	0.0	-0.1	-
INVESTMENT, outlays, in SIT mln																					
Total	350215	424136	447992	514497	524626	610923	49242	69096	41567	80711	50119	39878	52836	46134	46098	62554	65083	55228	63793	73938	77390
Industry total	67412	76418	90736	121197	114794	136349	11078	15124	12883	15289	12496	10861	11347	11278	9872	11435	12348	12096	22783	28426	14332
Energy sector	17870	27817	28415	26743	36959	31538	2504	4010	4159	4129	3346	4018	3283	1905	953	1847	1878	2044	2939	2476	3275
Manufacturing	49542	50957	62321	94454	77835	104811	8574	11114	8724	11160	9150	6843	8064	9373	8919	9588	10470	10052	19844	25950	11057
Construction	7591	10933	8825	9391	8937	11350	994	1420	1263	1295	1248	523	1151	1454	1610	1571	1937	1245	1255	3384	2793
Transport and communications	46101	51723	85236	82479	58244	39779	4795	3555	2274	3205	3731	5258	4723	3173	4374	3906	2895	4789	3720	4962	4543
Trade	38429	45234	43452	56554	66950	67852	6444	6097	4077	11185	6694	4954	6108	7512	5882	5700	10315	5662	4740	5242	6361
Hotels and restaurants	5360	7470	8174	7687	9144	14665	1432	612	548	1339	455	675	1049	1385	2631	1261	2031	428	1089	1052	631
Financial and technical services	19866	25335	23217	30796	40339	48049	3941	4663	2603	5392	3212	3116	2663	3130	4007	2627	4111	3202	3605	3895	4502
Other	165456	207023	188352	206393	226220	292876	20558	37625	17919	43006	22283	14491	25795	18202	17722	36054	31446	27806	26601	26977	44228
In econ. infrastructure, total ²	350215	426492	447992	166027	162078	177777	12828	22056	11699	18554	15807	11773	20023	15010	9987	12546	16251	20603	17889	15833	28189
Energy sector	17870	27817	28414	26742	36959	46562	2504	4010	4159	4129	3346	4018	7301	5251	953	1847	1878	2044	2939	2476	3275
Electricity supply	12141	20730	20100	16012	25132	26903	1488	2332	2521	2208	1988	2527	4134	3249	561	1160	1028	1010	1597	1106	2065
Gas supply	633	594	1012	506	1380	1282	98	113	131	137	59	13	49	121	60	43	34	51	30	51	56
Hot water supply	1173	1288	1034	966	1168	2725	329	636	302	212	116	70	178	233	75	20	78	311	315	144	214
Cold water supply	3923	5204	6267	9259	9280	15652	589	929	1205	1572	1184	1407	2941	1647	257	623	738	671	997	1176	940
Transport infrastructure	124580	143403	145410	139285	125119	131215	10324	18046	7540	14425	12461	7755	12723	9760	9034	10700	14373	18559	14950	13356	24914
Railways	10328	9294	34113	30074	16924	1717	142	109	37	54	66	14	7	46	15	18	28	1218	48	47	47
Air traffic	452	491	798	821	618	1774	329	299	184	325	222	141	64	173	91	131	67	37	289	335	529
Roads, motorways	46964	94161	75490	67506	81467	103849	7938	16016	5765	12214	9383	3248	8499	8105	7561	7800	12894	15343	12331	10555	21652
Postal and telecom services	24087	33787	33252	38757	24573	20923	1583	1533	1422	1598	2355	4182	3928	1196	988	2621	870	1373	1889	2074	2346
Other	2386	3023	1757	2127	1538	2952	332	88	133	235	435	171	225	240	379	129	513	588	393	346	340

Sources of data: SORS, BS, AP. Notes: ¹ in DM over forex clause. ² outlays collected on the basis of data for individual investors.

Labour Market

Slovenian Economic Mirror

IMAD

No. 12/2004

p. A 10

Number in thousand	1999	2000	2001	2002	2003	2003					2004												
						2003		2004			2003					2004							
						Q III	Q IV	Q I	Q II	Q III	10	11	12	1	2	3	4	5	6	7	8	9	10
A FORMAL LABOUR FORCE (A=B+E)	877.4	874.8	880.9	886.1	874.9	872.8	874.5	873.7	873.1	874.0	877.4	875.3	870.7	872.9	873.8	874.4	873.7	872.9	872.9	873.0	872.7	876.3	881.6
B PERSONS IN FORMAL EMPLOYM. (C+D)	758.5	768.2	779.0	783.5	777.2	775.1	777.5	775.7	781.6	783.5	778.5	779.1	774.7	773.8	775.6	777.7	779.8	781.4	783.7	782.7	782.4	785.6	789.1
In agriculture, forestry, fishing	45.7	43.3	41.9	43.2	36.1	34.4	34.1	36.6	36.8	37.2	34.3	34.1	33.9	36.6	36.5	36.7	36.9	36.8	36.8	37.2	37.2	37.3	38.6
In industry, construction	307.8	308.4	309.6	312.1	308.0	307.9	307.5	304.5	306.2	306.7	308.7	308.6	305.4	304.1	304.3	305.0	305.4	306.1	307.0	306.6	306.6	307.0	306.7
Of which: in manufacturing	234.1	234.0	236.1	238.4	234.5	233.7	234.1	232.5	232.9	232.3	234.4	234.8	233.0	232.3	232.4	232.8	232.8	232.8	233.1	232.3	232.2	232.3	232.5
In construction	55.1	57.4	56.8	57.1	57.4	58.2	57.6	56.6	57.8	58.9	58.2	58.0	56.7	56.4	56.6	56.7	57.2	57.7	58.4	58.7	58.9	59.2	58.7
In services	405.0	416.4	427.6	428.2	433.1	432.8	435.8	434.7	438.6	439.6	435.6	436.4	435.4	433.2	434.8	436.0	437.5	438.4	439.9	438.9	438.6	441.3	443.7
Of which: in public administration	42.8	44.1	45.8	46.9	49.0	49.2	49.3	49.4	50.3	50.4	49.4	49.4	49.0	49.2	49.3	49.8	50.1	50.3	50.4	50.3	50.3	50.4	51.3
in education, health-services soc. work	104.6	107.2	109.8	102.2	103.0	102.1	103.9	104.6	105.6	104.9	103.7	104.1	104.0	103.9	104.6	105.1	105.4	105.6	105.7	104.6	104.1	106.1	106.8
C FORMALLY EMPLOYED ¹	671.0	683.0	694.8	697.9	699.1	698.8	701.4	697.1	702.8	704.1	702.4	703.0	698.8	695.3	697.1	699.0	701.0	702.4	704.8	703.4	703.0	705.8	707.7
In enterprises and organisations	606.9	615.5	626.4	631.1	633.0	632.1	634.9	632.7	636.8	637.8	635.4	636.2	633.3	631.1	632.8	634.3	635.5	636.4	638.5	637.2	636.8	639.4	641.2
In small scale sector	64.0	67.5	68.4	66.8	66.2	66.7	66.5	64.4	65.9	66.3	67.0	66.9	65.6	64.2	64.2	64.8	65.5	66.0	66.3	66.2	66.1	66.4	66.6
D SELF EMPLOYED AND FARMERS	87.5	85.1	84.2	85.6	78.1	76.3	76.0	78.6	78.9	79.5	76.1	76.1	75.9	78.6	78.6	78.6	78.8	78.9	78.9	79.3	79.4	79.8	81.4
E REGISTERED UNEMPLOYMENT	119.0	106.6	101.9	102.6	97.7	97.7	97.0	98.0	91.5	90.4	98.9	96.2	96.0	99.0	98.1	96.7	93.9	91.5	89.2	90.3	90.3	90.7	92.5
Female	60.2	54.1	51.7	52.5	51.6	52.7	51.4	50.9	48.6	49.0	52.7	51.0	50.3	51.4	50.9	50.4	49.5	48.6	47.7	48.9	49.2	48.8	49.6
By age: Under 26	30.7	25.0	24.5	24.7	25.5	25.2	26.8	25.9	23.2	23.1	28.0	26.6	25.9	26.4	25.9	25.5	24.3	23.1	22.1	22.5	22.5	24.3	26.0
Older than 40	57.7	55.1	51.5	50.7	43.1	42.7	41.3	42.0	40.0	38.8	41.6	41.1	41.3	42.3	42.2	41.5	40.7	40.0	39.2	39.2	38.9	38.4	38.1
Unskilled	56.5	50.4	47.9	48.2	43.2	42.7	41.4	42.0	38.3	36.9	42.1	40.9	41.1	42.3	42.2	41.4	39.6	38.3	37.1	36.8	36.5	37.3	37.7
For more than 1 year	75.8	67.0	60.0	55.8	47.5	46.8	45.3	44.7	42.9	42.1	46.7	45.1	44.2	45.0	44.9	44.2	43.8	43.1	41.8	42.2	41.9	42.2	42.9
Those receiving benefits	36.9	31.0	25.8	24.4	24.3	24.6	23.0	24.3	21.9	21.5	23.1	22.9	23.1	24.6	24.5	23.6	22.1	22.1	21.5	21.5	21.8	21.1	20.7
F RATE OF REG. UNEMPLOYM., E/A, in %	13.6	12.2	11.6	11.6	11.2	11.2	11.1	11.2	10.5	10.3	11.3	11.0	11.0	11.3	11.2	11.1	10.7	10.5	10.2	10.3	10.3	10.3	10.5
G FLOWS OF FORMAL LABOUR FORCE	12.2	-7.5	13.3	-4.8	-10.8	-0.1	-4.0	3.7	-1.5	3.4	2.8	-2.1	-4.6	2.2	0.9	3.5	-0.7	-0.9	0.0	0.1	-0.3	3.6	5.3
New unemployed first job seekers	19.6	20.5	21.9	21.4	25.4	7.4	9.8	4.9	3.9	7.7	6.0	2.3	1.4	1.6	1.4	1.8	1.5	1.2	1.2	1.7	1.7	4.3	5.8
Redundancies	61.1	61.8	65.8	66.0	68.8	17.2	17.5	19.4	14.9	16.5	5.6	5.5	6.4	8.9	4.8	5.7	5.0	5.0	4.9	6.4	4.5	5.6	6.0
Reg.unemployed who found employment	62.4	60.2	52.7	52.2	50.5	11.3	12.6	14.1	14.8	12.7	4.9	4.4	3.3	4.1	4.5	5.5	5.5	5.1	4.3	3.5	3.1	6.1	5.0
Other unemployed erased out of register	30.7	31.9	35.3	39.9	47.3	9.5	16.9	9.5	11.6	10.0	6.1	6.1	4.7	3.4	2.7	3.4	3.8	3.5	4.3	3.5	3.1	3.5	4.9
Change in number of work permits for foreigners	2.6	2.9	-6.4	2.1	3.5	0.6	-2.2	-0.2	1.1	0.6	-1.0	-1.0	-0.2	-0.4	0.0	0.2	0.4	0.2	0.5	-0.3	0.1	0.7	-1.3
Retirements ²	15.1	14.8	14.6	14.8	15.1	3.9	2.5	4.6	3.4	6.3	1.5	0.5	0.6	1.2	2.3	1.1	1.6	0.0	1.8	1.6	2.3	2.4	2.1
Deaths ²	2.7	2.5	2.6	2.5	2.5	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Others who found employment ²	36.0	16.3	48.3	26.8	23.2	5.4	8.2	13.1	8.7	11.4	5.3	3.3	-0.4	5.5	4.4	6.0	2.9	1.4	4.4	3.8	3.2	4.4	7.8
H JOB VACANCIES	12.4	12.9	11.9	11.6	12.1	12.5	12.1	12.3	14.5	14.5	13.5	12.6	10.2	11.9	11.2	13.8	11.9	15.2	16.5	14.1	13.3	16.2	17.3
For fixed term, in %	70.9	70.7	72.4	74.4	73.8	75.0	74.3	72.2	73.8	75.6	74.6	75.3	72.8	70.1	71.8	74.2	72.4	75.5	73.2	76.0	75.5	75.4	74.6
I WORK PERMITS FOR FOREIGNERS	37.6	39.9	38.2	35.3	39.7	41.8	40.0	39.2	40.0	40.4	40.7	39.7	39.5	39.2	39.2	39.3	39.7	39.9	40.4	40.1	40.3	40.9	39.6
As % of labour force (I/A)	4.3	4.6	4.3	4.0	4.5	4.8	4.6	4.5	4.6	4.6	4.6	4.5	4.5	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.6	4.7	4.5

Sources of data: SORS, IPDIS, ESS. Notes: ¹by monthly reports, ²estimated by IMAD, based on data by IPDIS and ESS.

Wages, Competitiveness, Exchange Rate

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	1999	2000	2001	2002	2002	2003	2004			2003	2004									
							Q I	Q II	Q III	12	1	2	3	4	5	6	7	8	9	10
GROSS WAGE PER EMPLOYEE, in SIT ¹																				
Total	173,245	191,669	214,561	235,436	235,436	253,200	258,118	260,828	266,872	277,591	258,224	254,752	261,377	260,231	259,539	262,715	264,317	267,878	268,420	270,303
Agriculture, fishing	161,223	171,605	185,256	200,608	196,197	207,446	210,676	212,448	216,016	229,105	212,687	204,312	215,030	213,678	210,266	213,401	213,776	216,155	218,117	221,536
A Agriculture	161,367	171,669	185,550	201,007	196,758	207,565	210,933	212,665	215,933	229,614	212,896	204,505	215,397	214,037	210,457	213,501	213,530	215,960	218,309	221,763
B Fishing	154,290	166,131	172,752	183,110	183,110	197,567	198,697	202,078	220,015	206,200	203,163	195,340	197,587	196,736	200,986	208,511	225,792	225,148	209,106	211,250
Industry, construction	148,358	164,859	182,498	201,146	200,160	215,547	221,589	223,780	230,531	238,021	220,706	216,280	227,781	222,798	222,468	226,075	227,169	232,043	232,381	233,339
C Mining and quarrying	193,169	218,705	248,031	274,202	274,202	298,122	316,149	313,949	326,938	303,720	315,207	314,574	318,666	309,688	312,535	319,623	320,263	328,648	331,903	335,435
D Manufacturing	144,110	161,296	178,596	197,166	196,220	211,060	217,705	219,429	225,771	234,675	216,909	212,490	223,717	218,540	218,140	221,606	222,966	227,423	226,925	228,418
E Elect., gas&water supply	200,429	219,212	250,000	278,616	277,009	299,812	297,748	301,268	316,468	339,028	298,750	291,435	303,058	299,965	298,926	304,913	305,433	319,548	324,422	321,676
F Construction	147,510	159,541	173,179	189,015	188,911	204,316	209,085	214,341	220,274	217,275	207,022	203,118	217,115	213,240	213,177	216,605	216,374	220,493	223,954	222,418
Production services	167,151	180,635	199,109	216,813	216,457	232,528	238,367	240,945	245,081	265,521	239,259	236,191	239,652	240,704	239,891	242,239	242,397	246,015	246,831	250,784
G Distributive trade	162,907	173,119	189,609	207,203	207,059	222,101	228,304	231,475	235,514	244,045	228,223	226,710	229,979	230,937	231,408	232,079	233,222	235,843	237,476	240,014
H Hotels & restaurants	139,145	150,527	165,159	178,438	178,105	189,230	192,654	196,154	200,353	205,049	196,396	189,900	191,667	197,490	195,417	195,555	197,804	202,619	200,635	202,233
I Transport, storage & communications	186,849	208,417	232,483	252,308	251,625	272,238	279,304	280,894	285,670	336,438	281,058	276,175	280,679	280,164	277,612	284,905	281,925	287,417	287,669	296,320
Business services	211,985	234,470	262,436	287,424	283,209	305,446	308,248	313,060	315,228	359,108	310,610	302,689	311,444	311,512	312,213	315,455	311,190	316,811	317,682	316,796
J Financial intermediation	255,147	279,107	313,370	339,900	339,900	370,832	363,607	379,858	377,558	481,026	368,063	359,819	362,938	370,250	383,031	386,293	372,802	379,400	380,471	378,131
K Real estate	186,301	207,803	233,439	258,709	254,626	273,716	281,329	281,090	285,763	299,842	282,728	274,971	286,288	283,234	278,138	281,899	281,923	287,198	288,168	288,232
Public services	207,409	230,598	262,648	285,571	293,973	312,583	313,836	316,092	324,010	321,235	314,021	313,525	313,963	316,343	314,306	317,626	323,330	324,366	324,333	326,244
L Public administration	223,914	244,662	278,826	299,889	299,889	321,502	319,028	316,723	325,598	320,913	318,334	320,198	318,552	318,420	311,102	320,648	325,673	325,337	325,785	328,065
M Education	192,089	220,572	255,222	288,267	288,038	309,968	315,267	318,919	332,057	320,745	313,337	315,179	317,284	316,831	318,498	321,428	331,246	332,463	332,462	334,828
N Health & social work	203,098	224,575	253,131	267,824	291,318	308,013	306,668	310,330	313,648	316,372	307,867	305,717	306,421	309,154	311,336	310,500	313,768	314,719	312,457	312,879
O Other soc.&person.serv.	228,012	245,579	273,443	293,855	293,764	307,184	312,684	320,186	320,428	336,706	319,944	308,894	309,215	327,855	317,718	314,984	315,898	320,812	324,574	327,639
INDICATORS OF OVERALL COMPETITIVENESS, 1995=100																				
Foreign exchange rates																				
Effective exch. rate ² nominal	127.2	138.4	146.9	151.3	-	151.6	151.5	153.2	153.6	151.3	151.0	151.2	152.2	153.0	153.2	153.4	153.5	153.7	153.6	153
Real (relative consum. prices)	99.0	100.9	101.0	98.4	-	94.8	93.9	94.3	94.4	94.0	93.6	93.9	94.3	94.6	94.2	94.1	93.9	94.6	94.6	94.2
Real (relative ind.prod.prices)	104.1	108.9	107.4	105.3	-	104.0	102.1	103.2	103.3	102.5	102.2	101.5	102.7	103.2	103.2	103.2	103.3	103.5	103.2	103.4
SIT/US\$ ³	181.8	222.7	242.7	240.2	-	207.1	189.8	197.9	196.3	193.0	187.8	187.9	193.8	198.1	198.7	196.9	195.5	197	196.5	192.3
SIT/EUR ³	193.6	205.0	217.2	226.2	-	233.7	237.4	238.5	239.8	236.5	237.0	237.4	237.8	238.2	238.5	238.8	239.7	239.8	239.8	239.8
Unit labour costs ⁴																				
Nominal (original series)	130.8	136.3	147.8	157.2	-	162.4	161.7	164.9	164.8	197.4	170.4	164.4	150.4	172.6	155.7	166.3	161.6	186.2	146.6	156.2
Seasonally adjusted ⁵	-	-	-	-	-	-	164.7	163.7	166.0	163.6	162.6	165.8	165.8	168.3	159.3	163.4	166.2	167.2	164.6	169.4
Real ⁶ (original series)	106.6	103.2	102.8	104.0	-	104.8	101.9	102.3	101.3	125.9	108.2	103.4	94.3	107.5	96.4	102.8	99.6	114.5	89.8	95.4
Seasonally adjusted ⁵	-	-	-	-	-	-	104.0	101.6	101.9	104.4	103.3	104.7	104.0	105.0	98.8	101.1	102.3	102.6	100.6	103.4
In currency basket ⁷ (orig.ser.)	102.8	98.5	100.6	103.9	-	107.1	106.8	107.6	107.3	130.4	112.9	108.7	98.8	112.8	101.7	108.4	105.3	121.1	95.5	102.1
Seasonally adjusted ⁵	-	-	-	-	-	-	108.5	106.9	108.2	108.0	107.4	109.3	109.0	110.1	104.0	106.5	108.3	109	107.4	110.6

Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD. Notes: ¹ data on wages based on SCA, basic data on wages - SORS, since January 2002. SORS' figures used, which ignore the changes in subgroup 85.322 - organisations for handicapped persons. Figures in the second column for 2002 and onwards include corrections made by the SORS to the subgroup 85.322. ² based on market exchange rates, growth in index value denotes drop in the value of tolar and vice versa. ³ exchange rates of BS. ⁴ for manufacturing in enterprises and organisations with three and more employees, nominal, in SIT. ⁵ seasonally adjusted by Tramo-seats method. ⁶ based on producer prices in SIT. ⁷ only domestic factors.

Public Finance

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Current prices in SIT million	1999	2000	2001	2002	2003	2003				2004								
						QIV	QI	QII	QIII	1	2	3	4	5	6	7	8	9
CONSOLIDATED GENERAL GOVERNMENT REVENUES, EXPENDITURES AND FINANCING: GFS - IMF METHODOLOGY																		
CONSOLIDATED GENERAL GOVERNMENT REVENUES																		
TOTAL GENERAL GOVERNMENT REVENUES	1,590,017	1,726,724	1,967,785	2,083,860	2,375,840	650,624	604,410	638,589	611,310	200,515	182,087	221,808	243,633	216,558	178,398	196,195	204,758	210,357
Current revenues	1,579,255	1,695,040	1,937,367	2,043,509	2,338,713	630,765	599,529	620,952	595,542	199,532	180,115	219,883	235,811	214,636	170,505	191,302	199,756	204,485
Tax revenues	1,499,430	1,599,594	1,798,343	1,909,594	2,189,486	596,393	559,497	581,890	553,047	192,202	171,114	196,182	221,062	202,711	158,116	179,818	188,389	184,841
Taxes on income and profit	273,818	311,429	357,877	395,045	460,520	119,309	112,480	151,416	108,442	36,906	36,351	39,223	65,356	48,325	37,735	35,124	34,601	38,718
Social security contributions	496,371	552,574	620,908	681,816	737,632	198,482	190,353	195,279	198,657	62,446	62,534	65,373	65,117	64,980	65,182	66,114	65,504	67,038
Taxes on payroll and workforce	55,416	68,071	83,369	93,897	107,424	29,694	27,955	28,568	28,821	9,527	9,200	9,229	9,373	9,647	9,548	9,798	9,602	9,422
Taxes on property	26,597	26,513	32,965	34,428	34,419	9,594	4,447	9,158	13,705	1,139	1,601	1,707	1,439	3,476	4,243	3,841	5,477	4,388
Domestic taxes on goods and services	601,470	602,895	673,380	672,703	814,577	229,147	214,472	189,780	196,598	79,512	57,480	77,480	76,205	73,291	40,284	59,277	72,644	64,677
Taxes on internat. trade & transactions	45,657	38,089	29,607	31,341	34,653	10,084	8,096	7,287	1,717	2,600	2,468	3,028	3,448	2,848	990	618	537	562
Other taxes	100	23	238	365	261	84	1,696	401	5,105	73	1,481	142	123	144	134	5,047	23	35
Non-tax revenues	79,825	95,447	139,024	133,915	149,227	34,372	40,032	39,062	42,495	7,330	9,001	23,701	14,748	11,925	12,389	11,483	11,368	19,644
Capital revenues	6,430	9,674	10,199	15,165	15,857	7,307	3,631	3,417	3,777	746	1,739	1,146	1,514	905	998	1,445	928	1,403
Voluntary donations	4,332	7,421	10,788	14,223	13,384	5,762	317	728	370	166	181	-30	184	99	446	99	165	106
Grants	0	14,588	9,431	10,962	7,887	6,790	180	182	183	60	29	91	122	26	34	66	94	23
Receipts from the EU budget	-	-	-	-	-	-	754	13,310	11,438	11	24	718	6,002	893	6,415	3,283	3,815	4,340
CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE																		
TOTAL EXPENDITURE	1,613,314	1,781,444	2,030,978	2,239,883	2,454,309	679,776	610,593	686,278	635,552	197,008	197,429	216,156	232,831	239,871	213,577	211,026	213,499	211,027
Current expenditure	707,925	797,009	924,007	1,025,999	1,123,938	296,444	269,884	303,972	256,592	84,260	89,077	96,547	117,534	96,721	89,717	86,715	84,813	85,065
Wages, salaries and other personnel expenditure in government agencies and local communities	350,639	387,501	456,410	514,924	561,191	140,943	138,341	154,260	144,525	45,892	46,663	45,786	59,254	47,397	47,609	47,706	48,429	48,389
Purchases of goods and services in state bodies and local communities	295,789	335,955	385,770	417,688	451,440	126,418	96,148	107,538	99,679	32,115	31,679	32,354	36,483	36,206	34,849	33,787	32,944	32,948
Interest payments	50,945	60,956	72,809	83,528	92,661	14,954	33,742	34,228	7,530	5,647	10,213	17,883	16,360	11,871	5,997	3,155	2,124	2,251
Reserves	10,552	12,597	9,018	9,858	18,646	14,129	796	966	2,192	326	205	266	418	274	274	1,146	465	581
Current transfers	737,619	813,491	908,026	1,006,977	1,097,369	287,421	298,851	324,661	303,007	96,935	97,594	104,322	101,613	123,399	99,648	101,284	101,767	99,955
Subsidies	63,088	58,951	63,161	60,435	69,470	26,775	21,856	12,423	13,846	9,034	5,383	7,439	4,905	3,982	3,536	5,262	4,219	4,364
Current transfers to individuals and households	648,071	731,077	821,358	910,391	986,100	247,527	253,222	282,621	257,983	82,068	85,190	85,964	86,907	109,894	85,820	86,405	86,466	85,112
Current transfers to non-profit institut., other current domestic transfers	21,245	19,641	18,085	31,075	36,722	11,660	23,086	28,221	30,135	5,693	6,983	10,411	9,520	9,427	9,274	9,298	10,705	10,133
Current transfers	5,214	3,822	5,421	5,076	5,077	1,459	688	1,395	1,043	140	38	509	280	96	1,018	320	377	346
Capital expenditure	109,476	111,003	127,996	128,733	142,131	60,915	25,578	26,471	35,804	10,330	8,049	7,199	7,577	8,528	10,366	10,531	11,932	13,341
Capital transfers	58,294	59,942	70,949	78,174	90,871	34,997	16,280	20,833	23,104	5,483	2,709	8,088	6,106	6,055	8,672	6,791	9,340	6,973
Payments to the EU budget	-	-	-	-	-	-	0	10,342	17,044	0	0	0	0	5,169	5,173	5,705	5,647	5,692
SURPLUS / DEFICIT	-23,297	-54,720	-63,193	-156,023	-78,469	-	-	-	-	-	-	-	-	-	-	-	-	-

Source of data: MF Bulletin.

Main Indicators	Slovenian Economic Mirror	IMAD
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Real growth rates, in %	From the Autumn report 2004							
	1999	2000	2001	2002	2003	2004	2005	2006
						Estimate	Forecast	
GDP	5.6	3.9	2.7	3.3	2.5	4.0	3.8	3.9
GDP per capita, in EUR	10,088	10,425	11,007	11,775	12,319	12,994	13,854	14,777
GDP per capita, PPS ¹	13,700	14,500	15,300	16,000	16,400	-	-	-
Standardised rate of unemployment (ILO)	7.6	7.0	6.4	6.4	6.7	6.4	6.1	5.9
Labour productivity (GDP per employee)	4.1	3.1	2.2	3.7	2.8	3.6	3.5	3.5
Inflation ² , annual average	6.1	8.9	8.4	7.5	5.6	3.6*	3.0	2.7
INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS								
Exports of goods and services ³	1.6	13.0	6.3	6.7	3.2	8.5	5.8	6.6
Exports of goods	2.7	12.9	7.0	6.5	4.4	8.6	6.0	6.8
Exports of services	-3.7	13.6	3.1	7.9	-2.4	8.1	5.0	5.8
Imports of goods and services ³	8.0	7.6	3.0	4.9	6.8	9.2	6.5	6.5
Imports of goods	8.6	7.7	3.2	4.4	7.3	9.7	6.5	6.4
Imports of services	4.2	6.9	1.9	8.1	3.3	5.7	6.7	7.0
Current account balance, In EUR million	-664	-583	38	335	-91	-60	-100	-125
Average exchange rate, SIT/EUR	193.6	205.0	217.2	226.2	233.7	238.8	239.6	239.6
Foreign exchange reserves, In EUR million	4,104	4,705	6,514	7,842	7,703	7,355 ⁴	-	-
Gross external debt, In EUR million	8,012	9,490	10,403	11,455	13,305	14,825 ⁵	-	-
DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS (share in GDP in %)								
Private consumption	57.6	57.1	56.3	54.6	54.4	54.2	53.9	53.6
Government consumption	19.3	19.8	20.5	20.2	20.3	20.0	19.8	19.7
Gross fixed capital formation	26.3	25.1	24.5	23.3	23.9	24.6	25.2	25.6
CONSOLIDATED GENERAL GOVERNMENT REVENUE AND EXPENDITURE BY THE GFS – IMF METHODOLOGY (as a % of GDP)								
General government revenue	41.0	40.6	41.3	29.2	41.3	-	-	-
General government expenditure	41.6	41.9	42.6	32.1	42.7	-	-	-
Surplus (deficit)	-0.6	-1.3	-1.3	-2.9	-1.4	-	-	-
Sources of data: SORS, BS, MF, calculations, estimate and forecasts by the IMAD.								
Notes: ¹ Eurostat – New Cronos, october 2004; ² the consumer price index; ³ balance of payments statistics (exports F.O.B., imports F.O.B.), changes in exchange rates and prices in foreign markets eliminated by calculating real rates;								
⁴ October 2004, ⁵ September 2004, * SORS.								

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	Real GDP growth				GDP per capita in PPS ¹ . EU25=100				Inflation ² (annual average)			
	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003
Slovenia	3.9	2.7	3.3	2.5	73.7	75.2	76.4	77.3	8.9	8.6	7.5	5.7
EU25	3.6	1.7	1.0	0.9	100	100	100	100	2.4	2.5	2.1	1.9
Euro Area	3.5	1.6	0.8	0.5	109.1	108.6	108.1	107.3	2.1	2.3	2.3	2.1
Belgium	3.8	0.6	0.7	1.1	117.5	117.9	117.2	117.0	2.7	2.4	1.6	1.5
Czech Republik	3.3	2.6	1.5	3.1	65.3	66.5	68.2	69.0	3.9	4.5	1.4	-0.1
Denmark	2.8	1.6	1.0	0.5	127.6	127.1	123.5	123.9	2.7	2.3	2.4	2.0
Germany	2.9	0.8	0.1	-0.1	112.7	110.8	109.4	108.5	1.4	1.9	1.3	1.0
Estonia	7.8	6.4	7.2	5.1	41.9	43.2	45.1	46.7	3.9	5.6	3.6	1.4
Greece	4.5	4.3	3.6	4.5	72.9	74.2	78	80.1	2.9	3.7	3.9	3.4
Spain	4.2	2.8	2.0	2.4	92.1	92.8	94.7	95.8	3.5	2.8	3.6	3.1
France	3.8	2.1	1.2	0.5	114.7	115.5	115.4	114.0	1.8	1.8	1.9	2.2
Ireland	10.1	6.2	6.9	1.4	127.1	129.7	138	131.5	5.3	4.0	4.7	4.0
Italy	3.0	1.8	0.4	0.3	112	110.3	108.3	107.3	2.6	2.3	2.6	2.8
Cyprus	5.0	4.0	2.0	2.0	84.4	86.5	84.2	83.7	4.9	2.0	2.8	4.0
Latvia	6.9	8.0	6.4	7.5	35.7	37.7	39.7	42.6	2.6	2.5	2.0	2.9
Lithuania	3.9	6.4	6.8	9.0	38.8	41.0	43.5	46.0	0.9	1.3	0.4	-1.1
Luxembourg	9.0	1.3	1.7	2.1	219.9	214.2	208.9	209.3	3.8	2.4	2.1	2.5
Hungary	5.2	3.8	3.5	2.9	53.8	56.8	58.7	61.0	10.0	9.1	5.2	4.7
Netherlands	3.5	1.2	0.2	-0.7	122.4	124.9	122.6	120.3	2.3	5.1	3.9	2.2
Austria	3.4	0.8	1.4	0.7	126.4	123.4	122.0	121.6	2.0	2.3	1.7	1.3
Poland	4.0	1.0	1.4	3.8	46.1	46.2	45.8	46.4	10.1	5.3	1.9	0.7
Portugal	3.4	1.6	0.4	-1.2	77.8	77.6	77.3	75.0	2.8	4.4	3.7	3.3
Slovakia	2.0	3.8	4.4	4.2	48.2	49.2	51.7	51.4	12.2	7.2	3.5	8.5
Finland	5.1	1.1	2.3	1.9	115.0	114.8	112.0	110.5	3.0	2.7	2.0	1.3
Sweden	4.3	0.9	2.1	1.6	120.5	117.0	115.2	115.8	1.3	2.7	2.0	2.3
United Kingdom	3.9	2.3	1.8	2.2	114.8	115.8	118.2	119.5	0.8	1.2	1.3	1.4
USA	3.7	0.8	1.9	3.0	157.6	154.0	153.3	154.0	3.4	2.8	1.6	2.3

Sources of data: SORS; Eurostat, New Cronos. Notes: ¹PPS – Purchasing Power Standard. The data for 2001 are final, the data for 2002 and 2003 are provisional (2002 – second estimate, 2003 – first estimate). ²Harmonised Index of Consumer Prices for EU countries and Consumer Price Index for the USA.

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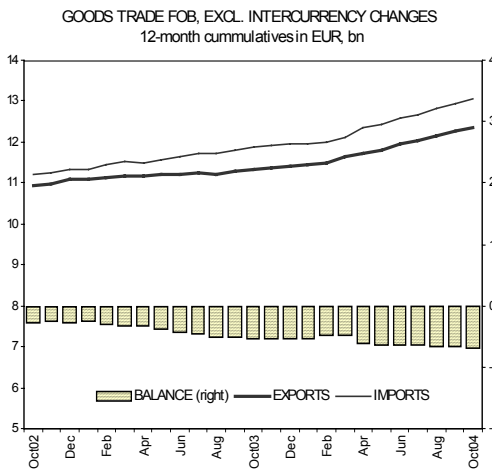
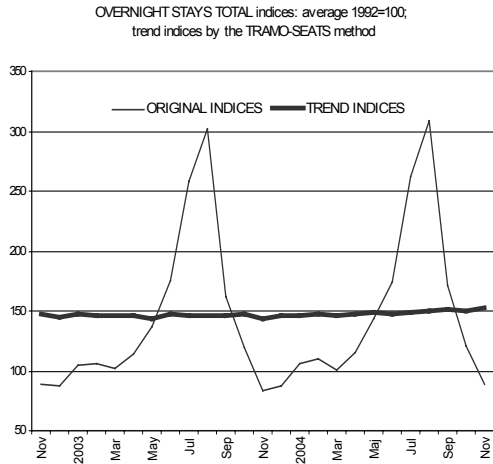
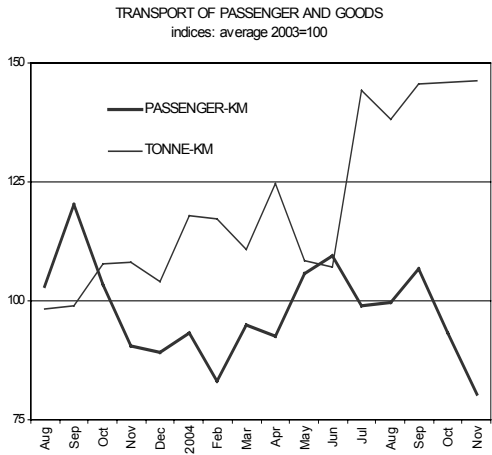
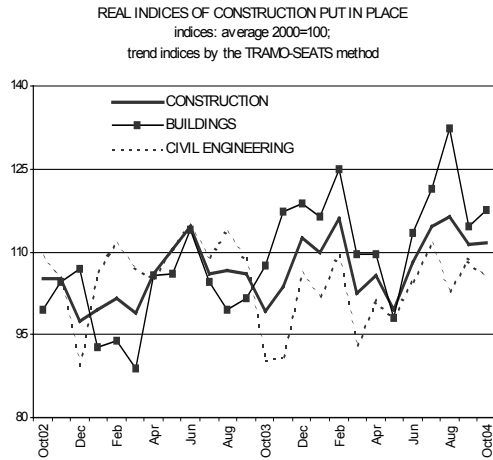
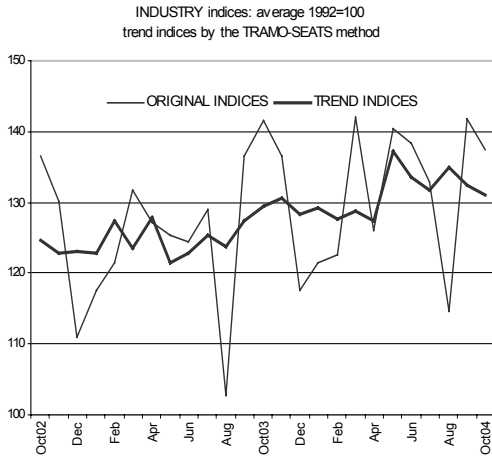
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	Survey Unemployment Rate ¹				Current account balance, % GDP				General Government Balance, % GDP				General Government Gross Debt ² , % GDP			
	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003
Slovenia	6.6	5.8	6.1	6.5	-2.8	0.2	1.4	-0.4	-3.5	-2.8	-2.4	-2.0	27.4	28.1	29.5	29.5
EU25	8.7	8.5	8.9	9.1	-	-	-	-	0.8	-1.2	-2.3	-2.8	62.9	62.1	61.6	63.3
Euro Area	8.4	8.0	8.4	8.9	-0.5	0.2	0.8	0.3	0.2	-1.7	-2.4	-2.7	69.6	69.5	69.4	70.7
Belgium	6.9	6.7	7.3	8.1	3.9	3.7	5.3	3.8	0.2	0.6	0.1	0.4	109.1	108.1	105.8	100.7
Czech Republik	8.7	8.0	7.3	7.8	-4.9	-5.4	-5.6	-6.2	-3.7	-5.9	-6.8	-12.6	18.2	25.3	28.8	37.8
Denmark	4.4	4.3	4.6	5.6	1.5	3.1	2.0	3.0	1.7	2.0	0.7	0.3	52.3	49.2	48.8	45.9
Germany	7.8	7.8	8.7	9.6	-1.4	0.1	2.2	2.2	1.3	-2.8	-3.7	-3.8	60.2	59.4	60.9	64.2
Estonia	12.5	11.8	9.5	10.1	-5.5	-5.6	-10.2	-13.2	-0.6	0.3	1.4	3.1	4.7	4.4	5.3	5.3
Greece	11.0	10.4	10.0	9.3	-7.3	-6.9	-6.0	-5.7	-4.1	-3.7	-3.7	-4.6	114.0	114.7	112.5	109.9
Spain	11.3	10.6	11.3	11.3	-3.4	-2.8	-2.4	-2.8	-0.9	-0.4	-0.1	0.4	61.1	57.5	54.4	50.7
France	9.1	8.4	8.9	9.4	1.4	1.6	1.0	0.3	-1.4	-1.5	-3.2	-4.1	56.8	56.5	58.8	63.7
Ireland	4.3	3.9	4.3	4.6	-0.4	-0.7	-1.3	-1.4	4.4	0.9	-0.2	0.1	38.3	35.9	32.7	32.1
Italy	10.4	9.4	9.0	8.6	-0.5	-0.1	-0.6	-1.5	-0.6	-2.6	-2.3	-2.4	111.2	110.6	107.9	106.2
Cyprus	5.2	4.4	3.9	4.4	-5.1	-4.3	-5.4	-4.4	-2.4	-2.4	-4.6	-6.4	61.6	64.3	67.4	70.9
Latvia	13.7	12.9	12.6	10.5	-6.4	-8.9	-6.5	-8.6	-2.8	-2.1	-2.7	-1.5	12.9	14.9	14.1	14.4
Lithuania	16.4	16.4	13.5	12.7	-5.9	-4.7	-5.2	-6.7	-2.5	-2.0	-1.5	-1.9	23.8	22.9	22.4	21.6
Luxembourg	2.3	2.1	2.8	3.7	12.7	8.4	11.5	9.3	6.0	6.4	2.8	0.8	5.5	5.5	5.7	5.4
Hungary	6.3	5.6	5.6	5.8	-8.7	-6.2	-7.2	-8.9	-3.0	-4.4	-9.2	-6.2	55.4	53.5	57.2	59.1
Netherlands	2.9	2.5	2.7	3.8	2.0	1.9	2.5	2.2	2.2	-0.1	-1.9	-3.2	55.9	52.9	52.6	54.1
Austria	3.7	3.6	4.2	4.3	-2.6	-1.9	0.3	-0.9	-1.5	0.3	-0.2	-1.1	67.0	67.1	66.6	65.1
Poland	16.4	18.5	19.8	19.2	-6.0	-2.9	-2.6	-1.9	-0.7	-3.8	-3.6	-3.9	36.6	36.7	41.1	45.4
Portugal	4.1	4.0	5.0	6.3	-10.4	-9.5	-6.8	-5.1	-2.8	-4.4	-2.7	-2.8	53.3	55.8	58.4	60.3
Slovakia	18.7	19.4	18.7	17.1	-3.5	-8.4	-8.0	-0.9	-12.3	-6.0	-5.7	-3.7	49.9	48.7	43.3	42.6
Finland	9.8	9.1	9.1	9.0	7.7	7.1	6.8	5.7	7.1	5.2	4.3	2.3	44.6	43.8	42.6	45.6
Sweden	5.6	4.9	4.9	5.6	4.1	4.4	5.4	6.4	5.1	2.8	0.0	0.3	52.8	54.4	52.6	52.0
United Kingdom	5.4	5.0	5.1	5.0	-2.5	-2.3	-1.7	-1.9	3.8	0.7	-1.7	-3.3	42.0	38.8	38.3	39.8
USA	4.0	4.8	5.8	6.0	-4.2	-3.8	-4.5	-4.8	1.4	-0.5	-3.4	-4.9	58.8	58.6	60.6	63.1

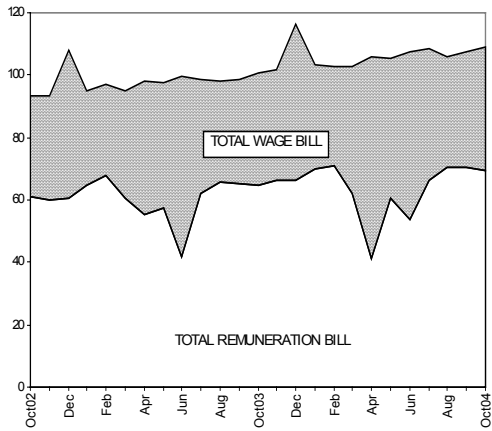
Sources of data: SORS; Eurostat, New Cronos. Notes: ¹Eurostat's definition; ²data from Eurostat release of 23 September 2004.

Graphs

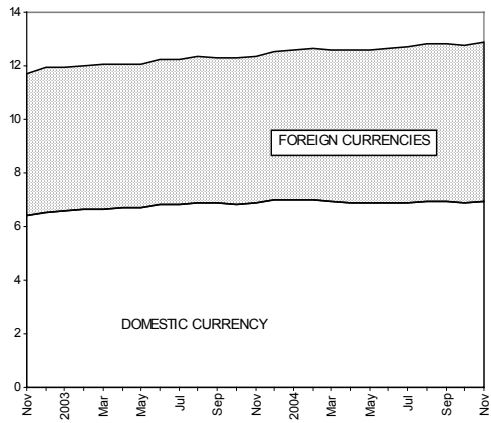


Graphs

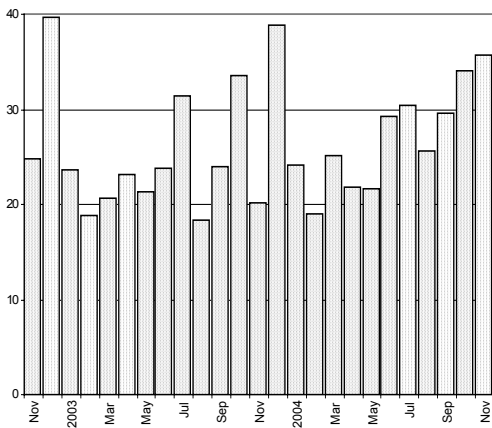
NET WAGES AND OTHER REMUNERATION, in SITbn



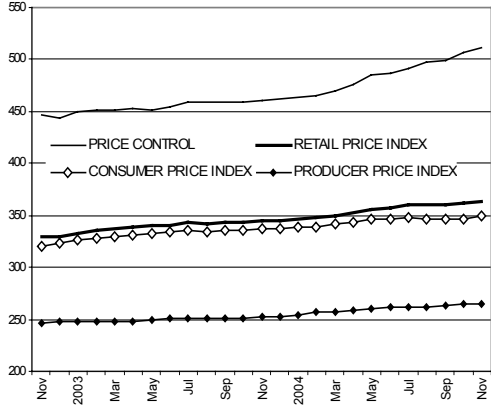
HOUSEHOLDS' DEPOSITS in SITbn in constant 1995 prices



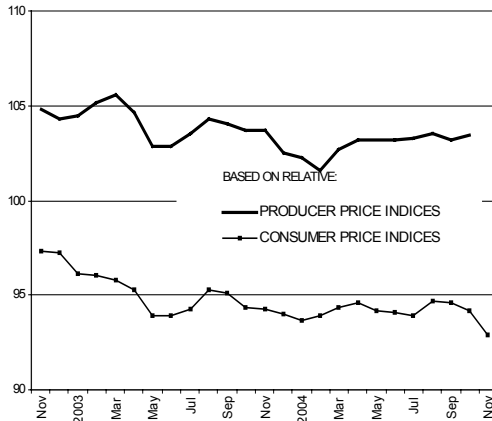
PAYMENTS FOR INVESTMENT in SITbn, constant 1993 prices



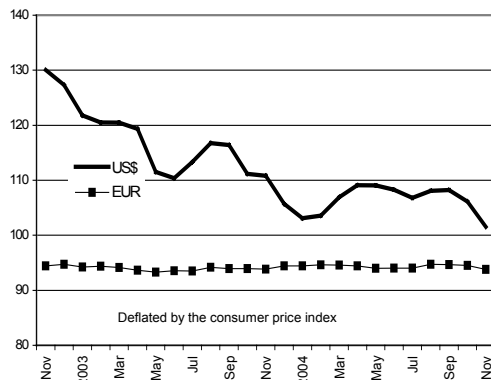
GROWTH IN SELECTED PRICE INDICATORS INDICES: 1992=100



FOREIGN EFFECTIVE EXCHANGE RATE IN REAL TERMS INDICES: AVERAGE 1995=100



FOREIGN EXCHANGE RATE OF SELECTED CURRENCIES IN REAL TERMS, INDICES: AVERAGE 1995 = 100



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Acronyms in the text have the following meanings: **AIS**-Agricultural Institute of Slovenia, **AP**-Agency of the Republic of Slovenia for Payments, **APr**-Agency of the Republic of Slovenia for Privatisation, **APLRS**-Agency for Public Legal Records and Related Services, **BS**-Bank of Slovenia, **CCIS**-Chamber of Commerce and Industry of Slovenia, **CSCC**-Central Securities Clearing Corporation, **EIMV**-Electro Institute Milan Vidmar, **ELES**-Electro Slovenia, **ESS**-Employment Service of Slovenia, **HICP**-Harmonized Index of Consumer Prices, **HII**-Health Insurance Institute, **ICT**-information and communications technologies, **IER**-Institute for Economic Research, **IMAD**-Institute of Macroeconomic Analysis and Development, **IPI**-Industrial Price Index, **LSE**-Ljubljana Stock Exchange, **MAFF**-Ministry of Agriculture, Forestry and Food, **MEA**-Ministry of Economic Affairs, **MES**-Ministry of Education and Sport, **MF**-Ministry of Finance, **MIA**-Ministry of Internal Affairs, **MLFSA**-Ministry of Labour, Family and Social Affairs, **MST**-Ministry of Science and Technology, **N/A** or (-) – not available, **N/R** – not reasonable, **NFC**-National Financial Corporation, **OG**-Uradni list Republike Slovenije (Official Gazette of the Republic of Slovenia), **PPA**-Public Payments Administration of the Republic of Slovenia, **PDII**-Pension and Disability Insurance Institute, **SDC**-Slovene Development Corporation, **SEC**-Slovene Exports Corporation, **SIA**-Slovenian Insurance Association, **SITC**-Standard International Trade Classification, **SORS**-Statistical Office of the Republic of Slovenia.

Acronyms of Standard Classification of Activities (SCA): A-Agriculture, hunting, forestry, B-Fishing, C-Mining and quarrying, D-manufacturing, DA-food beverages and tobacco, DB-textiles and textile products, DC-leather and leather products, DD-wood and wood products, DE-paper, publishing, printing, DF-coke, petroleum products and nuclear fuel, DG-chemicals, DH-rubber and plastic products, DI-non-metal mineral products, DJ-metals and metal products, DK-machinery and equipment, DL-electrical and optical equipment, DM-transport equipment, DN-furniture and NEC, E-Electricity, gas and water supply, F-Construction, H-Hotels and restaurants, G-Wholesale, retail, trade, repair, H-Hotels and restaurants, I-Transport, storage, communications, J-Financial intermediation, K-Real estate, renting and business activities, L-Public administ.& defence; comp.soc.sec., M-Education, N-Health and social work, O-Other social and personal services .

Acronyms of Countries: AT-Austria, BE-Belgium, BG-Bulgaria, BY-Belarus, CH-Switzerland, CZ-Czech Republic, CY-Cyprus, DE-Germany, DK-Denmark, ES-Spain, EE-Estonia, EL-Greece, FR-France, FI-Finland, HU-Hungary, I-Italy, IE-Ireland, JP-Japan, LU-Luxembourg, LV-Latvia, LT-Lithuania, MT-Malta, NL-Netherlands, NO-Norway, PT-Portugal, RO-Romania, RU-Russia, SE-Sweden, UA- Ukraine, UK-United Kingdom, US-United States of America, PL-Poland, SI-Slovenia, SK-Slovakia.

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