

**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 | previous month | Compared to the               |                           |                     |
|--|-------------|----------------|-------------------------------|---------------------------|---------------------|
|  |             |                | same period of previous year  |                           |                     |
|  |             |                | latest data                   | pre-latest data           | pre-pre latest data |
| Industrial production, production volume indices   | December    | -11.7          | 4.8                           | 4.7                       | 4.8                 |
| Manufacturing  | December    | -28.1          | 4.9                           | 4.8                       | 5.0                 |
| Electricity, gas and water supply  | December    | -12.3          | 6.3                           | 5.7                       | 4.3                 |
| Value of construction put in place   | January     | -36.8          | 0.0                           | -10.5                     | 1.6                 |
| Exports of goods (FOB, real terms)   | January     | -1.8           | 16.8                          | 11.1                      | 10.2                |
| Imports of goods (FOB, real terms)   | January     | -18.2          | 14.7                          | 12.1                      | 11.6                |
| Unit labour costs <sup>1</sup>   | December    | -0.4           | 1.2                           | 1.3                       | 0.8                 |
| Tolar's real effective exchange rate <sup>2</sup>  | February    | 0.1            | 0.0                           | -0.3                      | 0.9                 |
| Gross wage per employee, real terms  | December    | -0.1           | 2.0                           | 2.1                       | 1.8                 |
| Total household savings in banks, real terms   | December    | -0.4           | 6.5                           | 7.3                       | 7.5                 |
| General government revenue, real terms   | February    | -13.0          | 3.3                           | 6.7                       | 3.2                 |
| Growth in the no. of persons in paid employment  | January     | -0.2           | 0.7                           | 0.8                       | 0.8                 |
| Growth in the no. of registered unemployed   | February    | -0.2           | -5.4                          | -5.7                      | -5.0                |
| Growth in the no. of job vacancies   | February    | -7.9           | 26.6                          | 27.9                      | -4.5                |
|  |             | <b>Month</b>   |                               |                           |                     |
|  |             | <b>current</b> | <b>previous</b>               | <b>pre-previous</b>       |                     |
| Registered unemployment rate   | January     | 10.4           | 10.1                          | 10.1                      |                     |
|  |             | <b>current</b> | <b>cumulative<sup>3</sup></b> | <b>annual<sup>4</sup></b> |                     |
| Consumer prices  | March       | 1.1            | 1.1                           | 3.1                       |                     |
| Retail prices  | February    | 0.3            | 0.7                           | 4.1                       |                     |
| <p><i>Sources of data:</i> SORS, BS, ESS, estimates and calculations by IMAD. <i>Notes:</i> <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.</p> |             |                |                               |                           |                     |

**Consumer prices rose by 1.1% in March, while year-on-year inflation totalled 3.1% (3.2% in December 2004).** Average inflation edged down by a further 0.1 p.p. to 3.3%. Like in previous months, March's price growth was the result of higher prices in the groups clothing and footwear (contributing 0.6 p.p.), food and non-alcoholic beverages (0.3 p.p.) and the prices of liquid fuels for transport and heating (0.2 p.p.). Higher prices of liquid fuels thus contributed 0.5 p.p. to the price increase in the first quarter (excluding the lowering of excise duties, their contribution would have been 1.0 p.p.). In the past few months, notably in the second half of 2004, price growth was slightly lower than anticipated mainly due to changes related to Slovenia's entry to the EU and ERM II whose effects reached the upper end of the expected interval. Core inflation has also been lower than expected in recent months indicating that price growth in the first quarter of the year, despite being over 50% lower than in the comparable period of 2004, was strongly influenced by one-off effects (above all oil price rises).

*As expected, year-on-year economic growth eased off slightly in the final quarter of 2004 but still totalled over 4% (4.3%).* Compared with the previous quarter, the slower rise was due to the somewhat lower growth in investment in both gross fixed capital formation (up 5.7% year on year) and inventories whose contribution was negative for the first time after 2001 (-0.1 p.p.). The rises in private and government consumption remained at the level of the previous quarter (3.3% and 2.6%, respectively). Exports similarly sustained high growth (13.3%) despite the slowdown in economic growth in the euro area, while imports growth decelerated slightly (to 11.6%). External trade's contribution to growth, which was positive in Q3 of 2004 for the first time after 2002, hence increased even further (to 0.5 p.p.). The year-on-year value added increase recorded in the final quarter of 2004 totalled 3.5%, the smallest growth seen last year. This slowdown was linked to the weaker growth seen in basic industries; activity slackened especially in manufacturing and construction.

*In line with the autumn forecast, a 4.5% increase in value added was achieved in 2004 as a whole (5.0% in basic industries and 4.2% in services).* Compared with 2003, the growth in agriculture accelerated strongly after the poor crop recorded in the droughty 2003. In last year's normal hydrological conditions, the increase in value added was also more pronounced in electricity, gas and water supply. After the slowdown seen in 2003, the growth of value added in manufacturing (5.4% over 3.9% in 2003) rebounded last year on the back of favourable economic trends and high export growth. In construction, following the impetus seen in 2003, growth slowed down again: housing construction picked up while civil engineering remained at the same level as in the previous year. Services recorded a higher increase in value added compared to 2003 in wholesale and retail trade, financial intermediation, health and social work and other social and personal services, while growth was slower in hotels and restaurants and in the public administration.

**Economic growth in 2004 was the highest in the last five years and totalled 4.6%.** This strengthening was largely produced by accelerated exports compared to the year before (12.6% real growth over 3.2% in 2003), which also exceeded the autumn forecast expectations, while the real growth of domestic consumption sustained the sound 2003 level and was in line with the autumn forecast (4.7%). The increase in imports was also strong (12.4% over 6.8% in 2003), hence the contribution of external trade was still negative (-0.2 p.p.) yet considerably less so than in 2003 (-2.2 p.p.) and less than anticipated in autumn. According to the SORS' estimate, the higher number of working days in 2004 contributed 0.5 p.p. to last year's GDP growth.

Exports growth was mainly driven by accelerated exports to the old EU countries (where growth was modest in 2003), notably Italy, France and Austria and other less traditional trading partners (Belgium, Spain, Ireland, Portugal), while exports to Germany rose less rapidly and slowed down further towards the end of the year. Exports to Croatia, Serbia and Montenegro and Russia picked up as well. A substantial increase was also recorded in imports from the EU; on the other hand, imports from Russia, the USA and especially other countries declined. Imports from the countries of former Yugoslavia in which the regime remained unchanged continued to increase. According to preliminary data, January continued to enjoy the robust growth of the external trade volume. Within domestic consumption, stronger growth was seen in private consumption (3.5% in 2004 over 2.7% in 2003) which was in line with the forecasts. With the modest rises in wages and employment, it was generated by the relatively strong growth of other remuneration which increased the disposable income and the boosted household borrowing (mainly long-term) in banks which, in turn, stimulated the consumption of durable and semi-durable goods. The increased borrowing was driven by nominal interest rate cuts linked to entry to the exchange rate mechanism ERM II and also, in our estimate, by the disburdening of household income from the repayment of loans taken out in 1999, whereby the population's credit worthiness rose again. The real rise in gross fixed capital formation was at a slightly higher level than the year before (6.8% over 6.3%) and in line with expectations. In our estimate, this was largely based on investment in machinery and equipment; in addition, figures on issued building permits indicate the stronger growth of housing investment, while investment in civil engineering sustained the high level of 2003. Inventories rose more than expected, contributing 0.8 p.p. to last year's annual economic growth following the high values recorded in 2002 and 2003. The real growth of government consumption was lower than the year before (1.7% over 2.6%) and lower than forecast in autumn.

|                           |                           |      |
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The main aim of the Development Report, which this year is being prepared for the fourth time, is to monitor realisation of the Strategy for the Economic Development of Slovenia (SEDS) adopted in July 2001. The Report assesses whether the country's development is following the objective of the sustainable improvement of Slovenian citizens' welfare and to what extent the development factors and mechanisms set out in the SEDS have been reinforced. In addition, this year's Report presents the starting position for implementation of the new Strategy of Slovenia's Development which is due for adoption in the first half of 2005.

**Similarly as in previous years, the Report finds that the concept of balanced economic, social and environmental development is not being realised to its full potential in Slovenia.** Slovenia's development level has been rising steadily, and its development gap behind the EU-25 average has narrowed gradually (1995: 68%; 2003: 77%). Social development results are favourable in many areas; some of them are approaching the levels of the most advanced European countries. Environmental development has been more hesitant since changing economic structures, manufacturing methods and the population's behaviour patterns that impact negatively on environmental development is a long-lasting process; nevertheless some positive shifts have been observed so far.

**Economic development has yielded positive results in the macroeconomic area, while the situation in structural reforms is less encouraging.** As far as macroeconomic stability is concerned, real GDP growth strengthened in 2004 to record the highest growth rate after 1999. It was driven by robust export activity and the steady growth of domestic consumption. The pick-up in economic activity also had a positive effect on the situation in the labour market. The employment rate thus rose from 62.5% in 2003 to 65.6% in 2004 (figures for Q2). Favourable economic trends were supported by a stable macroeconomic environment. Co-ordinated policies adopted by the government and the Bank of Slovenia, above all stabilisation of the exchange rate upon entry to the ERM II, were instrumental in further limiting consumer price growth which fell from 4.6% to 3.2% over the year. The deficit in the current account of the balance of payments widened only slightly in 2004 due to the accelerated growth of exports and imports. The government sector deficit is estimated to have remained at approximately the same level as in 2003. The fall in unemployment in the labour market (the registered unemployment rate decreased from 11.2% in 2003 to 10.6% in Q2 of 2004) was also accompanied by a structural shift leading towards a rise in the shares of first-time job-seekers and women.

**The less favourable results achieved in structural changes largely rest on the sluggish implementation of transitional and other structural reforms.** In the late 1990s Slovenia finally managed to catch up with the countries that had implemented reforms most intensely; after 2001, however, the pace of reforms slowed down again compared to other countries. This is also reflected in the economic structure measured by the composition of gross value added. The decrease in the shares of agriculture and industry in favour of services has been too slow, hence the gap between Slovenia's and EU's economic structures is widening. In services, market services have grown far too modestly, especially in business, financial, IT and communication services. Manufacturing has been lagging behind in the restructuring processes aimed at fostering technologically-intensive industries that yield higher value added per unit. There are several reasons for the laggard structural changes, the principal one being inadequate development in the key factors of development, i.e. human resources, R&D activities, innovation and related development-boosting factors. The EBRD and the WEF have also noted the unfavourable position of structural changes in Slovenia. The WEF observes that, while Slovenia has admittedly made progress in terms of its national competitiveness level, it is gradually being overtaken by countries that were ranked lower in previous years, which is a serious sign that the relatively favourable trends of economic and social development could stop dead if structural reforms are not accelerated.

**The key factors of development defined by the SEDS are the development of a knowledge-based society, increased competitiveness of the economy, liberalisation of infrastructure and a changed role of the government in economic development.** Although Slovenia has made progress in some areas as far as the **knowledge-based society** is concerned (higher enrolments in tertiary education, the corporate sector's expenditure on R&D, Internet access), the narrowing of its gap with the EU-15 has been slow. In education, the main weaknesses identified are the efficiency and quality of education, while research and development is lacking in the innovation activity of enterprises and in institutional organisation and reforms, which is also holding back the economy's technological modernisation. Slovenia has 21.1% of innovative enterprises in its corporate structure, which places it down the bottom of the EU-25 where the average share of innovative enterprises is 44%. These figures do not allow Slovenia any more ambitious catching up with the leading knowledge-based societies. With regard to the **corporate sector's competitiveness**, positive trends were observed in some areas; however, they cannot offset the too slow restructuring towards boosting higher-value added industries, international competitiveness and lower unit labour costs. Slovenia's structural gap in exports is reflected in the

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persistently high share of labour-intensive products and widening of the structural gap in high-technology products, which is also linked to Slovenia's substantial lag behind the European average in terms of innovation active enterprises. The present unit labour costs (highest are in the UK in the EU-25) can only be borne by products with higher value added. The limping restructuring of the corporate sector is also due to the extremely low level of foreign direct investment and the poor development of entrepreneurship. Compared with other EU countries, Slovenia remains among those with the lowest shares of foreign direct investment in GDP. Entrepreneurship, which is conducive to dynamic structural changes, is underdeveloped: the number of enterprises has been falling rapidly since 1999, the population's entrepreneurial motivation is low, and the rate of failed businesses is one of the highest in the world. The **financial sector** also remains poorly developed. Following the gradual catching-up with the more advanced EU countries observed over several years, the gap actually widened again last year. Banks, representing almost 60% of the total assets of Slovenia's financial sector at the end of 2003, have not yet fully assumed their role in the country's economic development. Albeit somewhat smaller, the development gap also remains wide in the insurance industry. By the level of development of its financial market, Slovenia remains at the lower end of new EU member states. No progress was made in the privatisation of **infrastructure** last year. In the European Commission's view, liberalisation and privatisation processes, especially in energy and gas sectors, have been decidedly too slow in all new member states. The EBRD additionally stresses the problem of competition in telecommunications in Slovenia, notably in fixed telephony. In changes related to the **government's role**, the relatively rapid reduction of backlogs is underway in courts as a whole and also specifically in the land register; backlogs in the economically vital field of enforcement, on the other hand, are still rising critically. Competition policy is another poorly regulated area in Slovenia. Concerning the management of economic resources, general government expenditure has stopped rising while expenditure on wages and transfers has not. The narrowing of the fiscal deficit seen after 2000 was achieved almost exclusively by increasing the share of revenues in GDP, i.e. by increasing the fiscal burden. Although some positive shifts have been achieved in the composition of state aid, the share of aid that would directly promote development orientations remains too low. The organisation and functioning of the state improved in quality terms in both public institutions and the business environment.

**Regional development disparities, which are relatively low compared to other EU countries, have generally remained unchanged.** The difference in economic development between the most and least developed regions has admittedly widened slightly; the gap in unemployment rates, on the other hand, has been narrowing since 2002. Pomurska is still the worst performing region in terms of its development level and unemployment; in addition, the development gaps of Zasavska and Savinjska have widened. Central Slovenia remains the most developed region, now achieving 98% of the EU-15 average level of development.

**The delayed implementation of economic structural reforms is still impacting negatively on environmental development.** Environmental measures adopted recently have not yet produced the planned results due to the lack of co-ordination between economic and environmental development. Slovenia is hampered by its high energy intensity, which is falling only slowly, the growing share of the most environmentally-adverse industries and an above-average, although decreasing, agricultural intensity in terms of fertiliser use. Compared to the EU, Slovenia has achieved better results in the environmental impact of transport, expansion of organic farming and use of renewable resources.

**Slovenia's social development indicators are favourable: life expectancy is rising, while the poverty risk rates before and after social transfers are falling along with income inequality.** Government funds allocated for the population's welfare through systems of compulsory social, health, pension and disability insurance and other public finance systems have risen gradually, although they remain below the EU average. Moreover, certain indicators still reveal inadequate transfer targeting. The effects of the pension reform can be seen in the rising average retirement age and lower pension-wage ratio.

**The Development Report reveals that Slovenia is only partially pursuing its national strategy objectives. Since the objectives of the national strategy (SEDS) largely overlap with the Lisbon Strategy goals, the achievement of the Lisbon goals can also only be partially successful.** Slovenia has done well in female employment, Internet access, transfer of the Lisbon directives and the share of renewable resources in total primary energy consumption. It has already achieved the target objectives in some of these areas. While results are less satisfactory in some other fields, objectives are achievable in the future assuming that the favourable trends continue. However, in areas such as employment of the elderly, raising the average retirement age and gross domestic expenditure on research and development, Slovenia will not achieve the set target levels given the present trends which are, albeit positive, appreciably too slow.

|                                 |                           |      |
|---------------------------------|---------------------------|------|
| <b>Slovenia's External Debt</b> | Slovenian Economic Mirror | IMAD |
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| Year-end stock, EUR million   | 2000  | 2001   | 2002   | 2003   | 2004   |
|---|-------|--------|--------|--------|--------|
| A. Short-term debt by remaining maturity <sup>1</sup>                   | 4,382 | 4,569  | 4,448  | 4,555  | 5,322  |
| B. International monetary reserves                                      | 3,436 | 4,984  | 6,781  | 6,879  | 6,542  |
| C. Foreign exchange   | 4,705 | 6,513  | 7,842  | 7,703  | 7,484  |
| D. Gross external assets in debt instruments                            | 8,700 | 10,825 | 12,580 | 12,848 | 13,367 |
| E. Gross external liabilities in debt instruments – Gross External Debt | 9,490 | 10,403 | 11,455 | 13,305 | 15,355 |
| Debt indicators   |       |        |        |        |        |
| - international reserves to short-term debt (B/A)                       | 0.78  | 1.09   | 1.52   | 1.51   | 1.23   |
| - foreign exchange to short-term debt (C/A)                             | 1.07  | 1.43   | 1.76   | 1.69   | 1.41   |
| - gross external assets in debt instruments/gross external debt (D/E)   | 0.92  | 1.04   | 1.10   | 0.97   | 0.87   |

Source of data: Bank of Slovenia.

Notes: <sup>1</sup>short-term debt by remaining maturity is short-term debt and part of long-term debt falling due within one year.

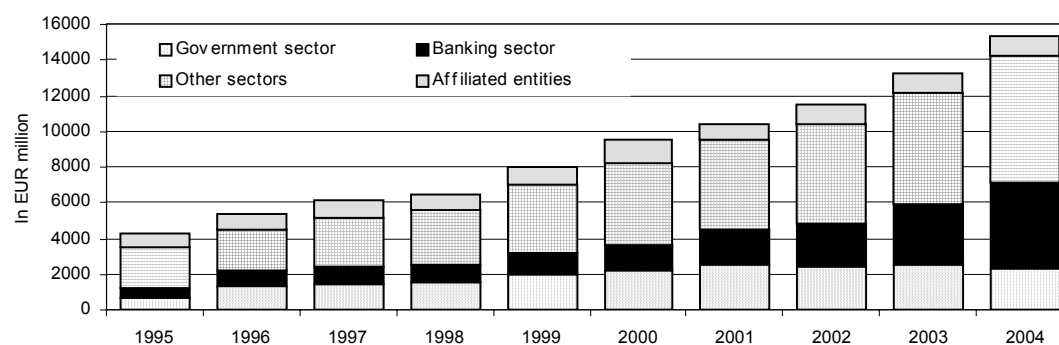
**Slovenia's gross external debt position increased in 2004 mainly due to commercial banks' borrowing abroad; corporate borrowing also rose, while the government sector continued to reduce its indebtedness.** Relative to 2003, gross external debt rose by EUR 2,050 m to EUR 15,355 m in 2004. The breakdown of indebtedness by sectors and debt instruments shows that the bulk of this increase (EUR 1,369 m) was due to borrowing in the **banking sector**. Commercial banks raised their indebtedness considerably by taking out long-term loans to meet increased domestic demand for foreign currency loans. **Other sectors** – enterprises for the most part – mainly took out long-term loans abroad while the share of received short-term commercial loans used for executing payments for goods and services was smaller – it accounted for 12% of the total gross external debt in 2004 and has been on a falling trend. Despite the strengthening in corporate borrowing abroad, domestic enterprises favoured domestic foreign currency loans, which was due to the abolition of restrictions on domestic foreign currency loans and the relatively uniform foreign and domestic interest rates on foreign currency loans. In the **government sector**, the repayment of matured Eurobonds of the Republic of Slovenia issued in 1997 totalling EUR 210.1 m represented the bulk of external debt settlement. **Liabilities to affiliated entities** (legal persons affiliated to non-residents through equity capital), which own 10% or more of equity and are not analysed by maturity and instruments, decreased by EUR 49 m to total EUR 1,071 m at the end of December.

**Other sectors still held the biggest share in the structure of external debt.** Compared to end-2003, the share of commercial banks in external debt rose by 5.5 p.p. to 31.2%, while the government sector's share shrank (from 18.9% to 15.2%) along with the share of affiliated entities (from 8.4% to 7%). The share of other sectors – including enterprises – decreased slightly (from 47.1% to 46.6%).

**Dynamic indicators of external indebtedness deteriorated for the second consecutive year.** Nevertheless, international monetary reserves and total foreign exchange reserves still sufficed to cover short-term debt by remaining maturity, which is vital for the economy's liquidity and solvency. Gross external assets, however, no longer covered gross external liabilities, which reflected Slovenia's net debt position.

**The share of external debt in gross domestic product rose in 2004.** Slovenia's gross external debt represented 59.2% of GDP in 2004 (54.1% in 2003), while gross external assets totalled 51.6% of GDP (52.2% in 2003); net external debt increased by EUR 1,532 m to EUR 1,988 m (7.7% of GDP) in 2004.

Graph: Dynamics of external debt by sector, in EUR m



Source of data: BS.

## Price Trends

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| Price indices                            | 2004                  |   | 2005                  |                       |   |
|--|-----------------------|---|-----------------------|-----------------------|---|
|  | Dec 2004/<br>Dec 2003 | Φ (Jan 04-Dec 04)/<br>Φ (Jan 03-Dec 03) | Feb 2005/<br>Jan 2004 | Feb 2005/<br>Feb 2004 | Φ (Mar 04-Feb 05)/<br>Φ (Mar 03-Feb 04) |
| <b>Consumer prices (CPI)</b>             | <b>103.2</b>          | <b>103.6</b>                            | <b>100.6</b>          | <b>102.6</b>          | <b>103.4</b>                            |
| Goods                                    | 102.5                 | 102.6                                   | 100.7                 | 102.0                 | 102.4                                   |
| Fuels and energy                         | 110.3                 | 106.9                                   | 102.0                 | 110.9                 | 108.3                                   |
| Other                                    | 100.9                 | 101.7                                   | 100.4                 | 100.0                 | 101.1                                   |
| Services                                 | 104.9                 | 106.0                                   | 100.3                 | 104.2                 | 105.6                                   |
| <b>Consumer prices (HICP)</b>            | <b>103.3</b>          | <b>103.7</b>                            | <b>100.7</b>          | <b>102.8</b>          | <b>103.4</b>                            |
| <b>Administered prices<sup>1</sup></b>   | <b>109.0</b>          | <b>107.3</b>                            | <b>101.5</b>          | <b>110.6</b>          | <b>108.7</b>                            |
| Energy                                   | 110.3                 | 107.2                                   | 102.2                 | 112.1                 | 109.1                                   |
| Other                                    | 106.1                 | 107.6                                   | 99.9                  | 107.3                 | 107.9                                   |
| <b>Core inflation</b>                    |                       |   |                       |                       |   |
| Trimmean                                 | 102.6                 | 103.3                                   | 100.4                 | 102.4                 | 103.0                                   |
| Excluding food and energy                | 102.1                 | 102.8                                   | 100.1                 | 101.3                 | 102.5                                   |
| <b>Producer prices (IPI)</b>             | <b>104.9</b>          | <b>104.3</b>                            | <b>100.3</b>          | <b>104.1</b>          | <b>104.6</b>                            |
| Intermediate goods                       | 106.9                 | 105.9                                   | 99.9                  | 104.8                 | 106.3                                   |
| Investment goods                         | 103.3                 | 102.5                                   | 100.1                 | 105.5                 | 103.4                                   |
| Consumer goods                           | 103.0                 | 102.9                                   | 101.0                 | 102.9                 | 102.8                                   |
| <b>Inflation in the EU-12</b>            |                       |   |                       |                       |   |
| Consumer prices                          | 102.4                 | 102.1                                   | 100.3                 | 102.1                 | 102.2                                   |
| Excluding food, energy, tobacco, alcohol | 101.9                 | 101.8                                   | 100.2                 | 101.4                 | 101.8                                   |
| Producer prices                          | 103.5                 | 102.2                                   | 100.6 <sup>2</sup>    | 103.9 <sup>2</sup>    | 102.5 <sup>2</sup>                      |

Sources of data: CPI, HICP, IPI: SORS, administered prices, core inflation: estimate by IMAD; MUICP, IPI in the EU: Eurostat (preliminary data) and calculation by IMAD. Notes: numbers do not always round off; figures between years are not fully comparable because of changes introduced to the consumer price index in 2005, <sup>2</sup>figure for the previous month.

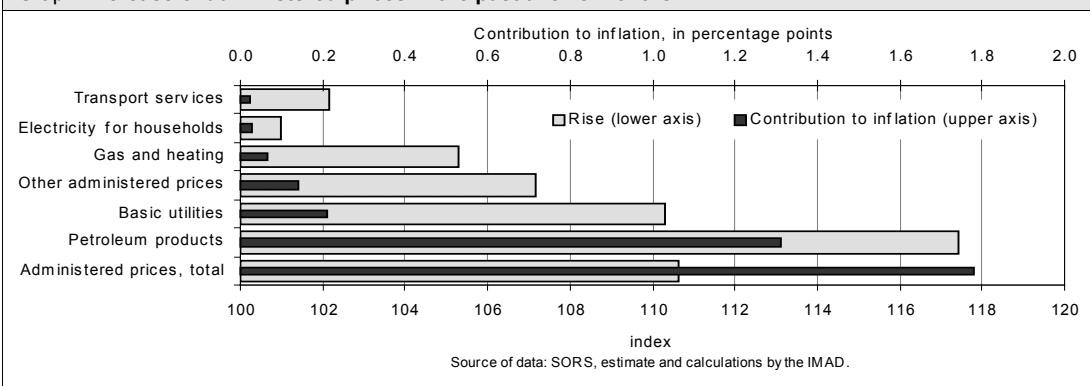
**With the relatively strong monthly volatility of prices seen at the beginning of 2005, inflation has continued to decelerate gradually.** After having fallen by 0.6% in January, consumer prices rose by 0.6% in February, while year-on-year inflation totalled 2.6% (3.6% in February 2004). Average inflation remained unchanged at 3.4% (5.1% in February 2004), i.e. 1.2 p.p. above the Maastricht criterion which, according to Eurostat's provisional data and the available explanations of EU institutions concerning its calculation method, totalled 2.2%.

**February's price rises were primarily induced by seasonal price changes and the higher prices of liquid fuels.** Like in the past few months, February's price changes were principally the result of seasonal impacts and partially of the price changes linked to oil price developments. The price increase was thus generated by higher prices in the groups food & non-alcoholic beverages and transport (each contributed 0.2 p.p. to the price increase), as well as the groups housing and recreation & culture (each added a further 0.1 p.p. to the rise), while prices in the group clothing and footwear decreased for the second month in a row (hence the price increase was 0.1 p.p. lower). Despite these fluctuations, the year-on-year price increase was lower than a year ago in most groups (except in housing, communication, and recreation and culture).

**Chiefly due to oil price rises, the contribution of the increase in administered prices to inflation was also higher than expected.** During the past twelve months, the rises in prices under various regimes of regulation contributed 1.8 p.p. to inflation, 1.3 p.p. of which came from the higher prices of liquid fuels for transport and heating. Other administered prices also rose faster than market-determined prices (which rose by 1.0% in the past twelve months), hence their contribution to inflation was 0.1 p.p. higher than expected.

**The growth of industrial producer prices slowed down in the first two months of the year.** As these prices are relatively more susceptible to changes in energy prices, their growth last year was higher than in consumer prices where energy prices are under different types of regulation. In the first two months of 2005, however, their growth decelerated slightly, mainly because electricity prices remained unchanged.

Graph: Increase of administered prices in the past twelve months



|                              |                           |      |
|------------------------------|---------------------------|------|
| <b>Monetary Developments</b> | Slovenian Economic Mirror | IMAD |
|                              | No. 3/2005                | p. 8 |

| Monetary aggregates, exchange rates, the Bank of Slovenia's interest rates, end of month values |                   |                                     |                   |                   |                                     |
|---|-------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Monetary aggregates <sup>1</sup> ,<br>% growth  | 2004              |                                     |                   | 2005              |                                     |
|   | Dec 04/<br>Dec 03 | Φ Oct 04-Dec 04/<br>Φ Oct 03-Dec 03 | Feb 05/<br>Jan 05 | Feb 05/<br>Feb 04 | Φ Dec 04-Feb 05/<br>Φ Dec 03-Feb 04 |
| M1  | 27.8              | 22.5                                | 0.2               | 27.8              | 28.0                                |
| M2  | 4.0               | 1.5                                 | -0.2              | 4.2               | 4.3                                 |
| M3  | 6.8               | 4.6                                 | -0.1              | 7.1               | 7.1                                 |
| Exchange rate, % rise   | Dec 04/<br>Dec 03 | Φ Jan 04-Dec 04/<br>Φ Jan 03-Dec 03 | Feb 05/<br>Jan 05 | Feb 05/<br>Feb 05 | Φ Mar 04-Feb 05/<br>Φ Mar 03-Feb 04 |
| EUR   | 1.3               | 2.1                                 | 0.0               | 0.9               | 1.9                                 |
| USD   | -6.2              | -6.6                                | -0.8              | -4.9              | -5.5                                |
| Nominal interest rates, %   | Dec 04            | Jan-Dec 04                          | June 04           | Sept 04           | March 05                            |
| Overnight deposit   | 2.25              | 2.4                                 | 2.25              | 2.25              | 2.25                                |
| TBZ <sup>2</sup> 60-d   | 4.00              | 4.5                                 | 4.00              | 4.00              | 4.00                                |
| TBZ <sup>2</sup> 270-d  | 4.20              | 4.8                                 | 4.25              | 4.20              | 4.20                                |
| Temp. purchase of FX  | 1.25              | 1.6                                 | 1.00              | 1.25              | 1.25                                |
| BS' refinancing rate  | 3.25              | 3.6                                 | 3.00              | 3.25              | 3.25                                |

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

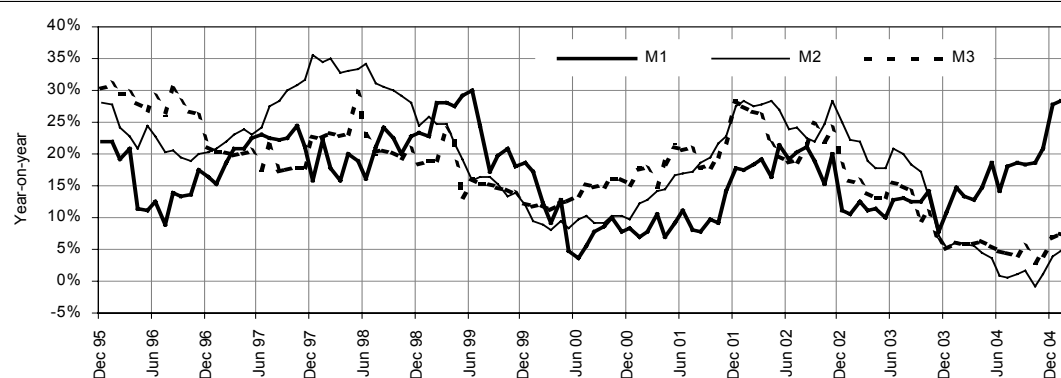
**The Bank of Slovenia's monetary policy did not change in this year's first quarter.** Since Slovenia entered the exchange rate mechanism ERM II the BS has principally kept the tolar's exchange rate stable and has not changed its key interest rates this year. The dynamics of the money aggregates still largely depend on changes in balance of payments flows.

**The tolar's exchange rate fluctuated within a narrow band below the central parity in the first quarter.** The exchange rate's stability was not undermined by changes in foreign exchange markets although the excess supply of foreign exchange in the spot market shrank to EUR 124 m compared to the final quarter of 2004 (when it averaged EUR 238.6 m). Against the background of consumer price rises similar to those seen in countries included in calculation of the tolar's effective exchange rate, the tolar depreciated by 0.5% in the first two months and appreciated by 0.2% in the past twelve months in real terms (in the same period last year it appreciated by 2.3% in real terms).

**In the first three months of the year, the BS left its key interest rates unchanged.** The BS' key interest rates thus remain at the level achieved upon entry to the ERM II in June 2004, the only exception being the refinancing rate which was raised by 0.25 p.p. in December 2004 (to 3.25%). As the comparable interest rate of the European Central Bank remained unchanged during that period, the disparity between the two increased to 1.25 p.p.

**The high monthly growth rates of money aggregates characteristic of the end of 2004 decreased again at the beginning of 2005.** The growth of money aggregates, after having increased in last year's final quarter primarily due to the rise in tolar deposits and the decrease in balance of payments outflows, slowed down again in the first months of this year. Lower net purchases of foreign exchange by the BS at the beginning of the year along with lower net tolar deposits were thus the main drivers of the slower growth of broad money aggregates M2 and M3.

Graph: Year-on-year growth rates of money aggregates



Source of data: BS, calculations by the IMAD.



|   |                           |      |
|---|---------------------------|------|
| <b>The Money Market – Household Savings</b> | Slovenian Economic Mirror | IMAD |
|   | No. 3/2005                | p. 9 |

| Household savings in banks      | SIT bn, nominal  |                  | Real growth rates, in % |                         |                         |
|---------------------------------|------------------|------------------|-------------------------|-------------------------|-------------------------|
|                                 | 31 December 2004 | 28 February 2005 | 28 Feb 05/<br>31 Jan 05 | 28 Feb 05/<br>31 Dec 04 | 28 Feb 04/<br>31 Dec 03 |
| <b>Total savings</b>            | 2,341.3          | 2,343.7          | -0.4                    | 0.0                     | 0.9                     |
| <b>Tolar savings, total</b>     | 1,422.3          | 1,418.1          | -0.6                    | -0.2                    | 0.0                     |
| Demand deposits                 | 642.8            | 646.2            | 0.3                     | 0.6                     | 1.8                     |
| Short-term deposits             | 632.1            | 625.5            | -1.3                    | -1.0                    | -0.2                    |
| Long-term deposits              | 146.2            | 145.6            | -1.0                    | -0.4                    | -3.4                    |
| <b>Foreign currency savings</b> | 919.0            | 925.6            | -0.2                    | 0.3                     | 2.0                     |
| Short-term, demand d.           | 829.6            | 836.0            | -0.1                    | 0.4                     | 2.2                     |
| Long-term deposits              | 89.4             | 89.6             | -0.8                    | -0.2                    | -0.5                    |

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

**After the increase in the volume of household savings in banks seen at the end of 2004, its real growth came to a complete halt in the first two months of this year.** At the year-on-year level, it fell by almost 1 p.p. in February compared to end-2004 and totalled 6.6%. Excluding tolar demand deposits, this growth would have totalled just 0.1%. Low interest rates on bank deposits have contributed to rapid changes in the saving habits of people, who are increasingly opting for other forms of investment that yield higher, albeit slightly less safe, returns. Net flows of household savings in banks excluding tolar demand deposits recorded a net outflow of SIT 0.9 bn in the first two months of the year, compared with the net inflow of SIT 11.8 bn recorded in the same period last year.

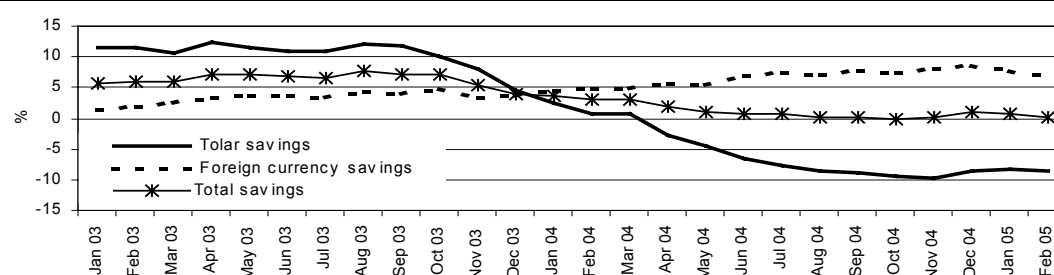
**Of all tolar deposits, only demand deposits are rising; they are, however, largely used for transaction purposes.** At present these deposits account for as much as 45.6% of total household tolar deposits, which is 0.4 p.p. more than at the end of 2004. The maturity of tolar deposits thus continues to shorten. In contrast to the previous year, short-term deposits registered a higher net outflow totalling SIT 6.7 bn (the outflow from deposits tied for 31-90 days, to which the bulk of the funds from the National Housing Savings Scheme is estimated to have been transferred, reached SIT 2.5 bn), while long-term tolar deposits recorded a net outflow of just SIT 0.6 bn.

**Following the fifteen-month steady increase, February saw a drop in the real volume of foreign currency savings while the share of foreign currency deposits retained the 39.5% level.** The year-on-year increase shrank by 0.8 p.p. compared with the previous month to total 6.9%. Like with tolar deposits, demand deposits in particular have picked up among foreign currency deposits; in contrast to the tolar deposits, however, they merely represent about 20% of total foreign currency deposits. Foreign currency deposits recorded a net inflow of SIT 6.6 bn in the first two months of the year, reaching around 40% of the net inflows level from the same period of 2004.

**Inflows in mutual funds amounted to SIT 5.2 bn in February and were thus at the lowest level in the past 12 months.** The volume of assets managed by Slovenian mutual funds totalled SIT 222.8 bn, accounting for 9.5% of total household deposits in banks. Two-thirds of the assets were managed by mixed funds, 28.9% by stock mutual funds, and the rest by bond mutual funds. The year-on-year yield of mutual funds continues to fall; in February it averaged out at 14.1%, ranging between 2.4% and 17.0%.

**March saw a considerable lowering of nominal interest rates on long-term deposits where the tolar indexation clause is still commonly used.** As expected, its value dropped to its historically lowest value (2.38%) in March. Interest rates on long-term deposits were at the average level of 2.8% (the real-term part remained unchanged), while interest rates on short-term tied deposits remained unchanged at the level between 2.4% and 3.2%. In the interbank market, interest rates on deposits with maturities from two weeks to three months rose by 0.1 p.p. to 4.1%, while interest rates with other maturities remained at the uniform 4% level.

Graph: Year-on-year real growth rates of household savings in banks (tolar demand deposits excluded)



Source of data: BS, calculated by the IMAD.

|                                 |                           |       |
|---------------------------------|---------------------------|-------|
| <b>The Money Market – Loans</b> | Slovenian Economic Mirror | IMAD  |
|                                 | No. 3/2005                | p. 10 |

| Domestic banks' loans                       | Nominal amounts, SIT billion |                  | Real loan growth, %         |                             |                             |
|---|------------------------------|------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 31 December 2004             | 28 February 2005 | 28 Feb 2005/<br>31 Jan 2005 | 28 Feb 2005/<br>31 Dec 2004 | 28 Feb 2003/<br>31 Dec 2003 |
| <b>Total tolar loans</b>                    | 2,021.9                      | 2,033.9          | -0.9                        | 0.7                         | 1.0                         |
| <b>Tolar loans to comp. and OFO*</b>        | 1,132.3                      | 1,139.2          | -1.0                        | 0.7                         | 0.7                         |
| Short-term, overdrafts, advances            | 600.2                        | 600.7            | -0.7                        | 0.1                         | 1.6                         |
| Long-term                                   | 532.0                        | 538.5            | -1.3                        | 1.3                         | -0.2                        |
| <b>Foreign currency loans to comp., OFO</b> | 910.1                        | 997.3            | 3.5                         | 9.1                         | 5.3                         |
| <b>Household tolar loans</b>                | 756.9                        | 763.3            | 0.0                         | 0.9                         | 0.4                         |
| Short-term, overdrafts, advances            | 135.8                        | 133.0            | -1.7                        | -2.0                        | 1.7                         |
| Long-term                                   | 621.1                        | 630.3            | 0.3                         | 1.5                         | 1.0                         |
| <b>Government tolar loans</b>               | 132.7                        | 131.4            | -5.0                        | -0.9                        | 6.1                         |
| Short-term, overdrafts, advances            | 4.3                          | 5.9              | -51.5                       | 36.2                        | 40.3                        |
| Long-term                                   | 128.3                        | 125.5            | -0.5                        | -2.2                        | -1.3                        |

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

**The volume of tolar loans registered both a real and a nominal monthly drop in February.** A positive net flow was only recorded in household loans, whereas enterprises, OFO and the government repaid net loans to banks. The largest contribution (0.6 p.p.) to the drop in real terms came from loans to enterprises and OFO, which account for 56% of total domestic banks' tolar loans to the non-banking sector. The year-on-year growth of total tolar loans fell to 6.6%, which is 1.8 p.p. less than the month before. Net inflows of total tolar loans amounted to SIT 12 bn in the first two months of the year and were 57.2% lower than in the same period last year.

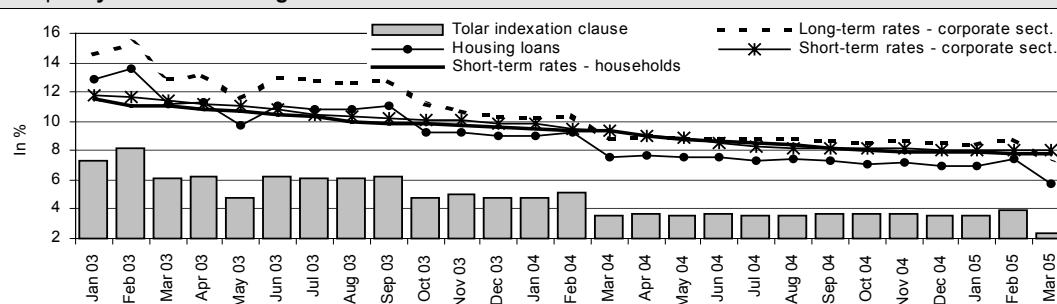
**February's decrease in the volume of tolar loans to enterprises and OFO ended the three-month period of their strong growth.** Long-term loans, constituting 47.3% of total tolar loans, were the main drivers of the decrease (accounting for a drop of 0.6 p.p.). The negative contributions of the group overdrafts, advances and short-term loans was slightly lower, mainly due to the 9.6% rise in overdrafts and advances. The year-on-year increase of tolar loans shrank by as much as 1.6 p.p. over the month before to total 3.2%. The net flows of tolar loans to enterprises and OFO totalled a mere SIT 7 bn in the first two months and were 47.1% lower in real terms than in the same period last year owing to February's net repayment of tolar loans that amounted to SIT 5 bn.

**Enterprises continue to prefer foreign currency loans available under more favourable terms.** Despite the high comparative basis of 2004, they enjoyed over 50% year-on-year growth for the second consecutive month. The net inflows totalled SIT 87.2 bn in the first two months of the year and exceeded the comparable real inflows from 2004 by 1.7-times. **Corporate borrowing abroad** eased off considerably in January. Its net flows totalled a mere SIT 0.1 bn, while they reached SIT 12.1 bn in January 2004.

**After twelve months of steady growth, the real volume of tolar loans to households remained unchanged.** This stagnation was caused by the shrinking real volume of overdrafts, advances and short-term loans, which decreased for the second month in a row, while the volume of long-term loans has been growing steadily since January 2004 and rose by 18.6% at the year-on-year level. Households took out tolar loans in the net amount of SIT 6.4 bn in the first two months this year, i.e. 3.5% more than in the same period of 2004, in real terms.

**Due to the lower value of the tolar indexation clause (see p. 9), interest rates on long-term loans decreased by 1.6 percentage points.** They fell to 7.2% for the corporate sector and to 5.8% for households (housing loans), hence being lower than interest rates on short-term loans which remained at the 8% and 7.8% levels, respectively.

Graph: Dynamics of lending interest rates



Source of data: BS.

|                      |                           |       |
|----------------------|---------------------------|-------|
| <b>Labour Market</b> | Slovenian Economic Mirror | IMAD  |
|                      | No. 3/2005                | p. 11 |

| Selected labour market indicators |   | thousands |          |          | % growth       |                |                |
|-----------------------------------|---|-----------|----------|----------|----------------|----------------|----------------|
|                                   |   | Φ 2004    | Jan 2004 | Jan 2005 | Jan 05/ Dec 04 | Jan 05/ Jan 04 | Φ 2004/ Φ 2003 |
| A                                 | <b>Registered labour force (A=B+C)</b>          | 900.3     | 899.1    | 899.0    | 0.1            | 0.1            | 0.1            |
| B                                 | <b>People in formal employment</b>              | 807.5     | 800.0    | 805.6    | -0.2           | 0.8            | 0.8            |
|                                   | in enterprises and organisations                | 658.7     | 652.6    | 660.7    | 0.2            | 0.5            | 0.4            |
|                                   | by those self-employed                          | 65.6      | 64.2     | 63.9     | -1.8           | -0.8           | -0.8           |
|                                   | self-employed and farmers                       | 83.1      | 83.3     | 81.1     | -2.4           | 4.3            | 4.9            |
| C                                 | <b>Registered unemployed</b>                    | 92.8      | 99.0     | 93.4     | 2.9            | -5.0           | -5.0           |
|                                   | women   | 49.3      | 51.4     | 48.9     | 2.3            | -4.5           | -4.5           |
|                                   | aged over 40                                    | 39.7      | 42.3     | 41.3     | 7.6            | -7.5           | -7.9           |
|                                   | unemployed over 1 year                          | 42.9      | 45.0     | 42.3     | 4.7            | -9.5           | -9.8           |
| D                                 | <b>Rate of registered unemployment (C/A), %</b> | 10.3      | 11.0     | 10.4     | -              | -              | -              |
|                                   | male  | 8.9       | 9.7      | 9.0      | -              | -              | -              |
|                                   | female  | 12.0      | 12.6     | 12.0     | -              | -              | -              |
| E                                 | <b>Job vacancies</b>                            | 14.1      | 11.9     | 15.3     | 10.5           | 17.4           | 16.5           |
|                                   | for a fixed term, %                             | 73.7      | 70.1     | 70.6     | -              | -              | -              |
| F                                 | <b>No. of people hired</b>                      | 10.1      | 10.1     | 12.2     | 55.2           | 5.6            | 4.2            |
|                                   | Lower education                                 | 2.9       | 2.5      | 3.0      | 41.2           | 2.5            | 1.4            |
|                                   | Secondary education                             | 5.5       | 5.7      | 6.9      | 55.4           | 5.5            | 4.2            |
|                                   | Higher education                                | 1.6       | 1.8      | 2.4      | 76.6           | 11.6           | 9.7            |

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

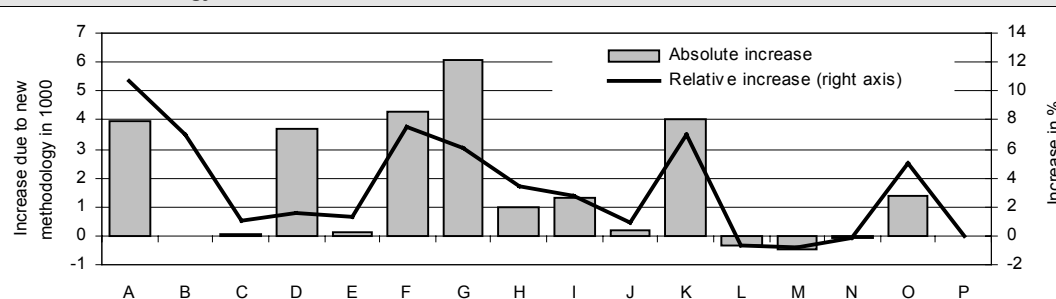
**In January 2005, the SORS adopted a new methodology of collecting data on persons in formal employment.** Instead of the previously used monthly source of employment data, the Monthly Report on Earnings and Persons in Paid Employment, a new source of data for the employed and self-employed (excluding farmers) has been adopted: the Statistical Register of Employment, which is based on the registrations in compulsory social insurance and where *persons in paid employment are defined in broader terms* than in the old survey. Data for farmers are forecast using the ARIMA model based on quarterly figures from the Labour Force Survey. In addition, data for previous years as from January 2000 have been calculated on the basis of the new methodology to ensure data comparability in calculating growth rates. The new average number of people in formal employment in 2004 is 25,284 higher than the old figure. There is a difference in the number of people employed in enterprises and organisations (+21,741) and the number of farmers (+3,544). The number of workers and self-employed people in the small business sector has remained unchanged (Statistical Register was already used as the source for calculating these data in the past).

**The new methodology also brought changes to calculating the registered unemployment rate, which is now lower than before due to the higher number of people in formal employment.** In 2004, the rate according to the new methodology was 10.3% in 2004 (8.8% for men and 12.1% for women; see the table), i.e. 0.3 p.p. less than according to the old methodology. It was also 0.3 p.p. lower in December (10.1% instead of 10.4%).

**January witnessed a continued seasonal fall in the number of people in employment, even if only in the small business sector.** The number of people employed in enterprises and organisations rose by 0.2% while dropping by 1.8% in the small business sector. The number of farmers fell most significantly, by 5.5%. As a result, the number of people employed in agriculture fell the most in January (by 1,898 or 4.7%). Wholesale and retail trade also recorded a considerable decrease (547 or 0.5%). The number of employees in the public administration shrank for methodological reasons (the transfer of Motorway Company in the RS to the services sector, see SEM 12/2004, p. 9). This was also partly the reason for the high increase in the number of people employed in business services (up 2.5%; excluding the mentioned transfer: about 0.6%).

**The number of persons in registered unemployment fell by 215 in February, but the number of vacancies and people hired dropped as well.** 5,194 people lost their jobs, while 4,417 people found work, which is less than in January. This year the number of deletions for other reasons has been lower than in previous years (only 1,685 in February). With a regular inflow of first-time job-seekers, the number of registered unemployed fell to 93,138. The number of vacancies decreased by 1,207 to 14,078, while the number of people hired shrank by 2,715 to 9,511.

Graph: **Changes in the number of people in paid employment due to the changed data collection methodology in 2004**



Source of data: SORS, calculations by the IMAD.

|                                       |                           |       |
|---------------------------------------|---------------------------|-------|
| <b>General Government Expenditure</b> | Slovenian Economic Mirror | IMAD  |
|                                       | No. 3/2005                | p. 12 |

| General government expenditure  | Jan-Dec 2004<br>SIT m | Growth rates 2004/2003 |      | Structure, in % |       | Share of GDP, in % |      |
|---|-----------------------|------------------------|------|-----------------|-------|--------------------|------|
|   |                       | nominal                | real | 2003            | 2004  | 2003               | 2004 |
| <b>General government expenditure, total<sup>1</sup></b>                            | 2,669,456             | 8.8                    | 5.0  | 100.0           | 100.0 | 42.7               | 43.1 |
| Wages and other personnel expenditures in government bodies and public institutions | 621,505               | 10.7                   | 6.9  | 22.9            | 23.3  | 9.8                | 10.0 |
| Expenditure on goods and services in government bodies and public institutions      | 467,293               | 3.5                    | -0.1 | 18.4            | 17.5  | 7.9                | 7.5  |
| Domestic and foreign interest payments  | 91,941                | -0.8                   | -4.2 | 3.8             | 3.4   | 1.6                | 1.5  |
| Subsidies   | 77,581                | 11.7                   | 7.8  | 2.8             | 2.9   | 1.2                | 1.3  |
| Transfers to individuals and households   | 375,833               | 8.7                    | 4.9  | 14.1            | 14.1  | 6.0                | 6.1  |
| Pensions  | 677,533               | 5.8                    | 2.1  | 26.1            | 25.4  | 11.1               | 10.9 |
| Other expenditure   | 73,072                | 20.9                   | 16.7 | 2.5             | 2.7   | 1.1                | 1.2  |
| Capital expenditure and transfers   | 244,061               | 4.7                    | 1.1  | 9.5             | 9.1   | 4.1                | 3.9  |
| Payments to the EU budget   | 40,637                | -                      | -    | -               | 1.5   | -                  | 0.7  |

Source of data: Ministry of Finance, Public Finance Bulletin; calculations by IMAD. Note: <sup>1</sup>includes the consolidated expenditure of the state budget, local governments, and pension and health funds according to the GFS-IMF methodology.

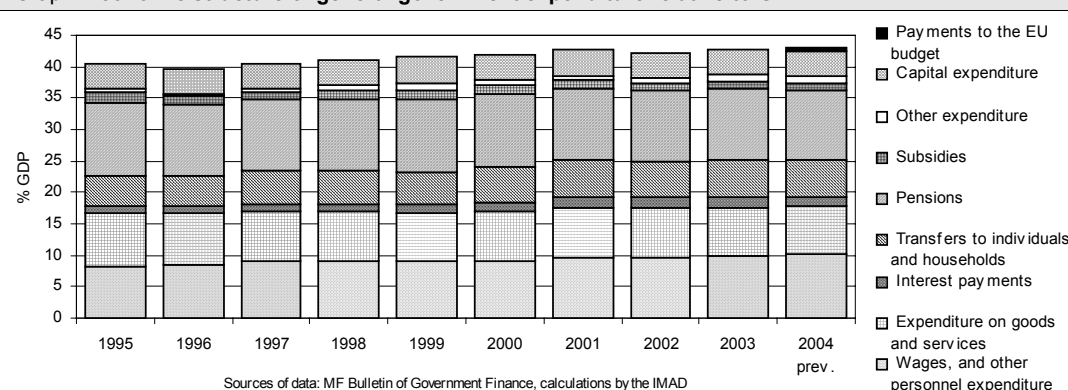
**Consolidated general government expenditure rose by 5.0% in real terms in 2004 over 2003.** Its share in gross domestic product reached 43.1%, i.e. 0.4 of a percentage point more than the year before.

**The economic structure of general government expenditure changed slightly in 2004 in comparison with the previous year. Expenditure on subsidies** (up 7.8% in real terms) rose faster than total expenditure; the increase was equally rapid in expenditure on public companies and on private companies and private establishments. Faster growth was also seen in **wages and other personnel expenditure** in government bodies and public institutions (up 6.9% in real terms). Wages per employee were adjusted in line with the adopted adjustment mechanisms; they also increased due to promotions. Expenditure on wages additionally rose because of the higher number of employees and the increase in other personnel expenditure. Expenditures on **transfers to individuals and households** were up 4.9% in real terms in 2004. Of these, fastest growth (8.9% in real terms) was seen in expenditure on social security allowances, largely on account of the rising number of entitled persons. Funds for family benefits and parental allowances rose by just 0.7% in real terms in 2004. Expenditure on unemployment allowances shrank by 4.1% in real terms in 2004, primarily due to the declining number of entitled persons who were being reclassified as recipients of social security allowances and to the active employment policy, and partly also due to the shortening of entitlement periods. Expenditure on transfers to war invalids, war veterans and war victims similarly decreased by 4% in real terms in 2004. **Expenditure on pensions** was up 2.1% in real terms in 2004, noting that pensions were indexed in line with the adopted indexation mechanism and that the number of recipients also rose by over 1%. **Expenditure on goods and services** recorded a 0.1% real fall in 2004 over 2003 that was mainly attributable to programme-cutting and austerity measures. Similarly, **capital expenditure and transfers** registered modest real growth (1.1%). **Domestic and foreign interest payments** dropped by 4.2% in real terms in 2004; a fall was recorded in both domestic and foreign interest payments. In 2004, Slovenia paid SIT 40.6 bn (0.7% of GDP) into the EU budget.

The (non-consolidated) **central government budget expenditure** rose by 5.4% in real terms in 2004; its share in GDP totalled 25.8% or 0.4 p.p. more than in 2003. **Local government budget expenditure** increased by 2.9% in real terms, according to preliminary data, while its share in GDP edged down from 5.1% of GDP in 2003 to 5.0% of GDP in 2004. **Expenditure on pension and disability insurance** (including health insurance contributions for pensioners) rose by 2.9% in real terms in 2004 to total 12.6% of GDP, which was 0.2 p.p. less than in 2003. Expenditure on **compulsory health insurance** rose by 3.4% in real terms in 2004 and accounted for 6.6% of GDP, approximately the same as in 2003.

**According to the MF's preliminary figures, the consolidated balance of general government revenue and expenditure recorded a general government deficit in the amount of 1.4% of GDP in 2004.**

Graph: **Economic structure of general government expenditure relative to GDP**



| Price growth, Jan-Dec/Jan-Dec                          | 2001/2000  | 2002/2001  | 2003/2002  | 2004/2003   | Structure in 2004, % |
|--|------------|------------|------------|-------------|----------------------|
| <b>Producer prices of agricultural products, total</b> | <b>9.0</b> | <b>0.8</b> | <b>3.3</b> | <b>-1.1</b> | <b>100.0</b>         |
| of which: crops  | 9.4        | 4.7        | 10.2       | -9.6        | 30.7                 |
| - cereals  | -7.2       | 5.7        | 8.3        | -11.6       | 3.2                  |
| - industrial crops                                     | 10.2       | 16.2       | -0.4       | 11.8        | 3.0                  |
| - vegetables   | 25.2       | -0.4       | 24.5       | -26.0       | 3.7                  |
| - potatoes   | 13.3       | -0.7       | 50.1       | -42.5       | 1.3                  |
| - fruit  | 11.7       | 6.9        | 16.0       | -14.6       | 7.7                  |
| animals  | 9.9        | -3.4       | -0.6       | 5.5         | 41.3                 |
| - cattle   | -1.3       | 1.1        | -3.9       | 2.9         | 15.9                 |
| - pigs   | 23.0       | -13.7      | -5.6       | 3.4         | 12.0                 |
| - poultry  | 13.9       | 2.0        | 7.2        | 8.3         | 12.4                 |
| - animal products                                      | 7.2        | 2.9        | 0.8        | 0.1         | 28.0                 |
| <b>Consumer prices, total</b>                          | <b>8.4</b> | <b>7.5</b> | <b>5.6</b> | <b>3.6</b>  | <b>100.0</b>         |
| of which: food & non-alcoholic beverages, total        | <b>9.2</b> | <b>7.5</b> | <b>4.6</b> | <b>0.5</b>  | <b>19.7</b>          |
| food   | 9.8        | 7.5        | 4.6        | 0.4         | 17.8                 |
| - bread and cereals                                    | 13.4       | 13.4       | 6.5        | 2.5         | 3.8                  |
| - oils and fats  | 2.4        | 20.3       | 6.7        | -0.2        | 0.7                  |
| - vegetables, fresh and processed                      | 5.9        | 6.1        | 9.5        | -4.8        | 1.7                  |
| - fruit, fresh and processed                           | 12.8       | 0.7        | 4.3        | 1.9         | 1.4                  |
| - meat   | 13.4       | 4.0        | 1.8        | -0.4        | 4.9                  |
| - fish   | 10.8       | 8.7        | 5.1        | 3.5         | 0.4                  |
| - milk, dairy products, eggs                           | 4.5        | 7.8        | 1.4        | -0.7        | 2.7                  |
| - sugar and confectionery                              | 5.2        | 8.7        | 5.3        | 5.2         | 1.4                  |

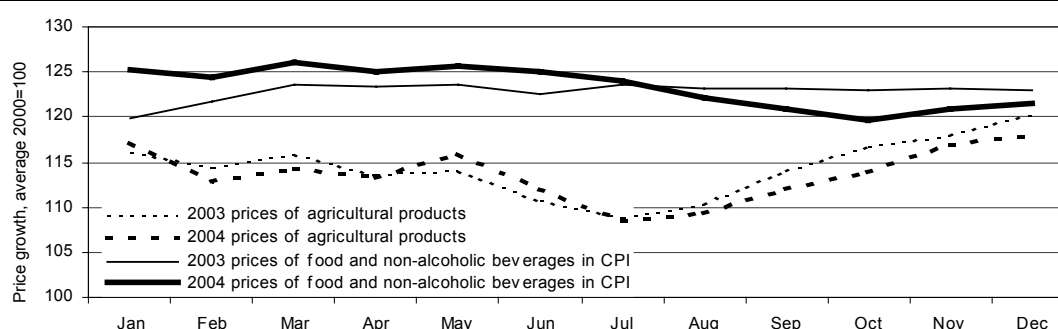
Source of data: SORS. Note: data on rises of agricultural producer prices for 2000-2003 have been revised in line with a new methodology which is harmonised with Eurostat's methodology.

After several years of rises, 2004 saw an average nominal fall in the producer prices of agricultural products (-1.1%; year on year: -1.9%), which was mainly due to the bumper crops produced on the back of favourable weather conditions after the droughty 2003. The price dynamics varied considerably across product groups (see table). Prices of crops dropped by 9.6%, falling to below the 2002 level, while in livestock breeding prices were up 3.2% (5.5% for animals and 0.1% for animal products) due to lower supply. The biggest price falls were seen in potatoes (-43%), vegetables (-26%) and fruit (-15%) where the strongest rises were seen in 2003, while prices were up most markedly in industrial crops (+12%) for which minimum purchase prices were raised in line with the common agricultural policy. The monthly dynamics of purchase prices in Slovenia were similar to those in the EU. In the first half of the year when there were no new crops yet the price indices were relatively high; thereafter prices fell but the drop in Slovenia was smaller than in the EU. In October, for which the last estimate is available, prices in the EU were thus 6.4% lower year on year (11.7% lower in crops and 0.1% higher in livestock breeding), while prices in Slovenia fell by just 2.4% (-11.8% in crops and +2.2% in livestock breeding).

Due to the lower purchase prices of agricultural products and especially due to the opening of trade in food and agricultural products between Slovenia and EU countries, price falls were also expected in food and non-alcoholic beverages where, however, a substantial lowering has not (yet) been observed. These prices on average recorded a 0.5% rise (a 1.1% fall year on year), i.e. the lowest rise in the last few years. The biggest drops were registered in the groups vegetables (but not fruit) and dairy products (-5% and -1%, respectively), while rises were especially high in the groups sugar and confectionery (higher customs duties after EU entry) and fish (+5% and +4%). Average price rises were at a relatively high level until July, after which they dropped and remained below the average of 2003 despite the increase seen in the year's final two months (see graph).

The relatively rapid gap widening between the rises of food prices and agricultural producer prices seen during the past few years (see SEM 3/2004, p. 14) slowed down in 2004. A comparison with 2000 shows that these prices respectively rose by 3% and 12% less than inflation in 2004. Hence one of the main objectives of the agricultural policy reform of 1998, i.e. to reduce food prices and consequently inflation through lower purchase prices, has so far been poorly realised.

Graph: Purchase price rises of agricultural products and price rises of food and non-alcoholic beverages



Sources of data: SORS, calculations by the IMAD.

|                |                           |       |
|----------------|---------------------------|-------|
| <b>Tourism</b> | Slovenian Economic Mirror | IMAD  |
|                | No. 3/2005                | p. 14 |

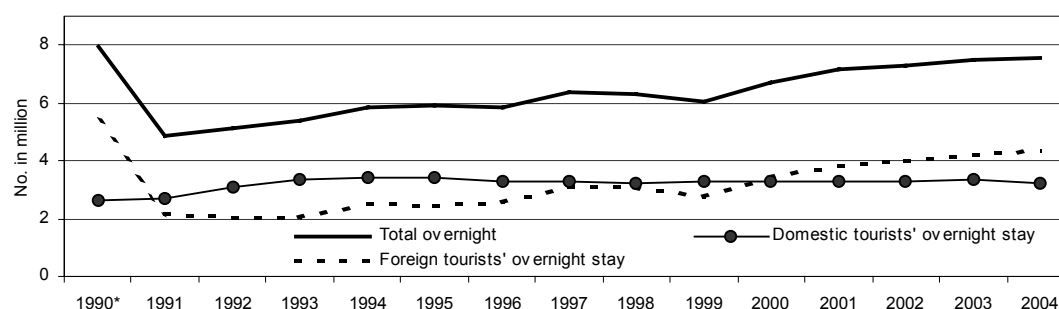
| Selected indicators for tourism & hotels and restaurants    | Absolute data 2004 | Growth rates, %     |                     |                     |                     |               |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|---------------|
|   |                    | Q1 2004/<br>Q1 2003 | Q2 2004/<br>Q2 2003 | Q3 2004/<br>Q3 2003 | Q4 2004/<br>Q4 2003 | 2004/<br>2003 |
| Overnight stays, total                                      | 7,588,737          | 1.2                 | -1.6                | 2.3                 | 2.2                 | 1.1           |
| Domestic tourists   | 3,225,954          | -1.3                | -6.5                | -3.3                | 0.1                 | -3.0          |
| Foreign tourists  | 4,362,783          | 4.0                 | 2.0                 | 6.4                 | 4.0                 | 4.5           |
| Average number of employees <sup>1</sup>                    | 30,025             | -0.3                | 0.1                 | 0.3                 | 1.1                 | 0.3           |
| Average gross wage per employee <sup>1,2,3</sup> , SIT      | 199,937            | 2.1                 | 1.8                 | 2.2                 | 2.1                 | 2.0           |
| Passenger road border crossings, in thous.                  | 92,153             | 6.0                 | 11.4                | 6.3                 | 6.5                 | 7.6           |
| Prices of hotel and restaurant services, total <sup>4</sup> | -                  | 5.3                 | 5.3                 | 4.4                 | 5.3                 | 5.1           |
| Prices of catering services <sup>4</sup>                    | -                  | 4.6                 | 4.7                 | 4.1                 | 4.9                 | 4.6           |
| Prices of accommodation services <sup>4</sup>               | -                  | 9.4                 | 9.0                 | 6.7                 | 7.4                 | 8.1           |
| Turnover in hotels and restaurants (real terms)             | -                  | 2.2                 | 0.2                 | 1.8                 | 2.2                 | 1.7           |

Sources of data: SORS, IMAD's calculations. Notes: <sup>1</sup>hotels and restaurants, <sup>2</sup>companies and organisations employing three or more workers, <sup>3</sup>deflated by the consumer price index, <sup>4</sup>CPI group or sub-group.

**In 2004, the number of tourists and their overnight stays increased once again.** In 2004, Slovenia hosted 2.3 m tourists (4.2% more than in 2003) who made almost 7.6 m overnight stays. This relatively high growth is entirely attributable to the increase in foreign visitors whose number rose by 9.2% compared to 2003, while the number of their overnight stays in Slovenia was up 4.5% (the corresponding increases in 2003 were 5.5% and 3.8%, respectively). On the other hand, a relatively sharp drop was recorded in the number of domestic visitors and their overnight stays, which had remained at approximately the same level during the previous few years. The share of domestic guests in the total number of tourists thus fell from 38.9% in 2003 to 36.0% in 2004 (it peaked in 1993 at almost 57%). The share of domestic tourists' stays in total overnight stays similarly dropped by almost 2 percentage points.

**2004 witnessed some major shifts in the structure of foreign tourists' overnight stays in Slovenia.** Visitors from Italy made most of the overnight stays among foreign tourists (18.0%, i.e. 7.9% more than in 2003), taking over the first place previously occupied by German tourists. Austrian visitors have since 1995 traditionally occupied the third position regarding the number of their overnight stays in Slovenia (15.9% in 2004, i.e. the same level as in 2003). Croats who have usually been in fourth place in the past few years were left behind by guests from the UK in 2004. The number of overnight stays made by tourists from the UK has been rising steadily since 1999, peaking in 2004 (32.1%). This rise is linked to the launch of a low-fare airline providing flights between Ljubljana and London. In addition to the increased interest in Ljubljana as the capital of a new EU member state, the rise in visitors from the UK has also been related to the fact that British people selected Slovenia as their favourite European country in media surveys. Dutch tourists who, like Britons, have been rediscovering Slovenia in recent years occupied sixth place according to their number of overnight stays made here in 2004 (a 10.2% rise compared to 2003). Hungarian visitors, traditionally ranked 7<sup>th</sup> by overnight stays in Slovenia, were left behind by the French whose stays were up almost 40% compared to the previous year. In 2004 the number of overnight stays made by foreign tourists was still lower than in 1990 (for easier comparison tourists from former Yugoslavia are also counted as foreign tourists). This is particularly true of stays made by tourists from the former Yugoslav republics; differences are also considerable in the overnight stays made by visitors from the Netherlands and the UK. On the other hand, the number of foreign overnight stays recorded in the observed period surged with visitors from Austria (twice as many as in 1990), the Russian Federation (up 50%) and Italy, while German tourists' stays remained at the 1990 level due to the fall observed in the past few years.

Graph: **Overnight stays of domestic and foreign tourists in Slovenia, 1990-2004**



Sources of data: SORS. Note: \* For easier comparison overnight stays of tourists from former Yugoslavia in 1990 are counted as foreign overnight stays.

| Selected indicators   | Jan-Dec 2004                                  | Growth in %         |                              |                               |      |
|---|---|---------------------|------------------------------|-------------------------------|------|
|   |   | Q4 2004/<br>Q4 2003 | Jan-Dec 2004<br>Jan-Dec 2003 | Jan-Dec 2003/<br>Jan-Dec 2002 |      |
| Passenger transport   | Railways, <sup>1</sup> in million pass. km    | 769                 | 5.6                          | -1.1                          | 4.5  |
|   | Roads, <sup>1,2</sup> in million passenger km | 925                 | -9.2                         | -13.1                         | -7.1 |
|   | Urban, in thousand passengers                 | 100,197             | 1.6                          | 1.9                           | -5.4 |
|   | Air, in million passengers km                 | 896                 | 1.0                          | 7.0                           | 5.5  |
|   | Airport, in thousand passengers               | 1,048               | 19.8                         | 13.7                          | 6.4  |
| Freight transport   | Railways, in million tonne km                 | 3,463               | 7.0                          | 5.8                           | 6.4  |
|   | Road <sup>1</sup> , in million tonne km       | 8,190               | 33.1                         | 29.9                          | 6.5  |
|   | Maritime, in million tonne miles              | 37,047              | 43.5                         | 30.6                          | -0.8 |
|   | Harbour <sup>1</sup> , in thousand tonnes     | 12,166              | 8.5                          | 12.8                          | 17.4 |
| Loading, unloading in all transp. <sup>1</sup> , in thous. tonnes | 24,038  | -4.6                | -2.0                         | 12.5                          |      |
| Letters and parcels delivered, in thousand                        | 772,795                                       | 15.3                | 19.2                         | 12.3                          |      |

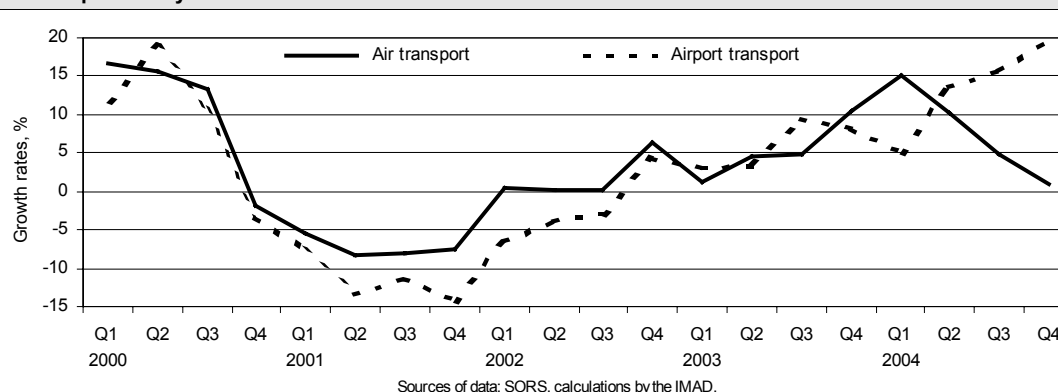
Source of data: SORS. Notes: <sup>1</sup>estimate by SORS, <sup>2</sup>excluding private transport of passengers by taxi, bus and personal vehicle.

**In passenger transport, air transport registered the biggest increase (up by one-fifth) in the final quarter of 2004.** Measured in passenger kilometres, railway transport rose by 5.6% while road transport (intercity and suburban bus transport) dropped by 9.2%. Urban passenger transport once again recorded a slight increase in the final quarter. In the last three months of 2004, a large difference, even bigger than in the third quarter, was observed in the increase in air transport and airport traffic (see graph). The volume of air transport rose by a mere 1.0%, while the increase in the volume of airport traffic strengthened to 19.8%. In our opinion, the high increase in airport traffic owes much to the low-fare airline operating in Slovenia since the country joined the EU. The latter provides certain competition for the leading domestic operator, which has recorded slightly lower rises in transport volumes recently.

**Freight transport on roads increased by one-third in the final quarter of 2004; maritime freight transport rose even more.** Measured in tonne-kilometres, the volume of railway transport increased by 7.0%, while road transport surged by almost 5-times more (up 33.1%). Maritime freight transport is on the upswing and recorded a robust 43.5% increase in Q4 of 2004. Harbour transshipment increased by 8.5% compared to the final quarter of 2003, while the total loading and unloading in all transport modes, which includes harbour transshipment, fell by 4.6%.

**Value added in transport, storage and communications enjoyed 4.4% year-on-year growth in the final quarter of 2004 and a 3.8% increase in 2004 as a whole.** At the annual level, passenger bus transport continued to decline along with public railway transport which recorded a slight fall (see table). Road passenger transport has more than halved *during the last five years*, while railway transport has increased by almost one-quarter. In 1999, the volume of road passenger transport still exceeded railway transport by 220%; by 2004 this gap shrank to a mere 20%. The growth rate in airport traffic was twice as high as in air transport last year; it should be noted, however, that the volume of airport traffic also dropped more in 2001 and 2002 during the period of recession in both branches. Maritime freight transport recorded strong growth throughout 2004. Similarly as in maritime transport, lorries transported about 30% more freight in 2004 than in 2003, which can be attributed to Slovenia's accession to the EU (many administrative barriers in the commerce with both new and old member states were eliminated) and the increase in external trade.

Graph: **Number of passengers in air transport and airport traffic relative to the same quarter of the previous year**



|                            |                           |       |
|----------------------------|---------------------------|-------|
| <b>Private Consumption</b> | Slovenian Economic Mirror | IMAD  |
|                            | No. 3/2005                | p. 16 |

| Selected private consumption indicators                          | Year-on-year real growth rates, in % |       |       |       |       |       |       |       |
|--|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|
|  | Q1 03                                | Q2 03 | Q3 03 | Q4 03 | Q1 04 | Q2 04 | Q3 04 | Q4 04 |
| Private consumption <sup>1</sup>                                 | 1.7                                  | 3.0   | 2.8   | 3.3   | 4.0   | 3.4   | 3.5   | 3.2   |
| Household consumption <sup>1</sup>                               | 1.7                                  | 3.1   | 2.8   | 3.4   | 4.0   | 3.4   | 3.4   | 3.3   |
| Consumption of NPISH <sup>1</sup>                                | 1.7                                  | 0.6   | 2.3   | -1.6  | 3.0   | 3.3   | 4.1   | 1.1   |
| Household receipts <sup>2,3</sup>                                | 0.6                                  | 2.1   | 1.9   | 3.1   | 5.3   | 5.1   | 4.7   | 5.5   |
| Household loans (end-of-period stock) <sup>3</sup>               | 1.4                                  | 2.5   | 3.9   | 6.6   | 9.9   | 11.6  | 15.9  | 17.4  |
| Household savings in banks (end-of-period stock) <sup>4</sup>    | 7.4                                  | 7.6   | 8.2   | 5.2   | 4.7   | 3.3   | 4.1   | 7.5   |
| New car registrations  | 4.6                                  | 23.0  | 10.7  | 13.9  | 17.6  | 3.2   | 2.7   | -9.1  |
| Gross domestic product (GDP) <sup>1</sup>                        | 2.4                                  | 2.3   | 2.6   | 2.9   | 4.1   | 4.9   | 5.0   | 4.3   |
| Private consumption contribution to GDP growth (percent. points) | 0.9                                  | 1.7   | 1.6   | 1.9   | 2.1   | 1.9   | 1.9   | 1.8   |

Sources of data: SORS, APLRS, Ministry of Finance, Bank of Slovenia, Directorate for Internal Administrative Affairs, calculations by IMAD. Notes: <sup>1</sup>2000 constant prices; <sup>2</sup>net wages, other remuneration (payments based on contracts for work and services and copyright contracts, work-related allowances, other personal income), transfers to individuals and households; expressed as 'household income' in previous publications; <sup>3</sup>deflated by the consumer price index; <sup>4</sup>deflated by the consumer price index and the nominal effective exchange rate.

**Private consumption rose by 3.5% in 2004, recording 0.8 of a percentage point higher real growth than in 2003.** Its contribution to GDP growth thus totalled 1.9 p.p. or 41.9%.

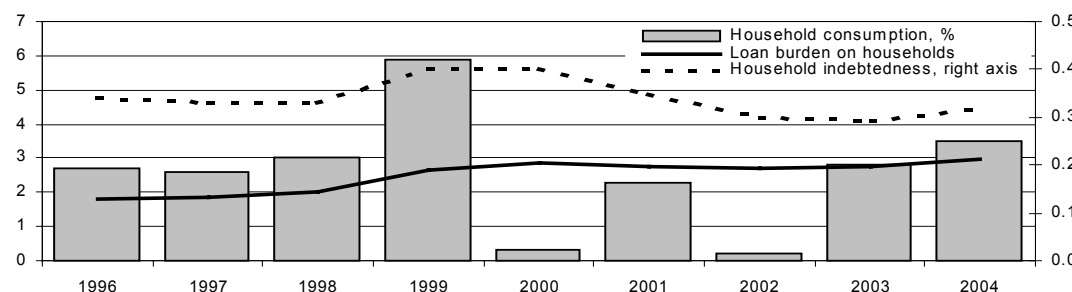
**Household receipts rose by 5.2% in real terms in 2004 over 2003.** The net wage bill strengthened by 5.1%, while other remuneration (according to APLRS data) increased by 11.0%. According to the consolidated general government revenue and expenditure, transfers to households registered a 3.1% real rise.

**Throughout the year, the year-on-year real growth rates of loans were on a steady increase (from 7.1% in January to 17.4% in December).** The real growth rate of their average monthly stock totalled 12.9% for bank loans and 11.8% for tolar loans. In the latter, growth of the average monthly stock totalled 13.5% in long-term loans (the highest increase thus far, 33.2%, was recorded in 1999), 5.3% in overdrafts and advances and 4.2% in short-term loans. The commercial banks' **loan burden on households** (the ratio of loans to income) climbed from 2.76 to 2.96 relative to 2003, thereby exceeding the value from 2000 (2.84). The average monthly stock of household deposits increased by 3.2% in 2004 (the lowest growth in the past 12 years). Household **indebtedness** (the ratio of loans to savings), increased from 0.29 to 0.32 compared with 2003.

**A rise in household spending in 2004 is also indicated by the dynamics of most other short-term indicators.** The consumer confidence indicator value jumped by 23 p.p. from March to October when the indicator reached its peak value (11 p.p. above the long-year average). Consumers were especially optimistic with regard to the financial situation in their households and the economic situation in the next 12 months. The year-on-year increase in retail trade turnover totalled 3.8% according to the SORS' monthly survey. VAT charged to end consumers was up 6.1% in real terms. Imports of consumer goods rose by 15.2% in nominal terms (9.2% in 2003). On the other hand, the increase in new car registrations (3.8%) was 9.3 p.p. lower than in 2003, according to the Directorate for Internal Administrative Affairs. The annual increase of non-residents' spending in Slovenia (up 10.6% in nominal terms) was 0.7 p.p. higher than the rise seen in residents' spending abroad.

**Household borrowing continued in January and February 2005.** The year-on-year increase in the volume of loans rose in the first two months of the year to total 18.8% in February. The strongest growth was registered in foreign currency loans (a threefold increase in volume) and long-term loans (up 18.6%). The net wage bill rose by 4.9% in real terms in January and February together, while other remuneration dropped by 10.4% (due to the new Personal Income Tax payments of royalties for the first few months of 2005 were either executed already in December – the year-on-year growth totalled almost 24% – or they will be delayed). Using the same comparison, the number of new car registrations fell by 4.3%, and VAT charged to end consumers similarly recorded a 2.3% real drop in January. Non-residents' spending in Slovenia (up 15.4%) again exceeded residents' spending abroad (up 1.2%). The consumer confidence indicator fell in March – consumers became less optimistic with regard to the future economic situation (unlike in February, when the indicator rose above the year-long average following a three-month fall mainly due to optimistic expectations concerning unemployment trends).

Graph: Household indebtedness, loan burden on households and household spending



Sources of data: SORS, APLRS, BS, calculated by the IMAD.



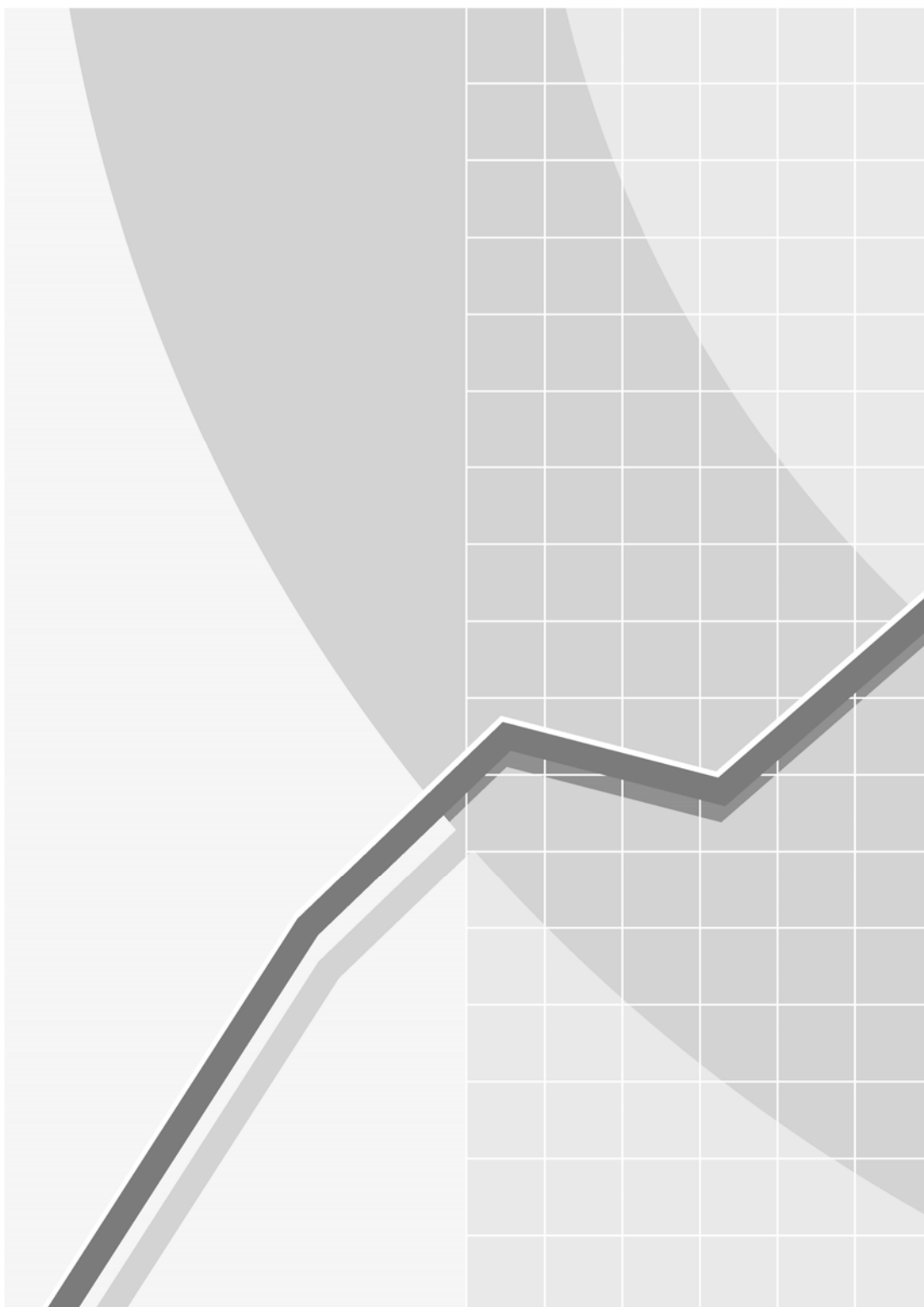
# Selected Topics

Slovenian Economic Mirror

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# Solvency

Slovenian Economic Mirror

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## Legal entities recording outstanding matured liabilities\* for over 5 consecutive days per month in 2004

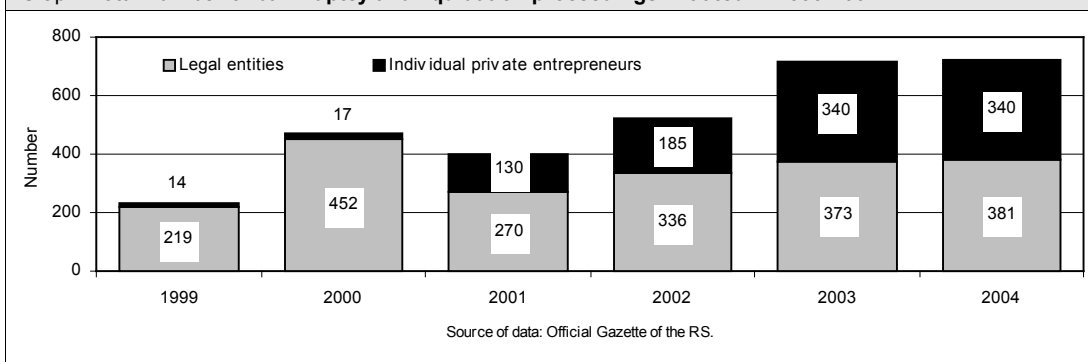
| Month     | No. of legal entities | Average daily amount,<br>in SIT m | Index 2004/2003       |                      |
|-----------|-----------------------|-----------------------------------|-----------------------|----------------------|
|           |                       |                                   | No. of legal entities | Average daily amount |
| January   | 2,560                 | 15,716                            | 189.3                 | 200.8                |
| February  | 2,820                 | 17,545                            | 207.3                 | 212.1                |
| March     | 2,917                 | 18,721                            | 191.9                 | 212.9                |
| April     | 2,914                 | 19,576                            | 180.7                 | 205.7                |
| May       | 3,037                 | 20,708                            | 176.4                 | 196.1                |
| June      | 3,080                 | 20,844                            | 170.3                 | 189.5                |
| July      | 2,928                 | 20,433                            | 157.6                 | 177.1                |
| August    | 2,843                 | 21,243                            | 146.6                 | 174.3                |
| September | 3,110                 | 22,042                            | 150.7                 | 173.2                |
| October   | 3,231                 | 23,442                            | 146.5                 | 176.7                |
| November  | 3,204                 | 24,529                            | 140.8                 | 181.6                |
| December  | 3,178                 | 25,206                            | 135.3                 | 177.7                |

Source of data: APLRS, calculations by IMAD. Note: \*according to the Tax Procedure Act.

**The number of insolvent legal entities rose sharply in 2004 over 2003.** The APLRS' records on legal entities recording outstanding matured liabilities for *over 5 consecutive days in a month* are based on the data that payment transaction operators (banks, savings banks, the national Public Payments Administration and the Bank of Slovenia) are statutorily obliged to submit to the APLRS regularly. Figures for 2004 show that the number of these entities increased by 618 (24.1%) from January to December while the average daily amount of their liabilities rose by SIT 9,490 m (60.4%). Both the number of legal entities with outstanding liabilities and the average daily amount of their liabilities were higher in all months of 2004 than in the corresponding months of the previous year (see table). The average number of legal entities recording outstanding matured liabilities for five or more consecutive days in a month totalled 2,985 in 2004, i.e. 62.3% more than in 2003, while the average daily amount of their liabilities (SIT 20,834 m) ballooned by 87.5% last year. The monthly average of 1,045 (35.0%) of all insolvent legal entities recorded outstanding matured liabilities for *an uninterrupted period of over one year*, which is twice as many as in 2003. Their average daily amount of outstanding matured liabilities (SIT 11,884 m) represented 57.0% of the total average daily amount of outstanding liabilities recorded for over 5 consecutive days and was thus almost twice as high as in 2003. Legal entities with outstanding liabilities for *more than one year without interruption* are a heavy burden on the analysed records and satisfy the requirement for deletion from the register of companies pursuant to the Financial Operations of Companies Act (FOCA).

**The number of compulsory settlements fell by close to one-third in 2004, while the number of bankruptcy and liquidation procedures was up 1.1% compared to 2003.** The long-term insolvency or overindebtedness of a business subject can sometimes be resolved through compulsory settlement, financial reorganisation and repayments to creditors; otherwise bankruptcy or liquidation ensues. This area is regulated exhaustively in the Compulsory Settlement, Bankruptcy and Liquidation Act. According to data released in the Official Gazette of the RS, proceedings initiated at courts in 2004 were as follows: i) 88 compulsory settlement proceedings (38 less than in 2003), of which 78 were in legal entities (39 less) and 10 in individual private entrepreneurs (1 more); ii) 711 bankruptcy proceedings (7 more than in 2003), of which 371 were in legal entities (7 more) and 340 in individual private entrepreneurs; and iii) 10 liquidation proceedings (1 more than in 2003), all affecting legal entities. According to the same source of data, courts pursuant to the FOCA issued decisions on the deletion from the register of companies to 558 legal entities (82 more than in 2003) and deleted 467 legal entities from the register of companies (287 less than the year before).

Graph: Total number of bankruptcy and liquidation proceedings initiated in 1999-2004



|                                  |                           |       |
|----------------------------------|---------------------------|-------|
| <b>Labour Market Flexibility</b> | Slovenian Economic Mirror | IMAD  |
|                                  | No. 3/2005                | p. 20 |

|                 | Share of flexible forms of employment in total employment, 2003, in % |                      |                       |                            | Employment Protection Legislation Index (EPLI) for 2003 |                      |                      |                       |
|-----------------|---|----------------------|-----------------------|----------------------------|---|----------------------|----------------------|-----------------------|
|                 | Self-employment   | Part-time employment | Fixed-term employment | Flexible employment, total | Total   | Permanent employment | Temporary employment | Collective dismissals |
| EU-25           | 15.6  | 17.1                 | 12.9                  | 45.6                       | n/a   | n/a                  | n/a                  | n/a                   |
| EU-15           | 14.8  | 18.6                 | 12.8                  | 46.2                       | 2.4   | 2.4                  | 2.1                  | 3.2                   |
| Belgium         | 16.3  | 20.5                 | 8.4                   | 45.2                       | 2.5   | 1.5                  | 2.8                  | 4.1                   |
| Czech Rep.      | 17.1  | 5.0                  | 9.2                   | 31.3                       | 2.1   | 2.8                  | 0.5                  | 4.3                   |
| Denmark         | 7.1   | 21.3                 | 9.3                   | 37.7                       | 1.5   | 1.6                  | 0.9                  | 3.1                   |
| Germany         | 10.8  | 22.4                 | 12.2                  | 45.4                       | 2.6   | 2.8                  | 2.3                  | 3.1                   |
| Estonia         | 8.9   | 8.5                  | 2.5                   | 19.9                       | 2.6   | n/a                  | n/a                  | n/a                   |
| Greece          | 42.3  | 4.3                  | 11.0                  | 57.6                       | 2.9   | 2.4                  | 3.3                  | 3.3                   |
| Spain           | 15.3  | 8.0                  | 30.6                  | 53.9                       | 3.1   | 2.6                  | 3.5                  | 3.1                   |
| France          | 8.8   | 16.5                 | 12.9                  | 38.2                       | 2.8   | 2.8                  | 2.3                  | 3.1                   |
| Ireland         | 17.4  | 16.8                 | 5.1                   | 39.3                       | 1.1   | 1.6                  | 0.3                  | 2.1                   |
| Italy           | 25.0  | 8.5                  | 9.9                   | 43.4                       | 3.4   | 2.8                  | 3.8                  | 4.1                   |
| Lithuania       | 20.3  | 9.6                  | 7.2                   | 37.1                       | n/a   | n/a                  | n/a                  | n/a                   |
| Hungary         | 13.2  | 4.4                  | 7.5                   | 25.1                       | 1.7   | 1.9                  | 1.1                  | 2.9                   |
| Netherlands     | 14.0  | 45.0                 | 14.6                  | 73.6                       | 2.2   | 3.1                  | 1.2                  | 2.8                   |
| Poland          | 27.3  | 10.5                 | 19.4                  | 57.2                       | 2.0   | 2.2                  | 1.4                  | 4.4                   |
| Portugal        | 26.9  | 11.7                 | 21.1                  | 59.7                       | 3.7   | 4.3                  | 3.5                  | 3.1                   |
| <b>Slovenia</b> | <b>16.9</b>   | <b>6.2</b>           | <b>13.7</b>           | <b>36.8</b>                | <b>2.3</b>  | <b>2.9</b>           | <b>0.6</b>           | <b>4.9</b>            |
| Slovakia        | 10.2  | 2.4                  | 4.9                   | 17.5                       | 2.4   | 2.6                  | 1.4                  | 4.4                   |
| Finland         | 11.8  | 13.0                 | 16.3                  | 41.1                       | 2.1   | 2.1                  | 1.9                  | 2.4                   |
| Sweden          | 4.7   | 22.9                 | 15.1                  | 42.7                       | 2.6   | 2.8                  | 1.6                  | 4.5                   |
| UK              | 12.2  | 25.2                 | 6.1                   | 43.5                       | 0.9   | 0.8                  | 0.4                  | 0.4                   |

Sources: Employment in Europe 2004 for flexible forms of employment; OECD Employment Outlook 2004 for the Employment Protection Legislation Index, EPLI for Slovenia, Estonia and EU-15: Riboud et al. (2002): Does Eurosclerosis matter? Institutional reform and labour market performance in Central and Eastern European countries in the 1990s.

**A commonly used measure of labour market flexibility in international comparisons is the share of flexible employment forms (self-employment, fixed-term employment and part-time employment) in total employment.** Due to limited access to data about other flexible employment forms at the international level (e.g. flexitime, flexispace, work at home, telework) their shares in total employment are not considered in international comparisons.

**Slovenia is lagging behind the EU average in terms of flexible employment; the gap is, however, entirely due to its low spread of part-time employment.** As far as this form of employment is concerned, Slovenia is far behind the most developed member states. The promotion of part-time work in Slovenia could help raise the low employment rate of elderly people (aged 55-64), as part-time work is very common in this group in the EU. Part-time employment in services (especially in the field of social work) provides an opportunity to raise the employment rates of older and unskilled women. Part-time work also enables a better balancing of work and family life.

**The international comparison shows that, contrary to popular belief, the share of fixed-term employment in Slovenia only slightly exceeds the EU average.** Spain and Portugal, which have the strictest employment legislation, are in the lead in terms of the share of fixed-term employment (see the employment protection legislation index). OECD experts have found a positive albeit weak correlation between the EPLI for permanent employment and the share of fixed-term employment, i.e. the more rigid the employment legislation, the more frequently employers hire workers for a fixed term.

**Low labour market flexibility is often associated with strict employment regulations, which are regarded as the main reason for labour market rigidity.** The Employment Protection Legislation Index – EPLI (see OECD Employment Outlook 1999, 2004) was developed by OECD experts and is used for cross-country comparisons of employment legislation. It enables the comparison of countries' employment legislation rigidities and their impacts on the situation and dynamics in labour markets. The index contains descriptions of 22 basic labour legislation indicators, which can be grouped into three main areas: i) protection of employees in regular employment against individual dismissals; ii) regulation of temporary employment (fixed-term employment and temporary work agencies); and iii) specific requirements concerning collective dismissals. These 22 indicators are constructed into indices taking values 0 to 6, while the aggregate EPLI index is a weighted average of the indicators (higher values of the EPLI indicate stricter legislation).

**Slovenia is close to the EU-15 average (2.4) in terms of the EPLI although our employment legislation is stricter than that in the Czech Republic (2.1), Hungary (1.7) and Poland (2.0).** The EPLI for Slovenia was calculated by the World Bank in 2002; it totalled 3.5 when based on the old legislation and 2.3 when assessing the draft new legislation now in force. Similar figures were produced by M. Vodopivec (Report on the survey "Analysis of labour mobility and wage system flexibility, 2005").

|                                  |                           |       |
|----------------------------------|---------------------------|-------|
| <b>Labour Market Flexibility</b> | Slovenian Economic Mirror | IMAD  |
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**Looking at the EPL index by its components, we see that Slovenia's only deviation with regard to EPL strictness appears in the regulation of collective dismissals.** The latter includes the definition of collective dismissals, the notification of trade unions and competent public institutions, the required negotiating procedures, dismissal criteria and severance pay amounts. In Slovenia, 'collective dismissals' are defined in the Employment Act (EA) as follows: i) dismissal of a minimum of 10 workers if the employer employs more than 20 and less than 100 employees; ii) dismissal of at least 10% of workers if the employer employs at least 100 and less than 300 workers; and iii) dismissal of at least 30 workers if the employer employs 300 workers or more (in which case the employer is obliged to draw up a dismissal programme for the redundant workers). The employer must inform trade unions of its intention to dismiss a larger number of workers and negotiate the redundancy criteria and preparation of the dismissal programme with them. Further, the employer must also send a written notification of the redundancies to the Employment Service of Slovenia. The criteria for determining redundant workers (Article 100 of the EA) stipulate that the priority in deciding who will keep their jobs should be given to those employees with a poorer social status.

In **Denmark**, whose index value for the regulation of collective dismissals is close to the EU average, collective dismissals are regulated in a similar way as in Slovenia: i) more than 9 workers in a company with 21-99 employees; ii) more than 9% of workers in a company with 100-299 employees; and iii) more than 29 redundant workers in a company with 300 or more employees. Employers must, like in Slovenia, notify the works council and trade union of their intention and consult with them. They must also notify the employment service, although there are no legally stipulated criteria for the selection of redundant workers. However, the national agreement obliges companies to organise the transfer or retraining of employees, if feasible.

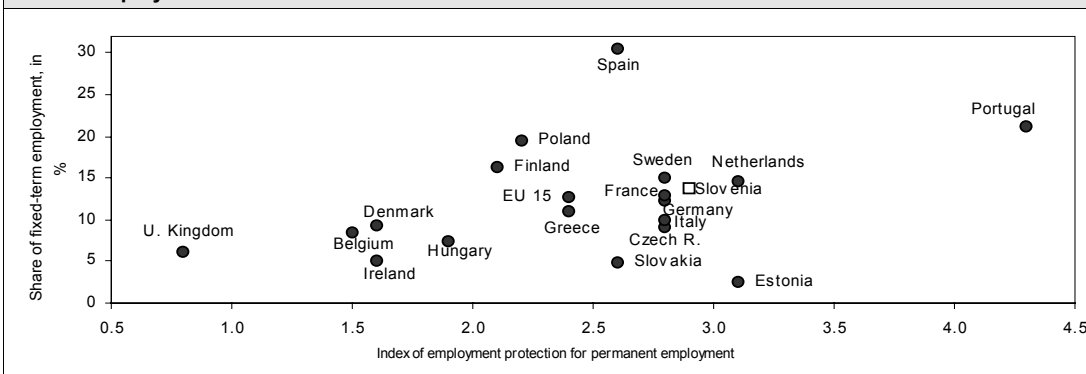
In the **United Kingdom**, which has the lowest index of collective dismissals regulation, a collective dismissal is defined as layoffs of more than 20 redundant workers within a 90-day period. The employer must notify and consult trade unions and notify the Department of Trade and Industry on the matter; there are, however, no statutorily defined redundancy criteria except the prohibition on discrimination.

Although Slovenia also has no special **severance pay** provisions for the event of a collective dismissal, the international comparison shows that severance pay is relatively high in Slovenia since many countries have no legislative provisions at all on severance pay (e.g. in Austria, Germany, Finland and Norway).

**Strict employment protection regulations protect existing jobs and may reduce the employment prospects of the unemployed while increasing long-term unemployment rates.** Some empirical analyses have found a negative correlation between the strictness of employment legislation and the employment rates of young people and women. Most studies agree, however, that strict employment legislation depresses the dynamism (flows) in the labour market. Using comparable data on job creation and destruction in the EU-15, Gomez et al. (2004) show that rigid employment legislation typically reduces job creation while its effects on job destruction are not statistically significant.

**Deciding on the appropriate level of labour market rigidity often necessitates a trade-off between social and economic objectives.** Striking the right balance between flexibility and security in an economy does not solely depend on economic factors but also on the level of the establishment, power and unity of trade unions and on socio-psychological factors. A successful combination of a dynamic labour market and relatively high social security is found in Denmark, which has managed to effectively blend flexibility (high job mobility as a result of the relatively low EPLI value), social security (a generous system of insurance against unemployment) and active labour market policy. The Danish approach is also known as the 'flexicurity' model.

Graph: **Employment Protection Legislation Index for permanent employment and the share of fixed-term employment**



|  |                           |       |
|--|---------------------------|-------|
| <b>Ownership Consolidation in Slovenian Companies, 1999–2004</b> | Slovenian Economic Mirror | IMAD  |
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Table 1: Descriptive statistics for ownership shares of three largest owners at the end of 1999 and 2004 (sample of companies in the SCC<sup>1</sup> database)

| Year     | Descriptive statistics  | No. of shareholders | Largest owner  | Second largest owner | Third largest owner |
|----------|-------------------------|---------------------|----------------|----------------------|---------------------|
| End-1999 | Average (St. deviation) | 931.31 (4249.49)    | 38.58% (23.06) | 15.83% (8.38)        | 10.14% (5.19)       |
|          | Median                  | 174                 | 31.70          | 14.13                | 10.00               |
|          | Min.                    | 1                   | 5.00           | 1.11                 | 1.00                |
|          | Max.                    | 58447               | 100            | 50.00                | 33.33               |
|          | No. of units            | 551                 | 551            | 518 <sup>2</sup>     | 487 <sup>2</sup>    |
| End-2004 | Average (St. deviation) | 661.75 (3264.54)    | 52.03% (28.25) | 15.64% (9.53)        | 9.10% (5.49)        |
|          | Median                  | 103                 | 49.97          | 14.11                | 8.98                |
|          | Min.                    | 1                   | 1.75           | 1.00                 | 1.00                |
|          | Max.                    | 54912               | 100            | 49.70                | 31.87               |
|          | No. of units            | 721                 | 721            | 645 <sup>2</sup>     | 569 <sup>2</sup>    |

Source: calculations by the author (Aleksandra Gregorič) based on SCC data. Notes: <sup>1</sup>Central Securities Clearing Corporation; <sup>2</sup>only shareholders with more than 1% of votes are included; in cases when the second/third largest shareholder has less than 1% of votes the observed enterprise is not included in the descriptive statistics calculation.

**The post-privatisation period in Slovenia has been characterised by the accelerated consolidation of ownership: the average number of shareholders is falling (from 931 to 662 in the past five years) while ownership and voting rights are concentrating in the hands of a single owner.** Over the past five years the ownership shares of principal shareholders in Slovenian non-financial corporations have increased by as much as 14 percentage points (see Table 1). In the first half of the companies included in the sample, the largest shareholder voted with at least a simple majority of votes. The shares of the second and third largest owners (15.6% and 9.1%, respectively) were comparatively much lower and remain at the 1999 level, which further indicates the concentration of the dominant owners' relative power.

**Ownership in companies listed in the organised markets of the Ljubljana Stock Exchange remains relatively more dispersed.** At the end of 2004, the largest shareholders in 94 non-financial corporations voted with 35.5% of votes on average, while the voting share in the first half of these companies was 25%. We can nevertheless observe that corporate governance in Slovenian joint-stock companies is rapidly approaching the continental European large-owner model.

**Ownership is largely consolidating in domestic non-financial corporations.** At the end of 2004, these had the biggest shares in almost 50% of companies in the sample (326 out of 708). In corporations where the largest shareholder was a domestic non-financial company, the latter owned 60% of equity on average (over 56% in the first half of companies: see Table 2).

**Formal successors to the former Slovenian privatisation investment funds are commonly the current largest shareholders.** As major shareholders, funds vote with an average of 46% of votes in 22.7% of companies. Even though the share of companies controlled by foreign owners is relatively small (4.7%), foreign shareholders generally own the biggest equity shares compared with other groups of owners: in 50% of 33 companies in foreign ownership foreigners as the largest shareholders control over 70% of votes (see Table 2).

Table 2: No. of companies and largest ownership package share by identity of largest owner at the end of 2004 (sample of 708 companies in the SCC database)

| Owner                               | No. of companies | % of companies | Average share (median) |
|-------------------------------------|------------------|----------------|------------------------|
| Banks                               | 14               | 2.0            | 43.7 (37.37)           |
| Government                          | 29               | 4.1            | 53.6 (51.39)           |
| Authorised company                  | 29               | 4.1            | 62.8 (54.54)           |
| Funds                               | 161              | 22.7           | 45.8 (42.21)           |
| Capital company                     | 29               | 4.1            | 25.6 (21.39)           |
| Compensation company                | 11               | 1.6            | 40.7 (34.07)           |
| Domestic natural persons            | 72               | 10.2           | 27.4 (20.73)           |
| Foreign companies (incl. banks)     | 33               | 4.7            | 68.2 (70.51)           |
| Domestic non-financial corporations | 326              | 46.1           | 60.1 (56.27)           |
| Insurance companies                 | 3                | 0.4            | 26.5 (24.91)           |
| Co-operative societies              | 1                | 0.1            | 70.1 (70.11)           |

Source: calculations by the author (Aleksandra Gregorič) based on SCC data.

## Employee Involvement in a European Company

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In March 2001, the EU adopted the **Regulation on the Statute for a European Company** (*Societas Europaea*, SE) (Council Regulation (EC) No. 2157/2001) and the **Directive supplementing the regulation with regard to the involvement of employees in SE** (Council Directive 2001/86/EC).

**The aim of the SE Regulation is to create a new type of company in order to facilitate the co-operation of businesses from different EU member states** (*Bedrač J.: Employee Involvement in a European Company. Podjetje in delo, No. 3/2004*). The Regulation gives companies the option of forming an SE which can operate on an EU-wide basis and which is governed by EU legislation directly applicable in all member states rather than by national law (EIRO: <http://www.eiro.eurofound.ie/2002/06/feature/eu0206202f.html>, European Company Statute in Focus).

**The SE Directive contains provisions concerning the involvement of employees in decision-making in an SE which is a condition of the establishment of an SE.** The Directive's aim is to promote the EU's social objectives and ensure that the establishment of an SE does not eliminate or reduce the existing level of employee involvement in the management processes in companies participating in an SE. The main principle of the Directive is to at least preserve the already existing employee participation rights. Employee rights existing prior to an SE's establishment constitute the basis for the definition of rights within the SE.

**Because of the great diversity of rules as regards the participation of employees in decision-making within companies in EU member states, the drafters of the Directive decided against setting up a single European model.** Nevertheless, employee information and consultation procedures are ensured in all SEs. If participation rights exist within one or more companies establishing an SE, they are preserved in their transfer to the SE if this is decided in negotiations between the management and employees' representatives. The Directive should not affect other existing rights regarding employee involvement and other existing representation structures (trade unions, works councils etc. in companies) provided for by the EU and national laws and practices.

**Companies participating in establishment of an SE must negotiate employee involvement with a special negotiating body (SNB) representing the employees.** The SNB is composed of elected or appointed members. Their number must be in proportion to the number of employees in each participating country – each member state is allocated one seat for every 10% of employees employed in that country out of the total employees employed in the participating EU companies.

**The negotiations should lead to a written agreement on the employee involvement arrangements within the SE.** Should the adopted agreement involve a reduction of existing participation rights that apply to a certain share of employees (25% of the overall number of employees of the participating companies when an SE is established by way of a merger, and 50% when the SE is established as a holding company or subsidiary), the SNB must approve such an agreement with a special two-thirds majority of its members from at least two member states.

**The SNB may decide by a special two-thirds majority not to open talks or to terminate talks in progress.** In such a case, existing national rules on the information and consultation of employees apply including those transposing the European Works Councils Directive to national legislation (this possibility does not apply to some SEs established by transformation).

**When the SNB and management reach an agreement this should essentially set up a representative body similar to a European Works Council or an information and consultation procedure.** The parties may agree (in some cases this is obligatory) to lay down rules on employee participation in company bodies. In an SE established by way of transforming a joint-stock company governed by national legislation, the agreement must at least preserve the existing employee involvement level.

**Negotiations must be concluded within six months, although this period may be extended up to a total of one year by agreement.** If no agreement is reached or if the parties so decide, the standard rules set out in the Directive apply. These rules determine the standard representative body similar to the European Works Council. They also prescribe employee participation in the company bodies in certain cases when this participation had existed previously in companies participating in the SE. Further, the Directive sets out rules on confidentiality, the protection of employees' representatives etc.

**Slovenia is late regarding transposition of the SE Regulation and SE Directive to its national legislation.** The deadline for the transposition was 8 October 2004. By 14 February 2005, 13 EU member states (Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Malta, Slovakia, Sweden, United Kingdom) and Iceland transposed the EU regulations. Slovenia will adopt the SE Regulation with the amendments to the Companies Act. The draft amendment, which should transpose international accounting standards to Slovenian legislation and provide a legal framework for the SE, has already been prepared. However, the government only submitted that part regulating international accounting standards to the parliament for rapid procedure adoption, while the part covering SE provisions was postponed because the entire package of amendments was too large for the rapid procedure. This, in addition to the parliamentary elections and change in government, delayed the SE Directive transposition. The Ministry of Labour, Family and Social Affairs will therefore draw up a draft Act on Employee Involvement in SE which however cannot be done until after the amended Companies Act on which the new law will be based is adopted.

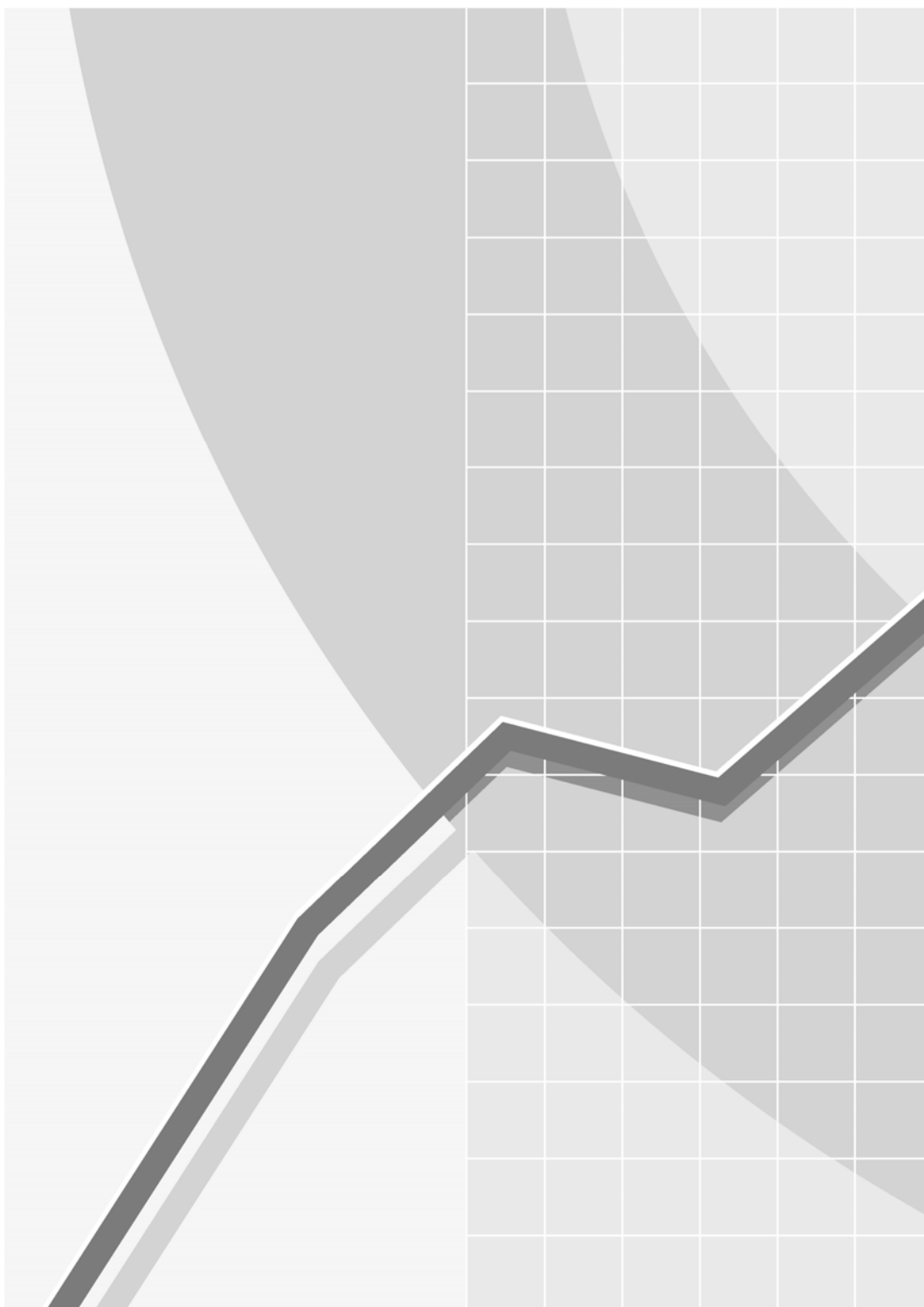
# Statistical Appendix

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# Gross Domestic Product / I

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|  | Current prices, in SIT mln |                  |                  |                  | Real growth rates in % |            |            |            |            |                  |                  |  |
|--|----------------------------|------------------|------------------|------------------|------------------------|------------|------------|------------|------------|------------------|------------------|--|
|  | 2000                       | 2001             | 2002             | 2003             | 2000                   | 2001       | 2002       | 2003       | 2004       | 2005<br>forecast | 2006<br>forecast |  |
| <b>VALUE ADDED BY ACTIVITIES AND GROSS DOMESTIC PRODUCT</b>              |                            |                  |                  |                  |                        |            |            |            |            |                  |                  |  |
| A Agriculture, hunting, forestry   | 118,746                    | 121,903          | 148,032          | 131,773          | 0.8                    | -12.2      | 15.5       | -15.4      | 11.2       | 1.0              | 1.0              |  |
| B Fishing  | 732                        | 751              | 884              | 1,115            | -2.7                   | 1.6        | -4.2       | 5.1        | -2.9       | 0.0              | 0.0              |  |
| C Mining and quarrying   | 25,567                     | 23,490           | 22,844           | 27,048           | -1.4                   | -5.5       | -8.4       | 5.8        | -5.2       | 0.0              | 1.0              |  |
| D Manufacturing  | 1,013,226                  | 1,139,198        | 1,242,106        | 1,365,106        | 8.9                    | 5.1        | 4.8        | 3.9        | 5.4        | 5.1              | 4.9              |  |
| E Electricity, gas and water supply                                      | 105,521                    | 127,026          | 144,532          | 148,407          | 5.5                    | 7.0        | 6.1        | -3.1       | 4.9        | 0.5              | 1.0              |  |
| F Constructing   | 237,291                    | 248,368          | 264,720          | 290,819          | 0.9                    | -2.2       | 0.6        | 3.4        | 1.6        | 4.0              | 3.5              |  |
| G Wholesale, retail; certain repair                                      | 421,961                    | 484,756          | 541,123          | 593,885          | 1.3                    | 2.4        | 3.5        | 2.9        | 3.8        | 4.0              | 3.4              |  |
| H Hotels and restaurants   | 87,811                     | 98,293           | 104,081          | 113,909          | 4.2                    | 6.5        | 3.4        | 3.5        | 2.3        | 4.0              | 4.5              |  |
| I Transport, storage and communications                                  | 264,215                    | 295,821          | 327,641          | 363,183          | 2.8                    | 5.0        | 3.1        | 3.4        | 3.8        | 4.5              | 5.0              |  |
| J Financial intermediation   | 186,798                    | 184,639          | 242,554          | 232,701          | 2.5                    | 6.4        | 5.8        | 6.1        | 10.4       | 5.5              | 6.0              |  |
| K Real estate, renting and business services                             | 559,948                    | 634,955          | 736,673          | 798,186          | 0.7                    | 4.1        | 3.3        | 3.7        | 3.8        | 4.0              | 4.3              |  |
| L Public administration and defence                                      | 230,632                    | 269,095          | 298,935          | 333,153          | 5.6                    | 5.3        | 3.3        | 4.4        | 3.1        | 4.0              | 3.0              |  |
| M Education  | 206,452                    | 239,831          | 263,782          | 287,896          | 4.9                    | 2.2        | 2.6        | 2.4        | 2.4        | 2.5              | 2.5              |  |
| N Health and social work   | 191,869                    | 217,892          | 234,368          | 251,688          | 4.3                    | 2.6        | 4.0        | 3.1        | 4.9        | 4.0              | 4.0              |  |
| O Other community and personal services                                  | 134,172                    | 149,631          | 154,863          | 168,537          | 3.8                    | 2.8        | -2.2       | 1.5        | 3.9        | 4.0              | 4.0              |  |
| P Private households with employed persons                               | 1,369                      | 1,789            | 1,728            | 1,336            | 11.0                   | 12.5       | -9.8       | -34.1      | -7.8       | 0.5              | 0.5              |  |
| FISIM (IBS)  | -106,919                   | -98,989          | -128,748         | -128,792         | 2.1                    | 12.2       | 7.0        | 12.3       | 8.2        | 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>4.4</b>             | <b>3.1</b> | <b>3.7</b> | <b>2.5</b> | <b>4.4</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>1.6</b>             | <b>0.0</b> | <b>0.6</b> | <b>2.5</b> | <b>5.7</b> | <b>2.4</b>       | <b>4.1</b>       |  |
| Taxes on products and services   | 597,109                    | 646,009          | 737,489          | 795,366          | 4.7                    | -0.1       | 0.9        | 2.3        | 5.6        | 2.5              | 4.0              |  |
| Subsidies  | 24,185                     | 22,644           | 23,115           | 28,148           | 3.9                    | -3.6       | 6.6        | -0.6       | 4.0        | 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>3.9</b>             | <b>2.7</b> | <b>3.3</b> | <b>2.5</b> | <b>4.6</b> | <b>3.8</b>       | <b>3.9</b>       |  |

Source of data: SORS, forecasts 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      | 2005<br>forecast | 2006<br>forecast | 2000                    | 2001  | 2002  | 2003  | 2004 | 2005<br>forecast | 2006<br>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 | 6,191,161 | 6,626,000        | 7,066,400        | 3.9                     | 2.7   | 3.3   | 2.5   | 4.6  | 3.8              | 3.9              |
| 1. Exports of goods and services                                   | 2,387,289                  | 2,744,468 | 3,060,345 | 3,245,428 | 3,710,849 | 3,938,614        | 4,265,800        | 13.0                    | 6.3   | 6.7   | 3.2   | 13.2 | 5.8              | 6.6              |
| 2. Imports of goods and services                                   | 2,538,115                  | 2,776,503 | 2,981,749 | 3,247,262 | 3,748,543 | 3,975,345        | 4,300,200        | 7.6                     | 3.0   | 4.9   | 6.8   | 9.4  | 6.5              | 6.5              |
| 3. FOREIGN TRADE BALANCE * ( 1-2 )                                 | -150,826                   | -32,035   | 78,596    | -1,834    | -37,694   | -36,730          | -34,399          | 2.4                     | 1.7   | 1.0   | -2.2  | -0.2 | -0.7             | -0.1             |
| 4. FINAL CONSUMPTION   | 3,269,505                  | 3,656,738 | 3,973,047 | 4,293,961 | 4,569,106 | 4,888,603        | 5,180,603        | 0.9                     | 2.7   | 0.7   | 2.7   | 3.0  | 3.3              | 3.1              |
| Private consumption  | 2,426,039                  | 2,682,049 | 2,900,011 | 3,127,977 | 3,341,843 | 3,573,807        | 3,787,089        | 0.4                     | 2.3   | 0.3   | 2.7   | 3.5  | 3.4              | 3.1              |
| Government consumption<br>(individual and collective)              | 843,466                    | 974,689   | 1,073,036 | 1,165,984 | 1,227,263 | 1,314,796        | 1,393,514        | 2.3                     | 3.9   | 1.7   | 2.6   | 1.7  | 2.9              | 2.9              |
| 5. GROSS CAPITAL FORMATION   | 1,133,636                  | 1,137,111 | 1,262,851 | 1,455,041 | 1,659,749 | 1,774,127        | 1,920,197        | 2.7                     | -4.3  | 7.4   | 10.5  | 9.1  | 6.9              | 6.0              |
| Gross fixed capital investment                                     | 1,066,779                  | 1,164,431 | 1,239,153 | 1,373,343 | 1,529,058 | 1,672,534        | 1,806,845        | 0.6                     | 4.1   | 3.1   | 6.3   | 6.8  | 7.0              | 5.5              |
| Changes in stocks *  | 66,857                     | -27,320   | 23,698    | 81,698    | 130,691   | 101,593          | 113,352          | 0.6                     | -2.2  | 1.0   | 1.1   | 0.8  | 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 | -         | -                | -                | 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   | -         | -                | -                | 0.1                     | 0.2   | -0.6  | -0.7  | -    | -                | -                |
| 3. GROSS NATIONAL INCOME ( 1+2 )                                   | 4,258,323                  | 4,771,148 | 5,280,067 | 5,706,016 | -         | -                | -                | 100.1                   | 100.2 | 99.4  | 99.3  | -    | -                | -                |
| 4. Net current transfers from the rest of the world                | 25,746                     | 31,166    | 32,267    | 21,739    | -         | -                | -                | 0.6                     | 0.7   | 0.6   | 0.4   | -    | -                | -                |
| 5. DISPOSABLE GROSS NATIONAL<br>INCOME ( 3+4 )                     | 4,284,069                  | 4,771,148 | 5,312,334 | 5,727,755 | -         | -                | -                | 100.7                   | 100.2 | 100.0 | 99.7  | -    | -                | -                |
| 6. Final national consumption                                      | 3,269,505                  | 3,656,738 | 3,973,046 | 4,293,961 | -         | -                | -                | 76.9                    | 76.8  | 74.8  | 74.7  | -    | -                | -                |
| Private consumption  | 2,426,039                  | 2,682,049 | 2,900,011 | 3,127,977 | -         | -                | -                | 57.1                    | 56.3  | 54.6  | 54.4  | -    | -                | -                |
| Government consumption   | 843,466                    | 974,689   | 1,073,036 | 1,165,984 | -         | -                | -                | 19.8                    | 20.5  | 20.2  | 20.3  | -    | -                | -                |
| 7. GROSS NATIONAL SAVINGS ( 5-6 )                                  | 1,014,565                  | 1,114,409 | 1,339,288 | 1,433,794 | -         | -                | -                | 23.9                    | 23.4  | 25.2  | 24.9  | -    | -                | -                |
| 8. Current account balance   | -119,072                   | 8,464     | 76,436    | -21,247   | -         | -                | -                | -2.8                    | 0.2   | 1.4   | -0.4  | -    | -                | -                |
| 9. GROSS CAPITAL INVESTMENT ( 7-8 )                                | 1,133,636                  | 1,105,945 | 1,262,852 | 1,455,041 | -         | -                | -                | 26.7                    | 23.2  | 23.8  | 25.3  | -    | -                | -                |
| Source of data: SORS, BS, forecasts IMAD – Autumn Report 2004      |                            |           |           |           |           |                  |                  |                         |       |       |       |      |                  |                  |
| Note: * As contributions to real GDP growth (in percentage points) |                            |           |           |           |           |                  |                  |                         |       |       |       |      |                  |                  |

# Industrial Production

Slovenian Economic Mirror

IMAD

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|  | 2000  | 2001  | 2002  | 2003  | 2004  | 2003             |                 | 2004           |                 |                  |                 | 2003  | 2004  |       |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|------------------|-----------------|----------------|-----------------|------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  |       |       |       |       |       | Q <sub>III</sub> | Q <sub>IV</sub> | Q <sub>I</sub> | Q <sub>II</sub> | Q <sub>III</sub> | Q <sub>IV</sub> | 12    | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    |
| INDUSTRIAL PRODUCTION by sectors, indices, 1992=100  |       |       |       |       |       |                  |                 |                |                 |                  |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |
| INDUSTRY, total <sup>1</sup>   | 118.0 | 121.4 | 124.3 | 126.1 | 132.1 | 122.8            | 132.0           | 128.8          | 135.0           | 129.9            | 134.8           | 117.8 | 121.5 | 122.7 | 142.2 | 126.2 | 140.4 | 138.4 | 133.0 | 114.7 | 141.8 | 137.5 | 141.7 | 125.1 |
| C Mining and quarrying   | 81.6  | 75.2  | 81.0  | 85.7  | 84.7  | 90.4             | 83.1            | 88.1           | 84.6            | 89.1             | 77.0            | 66.9  | 82.5  | 84.5  | 97.3  | 78.6  | 97.6  | 77.6  | 84.8  | 76.8  | 105.6 | 72.1  | 92.5  | 66.5  |
| D Manufacturing  | 120.3 | 123.7 | 126.1 | 128.2 | 134.5 | 125.4            | 134.8           | 129.5          | 138.0           | 133.3            | 137.0           | 119.3 | 121.3 | 123.2 | 144.1 | 128.1 | 143.2 | 142.8 | 136.3 | 116.8 | 146.8 | 140.8 | 144.1 | 126.3 |
| DA Food, beverages, tobacco  | 112.6 | 112.8 | 111.1 | 112.1 | 104.5 | 121.4            | 123.5           | 97.1           | 100.6           | 101.7            | 118.4           | 120.7 | 95.2  | 90.6  | 105.6 | 102.6 | 101.8 | 97.4  | 100.8 | 98.1  | 106.3 | 105.6 | 138.8 | 110.7 |
| DB Textiles & textile prod.  | 97.6  | 89.8  | 78.6  | 69.6  | 63.6  | 67.7             | 66.6            | 69.1           | 63.2            | 62.9             | 59.1            | 60.2  | 66.0  | 67.5  | 73.9  | 56.0  | 65.9  | 67.6  | 62.0  | 54.0  | 72.8  | 63.8  | 57.4  | 56.1  |
| DC Leather & textile products  | 50.7  | 49.9  | 42.4  | 36.9  | 32.4  | 32.4             | 37.2            | 37.5           | 32.9            | 28.4             | 30.8            | 37.8  | 30.4  | 35.5  | 46.5  | 34.3  | 32.0  | 32.3  | 32.5  | 21.3  | 31.4  | 30.8  | 37.5  | 24.0  |
| DD Wood & wood products  | 75.9  | 69.4  | 71.5  | 69.1  | 71.8  | 68.6             | 71.3            | 67.5           | 75.7            | 70.5             | 73.6            | 64.4  | 62.5  | 68.1  | 72.0  | 72.0  | 76.6  | 78.3  | 77.2  | 56.2  | 78.3  | 78.1  | 76.1  | 66.6  |
| DE Paper, publishing, printing <sup>2</sup>  | 72.9  | 69.8  | 73.5  | 73.3  | 79.7  | 75.5             | 75.3            | 72.6           | 82.1            | 79.4             | 84.8            | 76.2  | 65.9  | 68.6  | 83.3  | 75.9  | 83.9  | 86.6  | 80.5  | 72.8  | 84.9  | 86.9  | 79.2  | 88.3  |
| DFCoke,petrol. rod.,nuclear fuel   | 28.8  | 9.4   | 10.1  | 10.5  | 9.1   | 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  | 9.7   |
| DG Chem., prod.,man-made fibres  | 148.1 | 160.1 | 169.6 | 189.7 | 206.3 | 160.2            | 213.4           | 206.0          | 221.8           | 210.1            | 187.3           | 198.5 | 187.9 | 180.7 | 249.2 | 183.8 | 230.1 | 251.5 | 220.6 | 197.2 | 212.4 | 187.6 | 196.3 | 178.1 |
| DH Rubber & plastic prod.  | 141.9 | 143.6 | 141.6 | 147.0 | 155.6 | 146.8            | 150.9           | 149.6          | 157.0           | 155.3            | 160.7           | 124.3 | 137.7 | 148.5 | 162.6 | 148.3 | 157.7 | 164.9 | 151.0 | 138.6 | 176.2 | 177.7 | 167.6 | 136.8 |
| DI Non-metal mineral prod.   | 128.0 | 128.1 | 129.2 | 130.0 | 131.6 | 143.5            | 133.9           | 99.2           | 141.4           | 146.3            | 139.5           | 110.7 | 80.0  | 95.6  | 122.1 | 127.0 | 146.0 | 151.2 | 146.7 | 136.0 | 156.2 | 157.5 | 147.2 | 113.9 |
| DJ Basic metals & fabric. prod.  | 117.0 | 122.3 | 126.6 | 131.0 | 137.1 | 126.5            | 136.7           | 131.0          | 141.4           | 136.9            | 139.0           | 122.7 | 119.9 | 124.9 | 148.2 | 141.9 | 145.1 | 137.3 | 143.8 | 119.4 | 147.4 | 145.5 | 140.6 | 131.0 |
| DK Machinery & equipm. nec.  | 108.4 | 125.1 | 139.4 | 131.0 | 143.9 | 127.5            | 138.1           | 139.8          | 139.9           | 140.3            | 155.7           | 114.1 | 141.5 | 130.3 | 147.6 | 134.5 | 139.3 | 146.0 | 136.6 | 123.6 | 160.8 | 160.8 | 155.4 | 151.0 |
| DL Electrical & optical equip.   | 202.5 | 215.4 | 223.3 | 248.5 | 289.5 | 240.8            | 265.8           | 293.4          | 305.0           | 282.5            | 277.1           | 198.8 | 288.3 | 294.5 | 297.5 | 255.2 | 350.2 | 309.7 | 286.3 | 229.6 | 331.5 | 274.4 | 319.1 | 237.8 |
| DM Transport equipment   | 105.7 | 107.2 | 112.5 | 118.1 | 129.3 | 105.8            | 118.6           | 125.1          | 135.6           | 115.7            | 140.6           | 100.7 | 110.9 | 119.9 | 144.6 | 127.6 | 137.4 | 141.7 | 127.4 | 77.8  | 141.9 | 150.4 | 150.4 | 121.1 |
| DN Manufacturing nec.  | 124.7 | 135.2 | 132.6 | 127.9 | 127.4 | 124.8            | 130.1           | 122.5          | 128.8           | 125.1            | 133.5           | 107.5 | 113.3 | 115.2 | 139.0 | 125.2 | 131.2 | 129.9 | 129.4 | 102.9 | 142.8 | 146.9 | 139.6 | 113.9 |
| E Electr., gas & water supply <sup>3</sup>   | 113.8 | 124.4 | 131.2 | 126.7 | 134.7 | 111.9            | 129.7           | 148.8          | 130.6           | 114.4            | 145.0           | 132.3 | 153.6 | 142.8 | 150.1 | 134.6 | 134.1 | 122.9 | 123.9 | 115.5 | 103.7 | 140.1 | 145.3 | 149.6 |
| NUMBER OF PERSONS IN PAID EMPLOYMENT IN INDUSTRY   |       |       |       |       |       |                  |                 |                |                 |                  |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Total, in 1000   | 251.1 | 252.8 | 255.0 | 250.6 | 247.9 | 249.7            | 249.9           | 247.9          | 248.4           | 247.8            | 247.4           | 248.7 | 247.7 | 247.7 | 248.3 | 248.2 | 248.3 | 248.6 | 247.8 | 247.6 | 247.8 | 247.9 | 248.1 | 246.3 |
| C Mining & quarrying   | 5.7   | 5.4   | 5.1   | 4.8   | 4.3   | 4.8              | 4.7             | 4.4            | 4.3             | 4.3              | 4.2             | 4.6   | 4.5   | 4.4   | 4.4   | 4.4   | 4.3   | 4.3   | 4.3   | 4.3   | 4.3   | 4.2   | 4.3   | 4.2   |
| D Manufacturing  | 234.0 | 236.1 | 238.4 | 234.5 | 232.4 | 233.7            | 234.1           | 232.5          | 232.9           | 232.3            | 232.0           | 233.0 | 232.3 | 232.4 | 232.8 | 232.8 | 232.8 | 233.1 | 232.3 | 232.2 | 232.3 | 232.5 | 232.6 | 231.0 |
| E Electr., gas & water supply  | 11.4  | 11.3  | 11.5  | 11.2  | 11.1  | 11.3             | 11.2            | 11.0           | 11.2            | 11.2             | 11.1            | 11.1  | 10.9  | 10.9  | 11.1  | 11.1  | 11.2  | 11.2  | 11.2  | 11.2  | 11.2  | 11.2  | 11.2  | 11.1  |
| CONSTRUCTION <sup>4</sup> , real indices of construction put in place, indices 2000=100  |       |       |       |       |       |                  |                 |                |                 |                  |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Construction   | 100.0 | 92.9  | 97.9  | 105.7 | 108.4 | 118.3            | 122.8           | 78.3           | 103.5           | 127.2            | 124.6           | 119.0 | 67.2  | 80.1  | 87.7  | 95.6  | 101.2 | 113.8 | 119.1 | 130.0 | 132.4 | 145.2 | 122.0 | 106.5 |
| Buildings  | 100.0 | 107.1 | 104.2 | 104.9 | 114.6 | 112.7            | 129.1           | 90.7           | 105.0           | 136.1            | 126.6           | 123.0 | 79.8  | 92.4  | 100.0 | 104.9 | 98.4  | 111.8 | 124.7 | 151.4 | 132.1 | 146.6 | 121.6 | 111.7 |
| Civil engineering  | 100.0 | 79.8  | 92.1  | 106.4 | 102.6 | 123.6            | 117.0           | 66.8           | 102.1           | 118.9            | 122.6           | 115.2 | 55.6  | 68.7  | 76.2  | 86.9  | 103.8 | 115.5 | 113.9 | 110.3 | 132.6 | 143.9 | 122.4 | 101.6 |
| Persons in paid employment in construction   | 100.0 | 99.1  | 99.5  | 100.1 | 100.9 | 101.4            | 100.5           | 98.6           | 100.7           | 102.8            | 101.5           | 98.8  | 98.3  | 98.7  | 98.9  | 99.7  | 100.7 | 101.8 | 102.4 | 102.7 | 103.2 | 102.3 | 102.1 | 100.2 |
| Source of data: SORS. Notes: <sup>1</sup> final data; <sup>2</sup> enterprises with activity of publishing are excluded; <sup>3</sup> only companies with activity of electricity supply are included; <sup>4</sup> 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>   |  |
|                   | <b>No. 3/2005</b>                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | <b>p. A 5</b> |  |

|   | 2000  | 2001  | 2002  | 2003  | 2004  | 2003            | 2004           |                 |                  |                 |       | 2004  |       |       |       |       |       |       |       |       |       | 2005  |       |
|---|-------|-------|-------|-------|-------|-----------------|----------------|-----------------|------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   |       |       |       |       |       | Q <sub>IV</sub> | Q <sub>I</sub> | Q <sub>II</sub> | Q <sub>III</sub> | Q <sub>IV</sub> | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     | 2     |
| <b>TRANSPORT</b>  |       |       |       |       |       |                 |                |                 |                  |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Passengers km, indices 2002 = 100                             | 117.6 | 111.0 | 100.2 | 100.0 | 96.6  | 94.4            | 90.5           | 102.6           | 100.7            | 84.1            | 83.2  | 94.9  | 92.6  | 105.7 | 109.5 | 99.1  | 97.8  | 103.5 | 93.4  | 80.5  | 78.4  | 94.8  | 80.1  |
| Tonne km, indices 2002 = 100                                  | 105.8 | 18.7  | 99.0  | 100.0 | 127.5 | 106.7           | 115.3          | 113.5           | 135.7            | 144.5           | 117.3 | 110.7 | 124.8 | 108.4 | 107.2 | 136.8 | 132.2 | 138.2 | 138.4 | 138.9 | 156.0 | 148.2 | 167.6 |
| Passengers carried total <sup>1</sup> , in mln                | 105.5 | 78.3  | 71.5  | 96.0  | 59.7  | 18.1            | 16.4           | 16.9            | 10.9             | 16.1            | 5.1   | 5.6   | 5.7   | 5.5   | 5.1   | 2.6   | 2.7   | 5.5   | 5.3   | 5.5   | 5.3   | 5.1   | 4.5   |
| Goods carried total <sup>2</sup> , mln tons                   | 22.4  | 38.3  | 67.5  | 108.5 | 78.0  | 19.3            | 15.0           | 17.3            | 22.4             | 23.0            | 5.0   | 5.5   | 5.9   | 5.9   | 5.8   | 6.8   | 7.4   | 8.2   | 8.1   | 7.9   | 7.0   | 5.7   | 6.1   |
| Urban passenger traffic, in mln                               | 130.0 | 105.6 | 103.9 | 98.3  | 100.1 | 29.3            | 28.8           | 28.4            | 15.3             | 29.8            | 9.3   | 10.1  | 9.3   | 8.9   | 8.0   | 4.1   | 3.8   | 7.4   | 9.6   | 10.1  | 10.0  | 9.5   | 8.9   |
| Airport passen. traffic, in 000                               | 1007  | 906   | 873   | 922   | 1047  | 196             | 166            | 209             | 386              | 236             | 52    | 56    | 68    | 85    | 106   | 134   | 136   | 116   | 91    | 72    | 73    | 71    | 65    |
| Harbour frieght.trans, in 000 t                               | 8525  | 9145  | 10218 | 10483 | 11993 | 3052            | 3283           | 2988            | 2917             | 3160            | 921   | 1266  | 675   | 1047  | 911   | 861   | 1040  | 1016  | 929   | 1234  | 997   | 1157  | 825   |
| Loading, unloading, in 000 t                                  | 18663 | 20538 | 21942 | 24917 | 23567 | 6461            | 5159           | 5846            | 5776             | 6183            | 1691  | 1709  | 2310  | 1827  | 2312  | 1761  | 1937  | 2078  | 1645  | 2338  | 2200  | -     | -     |
| Transport of gas, mln m <sup>3</sup>                          | 2229  | 1039  | 1007  | 1098  | 1097  | 304             | 353            | 249             | 213              | 317             | 118   | 105   | 78    | 66    | 70    | 69    | 68    | 76    | 86    | 109   | 122   | 132   | 124   |
| Postal services <sup>3</sup> , in mln                         | 476   | 524   | 587   | 658   | -     | 192             | -              | -               | -                | -               | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| <b>TOURISM, overnight stays, in 000</b>                       |       |       |       |       |       |                 |                |                 |                  |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Total   | 6716  | 7130  | 7319  | 7479  | 7582  | 1231            | 1343           | 1528            | 3150             | 1258            | 468   | 427   | 490   | 611   | 730   | 1114  | 1310  | 727   | 510   | 378   | 369   | 411   | 445   |
| Domestic tourists   | 3313  | 3316  | 3300  | 3311  | 3223  | 575             | 684            | 635             | 1244             | 575             | 273   | 217   | 201   | 217   | 302   | 481   | 509   | 253   | 189   | 197   | 190   | 171   | 249   |
| Foreign tourists  | 3404  | 3814  | 4019  | 4168  | 4359  | 656             | 659            | 893             | 1907             | 682             | 195   | 211   | 289   | 394   | 428   | 633   | 801   | 473   | 322   | 181   | 179   | 239   | 196   |
| Health resorts  | 2113  | 2284  | 2327  | 2360  | 2417  | 523             | 489            | 562             | 799              | 529             | 166   | 168   | 193   | 201   | 206   | 263   | 317   | 219   | 196   | 180   | 153   | -     | -     |
| Seaside   | 1884  | 2016  | 2052  | 2009  | 2002  | 256             | 197            | 390             | 993              | 270             | 62    | 89    | 133   | 168   | 241   | 377   | 412   | 204   | 123   | 83    | 63    | -     | -     |
| <b>AGRICULTURE, slaughter in slaughterhouses, in 000 tons</b> |       |       |       |       |       |                 |                |                 |                  |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Cattle  | 34.6  | 39.2  | 40.5  | 43.1  | 40.1  | 13.0            | 10.6           | 10.5            | 8.6              | 11.3            | 3.2   | 3.9   | 3.4   | 3.2   | 3.0   | 2.7   | 2.8   | 3.1   | 3.3   | 3.9   | 4.1   | 3.3   | 2.6   |
| Pigs  | 38.0  | 35.8  | 37.1  | 36.5  | 34.6  | 9.4             | 9.4            | 9.2             | 7.8              | 8.5             | 2.7   | 3.6   | 3.0   | 2.6   | 3.3   | 2.7   | 2.7   | 2.4   | 2.4   | 2.9   | 3.2   | 2.0   | 2.3   |
| Poultry   | 52.1  | 56.6  | 51.4  | 56.1  | 52.0  | 15.1            | 12.2           | 13.4            | 12.8             | 13.6            | 3.7   | 4.3   | 4.5   | 4.6   | 4.2   | 4.2   | 4.2   | 4.5   | 4.9   | 4.4   | 4.3   | 3.8   | 3.9   |
| Purchase of agricultural products, SIT mln                    | 87.4  | 98.5  | 100.1 | 102.2 | 100.9 | 30.8            | 21.4           | 23.6            | 24.5             | 32.0            | 6.6   | 7.7   | 7.9   | 8.0   | 7.2   | 7.2   | 8.1   | 9.2   | 9.8   | 8.8   | 13.4  | 6.9   | 6.5   |
| <b>FISHING, in 000 tons</b>                                   |       |       |       |       |       |                 |                |                 |                  |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Catches in marine waters                                      | 1.7   | 1.7   | 1.6   | 1.2   | 1.1   | 0.3             | 0.1            | 0.1             | 0.5              | 0.2             | 0.0   | 0.0   | 0.0   | 0.1   | 0.1   | 0.2   | 0.2   | 0.1   | 0.1   | 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

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|  | 2000  | 2001  | 2002  | 2003  | 2004  | 2003 | 2004 |      |       |      | 2004 |      |      |      |      |      |      |      |      |      |      |      | 2005 |
|--|-------|-------|-------|-------|-------|------|------|------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
|  |       |       |       |       |       | Q IV | Q I  | Q II | Q III | Q IV | 1    | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   | 11   | 12   | 1    |
| BALANCE OF PAYMENTS, EUR mln                 |       |       |       |       |       |      |      |      |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| Current account                              | -583  | 38    | 335   | -91   | -116  | -72  | 34   | -140 | 38    | -48  | 72   | 20   | -57  | -77  | -79  | 15   | 5    | -54  | 87   | 42   | -7   | -83  | 63   |
| Trade balance <sup>1</sup>                   | -1227 | -684  | -269  | -546  | -717  | -209 | -98  | -294 | -93   | -233 | 8    | -33  | -72  | -157 | -108 | -29  | -20  | -80  | 6    | -31  | -89  | -112 | 27   |
| Exports                                      | 9574  | 10454 | 11082 | 11414 | 12686 | 2952 | 2991 | 3199 | 3154  | 3342 | 869  | 974  | 1148 | 1065 | 1030 | 1103 | 1108 | 856  | 1190 | 1186 | 1148 | 1009 | 1015 |
| Imports                                      | 10801 | 11139 | 11351 | 11960 | 13403 | 3160 | 3089 | 3493 | 3247  | 3575 | 861  | 1007 | 1221 | 1222 | 1138 | 1133 | 1128 | 936  | 1184 | 1217 | 1237 | 1120 | 988  |
| Services                                     | 489   | 536   | 616   | 538   | 672   | 122  | 140  | 193  | 170   | 169  | 51   | 34   | 55   | 61   | 77   | 55   | 25   | 55   | 89   | 61   | 68   | 40   | 62   |
| Exports                                      | 2052  | 2178  | 2440  | 2469  | 2793  | 598  | 553  | 694  | 855   | 691  | 178  | 168  | 207  | 222  | 237  | 235  | 296  | 293  | 267  | 225  | 227  | 239  | 202  |
| Imports                                      | 1562  | 1642  | 1823  | 1930  | 2121  | 477  | 413  | 501  | 685   | 522  | 127  | 134  | 152  | 161  | 160  | 181  | 271  | 237  | 177  | 163  | 159  | 200  | 140  |
| Income                                       | 29    | 43    | -154  | -178  | -101  | -19  | -15  | -65  | -15   | -6   | 12   | 15   | -42  | -12  | -30  | -22  | 10   | -18  | -7   | 14   | 9    | -29  | 21   |
| Receipts                                     | 471   | 511   | 480   | 517   | 547   | 123  | 127  | 135  | 137   | 147  | 42   | 38   | 48   | 45   | 41   | 49   | 44   | 47   | 46   | 48   | 44   | 55   | 44   |
| Expenditure                                  | 442   | 468   | 634   | 695   | 648   | 142  | 143  | 200  | 152   | 153  | 29   | 23   | 90   | 57   | 71   | 72   | 34   | 65   | 53   | 34   | 35   | 84   | 23   |
| Current transfers                            | 125   | 144   | 142   | 94    | 31    | 34   | 8    | 25   | -23   | 22   | 1    | 4    | 3    | 31   | -19  | 12   | -10  | -12  | -1   | -2   | 5    | 18   | -48  |
| Receipts                                     | 371   | 436   | 478   | 448   | 543   | 125  | 93   | 152  | 135   | 164  | 26   | 29   | 38   | 58   | 36   | 58   | 45   | 40   | 50   | 44   | 48   | 72   | 37   |
| Expenditure                                  | 245   | 293   | 336   | 354   | 513   | 91   | 85   | 127  | 158   | 142  | 26   | 25   | 35   | 27   | 55   | 46   | 56   | 52   | 51   | 46   | 42   | 54   | 85   |
| Capital and financial account                | 542   | -148  | -142  | 26    | 369   | 202  | -76  | 172  | 88    | 185  | -95  | -18  | 37   | 28   | 54   | 90   | 92   | -9   | 5    | 26   | 4    | 155  | -61  |
| Capital account                              | 4     | -4    | -164  | -165  | -178  | -69  | -24  | -38  | -40   | -77  | -8   | -4   | -12  | -7   | -9   | -22  | -4   | -15  | -21  | -4   | -23  | -50  | -10  |
| Financial account                            | 538   | -144  | 21    | 192   | 547   | 271  | -53  | 210  | 128   | 262  | -87  | -15  | 49   | 34   | 63   | 112  | 96   | 6    | 26   | 30   | 27   | 205  | -51  |
| Direct investment <sup>2</sup>               | 77    | 251   | 1582  | -115  | 21    | 30   | -110 | 46   | -24   | 109  | -20  | -69  | -21  | 13   | 11   | 23   | 12   | -83  | 48   | 67   | -23  | 64   | -85  |
| Domestic abroad                              | -72   | -161  | -168  | -414  | -401  | -76  | -135 | -60  | -103  | -103 | -48  | -54  | -33  | -33  | -7   | -20  | -55  | -26  | -22  | -49  | -34  | -20  | -36  |
| Foreign in Slovenia                          | 149   | 412   | 1750  | 299   | 422   | 106  | 25   | 106  | 79    | 212  | 29   | -16  | 12   | 46   | 18   | 42   | 67   | -57  | 70   | 116  | 11   | 84   | -48  |
| Portfolio investment <sup>3</sup>            | 185   | 80    | -69   | -218  | -619  | -122 | -82  | -337 | -145  | -55  | -30  | -44  | -9   | -22  | -85  | -229 | -59  | -26  | -60  | -85  | -43  | 73   | -45  |
| Other investment                             | 462   | 964   | 393   | 788   | 890   | 381  | 56   | 247  | 280   | 307  | -1   | 131  | -74  | 161  | -49  | 134  | 33   | 155  | 92   | 9    | 220  | 78   | 156  |
| Assets                                       | -576  | 248   | -703  | -836  | -1368 | -48  | -370 | -460 | -283  | -255 | -48  | -82  | -239 | -90  | -218 | -152 | 31   | -224 | -91  | -195 | 37   | -97  | 78   |
| Commercial credits <sup>4</sup>              | -174  | -239  | -136  | -119  | -236  | 130  | -214 | -58  | -101  | 137  | -29  | -87  | -97  | -28  | -34  | 4    | 2    | 58   | -161 | -67  | -17  | 220  | -82  |
| Loans  | -72   | 19    | -250  | -242  | -292  | -149 | -64  | -95  | -74   | -59  | -21  | -19  | -24  | -24  | -27  | -43  | -26  | -27  | -21  | -17  | -23  | -19  | 5    |
| Currency and deposits                        | -296  | 500   | -247  | -410  | -778  | -9   | -78  | -302 | -88   | -309 | -15  | 31   | -93  | -60  | -140 | -102 | 55   | -248 | 105  | -90  | 46   | -265 | 126  |
| Other assets                                 | -33   | -32   | -71   | -65   | -62   | -20  | -14  | -5   | -20   | -23  | 18   | -7   | -24  | 22   | -16  | -11  | 0    | -7   | -13  | -22  | 32   | -32  | 30   |
| Liabilities                                  | 1038  | 716   | 1097  | 1624  | 2258  | 428  | 426  | 707  | 563   | 562  | 48   | 214  | 165  | 251  | 169  | 287  | 1    | 379  | 183  | 205  | 182  | 175  | 78   |
| Commercial credits <sup>4</sup>              | -21   | -10   | 95    | 62    | 204   | 60   | 50   | 124  | 11    | 18   | -46  | 56   | 40   | 125  | 1    | -3   | -18  | -73  | 102  | 6    | 91   | -78  | -60  |
| Loans  | 1038  | 575   | 832   | 1165  | 1687  | 212  | 239  | 354  | 708   | 387  | 90   | 46   | 102  | 144  | 39   | 171  | 37   | 562  | 109  | 111  | 40   | 235  | 3    |
| Deposits                                     | 34    | 152   | 130   | 428   | 335   | 154  | 126  | 212  | -158  | 155  | 6    | 91   | 29   | -21  | 126  | 107  | -27  | -113 | -17  | 34   | 108  | 14   | 142  |
| Other liabilities                            | -13   | -1    | 39    | -31   | 32    | 3    | 12   | 17   | 1     | 2    | -3   | 21   | -5   | 3    | 3    | 11   | 10   | 3    | -11  | 54   | -56  | 4    | -6   |
| International reserves <sup>5</sup>          | -187  | -1439 | -1885 | -264  | 256   | -18  | 84   | 253  | 18    | -99  | -37  | -33  | 154  | -118 | 186  | 185  | 111  | -39  | -54  | 39   | -127 | -10  | -76  |
| Statistical error                            | 41    | 110   | -193  | 65    | -253  | -129 | 42   | -32  | -126  | -137 | 23   | -1   | 20   | 49   | 25   | -106 | -97  | 63   | -92  | -68  | 3    | -72  | -2   |
| FOREIGN TRADE BALANCE BY END USE, in EUR mln |       |       |       |       |       |      |      |      |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| Export of investment goods                   | 1219  | 1417  | 1542  | 1634  | 1832  | 450  | 421  | 465  | 462   | 483  | 117  | 136  | 168  | 155  | 155  | 156  | 171  | 120  | 171  | 158  | 157  | 168  | n.p. |
| Intermediate goods                           | 4643  | 5039  | 5245  | 5463  | 6220  | 1375 | 1496 | 1592 | 1543  | 1589 | 445  | 488  | 563  | 521  | 527  | 544  | 538  | 432  | 573  | 570  | 552  | 467  | n.p. |
| Consumer goods                               | 3629  | 3891  | 4175  | 4188  | 4485  | 1098 | 1045 | 1098 | 1093  | 1249 | 300  | 342  | 403  | 384  | 336  | 377  | 376  | 288  | 430  | 440  | 421  | 388  | n.p. |
| Import of investment goods                   | 1981  | 2009  | 2072  | 2322  | 2403  | 652  | 572  | 628  | 549   | 654  | 144  | 180  | 248  | 244  | 201  | 183  | 213  | 158  | 178  | 192  | 212  | 250  | n.p. |
| Intermediate goods                           | 6552  | 6700  | 6816  | 7079  | 8096  | 1813 | 1848 | 2063 | 1995  | 2191 | 539  | 606  | 703  | 712  | 665  | 686  | 670  | 578  | 746  | 759  | 772  | 660  | n.p. |
| Consumer goods                               | 2451  | 2635  | 2686  | 2836  | 3200  | 765  | 749  | 874  | 761   | 815  | 199  | 248  | 302  | 292  | 302  | 281  | 265  | 208  | 288  | 290  | 278  | 247  | 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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|  | 2000     | 2001    | 2002    | 2003    | 2004    | 2004    |         | 2004    |         |         |         |         |         |         |         |         |         |         | 2005    |         |
|--|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | December |         |         |         |         | 11      | 12      | 1       | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      | 1       |
| MAIN MONETARY AGGREGATES, end of the month, in SIT bln, national definition                  |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Currency in circulation  | 119.8    | 142.1   | 143.1   | 156.0   | 167.9   | 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   | 167.9   | 163.1   |
| Sight deposits with banks  | 421.6    | 490.3   | 564.5   | 626.5   | 838.2   | 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   | 838.2   | 827.5   |
| Deposits of enterprises and OFO with the BS  | 4.9      | 6.7     | 8.0     | 10.3    | 10.1    | 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     | 10.1    | 10.6    |
| State budget deposits with the BS  | 3.4      | 8.9     | 4.5     | 3.8     | 2.8     | 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     | 2.8     | 2.7     |
| Total sight deposits of non-banking sectors with the BS                                      | 8.4      | 15.6    | 12.6    | 14.1    | 12.8    | 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    | 12.8    | 13.3    |
| Tolar savings and time deposits with banks   | 1,002.0  | 1,296.4 | 1,545.3 | 1,591.6 | 1,472.0 | 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 | 1,472.0 | 1,509.3 |
| Public sector's time deposits with the BS  | 0.0      | 19.9    | 130.3   | 105.8   | 124.7   | 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   | 124.7   | 110.9   |
| Tolar securities   | 65.9     | 96.1    | 181.1   | 217.7   | 203.6   | 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   | 203.6   | 195.5   |
| Foreign currency deposits with banks   | 739.7    | 962.6   | 1,020.8 | 1,062.3 | 1,214.7 | 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 | 1,214.7 | 1,239.2 |
| Foreign currency securities  | 13.3     | 17.5    | 3.1     | 3.7     | 2.1     | 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     | 2.1     | 1.4     |
| M1   | 549.8    | 648.1   | 720.1   | 796.7   | 1,018.9 | 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   | 1,018.9 | 1,003.9 |
| M2   | 1,617.6  | 2,060.4 | 2,576.8 | 2,711.8 | 2,819.2 | 2,702.2 | 2,711.8 | 2,700.7 | 2,708.6 | 2,691.3 | 2,701.7 | 2,698.8 | 2,679.7 | 2,694.9 | 2,685.4 | 2,706.0 | 2,684.1 | 2,735.8 | 2,819.2 | 2,819.6 |
| M3   | 2,370.6  | 3,040.6 | 3,600.7 | 3,777.8 | 4,036.0 | 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 | 4,036.0 | 4,060.1 |
| DEPOSIT MONEY BANKS CLAIMS, end of the month, in SIT bln                                     |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Claims of BS on central gov.   | 17.8     | 9.8     | 9.2     | 27.0    | 29.8    | 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    | 29.8    | 30.1    |
| Deposit money banks claims to general government   | 73.1     | 84.0    | 109.9   | 137.7   | 144.1   | 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   | 144.1   | 150.6   |
| To central government  | 457.4    | 520.0   | 652.1   | 620.0   | 742.5   | 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   | 742.5   | 760.8   |
| To individuals   | 495.0    | 536.4   | 577.4   | 639.9   | 779.2   | 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   | 779.2   | 785.0   |
| To enterprises   | 1,010.6  | 1,264.0 | 1,402.5 | 1,731.6 | 2,080.9 | 1,701.1 | 1,731.6 | 1,734.3 | 1,753.9 | 1,790.2 | 1,811.3 | 1,836.4 | 1,858.2 | 1,905.6 | 1,914.2 | 1,949.7 | 1,971.0 | 2,008.8 | 2,080.9 | 2,133.3 |
| Tolar loans: Up to 1 year  | 497.6    | 586.6   | 581.0   | 597.3   | 624.5   | 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   | 624.5   | 622.4   |
| Over 1 year  | 793.1    | 904.9   | 996.3   | 1,126.3 | 1,281.3 | 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 | 1,281.3 | 1,292.6 |
| Com.papers and bonds(tolar)  | 355.7    | 425.6   | 531.7   | 576.3   | 699.1   | 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   | 699.1   | 721.5   |
| DEPOSIT MONEY BANK LIABILITIES TO DOMESTIC NON-BANKING SECTORS, end of the month, in SIT bln |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Total tolar deposits   | 1,419.7  | 1,783.1 | 2,106.8 | 2,210.0 | 2,309.7 | 2,207.6 | 2,210.0 | 2,206.2 | 2,217.8 | 2,218.8 | 2,230.3 | 2,231.3 | 2,210.1 | 2,222.1 | 2,215.5 | 2,231.4 | 2,201.4 | 2,253.3 | 2,309.7 | 2,335.5 |
| Demand deposits  | 295.8    | 344.4   | 407.8   | 626.5   | 838.1   | 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   | 838.1   | 827.5   |
| Savings deposits   | 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  | 970.8    | 1,261.7 | 1,537.8 | 1,579.1 | 1,463.9 | 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 | 1,463.9 | 1,501.2 |
| Short-term   | 682.4    | 876.2   | 1,050.0 | 1,135.8 | 1,148.4 | 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 | 1,148.4 | 1,191.7 |
| 1- 30 days   | 92.1     | 98.5    | 121.1   | 110.6   | 105.1   | 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   | 105.1   | 94.1    |
| 31 - 90 days   | 221.8    | 256.0   | 346.0   | 426.3   | 575.1   | 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   | 575.1   | 605.7   |
| 91 days - 1 year   | 368.6    | 521.6   | 582.9   | 598.9   | 468.1   | 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   | 468.1   | 491.8   |
| 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     |
| Over 1 year  | 288.3    | 385.5   | 487.7   | 443.2   | 315.6   | 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   | 315.6   | 309.5   |
| Total foreign current liabilities  | 704.1    | 930.8   | 990.2   | 1,025.2 | 1,153.5 | 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 | 1,153.5 | 1,174.9 |
| Demand deposits  | 116.7    | 154.2   | 166.1   | 191.2   | 245.0   | 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   | 245.0   | 255.9   |
| Savings deposits   | 147.4    | 233.1   | 230.8   | 243.2   | 90.2    | 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    | 90.2    | 89.2    |
| Time deposits  | 386.1    | 504.4   | 567.7   | 570.7   | 800.2   | 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   | 800.2   | 800.6   |
| Short-term   | 306.8    | 399.7   | 448.3   | 454.3   | 638.6   | 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   | 638.6   | 632.3   |
| Long-term  | 79.4     | 104.7   | 119.3   | 116.4   | 161.6   | 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   | 161.6   | 168.3   |

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

# Prices

| Indices,<br>1992=100  | 2000  | 2001  | 2002  | 2003  | 2004  | 2004  |       |       |       | 2004  |       |       |       |       |       |       |       |       |       |       |       | 2005  |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   |       |       |       |       |       | Q I   | Q II  | Q III | Q IV  | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     | 2     |
| 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 | 346.2 | 347.3 | 349.7 | 352.4 | 356.2 | 357.6 | 360.4 | 360.4 | 360.0 | 361.4 | 363.8 | 361.8 | 360.0 |
| Consumer price index  | 255.6 | 276.7 | 295.0 | 310.9 | 324.4 | 314.2 | 316.3 | 323.7 | 326.9 | 330.6 | 315.2 | 315.2 | 318.4 | 320.9 | 325.0 | 325.3 | 327.2 | 326.2 | 327.2 | 329.7 | 332.5 | 329.7 | 327.1 |
| Food, non-alcoholic beverages   | 250.7 | 278.3 | 294.4 | 316.2 | 319.3 | 313.3 | 334.3 | 338.6 | 304.0 | 300.4 | 334.4 | 328.8 | 339.7 | 338.5 | 341.3 | 336.0 | 317.5 | 301.2 | 293.4 | 288.4 | 300.3 | 312.5 | 324.4 |
| Alcoholic beverages, tobacco  | 255.6 | 276.7 | 294.9 | 309.6 | 323.7 | 313.3 | 314.3 | 322.0 | 327.3 | 331.3 | 313.2 | 313.5 | 316.3 | 319.1 | 323.2 | 323.8 | 327.0 | 326.7 | 328.2 | 330.7 | 333.3 | 329.8 | 326.5 |
| Clothing and footwear   | 362.3 | 411.0 | 454.2 | 484.6 | 511.4 | 490.9 | 499.4 | 509.1 | 521.1 | 516.0 | 496.5 | 500.9 | 500.9 | 504.9 | 508.3 | 514.2 | 520.6 | 524.6 | 518.2 | 515.2 | 516.2 | 516.7 | 518.3 |
| Housing, water, electricity,gas   | 270.8 | 293.6 | 315.6 | 333.1 | 345.0 | 337.0 | 339.7 | 345.2 | 347.0 | 348.3 | 338.7 | 339.2 | 341.3 | 342.9 | 345.8 | 346.9 | 348.1 | 346.6 | 346.2 | 347.2 | 349.3 | 348.3 | 346.1 |
| Furnishings, household equip.   | 240.4 | 262.7 | 282.4 | 295.6 | 297.0 | 296.0 | 301.6 | 301.3 | 294.4 | 290.7 | 301.6 | 299.8 | 303.4 | 301.0 | 302.2 | 300.7 | 298.3 | 294.1 | 290.9 | 288.3 | 291.1 | 292.6 | 295.2 |
| Medical, pharmaceutical products  | 340.9 | 366.8 | 419.2 | 471.9 | 499.4 | 482.5 | 494.7 | 492.2 | 505.9 | 504.7 | 495.7 | 494.2 | 494.2 | 491.7 | 491.2 | 493.7 | 504.5 | 506.6 | 505.5 | 505.0 | 503.5 | 511.1 |       |
| Transport   | 256.2 | 261.2 | 269.8 | 286.6 | 291.6 | 295.1 | 280.4 | 297.9 | 286.3 | 301.8 | 278.8 | 275.4 | 287.0 | 294.2 | 299.5 | 300.1 | 296.2 | 273.4 | 289.5 | 301.1 | 302.9 | 301.4 | 272.7 |
| Communications  | 405.8 | 450.4 | 481.1 | 513.3 | 550.8 | 521.8 | 530.4 | 543.1 | 553.4 | 576.4 | 526.4 | 531.1 | 533.8 | 539.1 | 543.9 | 546.1 | 548.3 | 553.8 | 558.2 | 571.1 | 581.3 | 576.7 | 575.0 |
| Recreation and culture  | 188.5 | 203.5 | 215.0 | 225.4 | 230.5 | 227.0 | 227.4 | 230.4 | 231.9 | 232.1 | 228.0 | 227.6 | 226.7 | 229.8 | 230.1 | 231.4 | 231.9 | 232.4 | 231.4 | 231.0 | 231.9 | 233.5 | 233.5 |
| Education   | 269.0 | 302.2 | 322.4 | 341.1 | 346.2 | 345.1 | 346.2 | 344.9 | 347.4 | 346.5 | 344.4 | 347.2 | 346.8 | 345.1 | 344.8 | 344.8 | 347.2 | 347.5 | 347.5 | 346.1 | 346.5 | 346.8 | 348.6 |
| Catering services   | 265.2 | 292.2 | 313.5 | 328.6 | 347.3 | 334.4 | 339.2 | 346.0 | 351.5 | 352.4 | 337.2 | 339.6 | 340.9 | 341.9 | 348.4 | 347.7 | 350.5 | 351.9 | 351.9 | 353.0 | 355.4 | 348.7 | 346.6 |
| Miscellaneous goods & services  | 349.0 | 386.8 | 445.6 | 452.5 | 453.2 | 448.6 | 451.5 | 448.5 | 455.4 | 457.5 | 451.5 | 451.5 | 451.5 | 448.4 | 447.5 | 449.7 | 449.3 | 458.7 | 458.3 | 458.3 | 458.3 | 456.0 | 456.4 |
| Harmonized consumer price index; 2000=100   | 287.4 | 304.0 | 325.3 | 341.2 | 353.9 | 340.4 | 343.0 | 352.2 | 368.7 | 351.7 | 343.0 | 344.0 | 342.0 | 345.0 | 351.3 | 360.4 | 370.8 | 375.7 | 359.5 | 350.5 | 350.2 | 354.4 | 355.8 |
| Producer price index  | 213.0 | 232.0 | 243.9 | 250.2 | 260.9 | 252.1 | 256.1 | 260.2 | 262.5 | 264.7 | 254.2 | 256.7 | 257.4 | 258.9 | 260.7 | 261.0 | 261.8 | 262.2 | 263.6 | 264.3 | 264.4 | 265.5 | 266.5 |
| Capital goods   | 180.7 | 187.8 | 192.9 | 192.2 | 197.0 | 193.5 | 192.1 | 195.8 | 199.8 | 200.2 | 192.0 | 192.1 | 192.3 | 193.1 | 196.8 | 197.4 | 198.4 | 200.4 | 200.6 | 200.2 | 200.2 | 200.1 | 202.6 |
| Intermediate goods  | 206.6 | 226.1 | 234.5 | 239.2 | 253.4 | 241.1 | 247.7 | 252.9 | 254.6 | 258.3 | 244.4 | 248.8 | 249.9 | 251.6 | 253.6 | 253.6 | 253.6 | 254.0 | 256.3 | 257.7 | 257.8 | 259.5 | 261.0 |
| Consumption goods   | 224.5 | 246.0 | 264.5 | 275.3 | 283.3 | 277.4 | 280.1 | 282.6 | 284.9 | 285.7 | 279.3 | 280.3 | 280.6 | 281.9 | 282.6 | 283.2 | 284.9 | 284.6 | 285.1 | 285.3 | 285.5 | 286.2 | 285.6 |
| 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 | 439.9 | 442.6 | 446.4 | 451.0 | 464.4 | 464.7 | 470.5 | 477.7 | 480.1 | 488.7 | 494.9 | 484.6 | 479.3 |
| Oil products  | 278.2 | 328.6 | 350.2 | 356.1 | 384.8 | 357.0 | 359.7 | 376.6 | 394.0 | 408.7 | 359.6 | 357.6 | 361.7 | 366.8 | 381.4 | 381.7 | 387.8 | 395.8 | 398.4 | 407.9 | 414.9 | 403.4 | 397.7 |
| 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 | 506.2 | 506.2 | 506.2 | 506.2 | 506.2 | 507.5 | 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 | 605.8 | 612.5 | 629.9 | 643.8 | 644.4 | 646.6 | 647.7 | 648.9 | 648.9 | 656.6 | 667.7 | 672.4 | 672.4 |
| Transport & commun.   | 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 | 539.5 | 539.5 | 544.4 | 544.4 | 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 | 278.4 | 278.8 | 279.1 | 285.1 | 285.9 | 286.5 | 287.5 | 293.7 | 293.6 | 294.6 | 294.9 | 281.1 | 295.8 |
| Direct control – total  | 346.0 | 398.0 | 439.6 | 455.8 | 487.9 | 460.3 | 466.1 | 482.6 | 496.1 | 506.7 | 462.9 | 465.5 | 469.8 | 475.6 | 485.8 | 486.4 | 491.2 | 497.7 | 499.4 | 506.3 | 511.8 | 502.0 | 501.5 |
| 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. |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |

|                            |                                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |
|----------------------------|----------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|---------------|--|
| <b>Monetary Indicators</b> | <b>Slovenian Economic Mirror</b> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | <b>IMAD</b>   |  |
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|   | End year |        |        |        |        | 2003  | 2004  |       |       |       |       |       |       |       |       |       |       |        | 2005  |
|---|----------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|
|   | 2000     | 2001   | 2002   | 2003   | 2004   | 12    | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12     | 1     |
| INTEREST RATES, in %                        |          |        |        |        |        |       |       |       |       |       |       |       |       |       |       |       |       |        |       |
| Discount rate                               | 8.67     | 10.75  | 9.75   | -      | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     |
| General legal penal. rate                   | 24.65    | 27.99  | 21.16  | 18.25  | 15.50  | 17.00 | 15.50 | 15.50 | 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)                        | 2.70     | -      | -      | -      | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     |
| Foreign exchange bills <sup>1</sup>         | 4.16     | 4.08   | 3.14   | 2.17   | 2.00   | 1.99  | 1.93  | 1.88  | 1.88  | 1.98  | 2.00  | 2.02  | 2.02  | 2.02  | 2.02  | 2.02  | 2.09  | 2.09   | 2.06  |
| Deposits interest rates (r)                 |          |        |        |        |        |       |       |       |       |       |       |       |       |       |       |       |       |        |       |
| Demand deposits (n)                         | 1.0      | 1.0    | 1.0    | 1.0    | 0.6    | 1.0   | 0.8   | 0.8   | 0.8   | 0.7   | 0.7   | 0.6   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5    | 0.4   |
| Time deposits 31-90 days (r)                | 0.9      | 1.1    | -      | -      | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     |
| Time deposits over 1 year (r)               | 4.5      | 4.7    | 3.6    | 1.7    | 0.6    | 0.9   | 0.8   | 0.7   | 0.7   | 0.7   | 0.7   | 0.7   | 0.7   | 0.5   | 0.4   | 0.4   | 0.4   | 0.4    | 0.4   |
| Lending interest rates                      |          |        |        |        |        |       |       |       |       |       |       |       |       |       |       |       |       |        |       |
| Short-term loans                            | 6.2      | 5.9    | -      | -      | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | -     |
| Long-term loans                             | 7.9      | 7.8    | 7.4    | 6.2    | 4.9    | 5.2   | 5.1   | 5.1   | 5.1   | 5.1   | 5.0   | 4.9   | 4.9   | 5.0   | 4.7   | 4.8   | 4.7   | 4.7    | 4.7   |
| REVALUATION CLAUSES, in %                   |          |        |        |        |        |       |       |       |       |       |       |       |       |       |       |       |       |        |       |
| Tolar: annualised rate                      | 9.06     | 8.62   | 7.66   | 5.96   | 3.87   | 4.81  | 4.83  | 5.17  | 3.60  | 3.72  | 3.60  | 3.72  | 3.60  | 3.60  | 3.72  | 3.60  | 3.72  | 3.60   | 3.59  |
| Forex clause: annualised                    | 7.2      | 4.7    | 4.0    | 2.8    | 1.3    | 2.4   | 2.8   | 1.7   | 2.0   | 1.7   | 1.6   | 2.7   | 3.4   | 0.0   | 0.0   | -0.1  | -0.2  | -0.1   | 0.0   |
| INVESTMENT, outlays, in SIT mln             |          |        |        |        |        |       |       |       |       |       |       |       |       |       |       |       |       |        |       |
| <b>Total</b>                                | 447992   | 514497 | 524626 | 610923 | 760662 | 80711 | 50119 | 39878 | 52836 | 46134 | 46098 | 62554 | 65083 | 55228 | 63793 | 73938 | 77390 | 127612 | 73145 |
| Industry total                              | 90736    | 121197 | 114794 | 136349 | 184271 | 15289 | 12496 | 10861 | 11347 | 11278 | 9872  | 11435 | 12348 | 12096 | 22783 | 28426 | 14332 | 26997  | 12707 |
| Energy sector                               | 28415    | 26743  | 36959  | 31538  | 39105  | 4129  | 3346  | 4018  | 3283  | 1905  | 953   | 1847  | 1878  | 2044  | 2939  | 2476  | 3275  | 11142  | 3509  |
| Manufacturing                               | 62321    | 94454  | 77835  | 104811 | 145163 | 11160 | 9150  | 6843  | 8064  | 9373  | 8919  | 9588  | 10470 | 10052 | 19844 | 25950 | 11057 | 15855  | 9198  |
| Construction                                | 8825     | 9391   | 8937   | 11350  | 21470  | 1295  | 1248  | 523   | 1151  | 1454  | 1610  | 1571  | 1937  | 1245  | 1255  | 3384  | 2793  | 3299   | 1453  |
| Transport and communications                | 85236    | 82479  | 58244  | 39779  | 54720  | 3205  | 3731  | 5258  | 4723  | 3173  | 4374  | 3906  | 2895  | 4789  | 3720  | 4962  | 4543  | 8646   | 13838 |
| Trade                                       | 43452    | 56554  | 66950  | 67852  | 80272  | 11185 | 6694  | 4954  | 6108  | 7512  | 5882  | 5700  | 10315 | 5662  | 4740  | 5242  | 6361  | 11101  | 12773 |
| Hotels and restaurants                      | 8174     | 7687   | 9144   | 14665  | 14206  | 1339  | 455   | 675   | 1049  | 1385  | 2631  | 1261  | 2031  | 428   | 1089  | 1052  | 631   | 1521   | 1325  |
| Financial and technical services            | 23217    | 30796  | 40339  | 48049  | 52291  | 5392  | 3212  | 3116  | 2663  | 3130  | 4007  | 2627  | 4111  | 3202  | 3605  | 3895  | 4502  | 14221  | 4865  |
| Other                                       | 188352   | 206393 | 226220 | 292876 | 353432 | 43006 | 22283 | 14491 | 25795 | 18202 | 17722 | 36054 | 31446 | 27806 | 26601 | 26977 | 44228 | 61827  | 26184 |
| In econ. infrastructure, total <sup>2</sup> | 447992   | 166027 | 162078 | 177777 | 223096 | 18554 | 15807 | 11773 | 20023 | 15010 | 9987  | 12546 | 16251 | 20603 | 17889 | 15833 | 28189 | 39184  | 11630 |
| Energy sector                               | 28414    | 26742  | 36959  | 46562  | 46469  | 4129  | 3346  | 4018  | 7301  | 5251  | 953   | 1847  | 1878  | 2044  | 2939  | 2476  | 3275  | 11142  | 3509  |
| Electricity supply                          | 20100    | 16012  | 25132  | 26903  | 23107  | 2208  | 1988  | 2527  | 4134  | 3249  | 561   | 1160  | 1028  | 1010  | 1597  | 1106  | 2065  | 2683   | 1916  |
| Gas supply                                  | 1012     | 506    | 1380   | 1282   | 689    | 137   | 59    | 13    | 49    | 121   | 60    | 43    | 34    | 51    | 30    | 51    | 56    | 123    | 69    |
| Hot water supply                            | 1034     | 966    | 1168   | 2725   | 2027   | 212   | 116   | 70    | 178   | 233   | 75    | 20    | 78    | 311   | 315   | 144   | 214   | 273    | 231   |
| Cold water supply                           | 6267     | 9259   | 9280   | 15652  | 20645  | 1572  | 1184  | 1407  | 2941  | 1647  | 257   | 623   | 738   | 671   | 997   | 1176  | 940   | 8063   | 1293  |
| Transport infrastructure                    | 145410   | 139285 | 125119 | 131215 | 176627 | 14425 | 12461 | 7755  | 12723 | 9760  | 9034  | 10700 | 14373 | 18559 | 14950 | 13356 | 24914 | 28043  | 8121  |
| Railways                                    | 34113    | 30074  | 16924  | 1717   | 1822   | 54    | 66    | 14    | 7     | 46    | 15    | 18    | 28    | 1218  | 48    | 47    | 47    | 269    | 39    |
| Air traffic                                 | 798      | 821    | 618    | 1774   | 2660   | 325   | 222   | 141   | 64    | 173   | 91    | 131   | 67    | 37    | 289   | 335   | 529   | 582    | 616   |
| Roads, motorways                            | 75490    | 67506  | 81467  | 103849 | 141157 | 12214 | 9383  | 3248  | 8499  | 8105  | 7561  | 7800  | 12894 | 15343 | 12331 | 10555 | 21652 | 23786  | 5511  |
| Postal and telecom services                 | 33252    | 38757  | 24573  | 20923  | 26717  | 1598  | 2355  | 4182  | 3928  | 1196  | 988   | 2621  | 870   | 1373  | 1889  | 2074  | 2346  | 2894   | 1661  |
| Other                                       | 1757     | 2127   | 1538   | 2952   | 4271   | 235   | 435   | 171   | 225   | 240   | 379   | 129   | 513   | 588   | 393   | 346   | 340   | 511    | 293   |

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

Slovenian Economic Mirror

IMAD

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|   | Number in thousand                              | 2000  | 2001  | 2002  | 2003  | 2004  | 2003  |       |       |       |       | 2004  |       |       |       |       |       |       |       |       |       |       |       | 2005  |
|---|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   |   |       |       |       |       |       | Q IV  | Q I   | Q II  | Q III | Q IV  | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     |
| A | FORMAL LABOUR FORCE (A=B+E)                     | 907.1 | 908.2 | 911.4 | 899.1 | 900.3 | 901.0 | 900.2 | 900.0 | 898.7 | 902.4 | 899.1 | 900.0 | 901.6 | 900.6 | 900.3 | 899.0 | 897.4 | 897.2 | 901.4 | 905.1 | 903.8 | 898.2 | 899.0 |
| B | PERSONS IN FORMAL EMPLOYM. (C+D)                | 800.5 | 806.3 | 808.7 | 801.4 | 807.5 | 803.9 | 802.3 | 808.5 | 808.3 | 811.0 | 800.0 | 801.9 | 804.9 | 806.7 | 808.8 | 809.9 | 807.1 | 806.9 | 810.7 | 812.5 | 812.9 | 807.4 | 805.6 |
|   | In agriculture, forestry, fishing               | 43.8  | 42.3  | 45.4  | 37.7  | 41.2  | 39.7  | 41.7  | 41.4  | 41.1  | 40.7  | 41.7  | 41.7  | 41.8  | 41.4  | 41.4  | 41.4  | 41.1  | 41.1  | 41.2  | 40.9  | 40.7  | 40.6  | 38.7  |
|   | In industry, construction                       | 321.8 | 321.8 | 323.3 | 318.4 | 313.9 | 316.0 | 312.7 | 314.7 | 314.3 | 314.0 | 312.2 | 312.3 | 313.5 | 314.3 | 314.9 | 315.1 | 314.1 | 314.0 | 314.9 | 315.6 | 315.4 | 311.0 | 310.9 |
|   | Of which: in manufacturing                      | 240.6 | 240.8 | 243.1 | 238.9 | 236.1 | 237.4 | 236.4 | 236.7 | 235.7 | 235.7 | 236.1 | 236.3 | 236.8 | 236.7 | 236.8 | 236.6 | 235.5 | 235.4 | 236.0 | 236.6 | 236.7 | 233.8 | 233.7 |
|   | In construction                                 | 63.8  | 64.1  | 63.4  | 63.3  | 62.2  | 62.6  | 60.6  | 62.4  | 63.0  | 62.7  | 60.5  | 60.3  | 61.1  | 61.9  | 62.4  | 62.8  | 62.9  | 63.0  | 63.3  | 63.4  | 63.1  | 61.7  | 61.7  |
|   | In services                                     | 434.9 | 442.2 | 440.0 | 445.2 | 452.3 | 448.2 | 447.8 | 452.3 | 452.8 | 456.3 | 446.1 | 447.8 | 449.6 | 451.1 | 452.5 | 453.4 | 452.0 | 451.9 | 454.6 | 456.1 | 456.8 | 455.9 | 456.0 |
|   | Of which: in public administration              | 43.1  | 44.6  | 45.9  | 47.7  | 49.9  | 48.1  | 49.2  | 50.1  | 50.2  | 50.3  | 48.4  | 49.3  | 49.8  | 50.0  | 50.1  | 50.3  | 50.1  | 50.2  | 50.3  | 50.2  | 50.2  | 50.3  | 49.1  |
|   | in education, health-services soc. work         | 107.7 | 110.1 | 101.6 | 102.7 | 105.0 | 103.7 | 104.2 | 105.0 | 104.4 | 106.2 | 103.6 | 104.2 | 104.7 | 104.9 | 105.1 | 105.1 | 104.0 | 103.8 | 105.4 | 105.9 | 106.3 | 106.3 | 106.5 |
| C | FORMALLY EMPLOYED <sup>1</sup>                  | 715.4 | 722.1 | 721.4 | 722.1 | 724.4 | 722.7 | 719.0 | 725.5 | 725.3 | 727.8 | 716.8 | 718.6 | 721.6 | 723.8 | 725.8 | 726.8 | 724.4 | 724.1 | 727.5 | 729.3 | 729.7 | 724.4 | 724.6 |
|   | In enterprises and organisations                | 647.9 | 653.8 | 654.6 | 656.0 | 658.7 | 656.2 | 654.6 | 659.5 | 659.1 | 661.8 | 652.6 | 654.4 | 656.8 | 658.3 | 659.7 | 660.5 | 658.2 | 657.9 | 661.1 | 662.7 | 663.3 | 659.3 | 660.7 |
|   | In small scale sector                           | 67.5  | 68.4  | 66.8  | 66.2  | 65.6  | 66.5  | 64.4  | 65.9  | 66.3  | 66.0  | 64.2  | 64.2  | 64.8  | 65.5  | 66.0  | 66.3  | 66.2  | 66.1  | 66.4  | 66.6  | 66.4  | 65.0  | 63.9  |
| D | SELF EMPLOYED AND FARMERS                       | 85.1  | 84.2  | 87.3  | 79.2  | 83.1  | 81.2  | 83.3  | 83.0  | 82.9  | 83.2  | 83.3  | 83.3  | 83.3  | 82.9  | 83.0  | 83.0  | 82.7  | 82.9  | 83.2  | 83.2  | 83.2  | 83.1  | 81.1  |
| E | REGISTERED UNEMPLOYMENT                         | 106.6 | 101.9 | 102.6 | 97.7  | 92.8  | 97.0  | 98.0  | 91.5  | 90.4  | 91.4  | 99.0  | 98.1  | 96.7  | 93.9  | 91.5  | 89.2  | 90.3  | 90.3  | 90.7  | 92.5  | 90.9  | 90.7  | 93.4  |
|   | Female  | 54.1  | 51.7  | 52.5  | 51.6  | 49.3  | 51.4  | 50.9  | 48.6  | 49.0  | 48.6  | 51.4  | 50.9  | 50.4  | 49.5  | 48.6  | 47.7  | 48.9  | 49.2  | 48.8  | 49.6  | 48.4  | 47.8  | 48.9  |
|   | By age: Under 26                                | 25.0  | 24.5  | 24.7  | 25.5  | 24.3  | 26.8  | 25.9  | 23.2  | 23.1  | 25.1  | 26.4  | 25.9  | 25.5  | 24.3  | 23.1  | 22.1  | 22.5  | 22.5  | 24.3  | 26.0  | 25.0  | 24.2  | 21.3  |
|   | Older than 40                                   | 55.1  | 51.5  | 50.7  | 43.1  | 39.7  | 41.3  | 42.0  | 40.0  | 38.8  | 38.1  | 42.3  | 42.2  | 41.5  | 40.7  | 40.0  | 39.2  | 39.2  | 38.9  | 38.4  | 38.1  | 37.9  | 38.4  | 41.3  |
|   | Unskilled                                       | 50.4  | 47.9  | 48.2  | 43.2  | 38.6  | 41.4  | 42.0  | 38.3  | 36.9  | 37.3  | 42.3  | 42.2  | 41.4  | 39.6  | 38.3  | 37.1  | 36.8  | 36.5  | 37.3  | 37.7  | 37.0  | 37.2  | 38.4  |
|   | For more than 1 year                            | 67.0  | 60.0  | 55.8  | 47.5  | 42.9  | 45.3  | 44.7  | 42.9  | 42.1  | 41.7  | 45.0  | 44.9  | 44.2  | 43.8  | 43.1  | 41.8  | 42.2  | 41.9  | 42.2  | 42.9  | 42.0  | 40.4  | 42.3  |
|   | Those receiving benefits                        | 31.0  | 25.8  | 24.4  | 24.3  | 22.3  | 23.0  | 24.3  | 21.9  | 21.5  | 21.4  | 24.6  | 24.5  | 23.6  | 22.1  | 22.1  | 21.5  | 21.5  | 21.8  | 21.1  | 20.7  | 21.1  | 22.4  | 23.3  |
| F | RATE OF REG. UNEMPLOYM., E/A, in %              | 11.8  | 11.2  | 11.3  | 10.9  | 10.3  | 10.8  | 10.9  | 10.2  | 10.1  | 10.1  | 11.0  | 10.9  | 10.7  | 10.4  | 10.2  | 9.9   | 10.1  | 10.1  | 10.1  | 10.2  | 10.1  | 10.1  | 10.4  |
| G | FLOWS OF FORMAL LABOUR FORCE                    | 1.3   | 2.8   | -2.3  | -10.2 | 2.4   | -3.6  | 4.9   | -2.6  | 2.4   | -3.2  | 2.4   | 1.0   | 1.6   | -1.0  | -0.3  | -1.3  | -1.6  | -0.2  | 4.2   | 3.7   | -1.3  | -5.6  | 0.8   |
|   | New unemployed first job seekers                | 20.5  | 21.9  | 21.4  | 25.4  | 26.0  | 9.8   | 4.9   | 3.9   | 7.7   | 9.5   | 1.6   | 1.4   | 1.8   | 1.5   | 1.2   | 1.2   | 1.7   | 1.7   | 4.3   | 5.8   | 2.0   | 1.6   | 1.2   |
|   | Redundancies                                    | 61.8  | 65.8  | 66.0  | 68.8  | 69.6  | 17.5  | 19.4  | 14.9  | 16.5  | 18.8  | 8.9   | 4.8   | 5.7   | 5.0   | 5.0   | 4.9   | 6.4   | 4.5   | 5.6   | 6.0   | 5.6   | 7.3   | 8.7   |
|   | Reg.unemployed who found employment             | 60.2  | 52.7  | 52.2  | 50.5  | 54.3  | 12.6  | 14.1  | 14.8  | 12.7  | 12.8  | 4.1   | 4.5   | 5.5   | 5.5   | 5.1   | 4.3   | 3.5   | 3.1   | 6.1   | 5.0   | 4.2   | 3.6   | 5.3   |
|   | Other unemployed erased out of register         | 31.9  | 35.3  | 39.9  | 47.3  | 46.6  | 16.9  | 9.5   | 11.6  | 10.0  | 15.5  | 3.4   | 2.7   | 3.4   | 3.8   | 3.5   | 4.3   | 3.5   | 3.1   | 3.5   | 4.9   | 5.1   | 5.5   | 1.9   |
|   | Change in number of work permits for foreigners | 2.9   | -6.4  | 2.1   | 3.5   | -0.5  | -2.2  | -0.2  | 1.1   | 0.6   | -1.9  | -0.4  | 0.0   | 0.2   | 0.4   | 0.2   | 0.5   | -0.3  | 0.1   | 0.7   | -1.3  | -0.8  | 0.2   | -0.2  |
|   | Retirements <sup>2</sup>                        | 15.7  | 16.2  | 16.2  | 15.5  | 17.9  | 2.6   | 4.1   | 2.9   | 5.9   | 5.0   | 1.1   | 2.1   | 0.9   | 1.4   | 0.3   | 1.2   | 1.5   | 2.1   | 2.3   | 2.0   | 1.7   | 1.4   | 1.4   |
|   | Deaths <sup>2</sup>                             | 2.6   | 2.7   | 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>        | 25.9  | 39.3  | 30.7  | 24.3  | 41.8  | 8.6   | 13.9  | 7.2   | 10.0  | 9.8   | 5.7   | 4.3   | 4.0   | 2.5   | 2.2   | 2.5   | 1.9   | 3.2   | 4.9   | 6.0   | 4.3   | -0.5  | 3.1   |
| H | JOB VACANCIES                                   | 12.9  | 11.9  | 11.6  | 12.1  | 14.1  | 12.1  | 12.3  | 14.5  | 14.5  | 15.0  | 11.9  | 11.2  | 13.8  | 11.9  | 15.2  | 16.5  | 14.1  | 13.3  | 16.2  | 17.3  | 13.9  | 13.8  | 15.3  |
|   | For fixed term, in %                            | 70.7  | 72.4  | 74.4  | 73.8  | 73.7  | 74.3  | 72.2  | 73.8  | 75.6  | 72.9  | 70.1  | 71.8  | 74.2  | 72.4  | 75.5  | 73.2  | 76.0  | 75.5  | 75.4  | 74.6  | 72.9  | 70.6  | 70.6  |
| I | WORK PERMITS FOR FOREIGNERS                     | 39.9  | 38.2  | 35.3  | 39.7  | 39.7  | 40.0  | 39.2  | 40.0  | 40.4  | 39.2  | 39.2  | 39.2  | 39.3  | 39.7  | 39.9  | 40.4  | 40.1  | 40.3  | 40.9  | 39.6  | 38.9  | 39.0  | 38.8  |
|   | As % of labour force (I/A)                      | 4.4   | 4.2   | 3.9   | 4.4   | 4.4   | 4.4   | 4.4   | 4.4   | 4.5   | 4.3   | 4.4   | 4.4   | 4.4   | 4.4   | 4.4   | 4.5   | 4.5   | 4.5   | 4.5   | 4.4   | 4.3   | 4.3   | 4.3   |

Sources of data: SORS, IPDIS, ESS. Notes: <sup>1</sup>In January 2005, the SORS adopted a new methodology of obtaining data on persons in paid employment. The new source of data for employed and self-employed persons excluding farmers is the Statistical Register of Employment (SRE), while data on farmers are forecast using the ARIMA model based on quarterly figures for farmers from the Labour Force Survey. Data for previous years dating back to January 2000 have also been calculated according to the new methodology.. <sup>2</sup>estimated by IMAD, based on data by IPDIS and ESS.



# Wages, Competitiveness, Exchange Rate

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|  | 2000    | 2001    | 2002    | 2002    | 2003    | 2004    | 2004    |         |         |         | 2004    |         |         |         |         |         |         |         |         |         |  |  |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|--|
|  |         |         |         |         |         |         | Q I     | Q II    | Q III   | Q IV    | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      |  |  |
| <b>GROSS WAGE PER EMPLOYEE, in SIT<sup>1</sup></b>     |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |
| Total  | 191,669 | 214,561 | 235,436 | 235,436 | 253,200 | 267,571 | 258,118 | 260,828 | 266,872 | 284,276 | 261,377 | 260,231 | 259,539 | 262,715 | 264,317 | 267,878 | 268,420 | 270,303 | 291,850 | 290,675 |  |  |
| Agriculture, fishing                                   | 171,605 | 185,256 | 200,608 | 196,197 | 207,446 | 217,474 | 210,676 | 212,448 | 216,016 | 230,756 | 215,030 | 213,678 | 210,266 | 213,401 | 213,776 | 216,155 | 218,117 | 221,536 | 232,402 | 238,329 |  |  |
| A Agriculture  | 171,669 | 185,550 | 201,007 | 196,758 | 207,565 | 217,554 | 210,933 | 212,665 | 215,933 | 231,164 | 215,397 | 214,037 | 210,457 | 213,501 | 213,530 | 215,960 | 218,309 | 221,763 | 232,946 | 238,784 |  |  |
| B Fishing  | 166,131 | 172,752 | 183,110 | 183,110 | 197,567 | 207,828 | 198,697 | 202,078 | 220,015 | 212,195 | 197,587 | 196,736 | 200,986 | 208,511 | 225,792 | 225,148 | 209,106 | 211,250 | 207,882 | 217,454 |  |  |
| Industry, construction                                 | 164,859 | 182,498 | 201,146 | 200,160 | 215,547 | 230,884 | 221,589 | 223,780 | 230,531 | 247,634 | 227,781 | 222,798 | 222,468 | 226,075 | 227,169 | 232,043 | 232,381 | 233,339 | 258,356 | 251,207 |  |  |
| C Mining and quarrying                                 | 218,705 | 248,031 | 274,202 | 274,202 | 298,122 | 326,739 | 316,149 | 313,949 | 326,938 | 350,406 | 318,666 | 309,688 | 312,535 | 319,623 | 320,263 | 328,648 | 331,903 | 335,435 | 375,444 | 340,338 |  |  |
| D Manufacturing  | 161,296 | 178,596 | 197,166 | 196,220 | 211,060 | 226,029 | 217,705 | 219,429 | 225,771 | 241,225 | 223,717 | 218,540 | 218,140 | 221,606 | 222,966 | 227,423 | 226,925 | 228,418 | 252,735 | 242,523 |  |  |
| E Elect., gas&water supply                             | 219,212 | 250,000 | 278,616 | 277,009 | 299,812 | 324,344 | 297,748 | 301,268 | 316,468 | 381,639 | 303,058 | 299,965 | 298,926 | 304,913 | 305,433 | 319,548 | 324,422 | 321,676 | 391,433 | 431,807 |  |  |
| F Construction   | 159,541 | 173,179 | 189,015 | 188,911 | 204,316 | 218,781 | 209,085 | 214,341 | 220,274 | 231,193 | 217,115 | 213,240 | 213,177 | 216,605 | 216,374 | 220,493 | 223,954 | 222,418 | 235,948 | 235,213 |  |  |
| Production services                                    | 180,635 | 199,109 | 216,813 | 216,457 | 232,528 | 247,320 | 238,367 | 240,945 | 245,081 | 264,888 | 239,652 | 240,704 | 239,891 | 242,239 | 242,397 | 246,015 | 246,831 | 250,784 | 265,439 | 278,440 |  |  |
| G Distributive trade                                   | 173,119 | 189,609 | 207,203 | 207,059 | 222,101 | 237,002 | 228,304 | 231,475 | 235,514 | 252,453 | 229,979 | 230,937 | 231,408 | 232,079 | 233,222 | 235,843 | 237,476 | 240,014 | 259,465 | 257,880 |  |  |
| H Hotels & restaurants                                 | 150,527 | 165,159 | 178,438 | 178,105 | 189,230 | 200,054 | 192,654 | 196,154 | 200,353 | 210,587 | 191,667 | 197,490 | 195,417 | 195,555 | 197,804 | 202,619 | 200,635 | 202,233 | 208,558 | 220,969 |  |  |
| I Transport, storage & communications                  | 208,417 | 232,483 | 252,308 | 251,625 | 272,238 | 290,603 | 279,304 | 280,894 | 285,670 | 316,807 | 280,679 | 280,164 | 277,612 | 284,905 | 281,925 | 287,417 | 287,669 | 296,320 | 303,998 | 350,102 |  |  |
| Business services                                      | 234,470 | 262,436 | 287,424 | 283,209 | 305,446 | 322,248 | 308,248 | 313,060 | 315,228 | 352,458 | 311,444 | 311,512 | 312,213 | 315,455 | 311,190 | 316,811 | 317,682 | 316,796 | 381,064 | 359,515 |  |  |
| J Financial intermediation                             | 279,107 | 313,370 | 339,900 | 339,900 | 370,832 | 392,954 | 363,607 | 379,858 | 377,558 | 450,250 | 362,938 | 370,250 | 383,031 | 386,293 | 372,802 | 379,400 | 380,471 | 378,131 | 520,828 | 451,790 |  |  |
| K Real estate  | 207,803 | 233,439 | 258,709 | 254,626 | 273,716 | 288,965 | 281,329 | 281,090 | 285,763 | 306,855 | 286,288 | 283,234 | 278,138 | 281,899 | 281,923 | 287,198 | 288,168 | 288,232 | 316,008 | 316,324 |  |  |
| Public services  | 230,598 | 262,648 | 285,571 | 293,973 | 312,583 | 321,405 | 313,836 | 316,092 | 324,010 | 331,485 | 313,963 | 316,343 | 314,306 | 317,626 | 323,330 | 324,366 | 324,333 | 326,244 | 331,887 | 336,324 |  |  |
| L Public administration                                | 244,662 | 278,826 | 299,889 | 299,889 | 321,502 | 322,912 | 319,028 | 316,723 | 325,598 | 330,167 | 318,552 | 318,420 | 311,102 | 320,648 | 325,673 | 325,337 | 325,785 | 328,065 | 333,779 | 328,656 |  |  |
| M Education  | 220,572 | 255,222 | 288,267 | 288,038 | 309,968 | 326,002 | 315,267 | 318,919 | 332,057 | 337,622 | 317,284 | 316,831 | 318,498 | 321,428 | 331,246 | 332,463 | 332,462 | 334,828 | 338,682 | 339,356 |  |  |
| N Health & social work                                 | 224,575 | 253,131 | 267,824 | 291,318 | 308,013 | 312,423 | 306,668 | 310,330 | 313,648 | 318,877 | 306,421 | 309,154 | 311,336 | 310,500 | 313,768 | 314,719 | 312,457 | 312,879 | 319,587 | 324,164 |  |  |
| O Other soc.&person.serv.                              | 245,579 | 273,443 | 293,855 | 293,764 | 307,184 | 325,541 | 312,684 | 320,186 | 320,428 | 348,664 | 309,215 | 327,855 | 317,718 | 314,984 | 315,898 | 320,812 | 324,574 | 327,639 | 336,252 | 382,100 |  |  |
| <b>INDICATORS OF OVERALL COMPETITIVENESS, 1995=100</b> |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |
| <b>Foreign exchange rates</b>                          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |
| Effective exch. rate <sup>2</sup> nominal              | 138.4   | 146.9   | 151.3   | -       | 151.6   | 152.6   | 151.5   | 153.2   | 153.6   | 152.1   | 152.2   | 153.0   | 153.2   | 153.4   | 153.5   | 153.7   | 153.6   | 153.0   | 152.0   | 151.3   |  |  |
| Real (relative consum. prices)                         | 100.9   | 101.0   | 98.4    | -       | 94.8    | 93.9    | 93.8    | 94.1    | 94.2    | 93.3    | 94.2    | 94.4    | 94.0    | 94.0    | 93.7    | 94.5    | 94.4    | 94.0    | 92.7    | 93.1    |  |  |
| Real (relative ind.prod.prices)                        | 108.9   | 107.4   | 105.3   | -       | 103.9   | 102.7   | 102.1   | 103.1   | 103.3   | 102.2   | 102.6   | 103.1   | 103.1   | 103.1   | 103.2   | 103.5   | 103.1   | 103.2   | 102.2   | 101.2   |  |  |
| SIT/US\$ <sup>3</sup>                                  | 222.7   | 242.7   | 240.2   | -       | 207.1   | 192.4   | 189.8   | 197.9   | 196.3   | 185.4   | 193.8   | 198.1   | 198.7   | 196.9   | 195.5   | 197.0   | 196.5   | 192.3   | 184.7   | 179.3   |  |  |
| SIT/EUR <sup>3</sup>                                   | 205.0   | 217.2   | 226.2   | -       | 233.7   | 238.9   | 237.4   | 238.5   | 239.8   | 239.8   | 237.8   | 238.2   | 238.5   | 238.8   | 239.7   | 239.8   | 239.8   | 239.8   | 239.8   | 239.8   |  |  |
| <b>Unit labour costs<sup>4</sup></b>                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |
| Nominal (original series)                              | 136.3   | 147.8   | 157.2   | -       | 162.5   | 165.5   | 161.7   | 164.9   | 164.8   | 172.5   | 150.4   | 172.6   | 155.7   | 166.3   | 161.6   | 186.2   | 146.7   | 156.1   | 169.1   | 192.3   |  |  |
| Seasonally adjusted <sup>5</sup>                       | -       | -       | -       | -       | -       | -       | 164.6   | 163.9   | 166.3   | 168.5   | 165.9   | 168.4   | 159.7   | 163.7   | 166.6   | 167.4   | 165.0   | 169.9   | 170.9   | 164.6   |  |  |
| Real <sup>6</sup> (original series)                    | 103.2   | 102.8   | 104.0   | -       | 104.8   | 102.3   | 101.9   | 102.2   | 101.3   | 105.0   | 94.2    | 107.5   | 96.3    | 102.7   | 99.6    | 114.5   | 89.7    | 95.2    | 103.1   | 116.7   |  |  |
| Seasonally adjusted <sup>5</sup>                       | -       | -       | -       | -       | -       | -       | 103.9   | 101.7   | 102.0   | 102.5   | 104.1   | 105.0   | 99.0    | 101.1   | 102.5   | 102.7   | 100.8   | 103.6   | 104.0   | 100.0   |  |  |
| In currency basket <sup>7</sup> (orig.ser.)            | 98.5    | 100.6   | 103.9   | -       | 107.2   | 108.4   | 106.8   | 107.6   | 107.3   | 113.5   | 98.8    | 112.8   | 101.7   | 108.4   | 105.3   | 121.1   | 95.5    | 102.0   | 111.3   | 127.1   |  |  |
| Seasonally adjusted <sup>5</sup>                       | -       | -       | -       | -       | -       | -       | 108.4   | 107.0   | 108.5   | 110.7   | 109.0   | 110.2   | 104.2   | 106.7   | 108.6   | 109.2   | 107.7   | 111.1   | 112.4   | 108.6   |  |  |

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 from 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. For the years 1992-1997 see SEM 11/98.

# Public Finance

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| Current prices in SIT million  | 2004           |                |                 |                | 2004           |         |         |         | 2004    |         |         |         |         |         |         |         |         |         |  |  |
|--|----------------|----------------|-----------------|----------------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|--|
|  | 2000           | 2001           | 2002            | 2003           | (prev.)        | QI      | QII     | QIII    | QIV     | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      |  |  |
| CONSOLIDATED GENERAL GOVERNMENT REVENUES, EXPENDITURES AND FINANCING: GFS - IMF METHODOLOGY  |                |                |                 |                |                |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |
| <b>CONSOLIDATED GENERAL GOVERNMENT REVENUES</b>  |                |                |                 |                |                |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |
| TOTAL GENERAL GOVERNMENT REVENUES  | 1,726,724      | 1,967,785      | 2,083,860       | 2,375,840      | 2,584,352      | 604,421 | 638,585 | 611,312 | 730,035 | 243,632 | 216,558 | 178,395 | 196,191 | 204,763 | 210,358 | 199,985 | 252,625 | 277,425 |  |  |
| Current revenues   | 1,695,040      | 1,937,367      | 2,043,509       | 2,338,713      | 2,510,188      | 599,539 | 620,948 | 595,543 | 694,157 | 235,810 | 214,636 | 170,502 | 191,297 | 199,761 | 204,485 | 193,225 | 240,704 | 260,229 |  |  |
| Tax revenues   | 1,599,594      | 1,798,343      | 1,909,594       | 2,189,486      | 2,348,195      | 559,497 | 581,890 | 553,047 | 653,760 | 221,062 | 202,711 | 158,116 | 179,818 | 188,389 | 184,841 | 181,876 | 227,198 | 244,685 |  |  |
| Taxes on income and profit   | 311,429        | 357,877        | 395,045         | 460,520        | 506,878        | 112,480 | 151,416 | 108,442 | 134,539 | 65,356  | 48,325  | 37,735  | 35,124  | 34,601  | 38,718  | 41,243  | 40,528  | 52,768  |  |  |
| Social security contributions  | 552,574        | 620,908        | 681,816         | 737,632        | 800,702        | 190,353 | 195,279 | 198,657 | 216,413 | 65,117  | 64,980  | 65,182  | 66,114  | 65,504  | 67,038  | 66,641  | 67,558  | 82,215  |  |  |
| Taxes on payroll and workforce   | 68,071         | 83,369         | 93,897          | 107,424        | 117,676        | 27,955  | 28,568  | 28,821  | 32,331  | 9,373   | 9,647   | 9,548   | 9,798   | 9,602   | 9,422   | 9,285   | 9,720   | 13,326  |  |  |
| Taxes on property  | 26,513         | 32,965         | 34,428          | 34,419         | 39,513         | 4,447   | 9,158   | 13,705  | 12,203  | 1,439   | 3,476   | 4,243   | 3,841   | 5,477   | 4,388   | 3,085   | 5,688   | 3,430   |  |  |
| Domestic taxes on goods and services   | 602,895        | 673,380        | 672,703         | 814,577        | 856,604        | 214,472 | 189,780 | 196,598 | 255,753 | 76,205  | 73,291  | 40,284  | 59,277  | 72,644  | 64,677  | 60,802  | 102,822 | 92,129  |  |  |
| Taxes on internat. trade & transactions  | 38,089         | 29,607         | 31,341          | 34,653         | 19,339         | 8,096   | 7,287   | 1,717   | 2,238   | 3,448   | 2,848   | 990     | 618     | 537     | 562     | 780     | 748     | 710     |  |  |
| Other taxes  | 23             | 238            | 365             | 261            | 7,484          | 1,696   | 401     | 5,105   | 282     | 123     | 144     | 134     | 5,047   | 23      | 35      | 40      | 135     | 107     |  |  |
| Non-tax revenues   | 95,447         | 139,024        | 133,915         | 149,227        | 161,994        | 40,042  | 39,058  | 42,496  | 40,397  | 14,748  | 11,925  | 12,385  | 11,479  | 11,372  | 19,645  | 11,349  | 13,505  | 15,543  |  |  |
| Capital revenues   | 9,674          | 10,199         | 15,165          | 15,857         | 20,698         | 3,631   | 3,417   | 3,777   | 9,873   | 1,514   | 905     | 998     | 1,445   | 928     | 1,403   | 2,330   | 2,545   | 4,997   |  |  |
| Voluntary donations  | 7,421          | 10,788         | 14,223          | 13,384         | 2,100          | 317     | 728     | 370     | 685     | 184     | 99      | 446     | 99      | 165     | 106     | 119     | 182     | 385     |  |  |
| Grants   | 14,588         | 9,431          | 10,962          | 7,887          | 7,528          | 180     | 182     | 183     | 6,983   | 122     | 26      | 34      | 66      | 94      | 23      | 53      | 122     | 6,808   |  |  |
| Receipts from the EU budget  | -              | -              | -               | -              | 43,838         | 754     | 13,310  | 11,438  | 18,336  | 6,002   | 894     | 6,415   | 3,283   | 3,815   | 4,340   | 4,257   | 9,072   | 5,006   |  |  |
| <b>CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE</b>   |                |                |                 |                |                |         |         |         |         |         |         |         |         |         |         |         |         |         |  |  |
| TOTAL EXPENDITURE  | 1,781,444      | 2,030,978      | 2,239,883       | 2,454,309      | 2,669,456      | 610,596 | 686,380 | 635,993 | 736,486 | 232,853 | 239,874 | 213,653 | 211,066 | 213,665 | 211,263 | 226,542 | 237,249 | 272,695 |  |  |
| Current expenditure  | 797,009        | 924,007        | 1,025,999       | 1,123,938      | 1,134,938      | 269,884 | 303,970 | 257,006 | 304,079 | 117,555 | 96,704  | 89,711  | 86,742  | 84,958  | 85,306  | 99,547  | 97,184  | 107,348 |  |  |
| Wages, salaries and other personnel expenditure in government agencies and local communities | 387,501        | 456,410        | 514,924         | 561,191        | 588,572        | 138,342 | 154,261 | 144,476 | 151,494 | 59,254  | 47,397  | 47,609  | 47,706  | 48,433  | 48,337  | 50,215  | 50,373  | 50,906  |  |  |
| Purchases of goods and services in state bodies and local communities                        | 335,955        | 385,770        | 417,688         | 451,440        | 429,888        | 96,147  | 107,537 | 100,142 | 126,063 | 36,504  | 36,190  | 34,843  | 33,814  | 33,086  | 33,241  | 41,273  | 38,565  | 46,225  |  |  |
| Interest payments  | 60,956         | 72,809         | 83,528          | 92,661         | 91,941         | 33,742  | 34,228  | 7,530   | 16,440  | 16,360  | 11,871  | 5,997   | 3,155   | 2,124   | 2,251   | 6,943   | 5,985   | 3,512   |  |  |
| Reserves   | 12,597         | 9,018          | 9,858           | 18,646         | 11,567         | 796     | 966     | 2,192   | 7,612   | 418     | 274     | 274     | 1,146   | 465     | 581     | 158     | 1,332   | 6,121   |  |  |
| Current transfers  | 813,491        | 908,026        | 1,006,977       | 1,097,369      | 1,249,820      | 298,851 | 325,015 | 303,106 | 322,849 | 101,772 | 123,399 | 99,843  | 101,342 | 101,827 | 99,936  | 106,339 | 107,394 | 109,116 |  |  |
| Subsidies  | 58,951         | 63,161         | 60,435          | 69,470         | 77,581         | 21,856  | 12,423  | 13,846  | 29,457  | 4,905   | 3,982   | 3,536   | 5,262   | 4,219   | 4,364   | 10,843  | 10,204  | 8,410   |  |  |
| Current transfers to individuals and households  | 731,077        | 821,358        | 910,391         | 986,100        | 1,053,367      | 253,222 | 282,621 | 257,983 | 259,541 | 86,907  | 109,894 | 85,820  | 86,405  | 86,466  | 85,111  | 84,907  | 86,354  | 88,280  |  |  |
| Current transfers to non-profit institut., other current domestic transfers                  | 19,641         | 18,085         | 31,075          | 36,722         | 113,626        | 23,086  | 28,575  | 30,234  | 31,730  | 9,679   | 9,427   | 9,469   | 9,355   | 10,765  | 10,114  | 9,133   | 10,518  | 12,079  |  |  |
| Current transfers  | 3,822          | 5,421          | 5,076           | 5,077          | 5,247          | 688     | 1,395   | 1,043   | 2,121   | 280     | 96      | 1,018   | 320     | 377     | 346     | 1,455   | 319     | 347     |  |  |
| Capital expenditure  | 111,003        | 127,996        | 128,733         | 142,131        | 151,051        | 25,582  | 26,498  | 35,851  | 63,120  | 7,578   | 8,547   | 10,373  | 10,544  | 11,952  | 13,355  | 12,153  | 17,139  | 33,827  |  |  |
| Capital transfers  | 59,942         | 70,949         | 78,174          | 90,871         | 93,010         | 16,280  | 20,555  | 22,987  | 33,188  | 5,947   | 6,055   | 8,554   | 6,733   | 9,280   | 6,973   | 4,167   | 11,037  | 17,985  |  |  |
| Payments to the EU budget  | -              | -              | -               | -              | 40,637         | 0       | 10,342  | 17,044  | 13,251  | 0       | 5,169   | 5,173   | 5,705   | 5,647   | 5,692   | 4,336   | 4,495   | 4,419   |  |  |
| <b>SURPLUS / DEFICIT</b>   | <b>-54,720</b> | <b>-63,193</b> | <b>-156,023</b> | <b>-78,469</b> | <b>-85,104</b> | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       |  |  |

Source of data: MF Bulletin.

|                        |                           |         |
|------------------------|---------------------------|---------|
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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 <sup>3</sup>    | 3.0                | 2.7    |
| <b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>  |                             |        |        |        |        |                     |                    |        |
| Exports of goods and services <sup>4</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>4</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  | 238.9 <sup>5</sup>  | 239.6              | 239.6  |
| Foreign exchange reserves, In EUR million  | 4,104                       | 4,705  | 6,514  | 7,842  | 7,703  | 7,484 <sup>5</sup>  | 7,490 <sup>6</sup> | -      |
| Gross external debt, In EUR million  | 8,012                       | 9,490  | 10,403 | 11,455 | 13,305 | 15,355 <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> SORS; <sup>4</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>5</sup> BS, <sup>6</sup> January 2005.  |                             |        |        |        |        |                     |                    |        |

## International Comparisons / I

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|                 | Real GDP growth |      |      |                   | GDP per capita in PPS <sup>2</sup> EU25=100 |      |      |      | Inflation <sup>3</sup> (annual average) |      |      |      |
|-----------------|-----------------|------|------|-------------------|---|------|------|------|---|------|------|------|
|                 | 2001            | 2002 | 2003 | 2004 <sup>1</sup> | 2000  | 2001 | 2002 | 2003 | 2001                                    | 2002 | 2003 | 2004 |
| <b>Slovenia</b> | 2.7             | 3.3  | 2.5  | 4.6               | 73  | 75   | 75   | 77   | 8.6                                     | 7.5  | 5.7  | 3.7  |
| EU25            | 1.7             | 1.1  | 0.9  | 2.3               | 100   | 100  | 100  | 100  | 2.5                                     | 2.1  | 1.9  | 2.1  |
| Euro Area       | 1.6             | 0.9  | 0.5  | 2.0               | 110   | 108  | 107  | 107  | 2.3                                     | 2.3  | 2.1  | 2.1  |
| Belgium         | 0.7             | 0.9  | 1.3  | 2.7               | 117   | 117  | 117  | 118  | 2.4                                     | 1.6  | 1.5  | 1.9  |
| Czech Republik  | 2.6             | 1.5  | 3.7  | 4.0               | 65  | 66   | 68   | 69   | 4.5                                     | 1.4  | -0.1 | 2.6  |
| Denmark         | 1.6             | 1.0  | 0.4  | 2.0               | 127   | 126  | 122  | 123  | 2.3                                     | 2.4  | 2.0  | 0.9  |
| Germany         | 0.8             | 0.1  | -0.1 | 1.6               | 112   | 110  | 109  | 108  | 1.9                                     | 1.3  | 1.0  | 1.8  |
| Estonia         | 6.4             | 7.2  | 5.1  | -                 | 42  | 43   | 46   | 49   | 5.6                                     | 3.6  | 1.4  | 3.0  |
| Greece          | 4.3             | 3.6  | 4.5  | -                 | 72  | 74   | 78   | 81   | 3.7                                     | 3.9  | 3.4  | 3.0  |
| Spain           | 2.8             | 2.2  | 2.5  | 2.7               | 92  | 92   | 95   | 98   | 2.8                                     | 3.6  | 3.1  | 3.1  |
| France          | 2.1             | 1.2  | 0.5  | 2.5               | 114   | 115  | 113  | 111  | 1.8                                     | 1.9  | 2.2  | 2.3  |
| Ireland         | 6.0             | 6.1  | 3.7  | -                 | 126   | 129  | 134  | 133  | 4.0                                     | 4.7  | 4.0  | 2.3  |
| Italy           | 1.8             | 0.4  | 0.3  | 1.1 <sup>4</sup>  | 112   | 110  | 109  | 107  | 2.3                                     | 2.6  | 2.8  | 2.3  |
| Cyprus          | 4.1             | 2.1  | 1.9  | -                 | 86  | 89   | 83   | 83   | 2.0                                     | 2.8  | 4.0  | 1.9  |
| Latvia          | 8.0             | 6.4  | 7.5  | -                 | 35  | 37   | 39   | 41   | 2.5                                     | 2.0  | 2.9  | 6.2  |
| Lithuania       | 6.4             | 6.8  | 9.7  | -                 | 39  | 41   | 42   | 46   | 1.3                                     | 0.4  | -1.1 | 1.1  |
| Luxembourg      | 1.5             | 2.5  | 2.9  | -                 | 219   | 213  | 213  | 215  | 2.4                                     | 2.1  | 2.5  | 3.2  |
| Hungary         | 3.8             | 3.5  | 3.0  | 4.0               | 53  | 56   | 59   | 61   | 9.1                                     | 5.2  | 4.7  | 6.8  |
| Malta           | -2.4            | 2.6  | -0.3 | -                 | 79  | 75   | 74   | 75   | 2.5                                     | 2.6  | 1.9  | 2.7  |
| Netherlands     | 1.4             | 0.6  | -0.9 | 1.3               | 122   | 124  | 122  | 121  | 5.1                                     | 3.9  | 2.2  | 1.4  |
| Austria         | 0.7             | 1.2  | 0.8  | -                 | 128   | 124  | 123  | 122  | 2.3                                     | 1.7  | 1.3  | 2.0  |
| Poland          | 1.0             | 1.4  | 3.8  | -                 | 46  | 46   | 46   | 46   | 5.3                                     | 1.9  | 0.7  | 3.6  |
| Portugal        | 1.7             | 0.4  | -1.1 | -                 | 77  | 77   | 77   | 74   | 4.4                                     | 3.7  | 3.3  | 2.5  |
| Slovakia        | 3.8             | 4.6  | 4.0  | -                 | 48  | 49   | 51   | 52   | 7.2                                     | 3.5  | 8.5  | 7.4  |
| Finland         | 1.1             | 2.3  | 2.0  | 3.7               | 114   | 114  | 113  | 113  | 2.7                                     | 2.0  | 1.3  | 0.1  |
| Sweden          | 1.0             | 2.0  | 1.5  | -                 | 120   | 116  | 115  | 115  | 2.7                                     | 2.0  | 2.3  | 1.0  |
| United Kingdom  | 2.3             | 1.8  | 2.2  | 3.0               | 114   | 115  | 118  | 118  | 1.2                                     | 1.3  | 1.4  | 1.3  |
| USA             | 0.8             | 1.9  | 3.0  | 4.4               | 156   | 152  | 152  | 154  | 2.8                                     | 1.6  | 2.3  | 2.7  |

Sources of data: SORS; Eurostat, New Cronos. Notes: <sup>1</sup>First estimate by the Eurostat. <sup>2</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>3</sup>Harmonised Index of Consumer Prices for EU countries and Consumer Price Index for the USA. <sup>4</sup>Based on data adjusted for working-days.

## International Comparisons / II

Slovenian Economic Mirror

IMAD

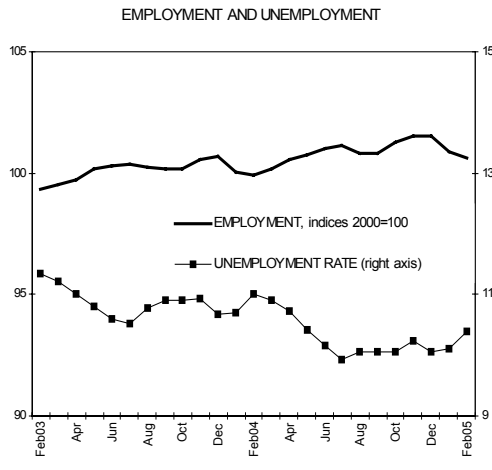
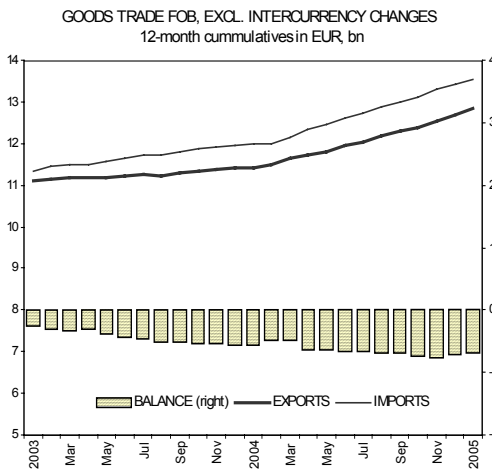
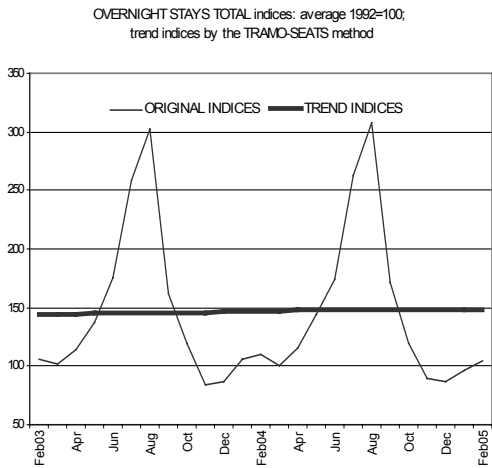
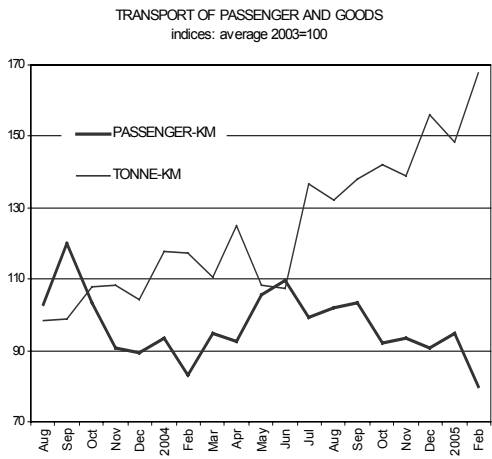
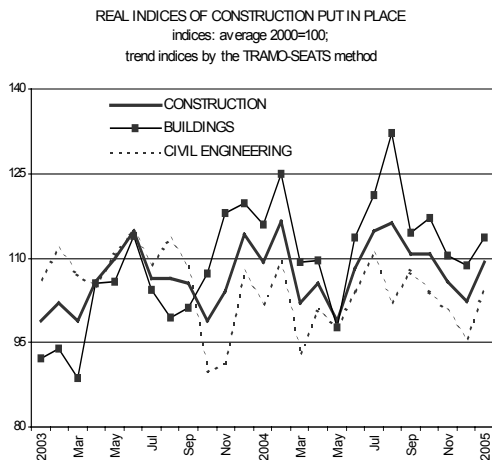
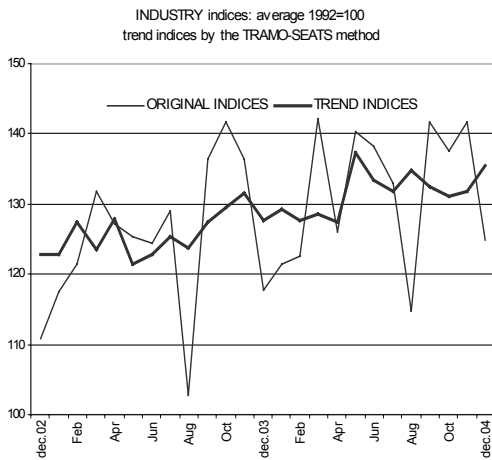
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|                | Survey Unemployment Rate <sup>1</sup> |      |      |      | Current account balance, % GDP |       |       |       | General Government Balance, % GDP |      |       |      | General Government Gross Debt <sup>2</sup> , % GDP |       |       |       |
|----------------|---------------------------------------|------|------|------|--------------------------------|-------|-------|-------|-----------------------------------|------|-------|------|--|-------|-------|-------|
|                | 2000                                  | 2001 | 2002 | 2003 | 2000                           | 2001  | 2002  | 2003  | 2000                              | 2001 | 2002  | 2003 | 2000   | 2001  | 2002  | 2003  |
| Slovenia       | 6.6                                   | 5.8  | 6.1  | 6.5  | -2.8                           | 0.2   | 1.4   | -0.4  | -2.8                              | -2.4 | -2.0  | -1.9 | 28.1   | 29.5  | 29.4  | 29.4  |
| EU25           | 8.7                                   | 8.5  | 8.9  | 9.1  | -                              | -     | -     | -     | -1.2                              | -2.3 | -2.9  | -2.6 | 62.2   | 61.7  | 63.3  | 63.8  |
| Euro Area      | 8.4                                   | 8.0  | 8.4  | 8.9  | -1.2                           | -0.2  | 0.8   | 0.3   | -1.7                              | -2.4 | -2.8  | -2.7 | 69.6   | 69.5  | 70.8  | 71.3  |
| Belgium        | 6.9                                   | 6.7  | 7.3  | 8.1  | 4.0                            | 4.5   | 5.8   | 4.4   | 0.6                               | 0.1  | 0.4   | 0.1  | 108.0  | 105.4 | 100.0 | 95.6  |
| Czech Republik | 8.7                                   | 8.0  | 7.3  | 7.8  | -4.9                           | -5.4  | -5.6  | -6.2  | -5.9                              | -6.8 | -11.7 | -3.0 | 27.2   | 30.7  | 38.3  | 37.4  |
| Denmark        | 4.4                                   | 4.3  | 4.6  | 5.6  | 1.5                            | 3.1   | 2.0   | 2.6   | 3.2                               | 1.7  | 1.2   | 2.8  | 47.8   | 47.2  | 44.7  | 42.7  |
| Germany        | 7.8                                   | 7.8  | 8.7  | 9.6  | -1.1                           | 0.4   | 2.4   | 2.4   | -2.8                              | -3.7 | -3.8  | -3.7 | 59.4   | 60.9  | 64.2  | 66.0  |
| Estonia        | 12.5                                  | 11.8 | 9.5  | 10.1 | -5.5                           | -5.6  | -10.2 | -13.2 | 0.3                               | 1.4  | 3.1   | 1.8  | 4.4  | 5.3   | 5.3   | 4.9   |
| Greece         | 11.0                                  | 10.4 | 10.0 | 9.3  | -8.2                           | -7.1  | -7.7  | -8.3  | -3.6                              | -4.1 | -5.2  | -6.1 | 114.8  | 112.2 | 109.3 | 110.5 |
| Spain          | 11.3                                  | 10.6 | 11.3 | 11.3 | -3.3                           | -3.1  | -2.7  | -3.3  | -0.5                              | -0.3 | 0.3   | -0.3 | 57.8   | 55.0  | 51.4  | 48.9  |
| France         | 9.1                                   | 8.4  | 8.9  | 9.4  | 1.3                            | 1.5   | 1.5   | 0.4   | -1.5                              | -3.2 | -4.2  | -3.7 | 57.0   | 59.0  | 63.9  | 65.6  |
| Ireland        | 4.3                                   | 3.9  | 4.3  | 4.6  | -0.4                           | -0.7  | -1.3  | -1.4  | 0.9                               | -0.4 | 0.2   | 1.3  | 35.8   | 32.6  | 32.0  | 29.9  |
| Italy          | 10.4                                  | 9.4  | 9.0  | 8.6  | -0.2                           | 0.3   | -0.3  | -1.2  | -3.0                              | -2.6 | -2.9  | -3.0 | 110.7  | 108.0 | 106.3 | 105.8 |
| Cyprus         | 5.2                                   | 4.4  | 3.9  | 4.4  | -5.3                           | -3.3  | -4.5  | -3.4  | -2.3                              | -4.5 | -6.3  | -4.2 | 61.9   | 65.2  | 69.8  | 71.9  |
| Latvia         | 13.7                                  | 12.9 | 12.6 | 10.5 | -4.6                           | -7.6  | -6.7  | -8.2  | -2.1                              | -2.7 | -1.5  | -0.8 | 14.9   | 14.1  | 14.4  | 14.4  |
| Lithuania      | 16.4                                  | 16.4 | 13.5 | 12.7 | -5.9                           | -4.7  | -5.2  | -6.9  | -2.0                              | -1.5 | -1.9  | -2.5 | 22.9   | 22.4  | 21.4  | 19.7  |
| Luxembourg     | 2.3                                   | 2.1  | 2.8  | 3.7  | 13.7                           | 9.0   | 11.8  | 8.2   | 6.2                               | 2.3  | 0.5   | -1.1 | 7.2  | 7.5   | 7.1   | 7.5   |
| Hungary        | 6.3                                   | 5.6  | 5.6  | 5.8  | -8.7                           | -6.3  | -7.2  | -9.0  | -3.7                              | -8.5 | -6.2  | -4.5 | 52.2   | 55.5  | 56.9  | 57.6  |
| Malta          | 6.8                                   | 7.7  | 7.7  | 8.0  | -12.4                          | -4.3  | 0.3   | -5.7  | -6.4                              | -5.9 | -10.5 | -5.2 | 62.4   | 62.7  | 71.8  | 75    |
| Netherlands    | 2.9                                   | 2.5  | 2.7  | 3.8  | 4.9                            | 3.8   | 2.8   | 2.7   | -0.1                              | -1.9 | -3.2  | -2.5 | 52.9   | 52.6  | 54.3  | 55.7  |
| Austria        | 3.7                                   | 3.6  | 4.2  | 4.3  | -1.0                           | -0.4  | 2.5   | 1.5   | 0.3                               | -0.2 | -1.1  | -1.3 | 67.1   | 66.7  | 65.4  | 65.2  |
| Poland         | 16.4                                  | 18.5 | 19.8 | 19.2 | -6.0                           | -2.9  | -2.6  | -2.2  | -3.9                              | -3.6 | -4.5  | -4.8 | 36.7   | 41.2  | 45.4  | 43.6  |
| Portugal       | 4.1                                   | 4.0  | 5.0  | 6.3  | -10.8                          | -10.1 | -7.7  | -6.0  | -4.4                              | -2.7 | -2.9  | -2.9 | 55.9   | 58.5  | 60.1  | 61.9  |
| Slovakia       | 18.7                                  | 19.4 | 18.7 | 17.1 | -2.5                           | -7.4  | -6.4  | 0.1   | -6.0                              | -5.7 | -3.7  | -3.3 | 48.7   | 43.3  | 42.6  | 43.6  |
| Finland        | 9.8                                   | 9.1  | 9.1  | 9.0  | 7.2                            | 6.9   | 7.4   | 4.3   | 5.2                               | 4.3  | 2.5   | 2.1  | 43.8   | 42.5  | 45.3  | 45.1  |
| Sweden         | 5.6                                   | 4.9  | 4.9  | 5.6  | 4.2                            | 4.6   | 5.4   | 5.9   | 2.5                               | -0.3 | 0.2   | 1.4  | 54.3   | 52.4  | 52.0  | 51.2  |
| United Kingdom | 5.4                                   | 5.0  | 5.1  | 5.0  | -2.5                           | -2.3  | -1.7  | -1.8  | 0.7                               | -1.7 | -3.4  | -3.2 | 38.8   | 38.3  | 39.7  | 41.6  |
| USA            | 4.0                                   | 4.8  | 5.8  | 6.0  | -4.1                           | -3.7  | -4.4  | -4.7  | -0.4                              | -3.8 | -4.6  | -4.4 | 58.8   | 58.6  | 60.6  | 63.1  |

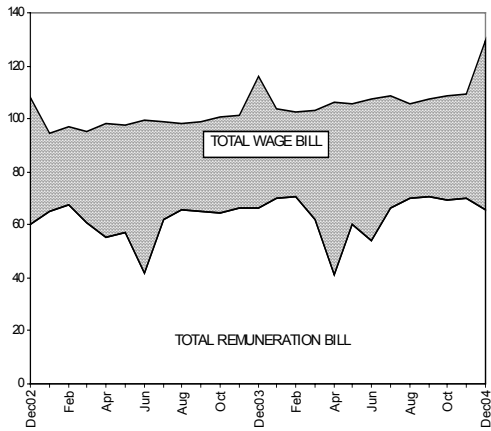
Sources of data: SORS; Eurostat, New Cronos. Notes: <sup>1</sup>Eurostat's definition; <sup>2</sup>First notification of deficit and debt data for 2004, Eurostat news release from 18 March 2005.

# Graphs

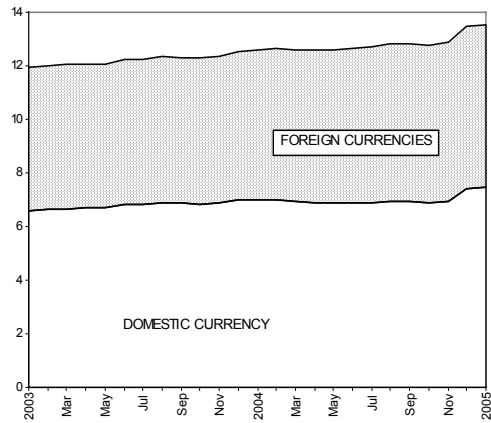


# Graphs

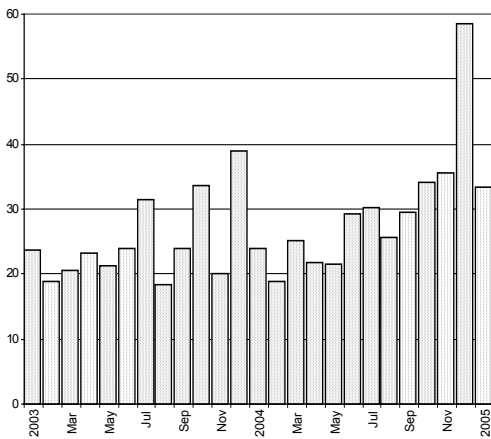
NET WAGES AND OTHER REMUNERATION, in SITbn



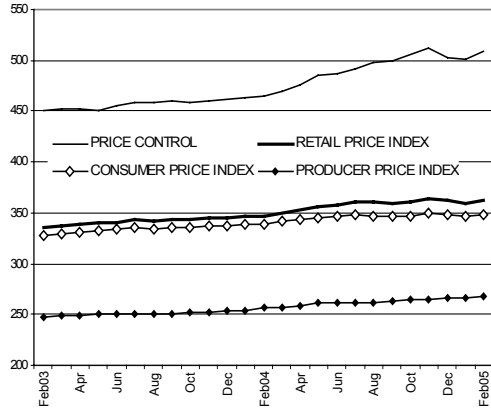
HOUSEHOLDS' DEPOSITS in SITbn in constant 1995 prices



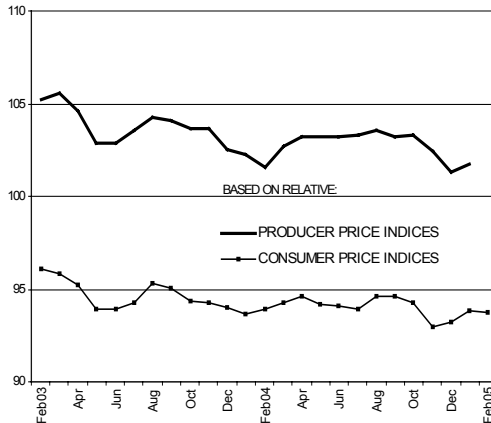
PAYMENTS FOR INVESTMENT in SITbn, constant 1993 prices



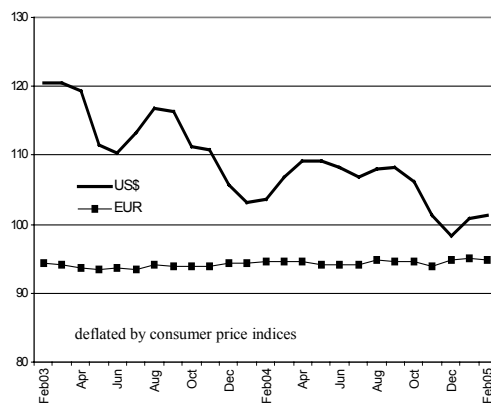
GROWTH IN SELECTED PRICE INDICATORS INDICES: 1992=100



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



FOREIGN EXCHANGE RATE OF SELECTED CURRENCIES IN REAL TERMS, INDICES: AVERAGE 1986 = 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, **bn** – billion, **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, **m** – million, **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), **PDII**-Pension and Disability Insurance Institute, **p.p.** – percentage points, **PPA**-Public Payments Administration of the Republic of Slovenia, **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 .

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