

**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 8<sup>th</sup> 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	November	3.1	4.7	4.8	5.8
Mining and quarrying	November	8.0	-1.1	-2.3	0.9
Manufacturing	November	2.4	4.8	5.0	6.0
Electricity, gas and water supply	November	3.7	5.7	4.3	4.5
Exports of goods (FOB, real terms)	November	-3.1	10.2	9.7	10.2
Imports of goods (FOB, real terms)	November	2.9	11.6	10.9	11.1
Unit labour costs <sup>1</sup>	November	1.3	1.3	0.8	0.2
Tolar's real effective exchange rate <sup>2</sup>	December	-0.3	1.0	1.0	0.9
Gross wage per employee, real terms	November	7.4	2.1	1.8	1.8
Total household savings in banks, real terms	December	4.8	7.5	4.2	3.7
General government revenue, real terms	December	12.4	3.2	2.7	2.0
Growth in the no. of persons in paid employment	November	0.1	0.6	0.5	0.4
Growth in the no. of registered unemployed	December	-0.2	-5.0	-4.9	-4.9
Growth in the no. of job vacancies	December	-0.5	16.5	15.0	15.5
		Month			
		current	previous	pre-previous	
Registered unemployment rate	November	10.3	10.5	10.3	
		current	cumulative <sup>3</sup>	annual <sup>4</sup>	
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:* <sup>1</sup>in manufacturing, in the currency basket, current month trend against previous month established by TRAMO-SEATS, <sup>2</sup>measured by relative consumer prices, <sup>3</sup>total from January to the current month, <sup>4</sup>total over the last 12 months.

The year-on year growth of **merchandise exports**, which was particularly strong before Slovenia's entry to the EU, has remained at a high level since August (10.2% in November, measured in EUR). The high growth of goods exports to Russia and Serbia has exceeded expectations most markedly. The growth in the direction of the EU-25 was also slightly above the estimates. Exports to Italy, France and some smaller countries of the euro area expanded, exports to Germany eased off towards the end of the year, while exports to new EU members remain at a high level (see p. 4). The high growth that was recorded in exports to BIH and Macedonia prior to EU entry is slowing down rapidly. Despite these favourable dynamics, we estimate that the real growth of exports softened slightly in the final quarter of 2004 due to the effect of the high oil prices and price rises of products of European industrial producers. **Manufacturing** also recorded favourable trends on the back of the high exports growth and the growth recorded in imports of intermediate goods. Production volumes picked up especially in export-oriented industries, while they continued to fall in labour-intensive industries. After EU accession, production volumes also started to decline in the food-processing industry due to the abolition of foreign-trade protection. The overall growth of manufacturing's production volumes, which accelerated after EU accession, began to ease slightly towards the end of the year but nevertheless remained in line with the autumn forecast, coming in at 4.8% in the eleven months to November year on year (see p. 13). As a result of the higher expectations, business optimism picked up in January despite the high level of inventories and low level of total order books. Expectations about exports also improved. The high growth of consumer goods imports was driven by last year's strengthened growth of private consumption which is within the scope of the autumn projections. This is also linked to the high growth of long-term **loans to households** (reaching the highest rate since 1999), which strengthened robustly in the second half of 2004 partly due to the release of funds from the National Housing Savings Scheme. The growth of **tolar lending to enterprises** was slightly lower than in 2003, while the growth of foreign currency loans, which had already been high in previous years, strengthened further (to 45.6% in real terms). On the other hand, corporate borrowing abroad decreased slightly compared to the year before (see p. 8). Last year's growth of **household savings in banks**, in comparison, remained modest until November. However, due to December's robust rise (notably in demand deposits) it exceeded the growth of 2003. December's growth was linked to seasonal impacts (payments of Christmas bonuses and '13<sup>th</sup> month' salaries) as well as to the new tax legislation regulating capital gains from major shares in enterprises (see p. 9). The high growth of demand deposits in 2004 was also due to the release of funds from the National Housing Savings Scheme and the low interest rates on demand deposits. While tolar household saving in banks was modest last year, foreign currency savings and investments in mutual funds were on the increase throughout the year. The net inflows in mutual funds exceeded the total net inflows from all previous years. This form of saving hence already represents almost 9% of total household savings in banks (see p. 7 and 9). Following the gradual depreciation and the simultaneous lowering of interest rates seen in the first half of 2004, the BS stabilised the **tolar's exchange rate** after entry to the ERM II and stopped cutting its key **interest rates** (see p. 6). The effects of these changes were especially visible in the lowering of price rises (inflation stood at 0.4% in the second half of the year, down from 1.1% recorded in the comparable period of 2003). **Wage** dynamics remained within the scope of the autumn forecasts until November according to available figures. In the first eleven months of 2004, the average Slovenian gross wage per employee thus rose by 2.1% in real terms year on year. In the private sector, gross wages recorded 3.3% real growth on the back of the favourable economic trends and partly due to the payments effected at the end of the year, while they fell by 0.9% in real terms in public services (see p. 11). Like every year, many people with fixed-term contracts were dismissed in December 2004 (4,000). The number of workers who lost their jobs as a result of bankruptcy also recorded an increase. On average, **registered unemployment** (92,826 people) was nevertheless 5.0% lower in 2004 than in 2003 (see p. 10).

**National competitiveness measured by the WEF** improved in 2004 according to the growth competitiveness index, although Slovenia was ranked lower in the overall rankings due to its lower values achieved in technology indices and the index measuring the efficiency of public finances. The competitiveness of public institutions improved last year. Slovenia's business competitiveness index rose on account of the improved quality of the national business environment (see pp. 18-19).

**The preliminary estimates of economic growth in Slovenia's main trading partners in 2004 indicate that, for the most part, the autumn economic growth forecasts materialised in these countries.** Economic growth in the USA totalled 4.4%, reaching its peak after 1999 (3% in 2003). By quarters, the US economy's growth was falling (3.7% in Q4 year on year, mainly due to the slowdown of private investment and exports growth). According to estimates, the euro area is also set to achieve the projected 1.8% GDP growth. According to the preliminary estimate of the German statistical office, economic growth in Germany, which was again generated entirely by exports, was also in line with expectations in 2004 (1.7%).

**After the fall seen in the final quarter of 2004, oil prices have risen again in 2005.** The price of Brent crude reached its highest average monthly value in October (USD 49.8/barrel) but fell considerably up until the end of the year (December's average was USD 39.4/barrel). The annual average totalled USD 38.3/barrel, which does not derogate substantially from the assumption given in the IMAD's autumn forecast (USD 37/barrel). Oil prices started to rise again at the beginning of 2005 (in the final week of January, the price stood at USD 46-47/barrel). This development is primarily linked to the geopolitical uncertainties and the economic upturn in China, and partly to the low winter temperatures.

<b>Balance of Payments</b>	Slovenian Economic Mirror	IMAD
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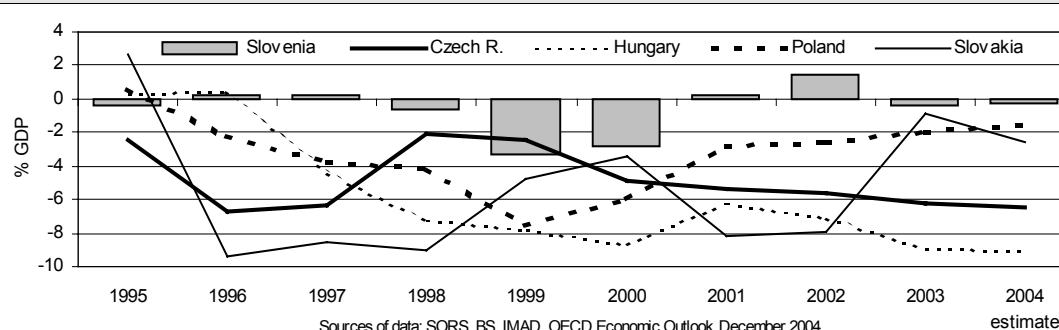
Balance of Payments, Jan-Nov 2004, EUR million	Inflows	Outflows	Balance <sup>1</sup>	Balance Jan-Nov 2003
<b>Current account</b>	15,183.3	15,152.5	30.8	33.3
Trade balance (FOB)	11,620.0	12,199.8	-579.8	-387.8
Services	2,541.2	1,915.7	625.5	506.3
Factor services	492.5	562.0	-69.5	-158.3
Unrequited transfers	529.6	475.0	54.6	73.0
<b>Capital and financial account</b>	2,520.2	-2450.0	70.3	-223.2
Capital account	71.4	-208.9	-137.4	-123.5
Capital transfers	70.3	-208.3	-138.0	-121.7
Non-produced, non-financial assets	1.1	-0.6	0.5	-1.8
Financial account	2,448.8	-2,241.1	207.7	-99.7
Direct investment	196.5	-385.8	-189.3	-145.4
Portfolio investment	0.0	-662.4	-662.4	-178.5
Financial derivatives	0.0	-0.6	-0.6	0.0
Other long-term capital investment	1,986.1	-1,192.3	793.8	471.9
Assets	0.0	-1,192.3	-1,192.3	-1,026.3
Liabilities	1,986.1	0.0	1,986.1	1,498.2
International reserves (BS)	266.2	0.0	266.2	-247.8
<b>Statistical error</b>	0.0	-101.0	-101.0	190.0

Source of data: Bank of Slovenia. Notes: <sup>1</sup> 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.

**In the first eleven months of 2004 the current account surplus remained at approximately the same level as in the equivalent period of 2003 although the flows of goods and services strengthened.** According to preliminary figures from the external trade statistics, the nominal level of trade in goods decreased slightly in November 2004 over October: exports fell by 3.1% while imports were up 2.9%. In the first eleven months of 2004, **exports of goods** rose by 10.2% in nominal terms over the same period of 2003. Exports to the EU-25 countries recorded an 8.6% increase, which accounted for almost two-thirds of the total merchandise exports growth. Exports rose not only to the 'traditional' trading partners but also to some smaller EU-25 members (Belgium, Cyprus, Denmark and Luxembourg). The new external trade regime with countries of former Yugoslavia particularly affected trade with BiH and Macedonia. From May to November, exports to these two countries dropped by 7% and 13.5%, respectively, compared to the same period of 2003, notably in those goods on which customs duties were raised the most (food and beverages, leather, wood and paper products and electrical machinery). **Imports of goods** nominally rose by 11.6% in the first eleven months of 2004 compared to the same period of 2003 (imports from the EU-25 were up 16.1% while imports from non-member states fell by 2.7%). In the breakdown of imports by degree of processing, the share of processed products increased most markedly (from 23% to 24.5%), the share of highly processed products shrank (from 72.3% to 70.8%), while the share of unprocessed products remained unchanged (4.7%). We estimate that, compared to the same period of 2003, the trade deficit with the EU-25 widened by EUR 731.1 m (to EUR 1,921 m), and the trade surplus with non-member states expanded by EUR 539.0 m (to EUR 1,341.2 m). The surplus in the services balance expanded on the back of increased net exports of transport and travel on one hand and smaller net imports of other services on the other. The smaller deficit in the balance of factor incomes was largely the result of lower estimates of reinvested profits of foreign investors compared to the same period of 2003. The surplus in the current transfers balance narrowed by a quarter in year-on-year terms. In its structure, the government's net inflows rose by EUR 41.7 m, less than the net outflows of other sectors (which increased by EUR 60.2 m; workers' remittances and other transfers).

**With the modest current account surplus and higher net capital outflow, international monetary reserves shrank.** At the end of November 2004, the stock of international monetary reserves amounted to EUR 6,579.8 m (EUR 6,879.5 m at the end of November 2003), while the reserves of commercial banks totalled EUR 980.4 m. International monetary reserves were sufficient to cover 5.4 months' worth of goods and services imports (5.7 months' worth at the end of November 2003). With regard to the general criterion of a minimum of three-months' coverage of total imports, and noting that international monetary reserves still suffice for the coverage of short-term debt by remaining maturity, Slovenia's reserve position is relatively favourable.

Graph: **Current account balance in selected new EU member states, in % of GDP**



Price indices	2003		2004		
	Dec 2003/ Dec 2002	Φ (Jan 03-Dec 03)/ Φ (Jan 02-Dec 02)	Dec 2004/ Nov 2004	Dec 2004/ Dec 2003	Φ (Jan 04-Dec 04)/ Φ (Jan 03-Dec 03)
<b>Consumer prices (CPI)</b>	<b>104.6</b>	<b>105.6</b>	<b>99.7</b>	<b>103.2</b>	<b>103.6</b>
Goods	103.9	105.0	99.6	102.5	102.6
Fuels and energy	103.6	103.5	98.0	110.3	106.9
Other	104.0	105.3	99.9	100.9	101.7
Services	106.5	106.9	100.1	104.9	106.0
<b>Consumer prices (HICP)</b>	<b>104.7</b>	<b>105.7</b>	<b>99.6</b>	<b>103.3</b>	<b>103.7</b>
<b>Administered prices<sup>1</sup></b>	<b>104.0</b>	<b>104.4</b>	<b>98.1</b>	<b>109.0</b>	<b>107.3</b>
Energy	103.5	103.5	97.9	110.3	107.2
Other	104.8	106.1	98.4	106.1	107.6
<b>Core inflation</b>					
Trimmean	104.2	105.9	99.5	102.6	103.3
Excluding food and energy	103.7	104.9	99.8	102.1	102.8
<b>Producer prices (IPI)</b>	<b>102.1</b>	<b>102.5</b>	<b>100.4</b>	<b>104.9</b>	<b>104.3</b>
Intermediate goods	102.5	102.0	100.7	106.9	105.9
Investment goods	98.9	99.6	100.0	103.3	102.5
Consumer goods	102.4	104.1	100.3	103.0	102.9
<b>Inflation in the EU-12</b>					
Consumer prices	102.0	102.1	100.4	102.4	102.1
Excluding food, energy, tobacco, alcohol	101.6	101.8	100.5	101.9	101.8
Producer prices	101.0	101.5	99.8 <sup>2</sup>	103.6 <sup>2</sup>	102.0 <sup>2</sup>

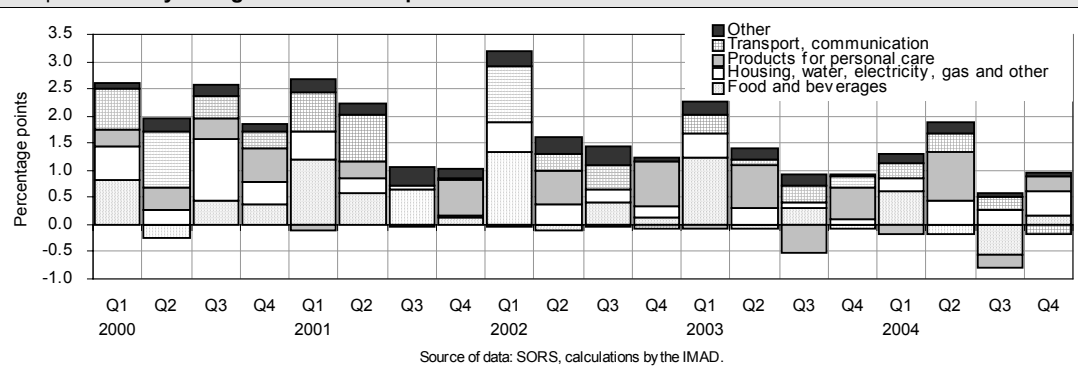
Sources of data: CPI, HICP, IPI: SORS, administered prices: calculated by the IMAD, core inflation: calculated by the IMAD, HICP in the EU: Eurostat (preliminary data) and calculated by the IMAD. Notes: numbers do not always round off: <sup>1</sup>figures between years are not fully comparable because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

**Inflation continued to slow down gradually in December. Nevertheless, it still deviates sharply from the Maastricht criterion, in spite of the relatively substantial lowering seen in 2004.** Consumer prices declined by 0.3% in December (in December 2003, they rose by 0.1%), while year-on-year inflation fell to 3.2%. Compared to December 2003, inflation fell by 1.4 percentage points which is, in relative terms, commensurate with the reduction recorded in the previous year. Similarly, average inflation (CPI) continued to decline gradually to total 3.6% (3.7% for HICP) in December (2.0 p.p. less than in December 2003). According to Eurostat's provisional data, the Maastricht criterion stood at 2.2% in December 2004.

**December's price falls were primarily linked to seasonal price changes and lower prices of liquid fuels.** Like in the previous months, the largest fluctuations were seen in prices strongly influenced by seasonal factors. Apart from that, December's price trends were again significantly affected by changes in prices that depend on the price of oil. December's deflation was thus the result of the lower prices in the groups transport and heating (reducing the price index by 0.4 p.p.), clothing and footwear (reducing the price index by 0.05 p.p.) and other prices of goods (bringing the index down by a further 0.1 p.p.). At the same time, prices rose in two groups: food and non-alcoholic beverages and recreation and culture (each adding 0.1 p.p. to the price index).

**The sustained long-term slowdown of consumer price rises seen in 2004 was mainly the result of measures taken by the Bank of Slovenia that was also backed by governmental macroeconomic policies.** While in 2003 the main driving forces behind inflation cuts were measures taken through administered prices and fiscal policies, the further lowering of inflation seen in 2004 was essentially hinged on the tolar exchange rate's stabilisation upon entry to the ERM II at the end of June. Taking into account the almost complete pass-through of the exchange rate to price rises, the tolar's exchange rate stabilisation abolished a key contributor to inflation which had in previous years accounted for around 50% of overall price rises. Meanwhile, the government continued to raise administered prices restrictively. These price rises were in line with the plan at the aggregate level, except for liquid fuels for transport and heating. At the same time, the government cushioned oil price fluctuations and their second-round effects with a counter-cyclical adjustment of excise duties. Among the one-off effects that affected the price dynamics in 2004, changes to food trade regimes had the strongest impact on the easing of inflation.

Graph: Quarterly changes in consumer prices



Monetary aggregates, exchange rates, the Bank of Slovenia's interest rates, end of month values					
Monetary aggregates <sup>1</sup> , % growth	2003			2004	
	Dec 03/ Dec 02	Φ Oct 03-Dec 03/ Φ Oct 02-Dec 02	Dec 04/ Nov 04	Dec 04/ Dec 03	Φ Oct 04-Dec 04/ Φ Oct 03-Dec 03
M1	10.6	10.8	9.6	27.8	22.5
M2	5.2	8.5	3.0	4.0	1.5
M3	4.9	7.2	2.6	6.8	4.6
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 <sup>2</sup> 60-d	6.00	6.9	5.25	4.00	4.00
TBZ <sup>2</sup> 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:* <sup>1</sup>national definition, <sup>2</sup>tolar bills (60- and 270-day bills).

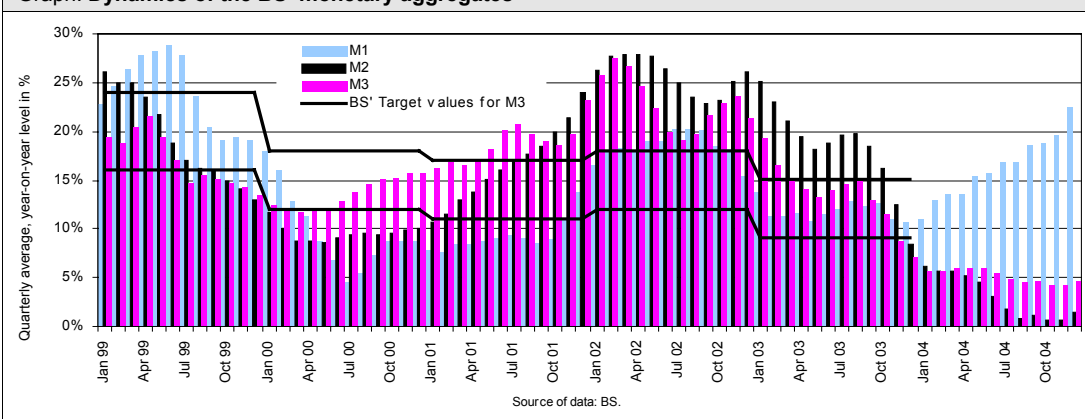
**In the first half of 2004, the Bank of Slovenia maintained the policies already presented last year. After the entry to the exchange rate mechanism ERM II, however, the Bank changed its policies fundamentally.** Following the gradual depreciation and the simultaneous lowering of interest rates in the first half of 2004, the BS stabilised the tolar's exchange rate after entry to the ERM II and left its key interest rates unchanged. The effects of these changes were particularly visible in the lowering of inflation (which totalled 0.4% in the second half of last year compared to the 1.1% recorded in the same period of 2003), while other (im)balances remained essentially the same. The dynamics of monetary aggregates similarly saw no shifts. Narrow money aggregates sustained their gradual growth, while the growth of broad money aggregates continued to soften steadily.

**After its gradual depreciation in the first half of 2004, the BS stabilised the tolar's exchange rate at the end of June.** In the first six months of 2004, the BS maintained the steady depreciation of the tolar which ranged between 0.1% and 0.2% at the monthly level (similarly as in the second half of 2003). Following its stabilisation at the end of June, the tolar's exchange rate hovered within 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 nominal depreciation hence totalled 1.3% in 2004, while the real effective exchange rate (measured by the CPI) appreciated by 6.6% (5.5% in 2003).

**After joining the ERM II, the BS stopped lowering its key interest rates.** After they had been cut in the first half of 2004 by 2.0 p.p. (60-day dollar bills and foreign exchange swaps) to 2.5 p.p. (270-day tolar bills), the key interest rates remained at the achieved level following the ERM II entry. At the end of December the BS raised the interest rate on temporary purchases of foreign exchange by 0.25 p.p. As a result, the BS' refinancing rate also increased by the same amount to total 3.25% at the end of December, while the ECB refinancing interest rate remained unchanged (2.0%).

**In addition to ensuring the tolar's stable exchange rate, further reduction of inflation hence remains the BS' core task.** At the end of 2004, Slovenia met three of the five Maastricht criteria, noting that one of the two remaining requirements could not be fulfilled for technical reasons – since Slovenia entered the exchange rate mechanism only six months ago (the requirement is that the exchange rate must be kept stable for a minimum of two years). However, Slovenia has not complied with the price stability criterion – inflation stood at 3.6% at the end of the year, whereas to fulfil the Maastricht criterion it should have been cut to 2.2%.

**Graph: Dynamics of the BS' monetary aggregates**



<b>The Money Market – Household Savings</b>	Slovenian Economic Mirror	IMAD
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Household savings in banks	SIT billion, nominal		Real growth rates, in %		
	31 December 2003	31 December 2004	31 Dec 04/ 30 Nov 04	31 Dec 04/ 31 Dec 03	31 Dec 03/ 31 Dec 02
<b>Total savings</b>	2,138.5	2,341.3	4.8	7.5	5.2
<b>Tolar savings, total</b>	1,293.1	1,422.3	7.3	6.5	6.5
Demand deposits	466.3	642.8	13.8	33.5	10.5
Short-term deposits	608.2	632.1	2.7	0.7	5.6
Long-term deposits	218.3	146.2	1.9	-35.1	1.3
<b>Foreign currency savings</b>	845.5	919.0	1.7	8.7	3.6
Short-term, demand d.	766.6	829.6	1.4	8.2	6.6
Long-term deposits	78.9	89.4	4.6	13.3	-18.2

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

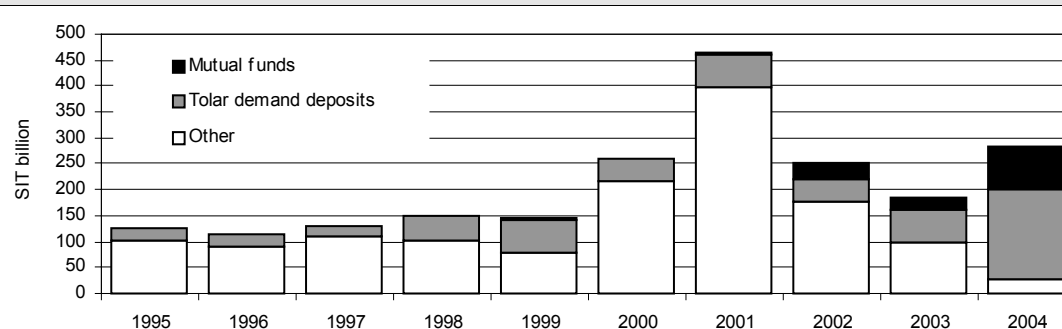
Following the low growth rates of household savings in banks seen in the first eleven months of 2004 (the monthly real rate never exceeded one percent), December's 4.8% increase was at the highest level after December 2001. Household savings in banks rose by 8.1% in that month due to their conversion into euros. In contrast to previous months, December saw faster growth of tolar savings, which recorded their highest increase since February 1995 (7.4%). The year-on-year growth of total household savings in banks strengthened by 2.3 p.p. compared to 2003. The net flows of household savings in banks totalled SIT 202.7 bn (of which SIT 104.5 bn in December alone), which is 23.3% more in real terms than the year before. If tolar demand deposits are excluded, household savings recorded a net inflow of SIT 26.1 bn, or 72.6% less in real terms than in 2003.

The robust growth of tolar deposits is attributable to seasonal impacts (payments of Christmas bonuses and '13<sup>th</sup> month' salaries) and presumably also to the sales of major shares held in enterprises due to the new legislation (also see p. 10). At both monthly and year-on-year levels, demand deposits made the largest contribution to growth. At the end of the year, they already represented 45.2% of total tolar deposits, which is 9.1 p.p. more than in December 2003. These substantial changes in the maturity structure of savings were induced by the release of funds from the National Housing Savings Scheme and the lowering of interest rates. In last year's final quarter, interest rates stood roughly between 3% and 4%, which is apparently less than what is required by savers to choose to reduce their liquidity by making fixed-term deposits with banks. The net inflows of tolar savings totalled SIT 129.2 bn in 2004 (of which demand deposits were SIT 176.6 bn – almost 170% more than in 2003); compared to the previous year, they shrank by 6.6% in real terms.

Foreign currency savings, which have not recorded any falls in real terms since October 2003, are still growing. In December 2004, the year-on-year growth of foreign currency savings was higher than the growth of tolar savings. Foreign currency savings registered a net inflow of SIT 73.5 bn last year, which is almost three times more in real terms than in 2003.

Last year, mutual funds as an alternative form of saving considerably gained in popularity. This is confirmed by their net inflows that came in at SIT 81.2 bn at the annualised level, which is more than in all previous years put together. December's inflows totalled SIT 6.1 bn and were slightly below the monthly average of 2004. The number of mutual funds rose from 20 (registered at the end of 2003) to 33. Apart from that, the offering of foreign mutual funds started last year. The volume of assets managed by mutual funds totalled SIT 207.8 bn at the end of 2004, exceeding the value recorded in December 2003 by more than 120%. Savings in mutual funds hence already account for 8.9% of household savings in banks, whereas last year this share stood at 4.3%. Although the year-on-year returns of mutual funds generally fell in the second half of the year, they nevertheless achieved the 17.7% level in December (0.9 p.p. more than in the same period of 2003). With the rising prices of shares, stock mutual funds were the most profitable and recorded a 17.7% return, while bond mutual funds registered their lowest return of 6.9%.

Graph: Net flows of household savings in banks and mutual funds, 1995-2004



Sources of data: BS, calculations by the IMAD.

<b>The Money Market – Loans</b>	Slovenian Economic Mirror	IMAD
	No. 1/2005	p. 8

Domestic banks' loans	Nominal amounts, SIT billion		Real loan growth, %		
	31 December 2003	30 November 2004	31 Dec 2004/ 30 Nov 2004	31 Dec 2004/ 31 Dec 2003	31 Dec 2003/ 31 Dec 2002
<b>Total tolar loans</b>	1,831.0	2,035.0	1.1	7.7	4.6
<b>Tolar loans to comp. and OFO*</b>	1,062.9	1,131.1	2.0	3.1	3.9
Short-term, overdrafts, advances	553.3	599.1	0.2	4.9	-0.2
Long-term	509.6	532.0	4.0	1.1	8.7
<b>Foreign currency loans to comp., OFO</b>	625.7	911.4	5.3	45.6	39.9
<b>Household tolar loans</b>	637.5	756.4	1.1	14.9	6.3
Short-term, overdrafts, advances	127.6	135.4	-0.1	2.7	3.6
Long-term	509.8	621.0	1.4	18.0	7.1
<b>Government tolar loans</b>	130.7	147.6	-4.5	9.4	2.8
Short-term, overdrafts, advances	23.3	19.2	-39.2	-20.0	-19.5
Long-term	107.4	128.3	4.4	15.7	9.3

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

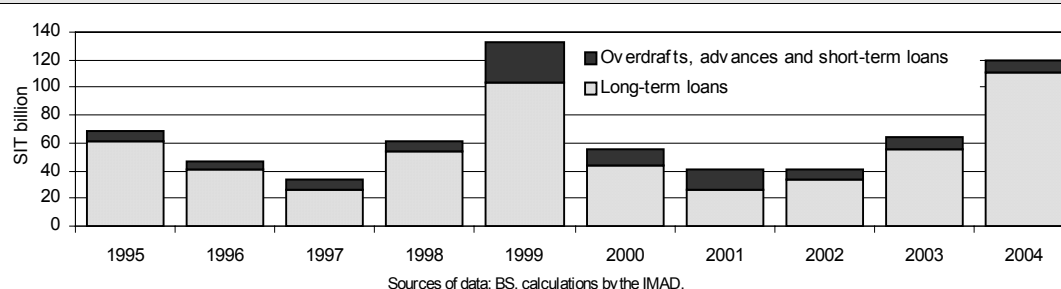
**The real volume of tolar loans was on the increase for most of 2004 and was 7.7% bigger at the end of the year than at the end of 2003.** Tolar loans to households, which last year recorded their largest rise since 1999, made the largest contribution to the growth of total tolar loans (5.2 p.p.). The contribution of enterprises and OFOs (they took out mainly foreign currency loans) and the government was slightly smaller due to their lower growth rates and hence smaller shares in tolar loans. With regard to the maturity structure, long-term lending rose most markedly, 10.1% in real terms, and contributed 6.2 p.p. to the growth of tolar loans (of which long-term loans to households 4.2 p.p.). An even bigger rise was seen in overdrafts and advances (up 16.6%) which, however, contributed less than 1 p.p. to the overall growth. The net inflows of tolar loans totalled SIT 204 bn in 2004, up 23.7% in real terms compared to the previous year.

**The real rise in the volume of tolar borrowing by enterprises and OFOs was slightly smaller in 2004 than in 2003, which was due to the smaller increase seen in long-term tolar loans, while short-term loans, overdrafts and advances recorded a real rise last year following their drop in 2003.** The latter hence accounted for 53% of tolar loans to enterprises and OFOs and contributed 2.5 p.p. to the 3.1% growth. The net inflows of tolar lending to enterprises and OFOs totalled SIT 68.2 bn in 2004 (23% less than the year before in real terms).

**In spite of the high base of previous years, the growth of foreign currency loans to enterprises and OFOs strengthened further in 2004 on the back of more favourable conditions, and was by 5.7 percentage points higher than in 2003 year on year.** The net inflows of foreign currency credits to enterprises and OFOs totalled SIT 285.7 bn in 2004, which was 60% more than in 2003. Net corporate **borrowing abroad** amounted to SIT 119.8 bn in the first eleven months of 2004 (down 8% in real terms year on year). According to the Bank of Slovenia, enterprises paid a 2.9% average interest rate on loans abroad in November, which was 0.7 p.p. less than the average interest rate on investment loans in domestic banks. In addition to the generally lower interest rates, part of the difference is presumably also attributable to the better credit rating of enterprises that have the possibility to borrow money abroad.

**With the exception of January, the volume of tolar loans to households grew in real terms throughout the year, notably in the second half of 2004 (funds released from the National Housing Savings Scheme), when it recorded a 10.4% real rise that accounted for over two-thirds of the real growth rate of 2004.** This growth was generated almost entirely by the 18% rise in the volume of long-term loans (see graph) that represented 82.1% of total tolar loans to households and contributed 14.4 p.p. to the increase in the total volume of tolar lending to households. The net inflows of tolar loans to households totalled SIT 118.9 bn last year, over three-quarters more than in 2003. Of these, SIT 111.2 billion came from long-term loans.

Graph: Net flows of household loans, 1995-2004





<b>Stock Exchange</b>	Slovenian Economic Mirror	IMAD
	No. 1/2005	p. 9

Turnover and market capitalisation on the Ljubljana Stock Exchange	Turnover, Jan-Dec 2004		Market capitalisation, 30 Dec 2004	
	SIT billion	Growth rates (%), Jan-Dec 2004/Jan-Dec 2003	SIT billion	Growth rates (%), 30 Dec 2004/30 Dec 2003
<b>Total</b>	396.7	16.6	3,049.8	24.9
<b>Official market</b>				
Total	256.7	19.5	2,124.8	25.3
Shares	166.0	54.1	1,232.9	26.1
Bonds	90.7	-15.4	891.8	24.2
<b>Free market</b>				
Total	80.0	24.6	687.6	32.5
Shares	57.1	37.2	472.9	30.8
Bonds	22.9	1.5	214.7	36.5
<b>Shares of investment funds</b>	60.0	-1.4	237.4	4.6

*Source of data: Ljubljana Stock Exchange, author's calculations.*

**At the end of 2004, the value of the main index (SBI20) achieved the level of 4,904.5 points, representing a rise of 24.7% year on year.** This rise was the second highest seen in the past ten years and was 7 percentage points higher than in 2003. To a large extent, this increase was generated in the buoyant first and third quarters, when the index gained 11.3% and 8.8%, respectively, whereas in the second and fourth quarters of 2004 its value rose by a mere 1.6% and 1.4%, respectively.

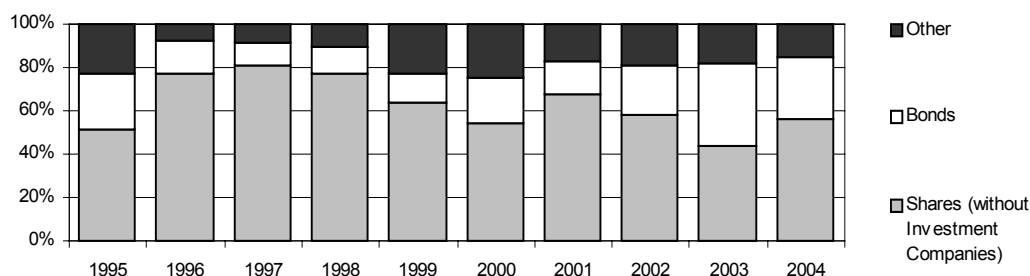
**At the end of 2004, the market capitalisation of all securities listed on the Ljubljana Stock Exchange (including investment companies' shares) exceeded SIT 3 trillion for the first time and was almost a quarter higher than the year before.** The strongest growth was seen in the market capitalisation of shares (up 27.3%), largely due to rises of share prices. In the shares group, market capitalisation of shares listed in the free market grew fastest (30.8%) which was, in addition to the growth of share prices, partly linked to the reorganisation of authorised investment funds as regular joint-stock companies. The market capitalisation of shares thus totalled SIT 1,705.8 bn and reached 27.5% of the GDP estimate given in the IMAD's 2004 Autumn Report. The market capitalisation of bonds was up 26.4% mainly on account of the newly issued bonds. The share of non-residents in market capitalisation was generally on the decrease last year, bottoming out at the end of October (to 3.8%), after which it picked up slightly until the end of the year to 4.5% which was, however, still 1.4 p.p. less than at the end of 2003.

**2004 recorded an increase in industrial sector indices, with the exception of the food and beverages index.** The growth of individual indices that recorded a positive yield totalled up to 30 p.p. The oil index was up 9%, while the transport index, which has not grown by less than 30% a year over the past three years, registered a record annual increase of 39.3%. The growth of the **bond index (BIO)** slowed down slightly in 2004 to total 4.1%, which was 1.6 p.p. less than in 2003. Nevertheless, this is still a large increase if we consider that the average annual rise in the value of this index in 1996-2004 was just 1.8%.

**Total turnover on the Ljubljana Stock Exchange in 2004 amounted to SIT 396.7 billion, up 16.6% compared to 2003. Last year also saw a shift in the structure of turnover.** Since share prices were rising most of the time, the value of turnover in shares increased sharply (by 49.4%). Its share thus rose by 12.3 p.p. and accounted for 56.2% of the total turnover on the Ljubljana Stock Exchange. Particularly in December the rise seen in share turnover was additionally driven by the new tax legislation, which prescribes a permanent tax on capital gains from major shares in enterprises (shares exceeding SIT 60 million in enterprises with capital over than SIT 200 million). Natural persons exceeding this restriction hence sold their shares. The value of turnover in bonds dropped by 12.4% in 2004 year on year and represented around 25% of total turnover. Non-residents' turnover in the exchange market totalled SIT 18.8 bn last year and increased by over 50% year on year. The liquidity of securities on the Ljubljana Stock Exchange remains low. This is indicated by the turnover ratios of shares and bonds defined as the ratio of annual turnover to market capitalisation. Their values in 2004 were 0.17 and 0.10, respectively.

**All main indices around the world rose in 2004, but their rises were much smaller than in 2003, which was probably largely due to the high oil prices.** The biggest increase was registered in the NASDAQ index (up 8.5%), while the smallest rise was recorded in the Dow Jones index (up 3.1%). This trend is also reflected in the value of the MSCI World index that rose by 4.7% last year. The indices on the Eastern European stock markets grew faster. The CESI index, composed of the blue chip shares listed on the Central European stock exchanges (Ljubljana, Budapest, Prague, Warsaw and Bratislava), gained as much as 65.4% last year.

**Graph: Structure of turnover on the Ljubljana Stock Exchange**



*Source of data: LSE.*

<b>Labour Market</b>	Slovenian Economic Mirror	IMAD
	No. 1/2005	p. 10

Selected labour market indicators		thousands			% growth		
		Φ 2003	Nov 2003	Nov 2004	Nov 04/ Oct 04	Jan-Nov 04/ Jan-Nov 03	Φ 2003/ Φ 2002
A	<b>Registered labour force (A=B+C)</b>	874.9	875.3	880.6	-0.1	0.0	-1.3
B	<b>People in formal employment</b>	777.2	779.1	789.7	0.1	0.6	-0.8
	in enterprises and organisations	633.0	636.2	642.0	0.1	0.6	0.3
	by those self-employed	66.2	66.9	66.4	-0.3	-0.8	-0.9
	self-employed and farmers	78.1	76.1	81.3	-0.1	1.4	-8.8
C	<b>Registered unemployed</b>	97.7	96.2	90.9	-1.7	-4.9	-4.8
	women	51.6	51.0	48.4	-2.5	-4.5	-1.8
	aged over 40	43.1	41.1	37.9	-0.6	-7.9	-14.9
	unemployed over 1 year	47.5	45.1	42.0	-2.1	-9.9	-14.9
D	<b>Rate of registered unemployment (C/A), %</b>	11.2	11.0	10.3	-	-	-
	male	9.7	9.5	8.8	-	-	-
	female	13.0	12.8	12.1	-	-	-
E	<b>Job vacancies</b>	12.1	12.6	13.9	-19.7	15.0	4.4
	for a fixed term, %	73.8	75.3	72.9	-	-	-
F	<b>No. of people hired</b>	9.7	9.6	10.3	-16.5	4.2	5.3
	Lower education	2.9	2.8	2.8	-17.0	1.1	8.5
	Secondary education	5.3	5.4	5.8	-15.7	4.4	2.1
	Higher education	1.5	1.4	1.7	-18.2	9.4	11.3

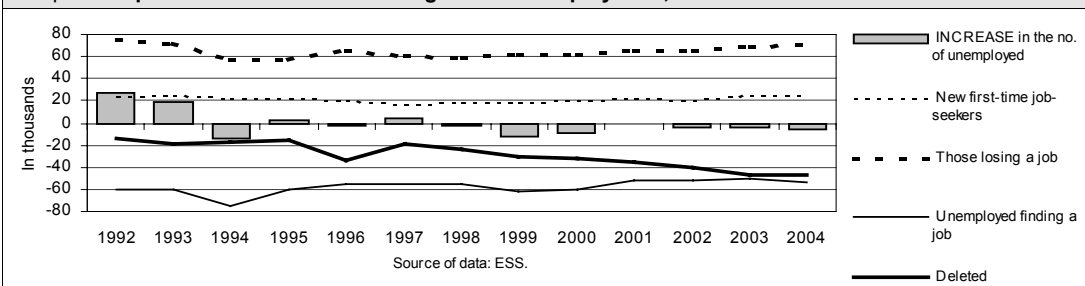
Sources of data: the SORS, the ESS, calculations by the IMAD.

**The number of people in employment rose again in November, albeit by just 0.1%.** The highest rise was recorded in wholesale and retail trade, education, business activities and transport. Employment was also up in manufacturing (by 105 persons), mainly in the manufacture of furniture, other manufacturing industries (not classified elsewhere), the manufacturing of metals and metal products and the manufacture of rubber and plastic products. On the other hand, employment fell in construction, agriculture, electricity, gas and water supply and public administration. In manufacturing industries, the number of workers was down slightly in the textile, leather, wood-processing and paper industries. In the four sub-industries mentioned above, the number of employees dropped by 355 (0.6%), of which the majority were in the textile industry (180, or 0.7%), which is nevertheless still less than one could have expected in view of the reported bankruptcies in these industries. According to experience thus far, enterprises in bankruptcy dismiss their employees gradually depending on the orders they still have to complete. This is why the final effects of bankruptcy on employment may surface three to four months later in certain industries. That is what happened in part in December, when the inflow into unemployment due to bankruptcy (771 people) was 4.4-times higher than the average of other months in 2004.

**Registered unemployment, which edged down slightly also in December, fell on average by 5.0% in 2004 compared to 2003.** Like every year, many people with fixed-term contracts were dismissed before the Christmas holiday in December 2004 (4,000). At the same time, the number of workers who lost their jobs as a result of bankruptcy also rose (see above). On the whole, over 7,000 people lost their jobs in December, while just 3,550 unemployed people found work. There were 5,500 deletions from unemployment registers for other reasons. With a regular inflow of first-time job-seekers, the number of the registered unemployed hence fell by a further 200 to 90,728, or by 5.5% less than in December 2003. The average number of the registered unemployed in 2004 thus totalled 92,826, 5.0% less than in 2003. A total of 69,577 people lost their jobs in 2004 (1.1% more than in 2003), while 54,257 unemployed people found work (7.4% more than a year before). The annual inflow of first-time job-seekers was again slightly higher than in 2003 (by 2.2%), while the number of deletions for other reasons decreased by 1.6%.

**The number of vacancies and people hired in 2004 was higher than in the previous year.** In December, the number of vacancies remained at approximately the same level as in November, while the number of people hired fell for the third month in a row. In 2004, employment service offices received 169,200 requests for workers (vacancies) or 14,100 at the monthly average (16.5% more than in 2003). Of these, 121,429 were realised (10,119 a month), which is 4.2% more than in 2003. The fastest growth of new recruitments was recorded in jobs that require tertiary education (up 9.7%) and already represent over 16% of total new recruitments, while the most sluggish growth was seen in jobs requiring lower qualifications (they were up 1.4% and their share in total new recruitments was 29%).

Graph: Components of the increase in registered unemployment, 1992-2004



<b>Earnings</b>	Slovenian Economic Mirror	IMAD
	No. 1/2005	p. 11

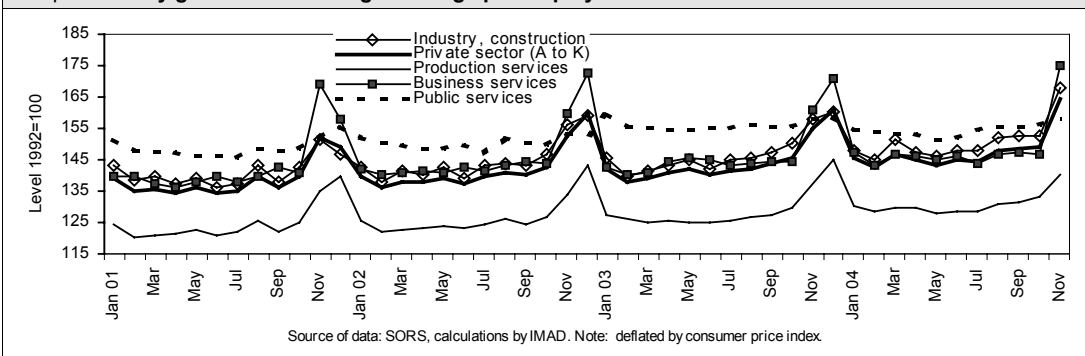
Gross wage per employee, growth index	Wages in SIT Nov 2004	In nominal terms		In real terms <sup>1</sup>	
		Nov 2004/Oct 2004	Nov 2004/Nov 2003	Nov 2004/Oct 2004	Nov 2004/Nov 2003
Gross wage per employee, total	291,890	108.0	108.0	107.4	104.2
<b>Private sector (activities A to K)</b>	277,177	111.0	109.7	110.3	105.9
A Agriculture	232,946	105.0	105.8	104.4	102.1
B Fisheries	207,882	98.4	103.8	97.8	100.2
C Mining and quarrying	375,444	111.9	118.9	111.3	114.7
D Manufacturing	252,735	110.6	110.0	110.0	106.2
E Electricity, gas and water supply	391,433	121.7	111.2	121.0	107.4
F Construction	235,948	106.1	110.6	105.5	106.8
G Wholesale, retail; certain repairs	259,465	108.1	107.3	107.5	103.6
H Hotels and restaurants	208,558	103.1	103.4	102.5	99.8
I Transp., storage & communications	303,998	102.6	104.7	102.0	101.1
J Financial intermediation	520,828	137.7	127.5	136.9	123.0
K Real estate, renting, business service	316,008	109.6	104.0	109.0	100.5
<b>Public services (activities L to O)</b>	331,887	101.7	103.8	101.1	100.2
L Public administration	333,779	101.7	103.5	101.1	99.9
M Education	338,682	101.2	105.8	100.5	102.2
N Health services and social work	319,587	102.1	102.3	101.5	98.8
O Other social and personal services	336,252	102.6	102.1	102.0	98.5

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

**In November 2004, the gross wage per employee rose by 8% in nominal and 7.4% in real terms.** November had the same number of working days as October, so that the extremely high wage growth in the private sector (up 10.3% in real terms) was largely the result of the '13<sup>th</sup> month's salary' payments at the end of the year. The public sector, where possibilities of paying the 13<sup>th</sup> month's salary are much more restricted, registered the modest real growth of wages (1.1%). **In the private sector** (activities A to K), the gross wage per employee was up 11.0% in nominal terms, which was the highest monthly growth rate recorded in the last ten years. It was similarly high in November 2000 and 2001 (between 9% and 10%). In the next two years it stood at around 7% – among other things due to the fact that November had two working days less in those years. **In industry and construction** (activities C, D, E, F), the nominal gross wage increased by 10.7% and recorded the hitherto highest monthly growth in the group as a whole and in the separate activities within the group. The only exception was construction – although it recorded high growth rates seasonally, growth at the end of the year is usually less pronounced. The gross wage in **production activities** (activities G, H, I) rose by 6.8% in nominal terms, which is comparable to November's growth rates seen in the past few years. The largest contribution to the overall rise in wages in this group came from wholesale and retail trade, which recorded one of the highest November growth rates in comparison with previous years. The highest growth of wages (20.3%) was recorded in **business activities** (J, K) but that was not an exception in this group of activities; financial intermediation already registered an over 30% rise in wages in that month in the past. Nevertheless, the annual growth rate of wages in financial intermediation rarely exceeds the average annual wage growth in the private sector. **In public services** (activities L to O), the gross wage per employee recorded a 1.7% nominal rise in November 2004. That was partly generated by the effect of promotions and partly by the 13<sup>th</sup> month's salary payments (possible in education on a small scale). Due to worker performance bonus payments, wages also rose in health care and social work.

**In the first eleven months of 2004, the average Slovenian gross wage per employee rose by 5.8% in nominal and by 2.1% in real terms compared to the same period of 2003.** In the private sector, it grew by 7% in nominal and 3.3% in real terms on the back of the favourable economic trends and the payments effected at the end of the year. **In public services** it rose by 2.6% in nominal terms but edged down 0.9% in real terms. This fall was primarily the result of the agreement between the social partners to replace the 2.4% August adjustment for 2003 with a collective voluntary pension insurance premium, which contributed to the real-term decrease in public sector wages in 2004 because of the pass-through effect. The average gross wage per employee in the public sector in 2004 would have been about 1.4 percentage points higher had the August adjustment for 2003 been effected, and by another 0.3 p.p. higher were the full July 3.1% adjustment for 2004 to be included.

Graph: Monthly growth of the real gross wage per employee



<b>General Government Revenue</b>	Slovenian Economic Mirror	IMAD
	No. 1/2005	p. 12

General government revenue	Jan-Dec 2004 in SIT mln	Growth index, nominal			Structure, Jan-Dec	
		Dec 2004/ Nov 2004	Dec 2004/ Dec 2003	Jan-Dec 2004/ Jan-Dec 2003	2003	2004
Corporate income tax	124,354.6	115.2	113.4	115.8	4.6	5.0
Personal income tax	382,523.6	133.4	113.7	108.3	15.2	15.4
Value-added tax, excise duties <sup>1</sup>	806,535.0	97.6	122.5	106.3	32.6	32.4
Customs duties, other import taxes	19,338.5	95.0	22.6	55.8	1.5	0.8
Social security contributions	888,544.4	119.1	109.0	107.3	35.6	35.7
Other revenue <sup>2</sup>	268,773.4	110.9	99.1	109.0	10.6	10.8
Total revenue	2,490,069.6	112.1	111.4	106.9	100.0	100.0

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

**After the increase in November 2004 (by 10% in real terms), general government revenue rose further in December and was also higher for the year as a whole in real terms than the year before.** In December 2004, total government revenues were 12.4% higher in real terms than in November and 7.9% higher than in December 2003. Compared to the monthly average of 2003, they recorded a 12% higher level in 2004. In 2004 as a whole, general government revenue recorded a 3.2% real increase compared to the year before.

**After the substantial rise in November, revenues from value-added tax registered a real fall in December and were also slightly lower for the year as a whole than in 2003.** After the 30% rise in November, revenues from VAT recorded a real fall in December (down 2.6%), yet they still exceeded the 2004 monthly average by 33%. The substantial VAT inflows in the past three months indicate that after the considerable liquidity shortfalls registered upon Slovenia's entry to the EU the payments and calculation of VAT are slowly normalising. Due to the liquidity shortfalls recorded after accession to the EU (especially in June and July 2004), total revenues from VAT in 2004 dropped by 0.7% in real terms compared to 2003.

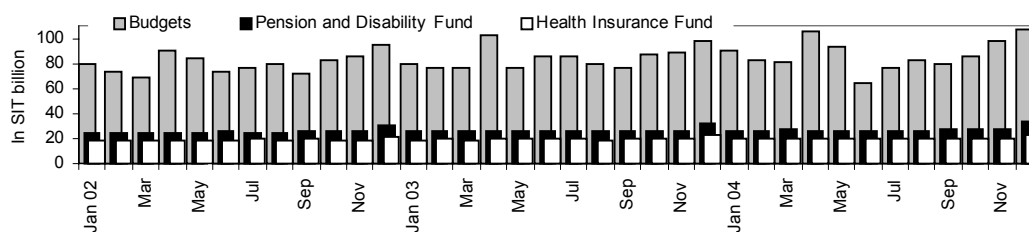
**Similarly as in previous years, revenues from excise duties recorded a real decrease last December (down 4.8%). In 2004 as a whole, they registered a real increase of 6.2% in year-on-year terms.** Compared to November, a real fall was recorded in revenues from excise duties on mineral oils (down 7.2%) and on tobacco and tobacco products (down 3.3%). On the other hand, revenues from excise duties on alcohol and alcoholic beverages were up 20.7% in real terms. In 2004 compared to 2003, the fastest growth was seen in revenues from excise duties on tobacco and tobacco products (up 14.5% in real terms), primarily as a result of harmonising the national legislation with the EU rules that prescribe higher specific and proportionate excise duties on these products. Slightly slower growth was seen in revenues from excise duties on mineral oils (up 4.3%), while revenues from excise duties on alcohol and alcoholic beverages fell by 2.6% in real terms.

**In December 2004, the revenues from wage-related taxes and contributions recorded a significant seasonal real rise (up 23.1% month on month). In real terms they also rose in 2004 as a whole (up 3.9% compared to 2003).** Revenues from **social security contributions** rose by 19.5% in real terms in December over November; they were 3.6% higher in real terms in 2004 compared to 2003. Revenues from **personal income tax** surged by 33.8% in real terms in December over November. Revenues from **taxes on wages**, representing the bulk of personal income tax, were up 28.2% in December, while other personal income tax revenues surged by 64.4% in real terms. Like in November, final annual tax assessments for 2003 were positive in December and contributed SIT 1.3 bn to the revenues from personal income tax. In 2004 as a whole, total revenues from personal income tax rose by 4.5% in real terms year on year. Of these, revenues from taxes on wages were up 4.2%, while revenues from other subcategories of personal income tax increased by 6.2% in real terms. Negative final annual tax assessments for 2003 were at approximately the same real level in 2004 as in the year before (around SIT 22 bn). In September, the threshold of payroll taxation was legally raised from SIT 130,000 to SIT 165,000. Revenues from **payroll tax** recorded a 36.6% real rise in December and a 6.1% real increase in 2004 over 2003.

**The corporate income tax monthly advance payment** registered a 15.5% real month-on-month rise in December. In 2004 as a whole, the revenues from this tax were up 11.8% in real terms year on year.

**Customs duties and import taxes have only applied to imports from non-EU countries since Slovenia joined the EU and have hence achieved just about a quarter of the value recorded in the last few months prior to EU accession.** In 2004, revenues from customs duties were over 46% lower in real terms than in 2003.

Graph: Revenues of public budgets, SIT billion (December 1997 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.

<b>Manufacturing</b>	Slovenian Economic Mirror	IMAD
	No. 1/2005	p. 13

Selected economic indicators	Growth rates, %			
	Nov 2004/ Oct 2004	Nov 2004/ Nov 2003	Jan-Nov 2004/ Jan-Nov 2003	Jan-Dec 2003/ Jan-Dec 2002
Production volume <sup>1</sup>	2.4	2.5	4.8	1.6
- highly export-oriented industries <sup>1a</sup>	2.0	-2.4	8.4	3.6
- mainly export-oriented industries <sup>1b</sup>	0.3	4.2	5.2	1.3
- mainly domestic-market-oriented industries <sup>1c</sup>	9.4	6.2	0.1	0.4
Average number of employees <sup>1</sup>	0.2 <sup>2</sup>	-0.6 <sup>2</sup>	-1.2 <sup>2</sup>	-2.0
Labour productivity	-4.3 <sup>2</sup>	2.0 <sup>2</sup>	6.3 <sup>2</sup>	3.7
Level of inventories	1.5	11.5	13.7	5.9
Average gross wage <sup>3</sup>	0.4 <sup>2</sup>	1.8 <sup>2</sup>	3.5 <sup>2</sup>	1.9
Industrial producer prices	0.1	5.0	4.1	2.9
- producer prices/inflation	-0.5	1.4	0.5	-2.6

Source of data: SORS, calculations by the IMAD. Notes: <sup>1</sup>figures cover enterprises employing 10 or more workers; <sup>1a</sup>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; <sup>1b</sup>manufacturing industries (DB, DC, DD, DH, DJ, DL, DN) which earn 50% to 70% of their average revenues from sales in foreign markets; <sup>1c</sup>manufacturing industries (DA, DE, DI) which earn less than 50% of their average revenues from sales in foreign markets; <sup>2</sup>a figure for October 2004; <sup>3</sup>real growth – calculated by the consumer price index.

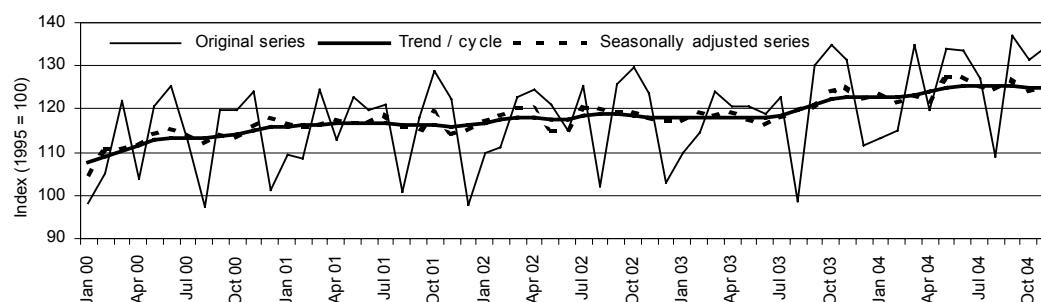
**Production activity in manufacturing was at a high level in the first eleven months of 2004.** Compared to October 2004, the volume of production increased by 2.4% in November (both months had the same number of days), or by 1.2% if we exclude seasonal impacts. At the year-on-year level, production was up 2.5% in November which had one working day more (or 5% of working time) in 2004 than in 2003. From January to November 2004, production activity rose by 4.8% year on year, which was in line with the IMAD's Autumn Report estimates that were used as a basis in forecasting the growth of value added in manufacturing for 2004.

**Exporters recorded the best production results.** Like in 2003, in the first eleven months of 2004 the year-on-year production level rose most markedly in the manufacture of electrical and optical equipment – DL (up 16.3%), which belongs to mainly export-oriented industries. An above-average increase in production activity was also registered in the manufacture of chemicals and chemical products – DG (10.6%), transport equipment – DM (8.7%) and machinery and equipment – DK (8.1%), all highly export-oriented industries. In the face of the general downward trend, the first two of these sub-industries managed to raise their employment levels by 0.2% and 3.8%, respectively, in the comparable period (January-October).

**Production volumes dropped sharply in labour-intensive industries and, in contrast to previous years, in food processing.** The lowest level of production activity was recorded in the manufacture of textiles (DB) and leather products (DC), where the respective production volumes dropped by 8.8% and 9.9% from January to November 2004 compared to the same period of 2003. Since Slovenia's entry to the EU, a downward trend in the economic situation has been observed in the manufacture of food, beverages and tobacco products (DA). From January to November 2004, the level of production in this activity was down 6.7% in year-on-year terms, although a 0.1% year-on-year rise was still recorded in the first four months of 2004.

**Business optimism improved slightly at the beginning of 2005.** According to the SORS' survey on business tendencies in manufacturing, the composite confidence indicator (see SEM 7/2004:14) improved in January over December, although it remained negative. The share of enterprises estimating the business climate as below normal was 1.0 percentage points greater than the share of enterprises estimating it to be better than normal. The seasonally adjusted series of the indicator saw no changes in January compared to December. January's value of the confidence indicator was negatively influenced by estimates of above-average levels of inventories and lower levels of total order books than in December. On the other hand, improved expectations of the enterprise sector about production in the next three months had a positive effect on the indicator. Similarly, expectations about total and export demand in the following three months were much more optimistic in January. These estimates, however, are not included in the confidence indicator.

Graph: **Manufacturing production volumes**



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

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Selected indicators, growth rates in %	Q4 2003, GWh	Q4 2004, GWh	Q4 2004/ Q4 2003, %	Jan-Dec 03, GWh	Jan-Dec 04, GWh	Jan-Dec 04, Jan-Dec 03, %
<b>Production of electricity</b>	3,227	3,487	8.0	12,239	13,396	9.5
Prod. in hydroelectric plants	811	874	7.8	2,671	3,608	35.1
Prod. in thermal plants	999	1,231	23.3	4,612	4,584	-0.6
Prod. in nuclear power plant	1,418	1,381	-2.6	4,956	5,204	5.0
<b>Consumption of electricity</b>	3,213	3,326	3.5	12,364	12,669	2.5
Through distribution network	2,441	2,531	3.7	9,343	9,626	3.0
Direct consumers	704	713	1.2	2,764	2,740	-0.9
Transmission losses	68	83	22.1	257	303	18.0
<b>Net electricity exports</b>	14	160	1,069.3	-125	727	N/R

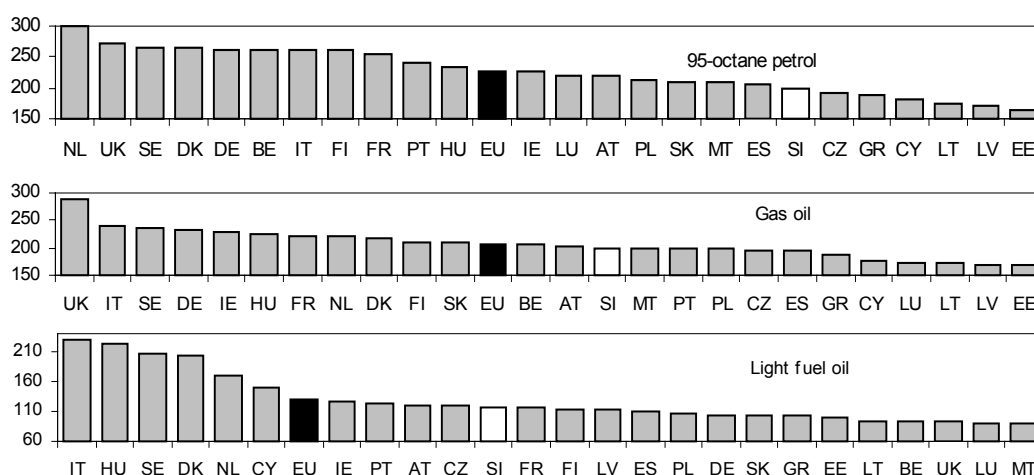
Source of data: ELES, Electricity Balance for September and December 2004, additional calculations by IMAD.

**In the final quarter of 2004, electricity production in thermal plants rose by almost a quarter.** Total electricity output increased by 8.0% in the final quarter of 2004 compared to the same period of 2003. This rise was generated mainly by the 23.3% increase in thermal production and the 7.8% increase in hydroelectric production. The nuclear plant's output, on the other hand, dropped by 2.6%. The growth of domestic consumption stood at 3.5% and was much lower than the growth of electricity production. Hence, net electricity exports were almost 12-times higher than in the same period of 2003.

**Last year's favourable hydrological conditions underpinned the over 30% increase in hydroelectric output, while electricity consumption growth normalised.** Slovenia's electricity production increased by 9.5% compared to 2003. Hydroelectric output was 35.1% higher, and the nuclear plant's production was up 5.0%. While there was a substantial surplus in the production of hydroelectricity (the actual output surpassed the production planned in Slovenia's electricity balance by 8.7%), the output of thermal plants edged down slightly (by 0.6%). The growth of electricity consumption normalised in 2004 to reach 2.5%, which was just slightly above the average annual growth rate planned in the branch strategy for 2000-2010 (1.9%). Although electricity consumption from the distribution network rose by 3.0%, direct users' consumption (large consumers that account for 21.6% of domestic electricity consumption, mainly in the manufacture of metals) fell by 0.9%. Transmission losses, which represent just a small share of consumption in the overall balance, rose by 18.0% due to stronger international trade. In 2004 Slovenia became a net exporter again. Net exports totalled 727 GWh and represented 5.4% of total electricity production. Such a surplus, achieved against the background of relatively favourable production and consumption trends, compares favourably to the figures for 2003 (net imports representing 1.0% of consumption) but less favourably against 2001 when net exports accounted for 14.2% of total production.

**At the end of January of 2005, domestic retail prices of liquid fuels were below the EU average, notably in petrol (over 10% lower).** On 24 January 2005, the Slovenian retail price of 95-octane petrol stood at SIT 25.4/litre, or 11.2% below the (non-weighted) average price in EU countries. In diesel oil, the difference between the domestic and European prices was just SIT 6.7 (3.3%), while the gap in light fuel oil prices totalled SIT 10.3 (8.0%). Differences in EU countries' fuel prices are also shown in the graph below, where prices are ranked from highest to lowest. At the beginning of 2005, the share of tax in Slovenian retail fuel prices was 63.8% for petrol (64.7% in the EU) and 56.4% for diesel oil (55.6% in the EU). The tax share in the price of light fuel oil was 35.9%, which is very close to the EU average (36.3%), yet Slovenia's share was higher than that of 17 other EU countries.

Graph: Retail prices of liquid fuels in EU countries, 24 January 2005, SIT/litre



Sources of data: EC, Oil Bulletin, No. 1247; Petrol. Note: The EU price is a non-weighted average.

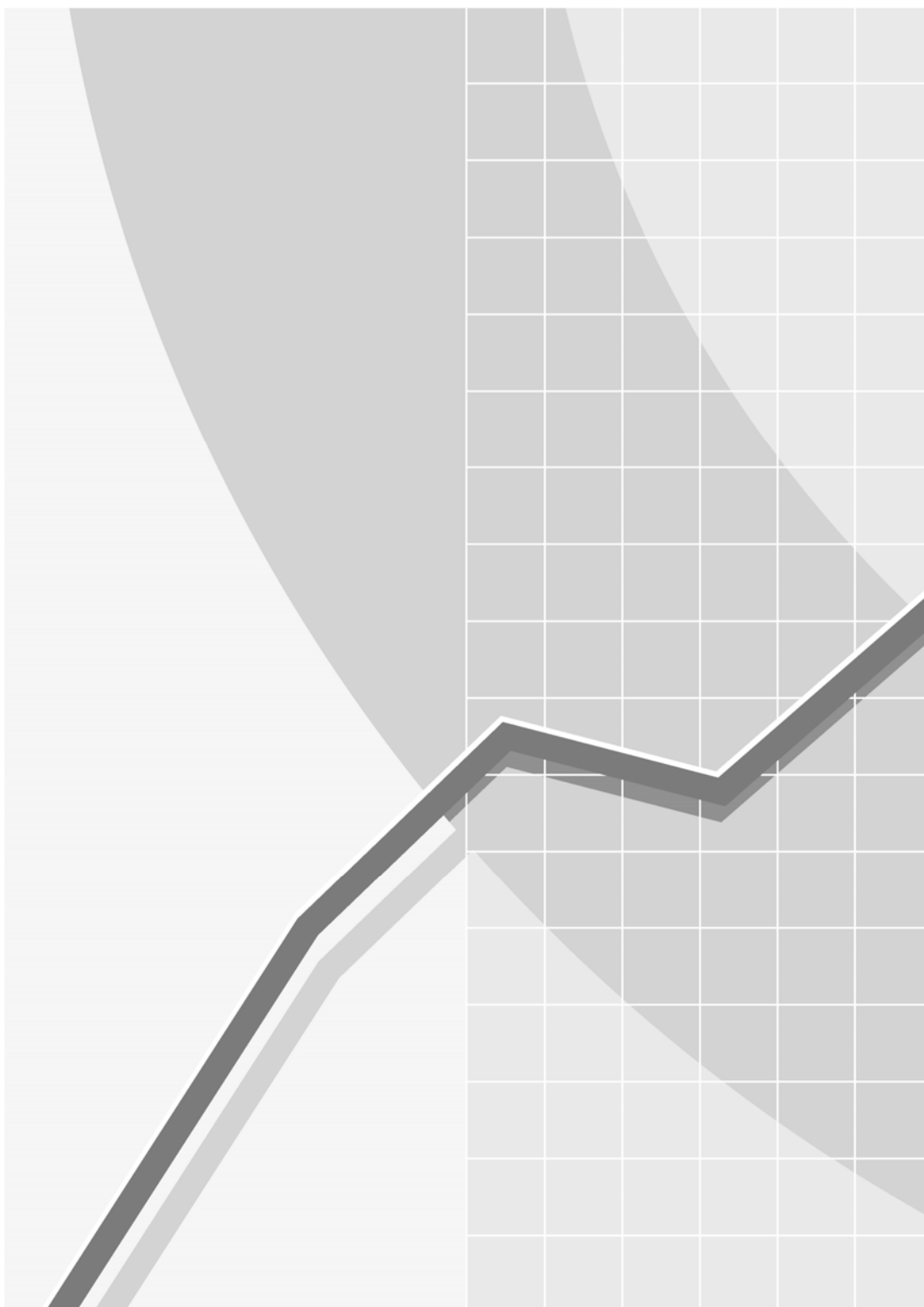
# Selected Topics

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Level of education attained	Education structure of FSA recipients					Age structure of FSA recipients					
	January 2002		December 2004		Index	Age	January 2002		December 2004		Index
	Number	Share in %	Number	Share in %			Number	Share in %	Number	Share in %	
Pre-school, attending sch.	116	0.37	165	0.27	142	0-18	63	0.20	70	0.11	111
Unfinished primary school	3,655	11.57	5,054	8.12	138	18-21	7,641	24.20	11,361	18.25	149
Primary school	10,053	31.84	20,236	32.51	201	22-26	7,471	23.66	15,628	25.10	209
Vocational school	8,214	26.01	15,149	24.33	184	27-45	10,043	31.80	21,452	34.46	214
Secondary school	8,474	26.84	18,356	29.49	217	46-59	5,041	15.96	11,010	17.69	218
Higher educat. or higher	1,065	3.37	3,294	5.29	309	60-64	619	1.96	1,237	1.99	200
TOTAL	31,577	100	62,254	100	197	65 & over	699	2.21	1,496	2.40	214
						TOTAL	31,577	100	62,254	100	197

*Source of data:* Ministry of Labour, Family and Social Affairs, December 2004.

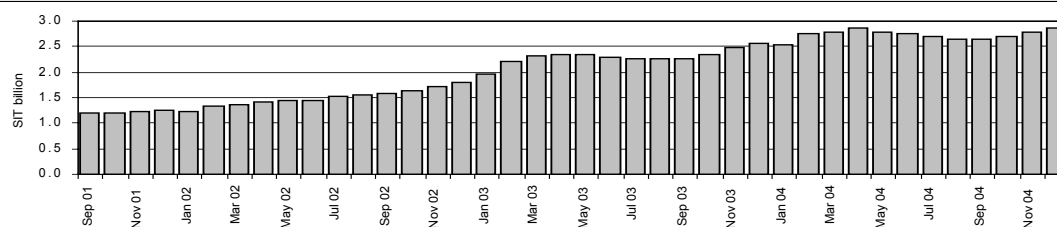
**In 2001, a new system of financial social assistance (FSA) was introduced in Slovenia. It is based on the category of minimum income**, which is defined as the amount that enables the entitled persons to satisfy their minimum needs and thereby guarantees their subsistence at a time when these people have no income of their own or whose income does not suffice for a living. The basic minimum income totals SIT 46,981 as from 1 February 2005. Entitled people without their own income receive FSA in the amount of the complete minimum income determined by law, while for people who earn their own income which, however, is insufficient for living the level of the FSA is determined as the difference between their own income and the legally fixed minimum income. The amount of the FSA for a family is calculated according to the following weights: single person or first adult in the family: 1.0 (SIT 46,981), each subsequent adult in the family: 0.7 (SIT 32,887), a child aged below 18 and an adult child whose parents are still obliged to provide for him/her: 0.3 (SIT 14,094), a supplement for a single-parent family: 0.3 (SIT 14,094).

**The income ceiling set as the condition for entitlement to FSA and the ceiling of FSA itself are considerably higher than in the previous system.** In December 2004, around 4.7% of the population received FSA, compared to the 3% who were registered when the law first came into force. This rise was largely due to the higher ceiling which was raised step-wise (on 1 September 2001, 1 July 2002 and 1 January 2003), during which time the number of recipients almost doubled (from 35,481 to 63,839). The number of recipients continued to grow after the last raising of the ceiling, although it always drops seasonally in the summer months and increases in the winter months (due to the seasonal jobs in summer and the granting of exceptional financial social assistance in winter). This continued growth of entitled persons is no longer attributable to the FSA system change but to other reasons (shorter period of receiving unemployment benefits, termination of fixed-term employment without entitlement to unemployment benefits).

**The structure of recipients has changed.** The great majority of recipients are unemployed, although their share has shrunk slightly (from 88% to 83%). About 65% of recipients do not have any income. The share of FSA recipients with a low income, who receive the difference as against the legally determined minimum income, has risen slightly (from 29.3% to 35.0%), mainly thanks to the higher ceiling. In all age groups (except the 0-18 and 18-21 groups), the number of recipients has approximately doubled.

**The educational structure of recipients has, in particular, changed markedly. There is a growing number of recipients with a secondary education or higher.** In January 2002, these recipients accounted for 30.2% of total FSA recipients. Until December 2004, their share increased to 34.8% because their number rose faster than the number of recipients with lower levels of attained education. The rise in recipients who have attained at least higher education is particularly striking (growth index value 309). The number of recipients with secondary education also grew faster than the total number of recipients (index value 217). Had the number of recipients who have at least a secondary education not grown faster than the number of other recipients, the total number of FSA recipients would have been 2,858 lower in December 2004. Of these, 1,196 would have been those with at least a higher education. Given that the FSA recipients are obliged to seek work and that they should be given precedence in active employment policy programmes, it would make sense to conduct a detailed analysis of the reasons underlying the growing number of these recipients, especially with regard to the question whether this increase is attributable to the deterioration of their employment prospects or perhaps to the inactivity tolerated by the competent services, or even abuse. That the fastest growing group is the one with the highest education is certainly surprising since it would be reasonable to expect that these people should have better chances of finding work than others. Moreover, the fact that 43.5% of recipients are less than 26 years old should be a reason for alert to review the appropriateness of the current solutions. If the number of young recipients rose this markedly due to potential abuses, more efficient measures will be needed to prevent them. If, however, more than 30,000 young people enter their adult life with social assistance because this is their only way to survive, then additional measures will have to be taken to involve them more actively in the labour market.

**Graph: Monthly funds for financial social assistance payments**



*Source of data:* MLFSA, December 2004.



# Slovenia's 2004 Global Competitiveness by WEF

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Table 1: National competitiveness of Slovenia, other EU members and the USA measured by the WEF indices

WEF <sup>1</sup> Report 2004-2005	WEF's aggregate indices				GCI components						BCI components			
	Growth competitiveness (GCI)		BCI		Technology index		Public institutions		Macroeconomic environment		Comp. operations & strategy		Quality of the national business environment	
	03 <sup>2</sup>	04	03 <sup>2</sup>	04	03 <sup>2</sup>	04	03 <sup>2</sup>	04	03 <sup>2</sup>	04	03 <sup>2</sup>	04	03 <sup>2</sup>	04
	r/v	r/v	r	r	r/v	r/v	r/v	r/v	r/v	r/v	r	r	r	r
Finland	1 / 6.01	1 / 5.95	1	2	2 / 6.00	1 / 6.24	1 / 6.52	3 / 6.48	2 / 5.54	3 / 5.47	4	7	1	1
Sweden	3 / 5.80	3 / 5.72	3	4	4 / 6.00	4 / 5.80	7 / 6.28	6 / 6.31	8 / 5.13	17 / 4.99	3	5	5	6
Danmark	4 / 5.61	5 / 5.66	4	7	8 / 5.25	6 / 5.34	1 / 6.56	1 / 6.59	5 / 5.38	4 / 5.36	7	9	3	3
UK	15 / 5.23	<b>11 / 5.30</b>	6	6	16 / 4.96	18 / 4.92	12 / 6.01	7 / 6.23	12 / 4.99	8 / 5.11	8	8	6	4
Netherland	12 / 5.24	12 / 5.30	9	9	18 / 4.93	16 / 4.98	11 / 6.02	13 / 6.08	9 / 5.07	7 / 5.13	10	6	11	9
Germany	13 / 5.24	13 / 5.28	5	3	14 / 5.03	12 / 5.08	9 / 6.10	11 / 6.21	21 / 4.78	26 / 4.77	1	1	9	5
Austria	17 / 5.07	17 / 5.20	17	16	27 / 4.69	22 / 4.85	14 / 5.83	15 / 5.99	10 / 5.07	10 / 5.11	13	14	18	17
Estonia	22 / 4.96	20 / 5.08	28	27	10 / 5.16	15 / 5.01	28 / 5.36	26 / 5.59	34 / 4.37	30 / 4.65	36	33	27	24
Spain	23 / 4.94	23 / 5.00	25	26	25 / 4.72	20 / 4.86	31 / 5.28	34 / 5.16	17 / 4.83	16 / 4.99	25	25	26	26
Portugal	25 / 4.92	24 / 4.96	36	<b>33</b>	22 / 4.82	23 / 4.78	22 / 5.52	23 / 5.69	31 / 4.41	34 / 4.42	46	46	33	33
Belgium	27 / 4.88	25 / 4.95	15	14	29 / 4.65	31 / 4.59	27 / 5.41	22 / 5.71	19 / 4.82	19 / 4.92	11	11	17	19
Luxembourg	21 / 4.99	26 / 4.95	N/A	N/A	42 / 4.30	41 / 4.28	13 / 5.92	14 / 5.99	3 / 5.44	6 / 5.23	N/A	N/A	N/A	N/A
France	26 / 4.91	27 / 4.92	10	12	28 / 4.67	30 / 4.65	23 / 5.50	25 / 5.62	20 / 4.80	25 / 4.78	9	10	14	16
Ireland	30 / 4.73	30 / 4.90	21	22	38 / 4.37	37 / 4.43	25 / 5.46	17 / 5.87	22 / 4.74	21 / 4.85	17	22	22	22
Malta	19 / 5.03	32 / 4.79	42	50	17 / 4.95	21 / 4.85	18 / 5.68	30 / 5.39	29 / 4.47	47 / 4.11	47	57	42	47
<b>Slovenia</b>	31 / 4.70	33 / 4.75	30	31	24 / 4.73	26 / 4.71	35 / 5.11	<b>31 / 5.28</b>	37 / 4.27	39 / 4.26	27	27	34	32
Lithuania	40 / 4.39	<b>36 / 4.57</b>	40	<b>36</b>	36 / 4.43	33 / 4.51	41 / 4.71	43 / 4.75	41 / 4.04	33 / 4.46	41	36	41	33
Hungary	33 / 4.61	39 / 4.56	38	42	32 / 4.57	29 / 4.66	33 / 5.18	37 / 5.07	38 / 4.09	55 / 3.95	45	47	37	36
Greece	35 / 4.58	37 / 4.56	39	41	30 / 4.64	38 / 4.42	42 / 4.71	44 / 4.74	33 / 4.38	31 / 4.52	39	39	40	40
Cyprus	N/A / N/A	38 / 4.56	N/A	45	N/A / N/A	39 / 4.36	N/A / N/A	33 / 5.18	N/A / N/A	45 / 4.14	N/A	56	N/A	39
Czech Rep.	39 / 4.48	40 / 4.55	35	35	21 / 4.84	19 / 4.88	47 / 4.51	51 / 4.56	39 / 4.08	41 / 4.22	33	31	38	35
Slovakia	43 / 4.23	43 / 4.43	42	<b>39</b>	33 / 4.55	28 / 4.67	51 / 4.33	49 / 4.64	50 / 3.82	54 / 3.98	44	40	42	37
Latvia	37 / 4.54	44 / 4.43	29	49	26 / 4.71	36 / 4.46	45 / 4.61	52 / 4.55	36 / 4.31	37 / 4.27	29	50	31	46
Italy	41 / 4.38	47 / 4.27	24	34	44 / 4.24	50 / 4.08	46 / 4.56	48 / 4.64	28 / 4.48	38 / 4.27	24	26	23	41
Poland	45 / 4.15	60 / 3.98	46	57	34 / 4.44	45 / 4.19	58 / 4.17	80 / 3.70	49 / 3.83	51 / 4.05	43	46	44	62
EU 25	25 / 4.90	27.4 / 4.90	24	27	24 / 4.82	26 / 4.78	27 / 5.39	29 / 4.90	25 / 4.63	28 / 4.64	24	27	25	26
EU 10 <sup>4</sup>	34 / 4.57	38.5 / 4.57	37	41	26 / 4.71	29 / 4.63	40 / 4.85	43 / 4.87	39 / 4.14	43 / 4.21	38	42	37	39
EU 15	20 / 5.10	20 / 5.13	14	15	23 / 4.88	23 / 4.89	19 / 5.71	19 / 5.82	16 / 4.92	18 / 4.93	14	15	15	16
US	2 / 5.81	2 / 5.82	2	1	1 / 6.30	3 / 5.92	17 / 5.71	21 / 5.74	14 / 4.94	15 / 5.04	2	2	2	2

Sources of data: WEF Global Competitiveness Report; 2004-2005, 2003-2004; <http://www.weforum.org>. Notes: <sup>1</sup>WEF Global Competitiveness Report 2004/2005, <sup>2</sup>WEF Global Competitiveness Report 2003/2004. The WEF again added two new economies to the overall rankings and increased the number of returned surveys by 11% (the average number of respondents per country was 84). <sup>3</sup>The reference countries include EU countries and the USA; <sup>4</sup>new member states; r – ranking; v – index value. Bold numbers indicate a rise in the country's competitiveness by at least three places. Dark cells indicate a fall in the country's competitiveness by at least three places.

**Slovenia's ranking by national competitiveness, as measured by the WEF's growth competitiveness index and business competitiveness index, slipped for the second consecutive year in 2004, even though by one place less than in 2003. Nevertheless, Slovenia retained or even improved its competitiveness relative to that of the EU-15 and EU-25 since its growth competitiveness index actually rose.** Slovenia's *Growth Competitiveness Index (GCI)* has been rising steadily since the 0.06 index-point drop (to 4.64) seen in 2002. In 2004, Slovenia's GCI gained 0.05 of an index point (i.p.) to total 4.75, thereby exceeding the value recorded in 2001. Compared to the average GCI growth in the EU-15, Slovenia recorded 0.02 i.p. higher growth of this indicator in 2004, which narrowed its gap behind the most competitive/developed countries in the world (Slovenia now lags behind the EU-15 by 0.38 i.p.). Slovenia's GCI growth in the observed year was also higher than the average change of indices in the EU-25 and EU-10. Nevertheless, Slovenia's ranking among 104 economies fell below its 2001-level in 2004, from 31<sup>st</sup> to 33<sup>rd</sup> place in the overall rankings (since 2003, Slovenia's performance has also been affected by the higher number of countries under observation). The drop in Slovenia's ranking was equal to the drop of the EU-25 and smaller than that of the EU-10 (down 4 places), while the ranking the EU-15 remained the same (20<sup>th</sup> place). In comparison with other EU members, Slovenia is more competitive than Lithuania, Hungary, Greece, Cyprus, the Czech Republic, Slovakia, Latvia, Italy and Poland, while Estonia and Portugal, which further improved their rankings in 2004, are placed almost beyond reach for Slovenia. Slovenia also performed worse for the second year in a row in its ranking given by the *Business Competitiveness Index (BCI)*. It was ranked 31<sup>st</sup> among 103 countries, which is still one place higher than in 2001. Hence the gap between Slovenia's ranking by the BCI and its ranking by GDP per capita in PPP (27<sup>th</sup> place) also widened for the second year running, this time from three to four places, which is a warning sign for the WEF that the macroeconomic base in Slovenia is not sustaining the achieved income level which may thus become unsustainable in future. In absolute terms, Slovenia's drop in business competitiveness equals the average EU-15 drop and is smaller than the drop of both the EU-25 and EU-10. Slovenia scores relatively higher compared to EU countries on business competitiveness since it is also ranked higher than Malta and Portugal, in addition to those

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countries it already outperforms according to its GCI.

**Slovenia's fall in the GCI ranking in 2004 was due to the lower values measured in the indices of technological readiness and the macroeconomic environment, while the index measuring the state of a country's public institutions – which was Slovenia's main weakness in 2003 – recorded a visible improvement exceeding that of the EU-15.** The value of the *technology index* declined by 0.02 (to 4.71) compared to the previous year, and Slovenia was ranked 26<sup>th</sup> by this index, which is two places lower than in 2003. Within the technology index, the largest drop was registered in the innovation sub-index (down 0.07 i.p. to 3.44, rank: 23), which is the main national weakness having the lowest value relative to the (high) index value achieved by the highest-ranking country and a relatively high value of the lowest-ranking country. The technology transfer sub-index (4.36) remains one of Slovenia's weaknesses despite the improvement in its ranking (up from 51<sup>st</sup> to 46<sup>th</sup> place). The value and ranking of the information and communication technologies sub-index (ICT) remain essentially unchanged (up 0.01 to 5.29, rank: 26). Despite the development so far, Slovenia has not yet geared itself up for a more innovative phase of development and remains one of the non-core innovators dependent on technology transfer and, even here, it scores poorly (South Africa is in the lead with 5.54, followed by Slovakia with 5.47). The most visible indicators that contributed to Slovenia's poor performance in technological competitiveness were its low rankings in FDI and technological transfer (88<sup>th</sup> place), government prioritisation of ICT (61<sup>st</sup> place), competition quality in Internet service providers (57<sup>th</sup> place), government success in ICT promotion (53<sup>rd</sup> place), technology absorption capacity in enterprises (50<sup>th</sup> place), technological readiness (48<sup>th</sup> place) and foreign technological licences (45<sup>th</sup> place).

Within the aggregate GCI, the value and ranking of the *macroeconomic environment index* dropped in 2004 (down 0.01 from 37<sup>th</sup> to 39<sup>th</sup> place). The government waste sub-index measuring the potential inefficiency of public expenditure was changed in 2003. After this 'methodological' leap (see Development Report 2004), Slovenia was ranked 32 places lower in 2004 (in 63<sup>rd</sup> place) which is, however, still better than in 2002 when it was ranked 68<sup>th</sup>. In other components of the macroeconomic environment, Slovenia performed better than in 2003, occupying 48<sup>th</sup> place in macroeconomic stability and 27<sup>th</sup> place in country credit rating.

The biggest positive shift within the aggregate GCI was seen in the public institutions index where Slovenia moved up four places and whose value increased by 0.17 i.p. Among the components of this index, the value of the contracts and law sub-index dropped by 0.06 i.p. which pushed Slovenia down from 43<sup>rd</sup> to 47<sup>th</sup> place. In contrast, Slovenia's corruption sub-index improved significantly (by 0.40 i.p.) and moved up 9 ranks to 23<sup>rd</sup> place.

**Slovenia's ranking by the Business Competitiveness Index (BCI) fell by one place in 2004 despite the improved quality of the national business environment and the unchanged index value of the sophistication of company operations and strategies.** The increased number of countries under observation resulted in Slovenia being placed one rank lower (31<sup>st</sup> instead of 30<sup>th</sup>). In the *business environment quality index*, Slovenia moved up from 34<sup>th</sup> to 32<sup>nd</sup> place, while the EU-15, EU-25 and EU-10 fell (by 1, 1 and 2 places, respectively). Slovenia's ranking by the *sophistication of company operations and strategy* is still relatively good (27<sup>th</sup> place), while the EU-15, EU-25 and EU-10 dropped in ranking (by 1, 3 and 4 places, respectively).

Table 2: Indicators of Slovenia's significant competitive weaknesses according to WEF 2003/04 and 2004/05

	Ranking			Ranking	
	03/04	04/05		03/04	04/05
<b>Macroeconomic environment</b>			<b>Public institutions</b>		
Recession expectations	56	71	Judicial independence	45	54
Soundness of banks	54	59	Property rights	46	49
Local equity market access	46	68	Wastefulness of government spending	N/A	63
Regulation of securities exchanges	58	67	Burden of central government regulation	N/A	60
Business impact of domestic trade barriers	N/A	57	Burden of local government regulation	N/A	58
Real effective exchange rate, t-1	N/A	76	Effectiveness of law-making bodies	52	58
Inflation, t-1	78	72	Extent and effect of taxation	N/A	63
Interest rate spread	43	46	Policy consequences of legal political donations	N/A	65
<b>Technology</b>			<b>Domestic competition</b>		
Technological readiness of Slovenia	33	48	Extent of locally-based competitors	74	<b>63</b>
Firm level technology absorption	46	50	Wage equality of women in the workplace	60	73
Prevalence of foreign technology licensing	60	<b>45</b>	<b>Cluster development</b>		
FDI and technology transfer	87	88	State of cluster development	66	<b>62</b>
Availability of scientists and engineers	64	<b>59</b>	<b>Company operations and strategy</b>		
Quality of competition in the ISP sector	59	<b>57</b>	Extent of marketing	34	44
Government prioritisation of ICT	58	61	Reliance on professional management	53	48
Government success in ICT promotion	55	<b>53</b>	Hiring and firing practices	80	91
<b>Human resources: education, health and labour</b>			Flexibility of wage determination	77	79
Ease of hiring foreign labour	N/A	96	Foreign ownership restrictions	90	<b>85</b>
Maternity laws' impact on hiring women	101	<b>94</b>	Charitable causes involvement	58	<b>57</b>
			<b>Environment</b>		
			Political context of environmental gains	74	<b>62</b>

Source of data: WEF Global Competitiveness Report; 2004-2005, 2003-2004; <http://www.weforum.org>. Notes: Indicators listed in the table are those revealing Slovenian national weaknesses – areas where Slovenia's performance was poorest. In these indicators, Slovenia's ranking dropped by two places on average. Bold values indicate that Slovenia improved its ranking in these indices in the past year.

<b>Comparison of Slovenian and European Enterprises in 2003</b>	<b>Slovenian Economic Mirror</b>	<b>IMAD</b>
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<b>Selected indicators for enterprises in Slovenia and Europe, 2003</b>							
<b>Size classes by number of employees</b>		<b>0-9 Micro</b>	<b>10-49 Small</b>	<b>50-249 Medium-sized</b>	<b>SMEs Total</b>	<b>250 and over Large</b>	<b>Total</b>
Number of enterprises	SLO	85,240	4,708	1,107	91,055	297	91,352
	Europe-19 (thousands)	17,824	1,261	185	19,270	40	19,310
Share of enterprises (%)	SLO	93.3	5.2	1.2	99.7	0.3	100.0
	Europe-19	92.3	6.5	1.0	99.8	0.2	100.0
Number of employees	SLO <sup>1</sup>	142,925	93,705	116,309	352,939	203,136	556,075
	Europe-19 (thousands)	55,038	24,275	18,105	97,418	42,297	139,715
Share of employees (%)	SLO	25.7	16.9	20.9	63.5	36.5	100.0
	Europe-19	39.4	17.4	13.0	69.7	30.3	100.0
Number of employees per enterprise	SLO	1.7	19.9	105.1	3.9	684.0	6.1
	Europe-19	3.1	19.3	97.9	5.1	1057.4	7.2
Turnover per enterprise (EUR thousand)	SLO	125	2,093	10,333	351	69,603	576
	Europe-19	440	3,610	25,680	890	319,020	1,550
Value added per employee (EUR)	SLO	17,186	24,351	23,653	21,219	28,673	23,942
	Europe-19	40,000	60,000	90,000	55,000	120,000	75,000
Share of labour costs in value added (%)	SLO	54 <sup>2</sup>	62	66	61	61	61
	Europe-19	57	57	55	56	47	52

Sources of data: APLRS; SMEs in Europe 2003, pp. 26, 77, 78; calculations by IMAD.

Notes: for calculations from SIT into EUR, we used the Bank of Slovenia's annual average exchange rate for 2003: 1 EUR = 233.7 SIT; Europe-19 comprises EU-15, Switzerland, Iceland, Norway and Liechtenstein; indicator values for Europe-19 are estimates;

due to a methodological adjustment with the Observatory of European SMEs, the analysis excludes Slovenian enterprises in activities A, B, L and M (SCA); <sup>1</sup> in its data on profit and loss statements of small individual private entrepreneurs, the APLRS does not include the working hours of an entrepreneur who is at the same time the owner of an enterprise in the average number of employees calculated on the basis of working hours in a budget period. If we only take into account the data from the profit and loss statements of small individual private entrepreneurs, we get an underestimated number of employees in these enterprises. In order to obtain a more realistic figure, we added the average number of individual private entrepreneurs in 2003 (calculated on the basis of the SORS' data) to the figures from the profit and loss statements of small entrepreneurs. According to the 'number of employees' criterion, 98% of small entrepreneurs were classified as micro enterprises in 2003 and the rest were categorised as small or medium-sized enterprises. Taking this structure into account, we added the largest number of employees relative to the APLRS data in the micro category (by 42,005). <sup>2</sup> A possible explanation for the smaller share of labour costs in value added in micro enterprises relative to other size classes and Europe-19 lies in the methodology of entering data in profit and loss statements for small entrepreneurs. The income of an entrepreneur is namely not included in labour costs, which is why labour costs are underestimated in the category of small entrepreneurs and consequently also in the micro category.

A new paper by Luka Žakelj entitled '**Development of Small and Medium-Sized Enterprises in Slovenia and the European Union**' was published in the IMAD's Working Paper series. The author explains the relevance of small and medium-sized enterprises in modern economies and highlights the difficulties these enterprises face in their operations. He further presents the policy of promoting small and medium-sized enterprises and entrepreneurship in Slovenia and the EU, and a comparative analysis of enterprises across size classes in Slovenia and the EU in 2003 based on selected indicators.

**Micro, small and medium-sized enterprises (hereinafter SMEs) are recognised as the potentially most dynamic sector of the economy, although their operation is often hampered by a number of obstacles.** These include: (i) excessive administrative and regulatory burdens; (ii) a lack of adequately qualified workers in the labour market; (iii) difficult access to proper financial resources; and (iv) an unsatisfactory business infrastructure. The EU is endeavouring to remove these hindrances through programmes that can be roughly divided into: (i) financial aid programmes based on common activities in the field of R&D; (ii) programmes co-financed by European structural funds; and (iii) programmes co-financed by other institutions, including the European Investment Bank and the European Investment Fund. In addition to financial aid, SMEs also receive business assistance through various other programmes and services under EU auspices.

**In Slovenia, the promotion of SMEs and entrepreneurship does not have a long tradition.** After independence the largest share of state funds was used to rescue large companies, while policies aimed at fostering SMEs and entrepreneurship were changeable and indecisive in the 1990s. This situation began to change with the enforcement of the European Charter for Small Enterprises, Slovenia joining in European SME-promoting programmes and with the adoption of both the Programme of Measures Aimed at Fostering Entrepreneurship and Competitiveness and the Act Fostering a Supportive Environment for Entrepreneurship.

**The breakdown of Slovenian enterprises by size according to the number of employees is comparable to the average size structure of enterprises in Europe.** According to estimates from the Observatory of European

<b>Comparison of Slovenian and European Enterprises in 2003</b>	Slovenian Economic Mirror	IMAD
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SMEs, 19.3 million enterprises operated in Europe-19 in 2003, providing jobs for almost 140 million people. The vast majority of them were micro enterprises (92.3%), followed by small enterprises (6.5%). The share of total SMEs in the size-based breakdown of enterprises was extremely high, namely 99.8%. In most size classes, the shares of the different size categories in the total number of enterprises are roughly the same in both Europe-19 and Slovenia. The greatest difference was found in large enterprises, whose share in Slovenia exceeds the European average by 50% (see table).

**In Slovenia, medium-sized and large enterprises play a greater role in providing jobs than in Europe where micro enterprises predominate.** On average, the largest share of workers in Europe (39.4%) is employed in micro enterprises. This is 13.7 percentage points more than in Slovenia, where the majority of people work in large enterprises (36.5%), which is chiefly attributable to the bigger share of large enterprises in Slovenia compared to Europe-19. Medium-sized enterprises in Slovenia provide a job for 20.9% of all people employed in enterprises, which is 7.9 p.p. above the European average. There is also a noticeable difference in the share of workers employed in European and Slovenian SMEs. The share of employees in European SMEs is 6.2 p.p. higher than in Slovenia, while the reverse is true for large companies.

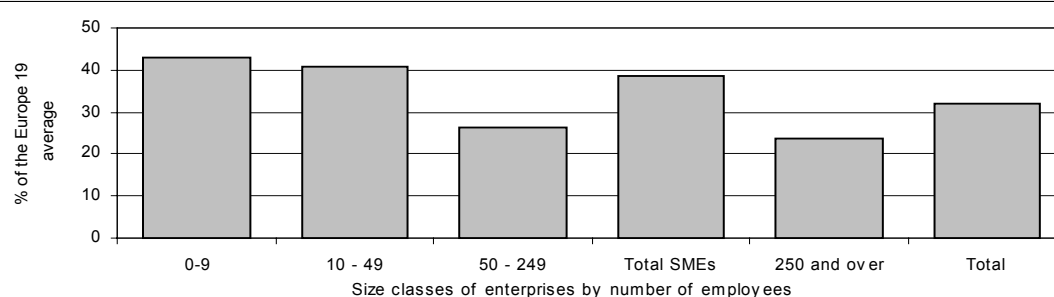
**A comparison of turnover per enterprise as one of the indicators of average enterprise size reveals great differences between Slovenian and European enterprises.** This difference was most marked in large enterprises, where the average Slovenian company achieved just 22% of the European average in this category in 2003. The next biggest difference was observed in micro enterprises whose turnover amounted to 28% of the European average. Small enterprises came closest to the European results, achieving 58% of the Europe-19 average. The average turnover per enterprise in Europe totalled EUR 1,550 thousand in the observed year, and the average Slovenian enterprise registered a turnover of EUR 576 thousand (37% of the European average).

**Similar differences can be observed in the value added per employee produced in each size class.** In 2003, the average European enterprise created EUR 75,000 of value added per employee, while this amount in the average Slovenian enterprise was EUR 23,942 (32% of the European average). If we compare enterprises by size, the difference in value added per employee between the average Slovenian and European enterprises is bigger in each class from smallest to largest. Hence, the average Slovenian micro enterprise generated 43% of the value added per employee created in the average European micro enterprise, while the average large enterprise in Slovenia achieved just 24% of the European average. If we use value added per employee as a measure of labour productivity in individual size classes, we see that labour productivity in Slovenian micro enterprises came closest to the comparable class of European enterprises. The differences between Slovenia and Europe-19 in this indicator increase in each size class from smallest to largest.

**Similarly, there are noticeable differences in labour costs in value added when we compare individual size classes of Slovenian and EU enterprises.** In 2003, the average European enterprise had a 52% share of labour costs in value added, which is 9 p.p. below the Slovenian average. The differences between the Slovenian and European enterprises are again more marked in each subsequent size class. The average Slovenian micro enterprise recorded a 3 p.p. lower share of labour costs than the average European micro enterprise (see the note in the table), while small enterprises in Slovenia were 5 p.p. above the comparable European category. The disparities were even more pronounced in medium-sized and large enterprises: the respective Slovenian averages in these classes were 11 p.p. and 14 p.p. above the European ones.

**Micro enterprises are potential sources for cutting unemployment in Slovenia.** The share of Slovenian micro enterprises in the structure of enterprises by size is 1 p.p. larger than the comparable share in European enterprises, but they on average employ a smaller number of people (1.7 compared to 3.1 recorded in Europe-19), which is also reflected in the smaller share they hold in the structure of employees across size classes of enterprises. Creating an environment that encourages faster growth of micro enterprises and their increased employment hence has the potential to bring down the number of unemployed people in Slovenia.

Graph: **Average value added per employee by size classes of enterprises in Slovenia in 2003 (the European average for each size class = 100)**



Sources of data: APLRS; SMEs in Europe 2003, p. 26; calculations by the IMAD.

<b>Harmonised Index of Consumer Prices (HICP)</b>	Slovenian Economic Mirror	IMAD
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To monitor price dynamics and ensure price stability in the euro area, Eurostat developed and began to use the harmonised index of consumer prices (HICP). The adoption of the Maastricht Treaty in 1991, which formally defined the need to monitor price dynamics not only in individual countries but also in the entire euro area, necessitated the creation of an index that would serve as a common methodological basis for such monitoring of prices. The harmonised index of consumer prices is hence constructed on the basis of comparable methodological concepts; it uses the same coverage of goods and services and a uniform classification of the covered goods and services (classification of individual consumption by purpose COICOP/HICP). Harmonised indices were first published by the Eurostat in 1997, and by the SORS in 2001 (average rates are available from 2002).

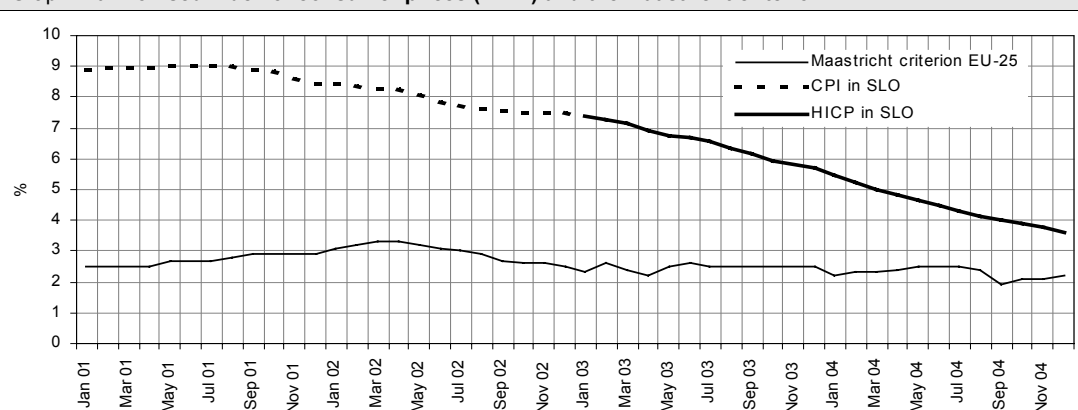
The consumer price index (CPI) and the harmonised index of consumer prices (HICP) differ in terms of their expenditure coverage. This difference is mainly reflected in their different weight schemes, but it may also be seen in their different coverage of products. In Slovenia, the two indices differ in terms of both their coverage of economic agents and their territorial data coverage. The CPI measures the changes in retail prices of goods and services with regard to the structure of residents' expenditure on final consumption goods and services in Slovenia and abroad, while the HICP measures the changes in retail prices of goods and services with regard to the structure of expenditure by residents and nonresidents on final consumption goods and services in Slovenia. Both CPI and HICP are chain-type indices calculated on the basis of the Laspeyres formula. The CPI weights are based on data from household budget surveys. For 2005, this will be the survey average for 2001, 2002 and 2003, adjusted to the December 2004 prices. The HICP weights, on the other hand, are based on figures from the national accounts for 2001, which are adjusted each year at lower levels relative to the changes in consumption structure (taking into account the figures from household budget surveys for the past three years). In Slovenia, the different consumption coverage of the two indices is primarily reflected in the weight schemes of the covered goods and services. Apart from that, the indices also differ with regard to the method used in calculating the average prices of goods and services: while arithmetic mean is used in calculating the CPI, geometric mean is used in calculating the HICP.

In the past three years, the greatest differences between the values of the two indices were seen at the monthly level, whereas they became insignificant in long-term indicators. From the beginning of 2001, when the SORS started to publish the HICP, until the end of 2004, the differences between the two indices at the monthly level ranged between -0.4 and 0.3 of an index point. Commensurate differences were also recorded in year-on-year inflation, where the gap between the two indices amounted to between -0.3 and 0.3 of an index point. In average inflation, which is also used in the calculation of the Maastricht criterion, the recorded differences were between 0.0 and 0.1 i.p.

The process of price index harmonisation is still under way. The SORS started to harmonise the price indices in 1996 with the classification of goods and services and the publication of indices in line with the COICOP/HICP classification. Until 2001, harmonisation with EU practices was effected within the framework of the CPI. The next step in the process began in January 2001 when the SORS started to publish the HICP in addition to the CPI. The harmonisation process will continue in 2005.

The average (HICP) inflation is also used in calculating the Maastricht inflation criterion. The Maastricht inflation criterion is calculated as the average inflation of the three EU member states that are nearest to price stability, increased by 1.5 p.p. In the past three years, the value of the criterion fluctuated between 1.9% and 3.3%. According to Eurostat's provisional data and the available explanations by EU institutions concerning the calculation method, its value stood at 2.2% at the end of 2004. Inflation in Slovenia, which totalled 3.6% in December 2004 and was 2.1 p.p. lower than in December 2003, hence still differs sharply from the Maastricht criterion despite its gradual slowdown observed in the past three years.

Graph: Harmonised index of consumer prices (HICP) and the Maastricht criterion



Sources of data: SORS (Slovenia), Eurostat (EU).

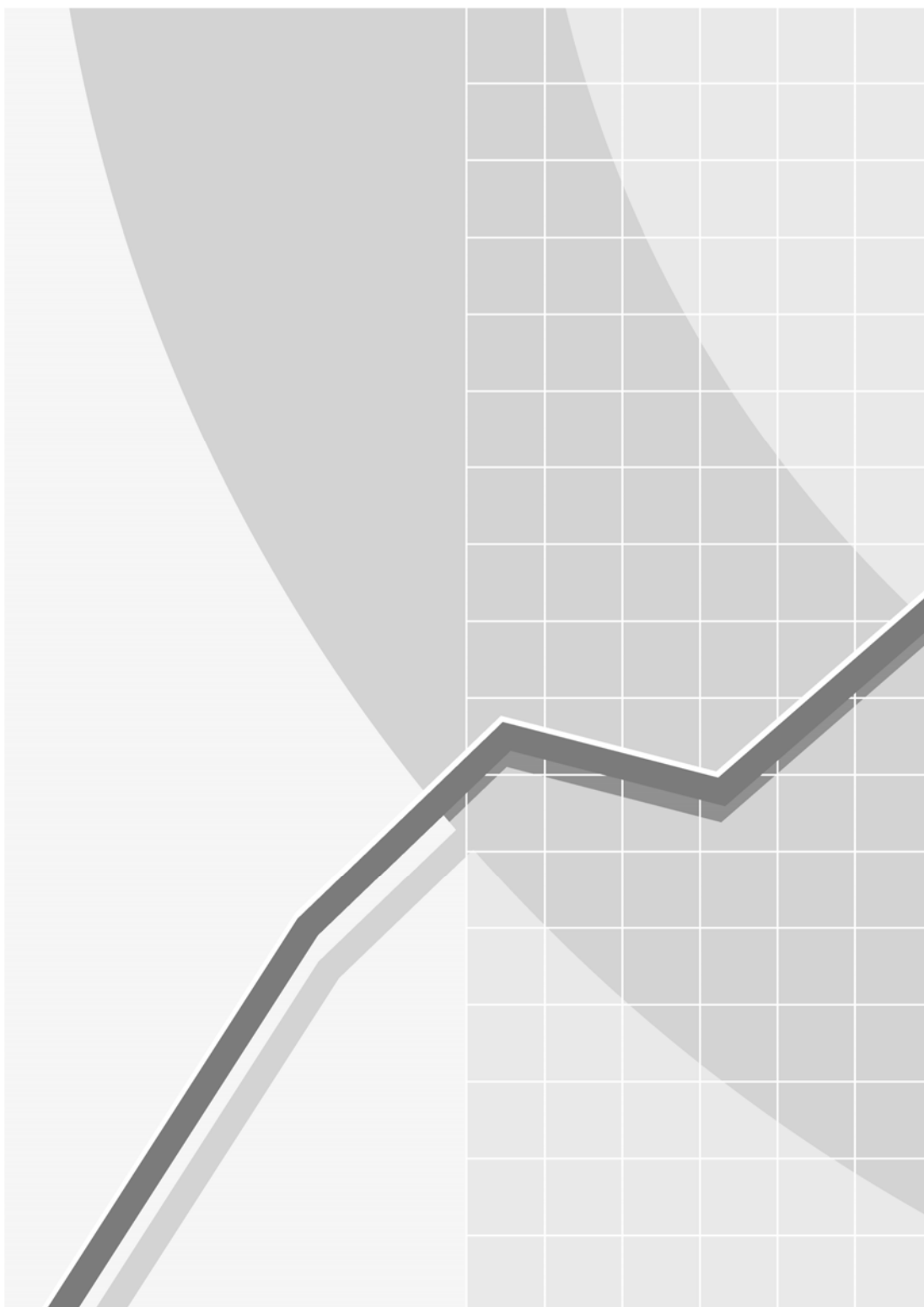
# Statistical Appendix

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<b>Gross Domestic Product / I</b>	<b>Slovenian Economic Mirror</b>	<b>IMAD</b>
	<b>No. 1/2005</b>	<b>p. A 2</b>

	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
<b>VALUE ADDED BY ACTIVITIES AND GROSS DOMESTIC PRODUCT</b>														
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 intermediation	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
<b>1. VALUE ADDED ( A+...+P+IBS )</b>	<b>3,679,390</b>	<b>4,138,450</b>	<b>4,600,119</b>	<b>4,979,950</b>	<b>5,386,834</b>	<b>5,777,760</b>	<b>6,164,035</b>	<b>4.4</b>	<b>3.1</b>	<b>3.7</b>	<b>2.5</b>	<b>4.3</b>	<b>4.0</b>	<b>3.9</b>
<b>2. CORRECTIONS (taxes on production and imports minus subsidies )</b>	<b>572,924</b>	<b>623,364</b>	<b>714,376</b>	<b>767,218</b>	<b>807,666</b>	<b>848,240</b>	<b>902,365</b>	<b>1.6</b>	<b>0.0</b>	<b>0.6</b>	<b>2.5</b>	<b>2.1</b>	<b>2.4</b>	<b>4.1</b>
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
<b>GDP (1 + 2 )</b>	<b>4,252,315</b>	<b>4,761,815</b>	<b>5,314,494</b>	<b>5,747,168</b>	<b>6,194,500</b>	<b>6,626,000</b>	<b>7,066,400</b>	<b>3.9</b>	<b>2.7</b>	<b>3.3</b>	<b>2.5</b>	<b>4.0</b>	<b>3.8</b>	<b>3.9</b>

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
<b>EXPENDITURE ON GROSS DOMESTIC PRODUCT</b>														
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
<b>SUPPLY AND USE OF RESOURCES</b>														
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

Slovenian Economic Mirror

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	1998	1999	2000	2001	2002	2003	2003		2004			2003		2004										
							Q <sub>III</sub>	Q <sub>IV</sub>	Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	11	12	1	2	3	4	5	6	7	8	9	10	11
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	136.5	117.8	121.5	122.7	142.2	126.2	140.4	138.4	133.0	114.7	141.8	137.5	141.7
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	83.6	66.9	82.5	84.5	97.3	78.6	97.6	77.6	84.8	76.8	105.6	72.1	92.5
D Manufacturing	112.5	112.5	120.3	123.7	126.1	128.2	125.4	134.8	129.5	138.0	133.3	140.5	119.3	121.3	123.2	144.1	128.1	143.2	142.8	136.3	116.8	146.8	140.8	144.1
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	130.7	120.7	95.2	90.6	105.6	102.6	101.8	97.4	100.8	98.1	106.3	105.6	138.8
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	66.0	60.2	66.0	67.5	73.9	56.0	65.9	67.6	62.0	54.0	72.8	63.8	57.4
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	37.1	37.8	30.4	35.5	46.5	34.3	32.0	32.3	32.5	21.3	31.4	30.8	37.5
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	70.7	64.4	62.5	68.1	72.0	72.0	76.6	78.3	77.2	56.2	78.3	78.1	76.1
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	74.3	76.2	65.9	68.6	83.3	75.9	83.9	86.6	80.5	72.8	84.9	86.9	79.2
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	9.7	8.6	7.6	8.8	10.1	9.5	11.0	8.5	7.3	7.4	9.8	9.3	10.1
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	246.5	198.5	187.9	180.7	249.2	183.8	230.1	251.5	220.6	197.2	212.4	187.6	196.3
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	158.5	124.3	137.7	148.5	162.6	148.3	157.7	164.9	151.0	138.6	176.2	177.7	167.6
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	138.7	110.7	80.0	95.6	122.1	127.0	146.0	151.2	146.7	136.0	156.2	157.5	147.2
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	141.3	122.7	119.9	124.9	148.2	141.9	145.1	137.3	143.8	119.4	147.4	145.5	140.6
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	140.7	114.1	141.5	130.3	147.6	134.5	139.3	146.0	136.6	123.6	160.8	160.8	155.4
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	273.6	198.8	288.3	294.5	297.5	255.2	350.2	309.7	286.3	229.6	331.5	274.4	319.1
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	124.3	100.7	110.9	119.9	144.6	127.6	137.4	141.7	127.4	77.8	141.9	150.4	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	132.3	107.5	113.3	115.2	139.0	125.2	131.2	129.9	129.4	102.9	142.8	146.9	139.6
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	121.3	132.3	153.6	142.8	150.1	134.6	134.1	122.9	123.9	115.5	103.7	140.1	145.3
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	250.6	248.7	247.7	247.7	248.3	248.2	248.3	248.6	247.8	247.6	247.8	247.9	248.1
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	4.6	4.5	4.4	4.4	4.4	4.3	4.3	4.3	4.3	4.2	4.3	
D Manufacturing	237.8	234.1	234.0	236.1	238.4	234.5	233.7	234.1	232.5	232.9	232.3	234.8	233.0	232.3	232.4	232.8	232.8	232.8	233.1	232.3	232.2	232.3	232.5	232.6
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	11.1	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	120.1	119.0	67.2	80.1	87.7	95.6	101.2	113.8	119.1	130.0	132.4	145.2	122.0
Buildings	-	107.0	100.0	107.1	104.2	104.9	112.7	129.1	90.7	105.0	136.1	129.8	123.0	79.8	92.4	100.0	104.9	98.4	111.8	124.7	151.4	132.1	146.6	121.6
Civil engineering	-	93.3	100.0	79.8	92.1	106.4	123.6	117.0	66.8	102.1	118.9	111.2	115.2	55.6	68.7	76.2	86.9	103.8	115.5	113.9	110.3	132.6	143.9	122.4
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	101.0	98.8	98.3	98.7	98.9	99.7	100.7	101.8	102.4	102.7	103.2	102.3	102.1

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.

<b>Production</b>	<b>Slovenian Economic Mirror</b>																		<b>IMAD</b>			
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	1999	2000	2001	2002	2003	2003	2004				2002			2004												
						Q <sub>IV</sub>	Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	Q <sub>IV</sub>	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
<b>TRANSPORT</b>																										
Passengers km, indices 2002 = 100	126.7	117.6	111.0	100.2	100.0	94.4	90.5	102.6	100.7	84.1	103.3	90.6	89.3	93.3	83.2	94.9	92.6	105.7	109.5	99.1	97.8	105.2	93.4	80.5	78.4	
Tonne km, indices 2002 = 100	111.7	105.8	18.7	99.0	100.0	106.7	115.3	113.5	135.7	144.5	107.8	108.1	104.2	117.9	117.3	110.7	124.8	108.4	107.2	136.8	132.2	138.2	138.4	139.0	156	
Passengers carried total <sup>1</sup> , in mln	82.9	105.5	78.3	71.5	96.0	18.1	16.4	16.9	10.9	16.1	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	5.5	5.3	
Goods carried total <sup>2</sup> , mln tons	16.2	22.4	38.3	67.5	108.5	19.3	15.0	17.3	22.4	23.0	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	7.0	
Urban passenger traffic, in mln	106.9	130.0	105.6	103.9	98.3	29.3	28.8	28.4	15.3	29.8	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	10.0	
Airport passen. traffic, in 000	757	1007	906	873	922	196	166	209	386	236	81	59	57	58	52	56	68	85	106	134	136	116	91	72	73	
Harbour freight.trans, in 000 t	6130	8525	9145	10218	10483	3052	3283	2988	2917	3160	1003	1006	1043	1096	921	1266	675	1047	911	861	1040	1016	929	1234	997	
Loading, unloading, in 000 t	13467	18663	20538	21942	24917	6461	5159	5846	5776	6183	2052	1875	2534	1759	1691	1709	2310	1827	2312	1761	1937	2078	1645	2338	2200	
Transport of gas, mln m <sup>3</sup>	1562	2229	1039	1007	1098	304	353	249	213	317	85	99	120	130	118	105	78	66	70	69	68	76	86	109	122	
Postal services <sup>3</sup> , in mln	319	476	524	587	658	192	-	-	-	-	64	57	71	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TRADE, turnover, SIT bln</b>																										
Turnover of retail trade and sales of motor vehicles <sup>4</sup>	1581	1794	1948	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOURISM, overnight stays, in 000</b>																										
Total	4931	6716	7130	7319	7479	1231	1343	1528	3150	1255	507	356	368	449	468	427	490	611	730	1114	1310	727	510	378	366	
Domestic tourists	2672	3313	3316	3300	3311	575	684	635	1244	574	211	176	188	195	273	217	201	217	302	481	509	253	189	197	188	
Foreign tourists	2258	3404	3814	4019	4168	656	659	893	1907	681	297	179	181	254	195	211	289	394	428	633	801	473	322	181	178	
Health resorts	1526	2113	2284	2327	2360	523	489	562	799	-	206	165	152	156	166	168	193	201	206	263	317	219	196	-	-	
Seaside	1604	1884	2016	2052	2009	256	197	390	993	-	120	75	61	46	62	89	133	168	241	377	412	204	123	-	-	
<b>AGRICULTURE, slaughter in slaughterhouses, in 000 tons</b>																										
Cattle	26.8	34.6	39.2	40.5	43.1	13.0	10.6	10.5	8.6	11.3	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	4.1	
Pigs	36.4	38.0	35.8	37.1	36.5	9.4	9.4	9.2	7.8	8.5	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	3.2	
Poultry	38.1	52.1	56.6	51.4	56.1	15.1	12.2	13.4	12.8	13.6	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	4.3	
Purchase of agricultural products, SIT mln	64.0	87.4	98.5	100.1	102.2	30.8	21.4	23.6	24.5	32.0	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	8.8	13.4	
<b>FISHING, in 000 tons</b>																										
Catches in marine waters	1.4	1.7	1.7	1.6	1.2	0.3	0.1	0.1	0.5	0.2	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	0.1	

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

# Balance of Payments

Slovenian Economic Mirror

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	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
BALANCE OF PAYMENTS, EUR mln																							
Current account	-664	-583	38	335	-91	73	-72	35	-129	74	-13	-124	74	20	-59	-75	-74	20	26	-41	90	71	-20
Trade balance <sup>1</sup>	-1164	-1227	-684	-269	-546	-52	-209	-97	-287	-72	-58	-158	9	-33	-73	-156	-106	-24	-15	-68	12	-27	-98
Exports	8103	9574	10454	11082	11414	2820	2952	2992	3185	3147	984	868	870	974	1148	1065	1024	1096	1106	855	1186	1166	1130
Imports	9267	10801	11139	11351	11960	2872	3160	3089	3471	3219	1,042	1,026	861	1007	1221	1221	1130	1120	1121	924	1174	1193	1228
Services	330	489	536	616	538	108	122	140	195	167	33	32	52	35	53	62	77	56	25	56	85	57	67
Exports	1763	2052	2178	2440	2,469	735	598	554	689	854	182	207	178	168	208	220	236	233	296	293	266	219	225
Imports	1434	1562	1642	1823	1,930	627	477	415	494	687	149	175	126	134	155	159	158	177	270	237	180	162	158
Income	58	29	43	-154	-178	-16	-19	-15	-64	-14	-2	-20	12	15	-42	-12	-30	-22	10	-18	-6	14	9
Receipts	400	471	511	480	517	128	123	127	136	137	40	43	42	38	48	45	41	49	44	47	46	48	44
Expenditure	342	442	468	634	695	143	142	143	199	151	42	62	29	23	90	57	71	71	34	65	52	34	35
Current transfers	112	125	144	142	94	33	34	8	26	-7	15	21	1	4	3	32	-15	9	6	-11	-2	28	1
Receipts	316	371	436	478	448	112	125	93	157	162	42	52	26	29	38	59	39	59	67	42	52	73	44
Expenditure	203	245	293	336	354	79	91	85	131	169	28	31	26	25	35	27	55	50	62	54	54	46	44
Capital and financial account	625	542	-148	-142	26	-75	202	-73	141	60	-6	250	-93	-20	39	32	50	59	68	-12	4	-7	-51
Capital account	-1	4	-4	-164	-165	-39	-69	-24	-40	-43	-19	-42	-8	-4	-12	-6	-11	-22	-4	-18	-21	-8	-23
Financial account	625	538	-144	21	192	-36	271	-49	182	103	13	292	-84	-16	51	38	62	82	73	5	25	1	-29
Direct investment <sup>2</sup>	55	77	251	1582	-115	-90	30	-81	-6	-31	53	31	-6	-64	-10	10	5	-21	12	-84	41	73	-144
Domestic abroad	-45	-72	-161	-168	-414	-103	-76	-137	-69	-102	11	2	-47	-57	-33	-36	-12	-21	-55	-26	-21	-44	-34
Foreign in Slovenia	99	149	412	1750	299	13	106	56	63	70	42	28	41	-8	23	46	17	0	67	-58	61	117	-110
Portfolio investment <sup>3</sup>	324	185	80	-69	-218	-99	-122	-76	-306	-145	-32	-39	-28	-40	-7	-19	-76	-211	-59	-26	-60	-85	-51
Other investment	159	462	964	393	788	194	381	24	240	262	9	317	-13	122	-85	164	-54	130	9	154	99	-26	294
Assets	-540	-576	248	-703	-836	-166	-48	-404	-466	-287	-100	190	-63	-91	-250	-88	-220	-158	32	-226	-93	-194	159
Commercial credits <sup>4</sup>	-276	-174	-239	-136	-119	-17	130	-217	-56	-100	-43	262	-33	-86	-98	-27	-34	5	3	59	-162	-64	-16
Loans	-39	-72	19	-250	-242	-62	-149	-95	-94	-62	-34	-70	-33	-29	-33	-23	-26	-45	-20	-24	-18	-16	106
Currency and deposits	-194	-296	500	-247	-410	-76	-9	-78	-311	-105	-18	13	-15	31	-93	-60	-144	-107	49	-254	100	-92	37
Other assets	-31	-33	-32	-71	-65	-10	-20	-14	-5	-20	-6	-14	18	-7	-25	21	-16	-11	0	-7	-13	-22	32
Liabilities	699	1038	716	1097	1,624	360	428	428	706	549	109	126	50	212	165	252	166	288	-23	380	192	168	135
Commercial credits <sup>4</sup>	-19	-21	-10	95	62	-56	60	53	123	11	27	-65	-44	55	41	125	0	-3	-18	-73	102	4	90
Loans	710	1038	575	832	1,165	397	212	237	356	719	66	13	91	46	100	145	38	173	35	564	120	104	-6
Deposits	2	34	152	130	428	14	154	126	212	-182	16	173	6	91	29	-21	126	107	-49	-113	-20	6	108
Other liabilities	6	-13	-1	39	-31	6	3	12	15	2	0	5	-3	21	-5	3	3	10	10	3	-11	54	-56
International reserves <sup>5</sup>	88	-187	-1439	-1885	-264	-41	-18	84	253	18	-17	-16	-37	-33	154	-118	186	185	111	-39	-54	39	-127
Statistical error	40	41	110	-193	65	3	-129	38	-12	-134	19	-125	19	-1	20	43	24	-79	-94	54	-94	-64	72
FOREIGN TRADE BALANCE BY END USE, in EUR mln																							
Export of investment goods	1014	1219	1417	1542	1634	410	450	421	465	462	148	134	117	136	168	155	155	156	171	120	171	158	n.p.
Intermediate goods	3773	4643	5039	5245	5463	1344	1375	1496	1592	1543	471	388	445	488	563	521	527	544	538	432	573	570	n.p.
Consumer goods	3243	3629	3891	4175	4188	1018	1098	1045	1098	1093	358	336	300	342	403	384	336	377	376	288	430	440	n.p.
Import of investment goods	1829	1981	2009	2072	2322	551	652	572	628	549	203	248	144	180	248	244	201	183	213	158	178	192	n.p.
Intermediate goods	5216	6552	6700	6816	7079	1696	1813	1848	2063	1995	611	554	539	606	703	712	665	686	670	578	746	759	n.p.
Consumer goods	2433	2451	2635	2686	2836	683	765	749	874	761	254	243	199	248	302	292	302	281	265	208	288	290	n.p.

Sources of data: BS, SORS. Notes: <sup>1</sup> exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports, <sup>2</sup> only cash flows, corrections will be reported, <sup>3</sup> 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, <sup>4</sup> short-term claims include net changes in commercial credits, <sup>5</sup> reserve assets of the BS.

# Monetary Indicators

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	1998	1999	2000	2001	2002	2003	2003					2004										
	December						8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
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	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	160.1
Sight deposits with banks	328.7	376.6	421.6	490.3	564.5	626.5	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	759.2
Deposits of enterprises and OFO with the BS	3.5	3.8	4.9	6.7	8.0	10.3	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	7.7
State budget deposits with the BS	2.3	2.3	3.4	8.9	4.5	3.8	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	2.9
Total sight deposits of non-banking sectors with the BS	5.9	6.2	8.4	15.6	12.6	14.1	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	10.6
Tolar savings and time deposits with banks	841.8	914.9	1,002.0	1,296.4	1,545.3	1,591.6	1,592.8	1,578.7	1,622.3	1,612.4	1,591.6	1,591.2	1,600.1	1,590.3	1,582.1	1,552.3	1,500.8	1,503.2	1,489.4	1,496.4	1,480.7	1,494.8
Public sector's time deposits with the BS	0.0	0.0	0.0	19.9	130.3	105.8	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	111.0
Tolar securities	48.8	52.3	65.9	96.1	181.1	217.7	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	200.1
Foreign currency deposits with banks	489.5	569.1	739.7	962.6	1,020.8	1,062.3	1,050.3	1,052.0	1,070.8	1,062.3	1,079.8	1,081.3	1,097.6	1,122.7	1,126.2	1,172.5	1,183.8	1,182.3	1,208.9	1,188.1	1,194.0	
Foreign currency securities	24.4	11.6	13.3	17.5	3.1	3.7	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	3.9
M1	428.2	507.8	549.8	648.1	720.1	796.7	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	930.0
M2	1,318.8	1,475.0	1,617.6	2,060.4	2,576.8	2,711.8	2,658.2	2,658.4	2,706.8	2,702.2	2,711.8	2,700.7	2,708.6	2,691.3	2,701.7	2,698.8	2,679.0	2,694.9	2,685.4	2,706.0	2,684.1	2,735.8
M3	1,832.7	2,055.7	2,370.6	3,040.6	3,600.7	3,777.8	3,716.0	3,720.7	3,762.3	3,777.7	3,777.8	3,784.7	3,792.6	3,791.9	3,827.1	3,826.9	3,855.3	3,882.1	3,873.8	3,918.4	3,875.7	3,933.7
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	25.5	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	29.5
Deposit money banks claims to general government	41.6	45.6	73.1	84.0	109.9	137.7	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	138.2
To central government	379.4	420.4	457.4	520.0	652.1	620.0	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	749.9
To individuals	303.1	438.9	495.0	536.4	577.4	639.9	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	768.9
To enterprises	726.9	839.4	1010.6	1264.0	1402.5	1731.6	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	2008.8
Tolar loans: Up to 1 year	325.1	404.4	497.6	586.6	581.0	597.3	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	636.4
Over 1 year	580.0	715.7	793.1	904.9	996.3	1,126.3	1,055.9	1,068.1	1,095.1	1,106.1	1,126.3	1,127.2	1,135.3	1,151.3	1,158.7	1,162.2	1,175.6	1,208.9	1,205.7	1,224.7	1,224.9	1,250.6
Com.papers and bonds(tolar)	337.7	330.6	355.7	425.6	531.7	576.3	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	679.4
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	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	2253.3
Demand deposits	233.2	268.6	295.8	344.4	407.8	626.5	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	759.2
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	1,261.7	1,537.8	1,579.1	1,582.8	1,570.3	1,611.3	1,603.4	1,579.1	1,577.2	1,588.5	1,581.2	1,576.1	1,547.0	1,494.6	1,496.8	1,484.1	1,490.6	1,473.8	1,487.3
Short-term	582.8	630.8	682.4	876.2	1,050.0	1,135.8	1,108.9	1,098.5	1,143.6	1,141.1	1,135.8	1,146.0	1,159.4	1,162.6	1,164.0	1,140.3	1,111.2	1,146.9	1,141.1	1,156.6	1,147.0	1,168.1
1- 30 days	105.4	116.6	92.1	98.5	121.1	110.6	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	147.3
31 - 90 days	215.3	205.5	221.8	256.0	346.0	426.3	387	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	568.4
91 days - 1 year	262.1	308.7	368.6	521.6	582.9	598.9	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	452.4
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	473.8	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	319.3
Total foreign current liabilities	472.6	544.6	704.1	930.8	990.2	1,025.2	1,013.4	1,020.5	1,017.2	1,034.6	1,025.2	1,043.5	1,046.4	1,058.4	1,076.8	1,082.2	1,129.0	1,126.0	1,125.7	1,156.2	1,140.5	1,146.7
Demand deposits	65.7	96.8	116.7	154.2	166.1	191.2	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	251.3
Savings deposits	126.6	142.9	147.4	233.1	230.8	243.2	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	90.2
Time deposits	220.8	247.6	386.1	504.4	567.7	570.7	548	550.7	558.5	566	570.7	573.6	566.7	572.0	572.2	567.2	594.7	601.8	595.3	617.0	614.7	769.2
Short-term	181.4	201.7	306.8	399.7	448.3	454.3	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	626.8
Long-term	39.4	46.0	79.4	104.7	119.3	116.4	110.2	112.4	112.6	117	116.4	115.5	117.2	116.8	116.6	116.0	119.1	122.3	125.4	140.8	142.0	142.3

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

# Prices

Indices, 1992=100	2000	2001	2002	2003	2004	2003	2004					2003	2004											
						Q IV	Q I	Q II	Q III	Q IV	12	1	2	3	4	5	6	7	8	9	10	11	12	
GROWTH IN SELECTED PRICE INDICATORS																								
Retail price index	274.1	299.9	322.4	340.4	356.4	344.4	347.7	355.4	360.3	362.3	345.2	346.2	347.3	349.7	352.4	356.2	357.6	360.4	360.4	360.0	361.4	363.8	361.8	
Goods	255.6	276.7	295.0	310.9	324.4	314.2	316.3	323.7	326.9	330.6	314.6	315.2	315.2	318.4	320.9	325.0	325.3	327.2	326.2	327.2	329.7	332.5	329.7	
Foodstuffs	250.7	278.3	294.4	316.2	319.3	313.3	334.3	338.6	304.0	300.4	313.1	334.4	328.8	339.7	338.5	341.3	336.0	317.5	301.2	293.4	288.4	300.3	312.5	
Manufactured goods	255.6	276.7	294.9	309.6	323.7	313.3	314.3	322.0	327.3	331.3	313.8	313.2	313.5	316.3	319.1	323.2	323.8	327.0	326.7	328.2	330.7	333.3	329.8	
Services	362.3	411.0	454.2	484.6	511.4	490.9	499.4	509.1	521.1	516.0	493.5	496.5	500.9	500.9	504.9	508.3	514.2	520.6	524.6	518.2	515.2	516.2	516.7	
Consumer price index	270.8	293.6	315.6	333.1	345.0	337.0	339.7	345.2	347.0	348.3	337.5	338.7	339.2	341.3	342.9	345.8	346.9	348.1	346.6	346.2	347.2	349.3	348.3	
Food, non-alcoholic beverages	240.4	262.7	282.4	295.6	297.0	296.0	301.6	301.3	294.4	290.7	295.7	301.6	299.8	303.4	301.0	302.2	300.7	298.3	294.1	290.9	288.3	291.1	292.6	
Alcoholic beverages, tobacco	340.9	366.8	419.2	471.9	499.4	482.5	494.7	492.2	505.9	504.7	482.2	495.7	494.2	494.2	491.7	491.2	493.7	504.5	506.6	506.6	505.5	505.0	503.5	
Clothing and footwear	256.2	261.2	269.8	286.6	291.6	295.1	280.4	297.9	286.3	301.8	293.1	278.8	275.4	287.0	294.2	299.5	300.1	296.2	273.4	289.5	301.1	302.9	301.4	
Housing, water, electricity, gas	405.8	450.4	481.1	513.3	550.8	521.8	530.4	543.1	553.4	576.4	523.2	526.4	531.1	533.8	539.1	543.9	546.1	548.3	553.8	558.2	571.1	581.3	576.7	
Furnishings, household equip.	188.5	203.5	215.0	225.4	230.5	227.0	227.4	230.4	231.9	232.1	227.1	228.0	227.6	226.7	229.8	230.1	231.4	231.9	232.4	231.4	231.0	231.9	233.5	
Medical, pharmaceutical products	269.0	302.2	322.4	341.1	346.2	345.1	346.2	344.9	347.4	346.5	344.4	344.4	347.2	346.8	345.1	344.8	344.8	347.2	347.5	347.5	346.1	346.5	346.8	
Transport	265.2	292.2	313.5	328.6	347.3	334.4	339.2	346.0	351.5	352.4	336.9	337.2	339.6	340.9	341.9	348.4	347.7	350.5	351.9	351.9	353.0	355.4	348.7	
Communications	349.0	386.8	445.6	452.5	453.2	448.6	451.5	448.5	455.4	457.5	445.3	451.5	451.5	451.5	448.4	447.5	449.7	449.3	458.7	458.3	458.3	458.3	456.0	
Recreation and culture	287.4	304.0	325.3	341.2	353.9	340.4	343.0	352.2	368.7	351.7	344.7	343.0	344.0	342.0	345.0	351.3	360.4	370.8	375.7	359.5	350.5	350.2	354.4	
Education	477.8	523.1	575.4	600.8	644.5	609.2	636.1	641.8	643.9	656.0	609.2	634.8	636.7	636.7	641.8	641.8	641.8	641.8	641.8	648.2	655.4	655.4	657.3	
Catering services	347.7	372.2	406.1	436.2	458.7	443.9	447.9	457.2	461.7	467.8	443.5	447.0	447.9	448.8	455.6	456.5	459.7	460.1	462.4	462.4	468.4	468.0	467.0	
Miscellaneous goods & services	265.4	285.9	310.5	330.1	342.9	335.3	339.6	342.9	344.4	344.6	335.7	337.1	341.1	340.8	341.8	343.2	343.8	344.5	344.2	344.5	344.5	344.9	344.5	
Producer price index	213.0	232.0	243.9	250.2	260.9	252.1	256.1	260.2	262.5	264.7	253.1	254.2	256.7	257.4	258.9	260.7	261.0	261.8	262.2	263.6	264.3	264.4	265.5	
Capital goods	180.7	187.8	192.9	192.2	197.0	193.5	192.1	195.8	199.8	200.2	193.7	192.0	192.1	192.3	193.1	196.8	197.4	198.4	200.4	200.6	200.2	200.2	200.1	
Intermediate goods	206.6	226.1	234.5	239.2	253.4	241.1	247.7	252.9	254.6	258.3	242.7	244.4	248.8	249.9	251.6	253.6	253.6	253.6	254.0	256.3	257.7	257.8	259.5	
Consumption goods	224.5	246.0	264.5	275.3	283.3	277.4	280.1	282.6	284.9	285.7	277.9	279.3	280.3	280.6	281.9	282.6	283.2	284.9	284.6	285.1	285.3	285.5	286.2	
PRICE CONTROL <sup>1</sup>																								
Energy prices	351.3	398.8	423.9	435.0	467.1	437.8	443.0	460.1	476.1	489.4	440.2	439.9	442.6	446.4	451.0	464.4	464.7	470.5	477.7	480.1	488.7	494.9	484.6	
Oil products	278.2	328.6	350.2	356.1	384.8	357.0	359.7	376.6	394.0	408.7	359.9	359.6	357.6	361.7	366.8	381.4	381.7	387.8	395.8	398.4	407.9	414.9	403.4	
Electr. for households	414.6	437.5	463.0	480.6	505.2	486.7	499.7	506.2	507.5	507.5	486.7	486.7	506.2	506.2	506.2	506.2	506.2	507.5	507.5	507.5	507.5	507.5	507.5	
Basic utilities	377.4	475.7	558.3	593.2	643.8	605.9	616.1	644.9	648.5	665.6	603.7	605.8	612.5	629.9	643.8	644.4	646.6	647.7	648.9	648.9	656.6	667.7	672.4	
Transport & communic.	335.5	389.6	504.2	524.5	539.8	533.0	533.0	537.3	544.4	544.4	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	235.3	244.6	257.5	268.9	286.6	272.9	278.8	285.8	291.6	290.2	272.9	278.4	278.8	279.1	285.1	285.9	286.5	287.5	293.7	293.6	294.6	294.9	281.1	
Direct control – total	346.0	398.0	439.6	455.8	487.9	460.3	466.1	482.6	496.1	506.7	461.7	462.9	465.5	469.8	475.6	485.8	486.4	491.2	497.7	499.4	506.3	511.8	502.0	

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

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	End year						2003			2004											
	1998	1999	2000	2001	2002	2003	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>INTEREST RATES, in %</b>																					
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	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 <sup>1</sup>	3.36	2.75	4.16	4.08	3.14	2.17	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	2.09	-
<b>Deposits interest rates (r)</b>																					
Demand deposits (n)	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	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	1.0	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.5	0.4	0.4	0.4	-
<b>Lending interest rates</b>																					
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	5.4	5.2	5.1	5.1	5.1	5.1	5.0	4.9	4.9	5.0	4.7	4.8	4.7	-
<b>REVALUATION CLAUSES, in %</b>																					
Tolar: annualised rate	8.51	6.27	9.06	8.62	7.66	5.96	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	3.72	-
Forex clause: annualised	2.1	4.7	7.2	4.7	4.0	2.8	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	-0.2	-
<b>INVESTMENT, outlays, in SIT mln</b>																					
<b>Total</b>	350215	424136	447992	514497	524626	610923	69096	41567	80711	50119	39878	52836	46134	46098	62554	65083	55228	63793	73938	77390	127612
Industry total	67412	76418	90736	121197	114794	136349	15124	12883	15289	12496	10861	11347	11278	9872	11435	12348	12096	22783	28426	14332	26997
Energy sector	17870	27817	28415	26743	36959	31538	4010	4159	4129	3346	4018	3283	1905	953	1847	1878	2044	2939	2476	3275	11142
Manufacturing	49542	50957	62321	94454	77835	104811	11114	8724	11160	9150	6843	8064	9373	8919	9588	10470	10052	19844	25950	11057	15855
Construction	7591	10933	8825	9391	8937	11350	1420	1263	1295	1248	523	1151	1454	1610	1571	1937	1245	1255	3384	2793	3299
Transport and communications	46101	51723	85236	82479	58244	39779	3555	2274	3205	3731	5258	4723	3173	4374	3906	2895	4789	3720	4962	4543	8646
Trade	38429	45234	43452	56554	66950	67852	6097	4077	11185	6694	4954	6108	7512	5882	5700	10315	5662	4740	5242	6361	11101
Hotels and restaurants	5360	7470	8174	7687	9144	14665	612	548	1339	455	675	1049	1385	2631	1261	2031	428	1089	1052	631	1521
Financial and technical services	19866	25335	23217	30796	40339	48049	4663	2603	5392	3212	3116	2663	3130	4007	2627	4111	3202	3605	3895	4502	14221
Other	165456	207023	188352	206393	226220	292876	37625	17919	43006	22283	14491	25795	18202	17722	36054	31446	27806	26601	26977	44228	61827
In econ. infrastructure, total <sup>2</sup>	350215	426492	447992	166027	162078	177777	22056	11699	18554	15807	11773	20023	15010	9987	12546	16251	20603	17889	15833	28189	39184
Energy sector	17870	27817	28414	26742	36959	46562	4010	4159	4129	3346	4018	7301	5251	953	1847	1878	2044	2939	2476	3275	11142
Electricity supply	12141	20730	20100	16012	25132	26903	2332	2521	2208	1988	2527	4134	3249	561	1160	1028	1010	1597	1106	2065	2683
Gas supply	633	594	1012	506	1380	1282	113	131	137	59	13	49	121	60	43	34	51	30	51	56	123
Hot water supply	1173	1288	1034	966	1168	2725	636	302	212	116	70	178	233	75	20	78	311	315	144	214	273
Cold water supply	3923	5204	6267	9259	9280	15652	929	1205	1572	1184	1407	2941	1647	257	623	738	671	997	1176	940	8063
Transport infrastructure	124580	143403	145410	139285	125119	131215	18046	7540	14425	12461	7755	12723	9760	9034	10700	14373	18559	14950	13356	24914	28043
Railways	10328	9294	34113	30074	16924	1717	109	37	54	66	14	7	46	15	18	28	1218	48	47	47	269
Air traffic	452	491	798	821	618	1774	299	184	325	222	141	64	173	91	131	67	37	289	335	529	582
Roads, motorways	46964	94161	75490	67506	81467	103849	16016	5765	12214	9383	3248	8499	8105	7561	7800	12894	15343	12331	10555	21652	23786
Postal and telecom services	24087	33787	33252	38757	24573	20923	1533	1422	1598	2355	4182	3928	1196	988	2621	870	1373	1889	2074	2346	2894
Other	2386	3023	1757	2127	1538	2952	88	133	235	435	171	225	240	379	129	513	588	393	346	340	511

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

# Labour Market

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	Number in thousand	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
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	875.3	870.7	872.9	873.8	874.4	873.7	872.9	872.9	873.0	872.7	876.3	881.6	880.6
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	779.1	774.7	773.8	775.6	777.7	779.8	781.4	783.7	782.7	782.4	785.6	789.1	789.7
	In agriculture, forestry, fishing	45.7	43.3	41.9	43.2	36.1	34.4	34.1	36.6	36.8	37.2	34.1	33.9	36.6	36.5	36.7	36.9	36.8	36.8	37.2	37.2	37.3	38.6	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	308.6	305.4	304.1	304.3	305.0	305.4	306.1	307.0	306.6	306.6	307.0	306.7	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	234.8	233.0	232.3	232.4	232.8	232.8	232.8	233.1	232.3	232.2	232.3	232.5	232.6
	In construction	55.1	57.4	56.8	57.1	57.4	58.2	57.6	56.6	57.8	58.9	58.0	56.7	56.4	56.6	56.7	57.2	57.7	58.4	58.7	58.9	59.2	58.7	58.6
	In services	405.0	416.4	427.6	428.2	433.1	432.8	435.8	434.7	438.6	439.6	436.4	435.4	433.2	434.8	436.0	437.5	438.4	439.9	438.9	438.6	441.3	443.7	444.5
	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	49.0	49.2	49.3	49.8	50.1	50.3	50.4	50.3	50.3	50.4	51.3	51.2
	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	104.1	104.0	103.9	104.6	105.1	105.4	105.6	105.7	104.6	104.1	106.1	106.8	107.0
C	FORMALLY EMPLOYED <sup>1</sup>	671.0	683.0	694.8	697.9	699.1	698.8	701.4	697.1	702.8	704.1	703.0	698.8	695.3	697.1	699.0	701.0	702.4	704.8	703.4	703.0	705.8	707.7	708.4
	In enterprises and organisations	606.9	615.5	626.4	631.1	633.0	632.1	634.9	632.7	636.8	637.8	636.2	633.3	631.1	632.8	634.3	635.5	636.4	638.5	637.2	636.8	639.4	641.2	642.0
	In small scale sector	64.0	67.5	68.4	66.8	66.2	66.7	66.5	64.4	65.9	66.3	66.9	65.6	64.2	64.2	64.8	65.5	66.0	66.3	66.2	66.1	66.4	66.6	66.4
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	75.9	78.6	78.6	78.6	78.8	78.9	78.9	79.3	79.4	79.8	81.4	81.3
E	REGISTERED UNEMPLOYMENT	119.0	106.6	101.9	102.6	97.7	97.7	97.0	98.0	91.5	90.4	96.2	96.0	99.0	98.1	96.7	93.9	91.5	89.2	90.3	90.3	90.7	92.5	90.9
	Female	60.2	54.1	51.7	52.5	51.6	52.7	51.4	50.9	48.6	49.0	51.0	50.3	51.4	50.9	50.4	49.5	48.6	47.7	48.9	49.2	48.8	49.6	48.4
	By age: Under 26	30.7	25.0	24.5	24.7	25.5	25.2	26.8	25.9	23.2	23.1	26.6	25.9	26.4	25.9	25.5	24.3	23.1	22.1	22.5	22.5	24.3	26.0	25.0
	Older than 40	57.7	55.1	51.5	50.7	43.1	42.7	41.3	42.0	40.0	38.8	41.1	41.3	42.3	42.2	41.5	40.7	40.0	39.2	39.2	38.9	38.4	38.1	37.9
	Unskilled	56.5	50.4	47.9	48.2	43.2	42.7	41.4	42.0	38.3	36.9	40.9	41.1	42.3	42.2	41.4	39.6	38.3	37.1	36.8	36.5	37.3	37.7	37.0
	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	45.1	44.2	45.0	44.9	44.2	43.8	43.1	41.8	42.2	41.9	42.2	42.9	42.0
	Those receiving benefits	36.9	31.0	25.8	24.4	24.3	24.6	23.0	24.3	21.9	21.5	22.9	23.1	24.6	24.5	23.6	22.1	22.1	21.5	21.5	21.8	21.1	20.7	21.1
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	11.0	11.0	11.3	11.2	11.1	10.7	10.5	10.2	10.3	10.3	10.3	10.5	10.3
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	-2.1	-4.6	2.2	0.9	3.5	-0.7	-0.9	0.0	0.1	-0.3	3.6	5.3	-1.0
	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	2.3	1.4	1.6	1.4	1.8	1.5	1.2	1.2	1.7	1.7	4.3	5.8	2.0
	Redundancies	61.1	61.8	65.8	66.0	68.8	17.2	17.5	19.4	14.9	16.5	5.5	6.4	8.9	4.8	5.7	5.0	5.0	4.9	6.4	4.5	5.6	6.0	5.6
	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	4.4	3.3	4.1	4.5	5.5	5.1	4.3	3.5	3.1	6.1	5.0	4.2	
	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	4.7	3.4	2.7	3.4	3.8	3.5	4.3	3.5	3.1	3.5	4.9	5.1
	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	-0.2	-0.4	0.0	0.2	0.4	0.2	0.5	-0.3	0.1	0.7	-1.3	-0.8
	Retirements <sup>2</sup>	15.1	14.8	14.6	14.8	15.1	3.9	2.5	4.6	3.4	6.3	0.5	0.6	1.2	2.3	1.1	1.6	0.0	1.8	1.6	2.3	2.4	2.1	1.8
	Deaths <sup>2</sup>	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 <sup>2</sup>	36.0	16.3	48.3	26.8	23.2	5.4	8.2	13.1	8.7	11.4	3.3	-0.4	5.5	4.4	6.0	2.9	1.4	4.4	3.8	3.2	4.4	7.8	4.6
H	JOB VACANCIES	12.4	12.9	11.9	11.6	12.1	12.5	12.1	12.3	14.5	14.5	12.6	10.2	11.9	11.2	13.8	11.9	15.2	16.5	14.1	13.3	16.2	17.3	13.9
	For fixed term, in %	70.9	70.7	72.4	74.4	73.8	75.0	74.3	72.2	73.8	75.6	75.3	72.8	70.1	71.8	74.2	72.4	75.5	73.2	76.0	75.5	75.4	74.6	72.9
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	39.7	39.5	39.2	39.2	39.3	39.7	39.9	40.4	40.1	40.3	40.9	39.6	38.9
	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	4.5	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.6	4.7	4.5	4.4	

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

# Wages, Competitiveness, Exchange Rate

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	1999	2000	2001	2002	2002	2003	2004			2004										
							Q I	Q II	Q III	1	2	3	4	5	6	7	8	9	10	11
GROSS WAGE PER EMPLOYEE, in SIT <sup>1</sup>																				
Total	173,245	191,669	214,561	235,436	235,436	253,200	258,118	260,828	266,872	258,224	254,752	261,377	260,231	259,539	262,715	264,317	267,878	268,420	270,303	291,850
Agriculture, fishing	161,223	171,605	185,256	200,608	196,197	207,446	210,676	212,448	216,016	212,687	204,312	215,030	213,678	210,266	213,401	213,776	216,155	218,117	221,536	232,402
A Agriculture	161,367	171,669	185,550	201,007	196,758	207,565	210,933	212,665	215,933	212,896	204,505	215,397	214,037	210,457	213,501	213,530	215,960	218,309	221,763	232,946
B Fishing	154,290	166,131	172,752	183,110	183,110	197,567	198,697	202,078	220,015	203,163	195,340	197,587	196,736	200,986	208,511	225,792	225,148	209,106	211,250	207,882
Industry, construction	148,358	164,859	182,498	201,146	200,160	215,547	221,589	223,780	230,531	220,706	216,280	227,781	222,798	222,468	226,075	227,169	232,043	232,381	233,339	258,356
C Mining and quarrying	193,169	218,705	248,031	274,202	274,202	298,122	316,149	313,949	326,938	315,207	314,574	318,666	309,688	312,535	319,623	320,263	328,648	331,903	335,435	375,444
D Manufacturing	144,110	161,296	178,596	197,166	196,220	211,060	217,705	219,429	225,771	216,909	212,490	223,717	218,540	218,140	221,606	222,966	227,423	226,925	228,418	252,735
E Elect., gas&water supply	200,429	219,212	250,000	278,616	277,009	299,812	297,748	301,268	316,468	298,750	291,435	303,058	299,965	298,926	304,913	305,433	319,548	324,422	321,676	391,433
F Construction	147,510	159,541	173,179	189,015	188,911	204,316	209,085	214,341	220,274	207,022	203,118	217,115	213,240	213,177	216,605	216,374	220,493	223,954	222,418	235,948
Production services	167,151	180,635	199,109	216,813	216,457	232,528	238,367	240,945	245,081	239,259	236,191	239,652	240,704	239,891	242,239	242,397	246,015	246,831	250,784	265,439
G Distributive trade	162,907	173,119	189,609	207,203	207,059	222,101	228,304	231,475	235,514	228,223	226,710	229,979	230,937	231,408	232,079	233,222	235,843	237,476	240,014	259,465
H Hotels & restaurants	139,145	150,527	165,159	178,438	178,105	189,230	192,654	196,154	200,353	196,396	189,900	191,667	197,490	195,417	195,555	197,804	202,619	200,635	202,233	208,558
I Transport, storage & communications	186,849	208,417	232,483	252,308	251,625	272,238	279,304	280,894	285,670	281,058	276,175	280,679	280,164	277,612	284,905	281,925	287,417	287,669	296,320	303,998
Business services	211,985	234,470	262,436	287,424	283,209	305,446	308,248	313,060	315,228	310,610	302,689	311,444	311,512	312,213	315,455	311,190	316,811	317,682	316,796	381,064
J Financial intermediation	255,147	279,107	313,370	339,900	339,900	370,832	363,607	379,858	377,558	368,063	359,819	362,938	370,250	383,031	386,293	372,802	379,400	380,471	378,131	520,828
K Real estate	186,301	207,803	233,439	258,709	254,626	273,716	281,329	281,090	285,763	282,728	274,971	286,288	283,234	278,138	281,899	281,923	287,198	288,168	288,232	316,008
Public services	207,409	230,598	262,648	285,571	293,973	312,583	313,836	316,092	324,010	314,021	313,525	313,963	316,343	314,306	317,626	323,330	324,366	324,333	326,244	331,887
L Public administration	223,914	244,662	278,826	299,889	299,889	321,502	319,028	316,723	325,598	318,334	320,198	318,552	318,420	311,102	320,648	325,673	325,337	325,785	328,065	333,779
M Education	192,089	220,572	255,222	288,267	288,038	309,968	315,267	318,919	332,057	313,337	315,179	317,284	316,831	318,498	321,428	331,246	332,463	332,462	334,828	338,682
N Health & social work	203,098	224,575	253,131	267,824	291,318	308,013	306,668	310,330	313,648	307,867	305,717	306,421	309,154	311,336	310,500	313,768	314,719	312,457	312,879	319,587
O Other soc.&person.serv.	228,012	245,579	273,443	293,855	293,764	307,184	312,684	320,186	320,428	319,944	308,894	309,215	327,855	317,718	314,984	315,898	320,812	324,574	327,639	336,252
INDICATORS OF OVERALL COMPETITIVENESS, 1995=100																				
Foreign exchange rates																				
Effective exch. rate <sup>2</sup> nominal	127.2	138.4	146.9	151.3	-	151.6	151.5	153.2	153.6	151.0	151.2	152.2	153.0	153.2	153.4	153.5	153.7	153.6	153.0	152.0
Real (relative consum. prices)	99.0	100.9	101.0	98.4	-	94.8	93.8	94.1	94.2	93.4	93.8	94.2	94.4	94.0	94.0	93.7	94.5	94.4	94.0	92.7
Real (relative ind.prod.prices)	104.1	108.9	107.4	105.3	-	104.0	102.1	103.1	103.3	102.2	101.5	102.6	103.1	103.1	103.1	103.2	103.5	103.1	103.2	102.2
SIT/US\$ <sup>3</sup>	181.8	222.7	242.7	240.2	-	207.1	189.8	197.9	196.3	187.8	187.9	193.8	198.1	198.7	196.9	195.5	197.0	196.5	192.3	184.7
SIT/EUR <sup>3</sup>	193.6	205.0	217.2	226.2	-	233.7	237.4	238.5	239.8	237.0	237.4	237.8	238.2	238.5	238.8	239.7	239.8	239.8	239.8	239.8
Unit labour costs <sup>4</sup>																				
Nominal (original series)	130.8	136.3	147.8	157.2	-	162.4	161.7	164.9	164.8	170.4	164.4	150.4	172.6	155.7	166.3	161.6	186.2	146.7	156.1	169.1
Seasonally adjusted <sup>5</sup>	-	-	-	-	-	-	164.7	163.8	166.3	162.6	165.9	165.7	168.3	159.5	163.5	166.5	167.4	164.9	169.8	170.9
Real <sup>6</sup> (original series)	106.6	103.2	102.8	104.0	-	104.8	101.9	102.2	101.3	108.2	103.3	94.2	107.5	96.3	102.7	99.6	114.5	89.7	95.2	103.1
Seasonally adjusted <sup>5</sup>	-	-	-	-	-	-	104.0	101.6	101.9	103.3	104.7	103.9	105.0	98.8	101.1	102.5	102.7	100.7	103.5	104.0
In currency basket <sup>7</sup> (orig.ser.)	102.8	98.5	100.6	103.9	-	107.1	106.8	107.6	107.3	112.9	108.7	98.8	112.8	101.7	108.4	105.3	121.1	95.5	102.0	111.3
Seasonally adjusted <sup>5</sup>	-	-	-	-	-	-	108.5	106.9	108.5	107.3	109.2	108.9	110.1	104.1	106.6	108.5	109.2	107.6	111.1	112.5

Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD. Notes: <sup>1</sup> 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. <sup>2</sup> based on market exchange rates, growth in index value denotes drop in the value of tolar and vice versa. <sup>3</sup> exchange rates of BS. <sup>4</sup> for manufacturing in enterprises and organisations with three and more employees, nominal, in SIT. <sup>5</sup> seasonally adjusted by Tramo-seats method. <sup>6</sup> based on producer prices in SIT. <sup>7</sup> only domestic factors.



# Public Finance

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Current prices in SIT million	1999	2000	2001	2002	2003	2004			2004									
						QI	QII	QIII	1	2	3	4	5	6	7	8	9	10
CONSOLIDATED GENERAL GOVERNMENT REVENUES, EXPENDITURES AND FINANCING; GFS - IMF METHODOLOGY																		
<b>CONSOLIDATED GENERAL GOVERNMENT REVENUES</b>																		
TOTAL GENERAL GOV. REVENUES	1,590,017	1,726,724	1,967,785	2,083,860	2,375,840	604,411	638,589	611,312	200,516	182,087	221,808	243,633	216,558	178,398	196,195	204,759	210,358	199,981
Current revenues	1,579,255	1,695,040	1,937,367	2,043,509	2,338,713	599,529	620,952	595,544	199,532	180,115	219,883	235,811	214,636	170,505	191,302	199,757	204,485	193,223
Tax revenues	1,499,430	1,599,594	1,798,343	1,909,594	2,189,486	559,497	581,890	553,047	192,202	171,114	196,182	221,062	202,711	158,116	179,818	188,389	184,841	181,873
Taxes on income and profit	273,818	311,429	357,877	395,045	460,520	112,480	151,416	108,442	36,906	36,351	39,223	65,356	48,325	37,735	35,124	34,601	38,718	41,243
Social security contributions	496,371	552,574	620,908	681,816	737,632	190,353	195,279	198,657	62,446	62,534	65,373	65,117	64,980	65,182	66,114	65,504	67,038	66,638
Taxes on payroll and workforce	55,416	68,071	83,369	93,897	107,424	27,955	28,568	28,821	9,527	9,200	9,229	9,373	9,647	9,548	9,798	9,602	9,422	9,285
Taxes on property	26,597	26,513	32,965	34,428	34,419	4,447	9,158	13,705	1,139	1,601	1,707	1,439	3,476	4,243	3,841	5,477	4,388	3,085
Domestic taxes on goods and services	601,470	602,895	673,380	672,703	814,577	214,472	189,780	196,598	79,512	57,480	77,480	76,205	73,291	40,284	59,277	72,644	64,677	60,802
Taxes on internat. trade & transactions	45,657	38,089	29,607	31,341	34,653	8,096	7,287	1,717	2,600	2,468	3,028	3,448	2,848	990	618	537	562	780
Other taxes	100	23	238	365	261	1,696	401	5,105	73	1,481	142	123	144	134	5,047	23	35	40
Non-tax revenues	79,825	95,447	139,024	133,915	149,227	40,032	39,062	42,497	7,330	9,001	23,701	14,748	11,925	12,389	11,484	11,368	19,645	11,350
Capital revenues	6,430	9,674	10,199	15,165	15,857	3,631	3,417	3,777	746	1,739	1,146	1,514	905	998	1,445	928	1,403	2,329
Voluntary donations	4,332	7,421	10,788	14,223	13,384	317	728	370	166	181	-30	184	99	446	99	165	106	119
Grants	0	14,588	9,431	10,962	7,887	180	182	183	60	29	91	122	26	34	66	94	23	53
Receipts from the EU budget	-	-	-	-	-	754	13,310	11,438	11	24	718	6,002	893	6,415	3,283	3,815	4,340	4,257
<b>CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE</b>																		
TOTAL EXPENDITURE	1,613,314	1,781,444	2,030,978	2,239,883	2,454,309	610,593	685,895	635,745	197,006	197,430	216,157	232,671	239,874	213,350	210,979	213,605	211,161	226,525
Current expenditure	707,925	797,009	924,007	1,025,999	1,123,938	269,883	303,973	257,040	84,260	89,077	96,547	117,534	96,722	89,717	86,753	84,973	85,313	99,550
Wages, salaries and other personnel expenditure in government agencies and local communities	350,639	387,501	456,410	514,924	561,191	138,341	154,261	144,476	45,892	46,663	45,786	59,254	47,397	47,609	47,706	48,433	48,337	50,217
Purchases of goods and services in state bodies and local communities	295,789	335,955	385,770	417,688	451,440	96,147	107,540	100,176	32,115	31,678	32,354	36,483	36,208	34,849	33,826	33,102	33,248	41,273
Interest payments	50,945	60,956	72,809	83,528	92,661	33,742	34,228	7,530	5,647	10,213	17,883	16,360	11,871	5,997	3,155	2,124	2,251	6,943
Reserves	10,552	12,597	9,018	9,858	18,646	796	966	2,192	326	205	266	418	274	1,146	465	581	158	
Current transfers	737,619	813,491	908,026	1,006,977	1,097,369	298,851	324,661	302,885	96,935	97,594	104,322	101,613	123,399	99,648	101,284	101,767	99,833	106,327
Subsidies	63,088	58,951	63,161	60,435	69,470	21,856	12,423	13,846	9,034	5,383	7,439	4,905	3,982	3,536	5,262	4,219	4,364	10,843
Current transfers to individuals and households	648,071	731,077	821,358	910,391	986,100	253,222	282,621	257,983	82,068	85,190	85,964	86,907	109,894	85,820	86,405	86,466	85,111	84,908
Current transfers to non-profit institut., other current domestic transfers	21,245	19,641	18,085	31,075	36,722	23,086	28,221	30,014	5,693	6,983	10,411	9,520	9,427	9,274	9,298	10,705	10,011	9,121
Current transfers	5,214	3,822	5,421	5,076	5,077	688	1,395	1,043	140	38	509	280	96	1,018	320	377	346	1,455
Capital expenditure	109,476	111,003	127,996	128,733	142,131	25,579	26,474	35,818	10,329	8,050	7,200	7,578	8,529	10,367	10,532	11,937	13,349	12,145
Capital transfers	58,294	59,942	70,949	78,174	90,871	16,280	20,446	22,958	5,483	2,709	8,088	5,946	6,055	8,445	6,705	9,280	6,973	4,167
Payments to the EU budget	-	-	-	-	-	0	10,342	17,044	0	0	0	0	5,169	5,173	5,705	5,647	5,692	4,336
<b>SURPLUS / DEFICIT</b>	<b>-23,297</b>	<b>-54,720</b>	<b>-63,193</b>	<b>-156,023</b>	<b>-78,469</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

Source of data: MF Bulletin.

<b>Main Indicators</b>	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 <sup>1</sup>	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 <sup>2</sup> , annual average	6.1	8.9	8.4	7.5	5.6	3.6*	3.0	2.7
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>								
Exports of goods and services <sup>3</sup>	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 <sup>3</sup>	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	7,378 <sup>4</sup>	-	-
Gross external debt, In EUR million	8,012	9,490	10,403	11,455	13,305	15,097 <sup>5</sup>	-	-
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS (share in GDP in %)</b>								
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
<b>CONSOLIDATED GENERAL GOVERNMENT REVENUE AND EXPENDITURE BY THE GFS – IMF METHODOLOGY (as a % of GDP)</b>								
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: <sup>1</sup> Eurostat – New Cronos, october 2004; <sup>2</sup> the consumer price index; <sup>3</sup> 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;								
<sup>4</sup> November 2004, <sup>5</sup> October 2004, *SORS.								

## International Comparisons / I

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	Real GDP growth				GDP per capita in PPS <sup>1</sup> . EU25=100				Inflation <sup>2</sup> (annual average)			
	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003
<b>Slovenia</b>	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: <sup>1</sup>PPS – Purchasing Power Standard. The data for 2001 are final, the data for 2002 and 2003 are provisional (2002 – second estimate, 2003 – first estimate). <sup>2</sup>Harmonised Index of Consumer Prices for EU countries and Consumer Price Index for the USA.

## International Comparisons / II

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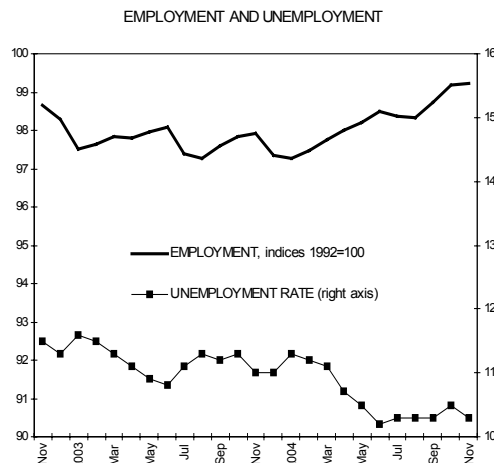
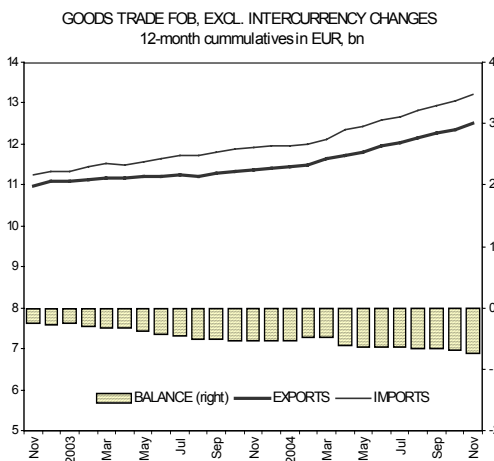
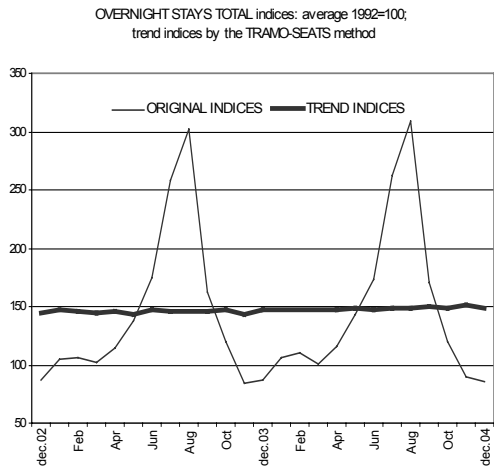
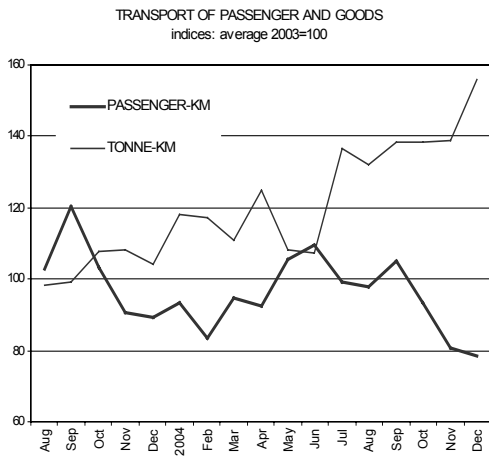
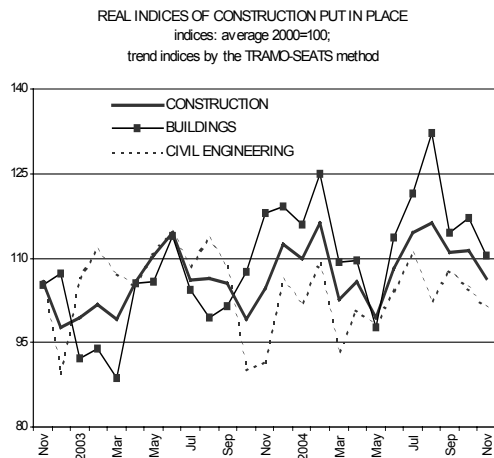
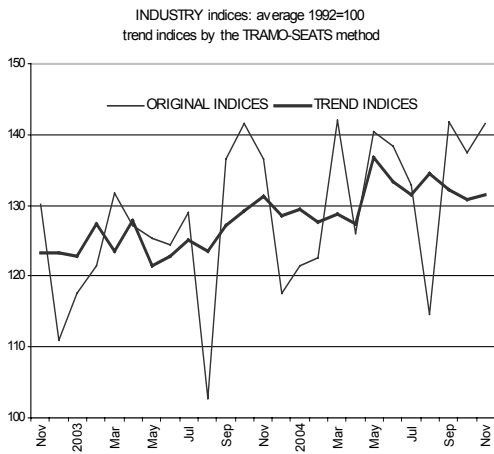
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	Survey Unemployment Rate <sup>1</sup>				Current account balance, % GDP				General Government Balance, % GDP				General Government Gross Debt <sup>2</sup> , % GDP			
	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003
<b>Slovenia</b>	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

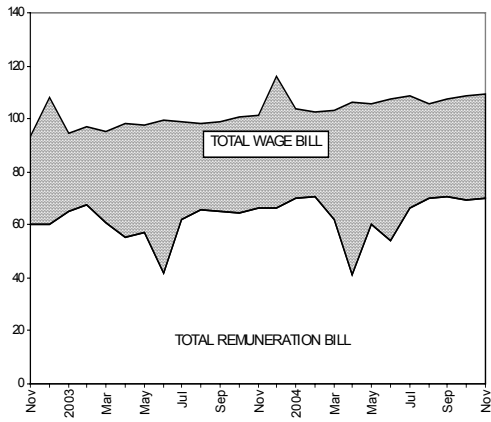
Sources of data: SORS; Eurostat, New Cronos. Notes: <sup>1</sup>Eurostat's definition; <sup>2</sup>data from Eurostat release of 23 September 2004.

# Graphs

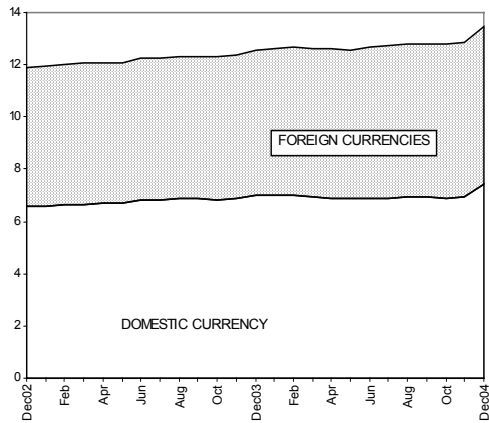


# Graphs

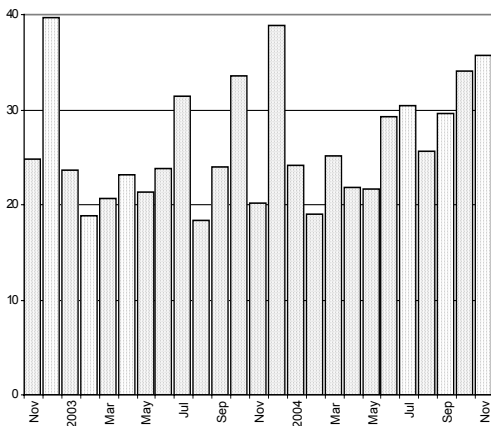
NET WAGES AND OTHER REMUNERATION, in SITbn



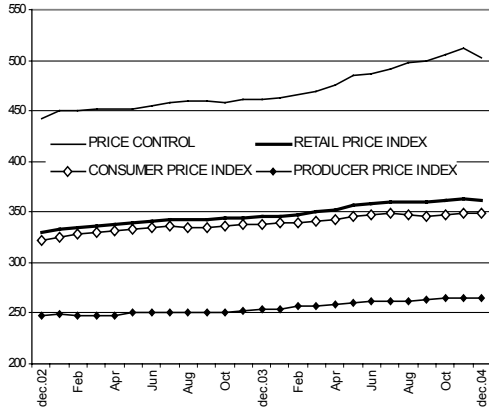
HOUSEHOLDS' DEPOSITS in SITbn in constant 1995 prices



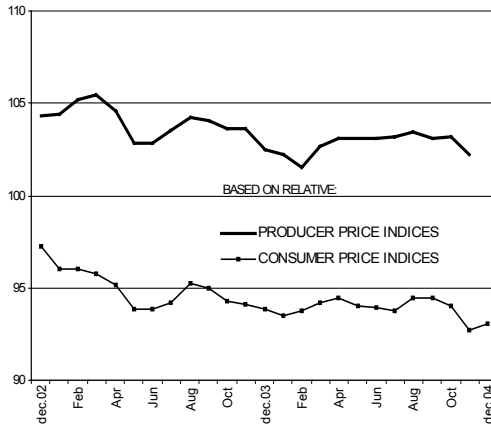
PAYMENTS FOR INVESTMENT in SITbn, constant 1993 prices



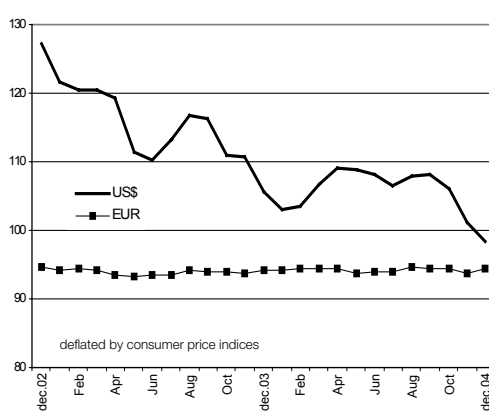
GROWTH IN SELECTED PRICE INDICATORS INDICES: 1992=100



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



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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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