

**Slovenian Economic Mirror** presents current macroeconomic developments as well as selected economic, social and environmental issues. The publication consists of articles, which present the main economic indicators, assess the realisation of the spring and autumn forecasts, and monitor implementation of economic policies (earnings, public finance, prices, competitiveness, etc.). The periodical is published monthly, except in September.

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Selected indicators of current economic developments, change in %	Latest Data	Compared to the			
		previous month	same period of previous year		
			latest data	pre-latest data	pre-pre latest data
Industrial production (value based)	October	1.5	7.4	7.0	6.9
Manufacturing	October	0.3	7.9	7.5	7.4
Electricity, gas and water supply	October	10.2	0.9	1.2	1.0
Value of construction put in place, real terms	October	8.0	12.7	8.7	4.2
Exports of goods (nominal terms in EUR) <sup>1</sup>	October	1.8	16.5	16.2	16.7
Imports of goods (nominal terms in EUR) <sup>1</sup>	October	1.8	16.4	16.1	16.8
Unit labour costs <sup>2</sup>	September	-	-4.5	-4.4	-3.9
Tolar's real effective exchange rate <sup>3</sup>	October	-0.9	0.4	0.4	0.3
Gross wage per employee, real terms	October	2.7	2.2	2.2	2.4
Total household savings in banks <sup>4</sup> , nominal terms	November	1.4	6.7	5.6	6.1
General government revenue, real terms	November	9.2	5.9	5.9	6.1
Growth in the no. of persons in paid employment	October	0.5	1.3	1.2	0.9
Growth in the no. of registered unemployed	November	-3.0	-5.8	-2.7	-2.1
Growth in the no. of job vacancies	November	-13.4	13.9	17.1	17.3
<b>Month</b>		<b>current</b>	<b>previous</b>	<b>pre-previous</b>	
Registered unemployment rate	October	8.9	8.8	9.1	
<b>Month</b>		<b>current</b>	<b>cumulative</b>	<b>annual<sup>5</sup></b>	
Consumer prices	December	0.4	2.8	2.8	
Producer prices	November	0.0	2.2	2.6	

Sources of data: SORS, BS, ESS, estimates and calculations by IMAD. Notes: <sup>1</sup>balance of payments' statistics; <sup>2</sup>in manufacturing, in the currency basket; <sup>3</sup>measured by relative consumer prices; the calculation of the tolar's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted; a rise in the index value indicates an appreciation of the tolar and vice versa; <sup>4</sup>the year-on-year growth rate is defined as the ratio between the stock at the end of the current month and the stock in the same month of the previous year; <sup>5</sup>total in the last 12 months.

**Foreign demand and robust investment activity are the main drivers of the Slovenia's high economic growth.**

GDP increased by a real 5.2% in the first nine months of 2006, year on year. The two fastest-growing consumption components were gross fixed capital formation (10.5% in real terms, y-o-y) and exports of goods and services (9.6%). Although the current data show a year-on-year acceleration of GDP growth in Q3 (5.6% in Q3, 4.9% in Q2 and 5.1% in Q1), the seasonally-adjusted quarterly data (seasonally and working-day adjusted growth in comparison with the previous quarter) already indicate a slight slowdown (1.4% in Q3, 2.0% in Q2 and 1.1% in Q1). In the first half of the year, GDP growth was mainly driven by exports (up 11.8% y-o-y), while Q3 saw a shift in growth structure in favour of gross fixed capital formation. The real growth of exports slowed down to 5.6%, which is largely in line with the expectations of the autumn forecast, whereas the real growth of gross fixed capital formation accelerated from 8.5% recorded in the first half of the year to 14.5% in Q3 (y-o-y). The real growth of private consumption was again moderate in Q3 (3.5% y-o-y) and just slightly higher than in the first half of the year (see p. 17). The accelerated investment activity in Q3 was the result of stronger growth of investment in machinery and equipment, as well as of the construction of roads and motorways, and exceeded the expectations of the autumn forecast. In addition to the good business climate, the stronger growth of investment in equipment and machinery is estimated to have been supported by several one-off factors. The two most important ones were the introduction of the euro4 emission standard, applicable from 1 October 2006, which is expected to push up the prices of freight vehicles, and the abolition of the general investment relief from 1 January 2007, which boosted investment towards the end of the business year. According to our estimates, this effect will be more pronounced in the final quarter of 2006. This partial transfer of investment to 2006 will, in turn, have a negative effect on investment growth at the beginning of 2007. The higher volume of investment in motorway and road construction in Q3 was expected in view of the contracts that had been concluded. The acceleration was even stronger than estimated in the autumn report and may be partly related to the local elections.

**On the production side, value added has been rising at an accelerated pace in construction, manufacturing and market services.** The real growth of value added accelerated in Q3 at the year-on-year level, totalling 6.1% or 1.4 p.p. more than in the first half of the year. The acceleration of growth was mainly underpinned by primary activities (8.4%). Market services (5.7%) enjoyed a continuation of the favourable trends from the first half of the year, whereas the growth of value added in public services slowed down (1.9%). Both major sectors within primary activities achieved robust growth: manufacturing 8.4%, construction 15.3%. Backed by the supportive international environment, the accelerated growth of value added in manufacturing was largely based on the pick-up in sales in the foreign markets, coupled with the surging sales in the domestic market. Data on the value of industrial production show that, similarly as in the first half of the year, the highest year-on-year growth rates were achieved in the electro, metal, chemical and machinery industries (a respective 20.6%, 15.1%, 10.9% and 10.2%; also see p. 16). Within construction, the favourable trends in housing construction were accompanied by robust activity in civil engineering, boosted by construction of motorways. Market services recorded the highest growth rates in financial intermediation (10.9%), transport, storage and communications (6.6%), and distributive trades (5.9%; also see p. 18). **Employment growth** according to the national accounts estimates also quickened in Q3 (from 0.8% in the first half of the year to 1.3%, y-o-y), the most in construction and in real estate and business services (also see p. 14).

**Inflation persisted at the level of 2005 despite the accelerated GDP growth.** Based on the economic growth achieved in the first nine months of 2006 we estimate that real GDP growth in 2006 was above the autumn forecast (4.7%), totalling around 5%. Taking into account the determinants and structure of last year's GDP growth we estimate that its quickening is not creating any additional inflationary pressures. The growth of the real gross wage per employee was also moderate: in the first ten months of the year it increased by 2.2% (see p. 15), while unit labour costs in manufacturing were on a decrease (see p. 8). Prices continued to increase at a subdued pace in 2006. Average inflation remained at the level achieved at the end of 2005, totalling 2.5%, while year-on-year inflation, which oscillated evenly around its average level for most of the year, came in at 2.8% at the end of 2006. The stable inflation was mainly underpinned by the macroeconomic policies of the BS and the government. As the tolar's exchange rate remained stable and significantly contributed to price stabilisation, the government continued to apply a restrictive policy of raising administered prices; in addition, the contained price growth was also supported by the operation of the unchanged wage policy. The relatively large swings in price rises that characterised 2006 were chiefly the result of seasonal factors and oil price fluctuations in the global markets, which were cushioned by the government through counter-cyclical adjustment of excise duties. The contributions of individual price groups to inflation in 2006 were largely comparable to those in 2005. Some notable divergences were found in the contributions of food and non-alcoholic beverages (mostly as a result of the price normalisation after the one-off effect of Slovenia's accession to the EU wore off), clothing and footwear (largely due to different seasonal changes in prices) and housing (primarily due to the changes in the prices of utilities and the lower contribution of heating fuels). The first data for December's inflation suggest that the measures aimed at preventing price rises upon the currency changeover have been successful. In the last month prior to the euro changeover, there was no discernible general price rises that might have been related to the euro adoption process. The only exception in December was the group of hotels and restaurants, where prices increased by 1.8% (by 2.5% in restaurants alone).

<b>Social Overview 2006</b>	Slovenian Economic Mirror	IMAD
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The IMAD has prepared a new monograph that replaces the previous Human Development Report. The report carries on the analysis of social development conceived in previous years. The **Social Overview 2006** portrays the development of Slovenian society (how Slovenians live and where society is headed) within a framework of social cohesion. A special chapter addresses the issue of society's ageing and discusses the challenges and opportunities posed by this phenomenon to the social security systems and the overburdened social networks.

**The 1990s were a period of profound economic and social change in Slovenia. These changes had a direct and indirect impact on the living conditions of Slovenian citizens and the quality of their lives.** Despite perhaps different expectations, the analyses presented in the *Social Overview* paint a fairly cheerful picture and prove that Slovenia has managed to retain a relatively high quality of living. Many development indicators are good or even very good, particularly when compared with other countries but also across the time series. Perhaps contrary to expectations, the perceptions of Slovenian citizens have also taken a positive turn. Although generally lower than the 'objective' indicators, people's subjective perceptions nevertheless radiate moderate optimism, reflecting the Slovenian public image of social change.

**Changes in the socio-economic stratification of Slovenian society were analysed using a classification of the population into four income brackets (low, lower middle, upper middle and high). The analysis of data for the 1998-2002 period shows positive shifts in the socio-economic stratification.** This positive shift is reflected both in data on the increase of income by income bracket (income per person rose by a real 14.7% on average; the largest increase was recorded in the low-income bracket, the smallest in the high-income bracket) and in data on the distribution of people across income brackets (there was an increase in the percentage of people who can be classified into the middle bracket according to the method applied in defining these brackets). Income gaps narrowed and the shares of people in the low and lower middle brackets decreased. In 1998-2002, the structure of both household income and household expenditure changed. Income from employment was the main source of the population's income. The second largest source of households' current income was cash benefits from public funds (i.e. budgets and social insurance funds). The increase in the real value of income and the changes in the structure of expenditure (lower expenditure on food and higher expenditure on communications, recreation and culture) reflect an improvement in the income position of Slovenian households (and changes in the way of life). The answers obtained by the household budget survey similarly indicate that the income positions of most households improved, which is also confirmed by public opinion poll data for 1995-2005.

**The at-risk-of-poverty rate decreased by 1.8 percentage points in the period from 1998 to 2003.** Calculated by including income in kind, the at-risk-of-poverty rate was 10% in 2003, 1.7 p.p. lower than the rate excluding income in kind. Slovenia has the second lowest at-risk-of-poverty rate in the EU-25 (second only to the Czech Republic with 8%; the EU-25 average is 15%) and is followed by Luxembourg and Finland (both 11%), and Hungary and the Netherlands (12%). Slovenian citizens do not perceive themselves as socially excluded and usually blame external factors for the fact that some people in society live in deprivation. In Slovenia, 5.6% of the population feel socially excluded (the lowest percentage in the EU-25 where the average is 12.4%). The feeling of social exclusion is strongly linked to unemployment and to serious financial difficulties, and even more to multiple deprivation. Respondents largely associate social exclusion with injustice in society rather than the laziness or lack of will of the socially excluded.

**Friends are the main source of support for Slovenians, followed by family members and close relatives.** A person's average support network includes 6.5 people. The size of support networks increases with one's education and decreases with the complexity of networks: social networks are the widest while financial support networks are the narrowest. Friends are the most important source of support; family members and close relatives come second in importance. Support networks are family-oriented. As a result, families, particularly their female members, are overburdened. Moreover, personal support networks are vulnerable, which is most evident in the networks of poor people, who have the smallest support networks. An established complementary institutional (formal) support network is the best protection against the disintegration of support networks, providing for the optimum effectiveness of support.

**Slovenia lags behind the European average in the employment rates of the elderly (aged 55-64) and of youth. Participation in education is higher among younger and higher educated employees compared with older and lower educated workers.** The share of the long-term unemployed remains high, the employment rate of the elderly is still low and the youth unemployment rate persists at a relatively high level. In 2004, people with a higher education had a six-times higher participation rate in education and training than people with a lower education level, while the participation of people aged 20-49 was twice as high as the participation of 50-65 year-olds.

**Access to services of general interest is improving despite difficulties.** In practice, access to these services is still limited by the insufficient network of services and programmes (insufficient capacity and unequal regional distribution), problems with funding and the fact that people who may be eligible are often

poorly informed about these services. People are most satisfied with schools and least satisfied with the health care system.

**In comparison with other countries, life satisfaction is relatively low in Slovenia, as is people's trust (particularly in political institutions and other people).** People have strong trust in the family and education institutions and notably low levels of trust in political parties, the parliament and the church and clergy. Slovenians also tend not to trust other people. Nevertheless, Slovenians look to the future with moderate optimism and perceive the changes in the living standard and living conditions as positive, albeit to a lesser degree and in lower percentages than indicated by the actual changes measured statistically.

**Slovenia's population is getting older.** In the middle of 2005, Slovenia had two million citizens who were 40.4 years old on average. In 2000, the number of women in their fertility age started to decline; in 2003, old people first outnumbered the country's youth. Slovenia is in the group of European countries with the lowest fertility rates. Slovenia's fertility rate has been decreasing for the last 100 years. Following the stagnation seen in 1999-2003, it rose to 1.26 children per female in 2005 (according to projections, the number of births will continue rising until 2015 when the trend is expected to be reversed). In 2004, the percentage of the working-age population (aged 15-64) stopped increasing and will begin to decrease in a few years' time; the ratio of the working-age to old population is thus turning in favour of the latter.

**Slovenian families and households are changing; youth and old age are becoming extended.** Parenthood (one of the main attributes of adulthood) is being shifted towards the age of 30 years and above. The number of nuclear families is decreasing while reorganised and single-parent families (where the mother-child(ren) combination predominates) is on the increase. Since the mid-1970s, the number of marriages has been in decline (in 2005 there were 2.9 marriages per 1,000 population) while the age at one's first marriage has been rising (from 22.5 in 1980 to 28.2 in 2005), as has the age of mothers at first childbirth, the number of divorces and the number of children born out of wedlock (46.7% in 2005). Nevertheless, the division of household work between the partners has not become more equal. The 'traditionally' female chores remain a woman's 'duty'. The ageing of the population and family members also strongly affects the cross-generational relationships within the family. As many as half of the female respondents report that family life is stressful, which is much less the case with men.

**Old people (aged 65 and above) are a population group with the highest expected rate of chronic diseases and conditions.** They visit doctors more often, have higher hospitalisation rates, and use more medicines and medical devices. Old age is also linked with poor sight and hearing, reduced motorical ability, teeth problems and related communication difficulties, which impair the functional ability of these people and affect their quality of life and social inclusion (exclusion). People's needs for health services change as they get older; there is particularly an increase in the need for long-term care. However, the health care system caters relatively poorly to the specific needs of the elderly, and they receive less preventive care than other population groups.

**Old people face social exclusion and marginalisation and are, more often than other age groups, confronted with poverty.** In 2003, the share of old people living below the poverty line (19.2%) was almost twice as high as the corresponding share in the total population (10.0%). Elderly people living in non-owner flats, and especially old women, are at the highest risk of poverty: 22.9% of old women lived below the poverty threshold in 2003 (11.1% for old men).

**While development trends are relatively positive, we should not overlook some persisting critical areas and challenges.** Although Slovenia's at-risk-of-poverty rate is the second lowest in the EU-25, poverty still strongly affects old people (especially women) living alone, and unemployed men. (Over)indebtedness is another problem that should be looked into thoroughly. Long-term unemployment remains a development issue that commonly goes hand in hand with old age and poor education. The participation of lower educated and elderly people in education and training is still low. The Pomurska, Podravska and Zasavska regions continue to record high registered unemployment rates. Access to services and goods is still unequal due to insufficient staff and premises, poor regional distribution and inadequate funding. Demand is often greater than supply. The two most obvious examples are waiting times in health care and differences in institutional care and home care: care-dependent people in institutions have better access to health services and are also entitled to a wider scope of social services. Providing affordable housing remains a major development challenge; the new council housing provided since 1995 has grossly failed to meet demand. Trust in other people and trust in institutions (particularly political ones) is among the lowest in Slovenia. Support networks, which are an important element of the living standard and the quality of living, are strong, but family-oriented and overstrained. Poor people have low family support and also much weaker support networks than the population as a whole. Although families are overburdened there are still no significant signs of any greater equality between the partners. Informal family care for the elderly is an important part of family life yet it mostly remains a 'typically' female duty, which makes it even more difficult for women to balance their work and family obligations. Slovenia also has low levels of social capital and the mechanisms for increasing them have yet to be invented.

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Comparison of various forecasts of real GDP growth (in %)												
	2005*	2006				2007				2008		
		IMAD	IMF	EC	OECD	IMAD	IMF	EC	OECD	IMAD	EC	OECD
		AR 06	Sep. 06	Nov. 06	Nov. 06	AR 06	Sep. 06	Nov. 06	Nov. 06	AR 06	Nov. 06	Nov. 06
Germany	0.9	2.2	2.0	2.4	2.6	1.1	1.3	1.2	1.8	1.5	2.0	2.1
Italy	0.0	1.7	1.5	1.7	1.8	1.2	1.3	1.4	1.4	1.5	1.4	1.6
Austria	2.0	2.5	2.8	3.1	3.2	2.3	2.3	2.6	2.5	2.3	2.1	2.4
France	1.2	2.3	2.4	2.2	2.1	1.9	2.3	2.3	2.2	1.9	2.1	2.3

Sources of data: IMAD – Autumn Report (2006); IMF World Economic Outlook (September 2006); EC Autumn Forecasts (November 2006); OECD Economic Outlook (November 2006). Note: \*Eurostat's data for 2005.

**Economic growth in Slovenia's four main trading partners within the EU, which cumulatively account for more than half of Slovenia's total external trade, accelerated strongly in 2006, and the spring forecasts of GDP growth for the next two years were accordingly revised upwards.** The forecasts released by international institutions were more favourable in the second half of 2006 than in the spring, which was taken into account in the IMAD's autumn forecasts. The subsequent forecasts were even more optimistic. GDP growth in the main trading partners has been underpinned by the growth of domestic demand propelled mainly by the significant strengthening of investment growth, whereas the contribution of exports to stronger economic activity varied across countries. The supportive economic conditions are having a downward effect on the unemployment rates, which are projected to continue declining in all four countries in the next two years. The favourable economic growth is also enabling the countries to reduce their general government deficits. By 2008, only Italy will still have a deficit in excess of the Maastricht reference value of 3% of GDP.

**According to the forecasts, Germany's GDP growth totalled approximately 2.5% in 2006 and was based on domestic demand, which became the main driver of economic growth in place of exports.** At the year-on-year level, GDP growth in 2006 was accelerating from quarter to quarter (Q1: 1.9%; Q2: 2.7%; Q3: 2.8%; seasonally adjusted data). The main factor of the acceleration in GDP growth was the substantially higher growth of investment (2005: 0.8%; 2006: between 4.5% and 5.8% according to forecasts), notably in machinery and equipment. The second quarter also saw a pick-up in construction investment. Thanks mainly to the improvement in the labour market situation, the growth of private consumption, while not having strengthened as much as investment in 2006, was considerably higher at the annual level than in 2005 (2005: 0.1%; 2006: according to forecasts between 0.8% and 1.0%). An additional boost to private consumption is also expected in the final quarter of 2006, when consumption is expected to surge in anticipation of the VAT rise at the beginning of 2007. Foreign trade remains a major contributor to the expansion of economic activity, as in 2006 the growth of both exports (2005: 6.9%; 2006: between 10.1% and 10.4%, according to forecasts) and imports (2005: 6.5%; 2006: between 9.8% and 10.0%) will be even higher than in 2005.

**Economic growth in Germany is projected to slow down in 2007, primarily due to the VAT rise, yet it is expected to top 2.0% again as early as in 2008.** The most recent estimates of the negative effect of the VAT raising on GDP growth in 2007 are relatively modest, hence the slowdown in GDP growth is generally expected to be transitory, which is also suggested by various sentiment indexes. The Ifo index of economic climate reached its peak value since 1990 in December 2006. Consumers are also optimistically inclined since the Gfk Index achieved its highest value in five years in November. Investors' sentiment has similarly improved, as shown by the ZEW index, which rose in December after having declined throughout the year. Nevertheless, the increase in the VAT rate will affect the growth dynamics of private consumption, which will decelerate appreciably in 2007, only to rebound considerably in 2008, partly as a result of the significant improvement in the labour market as the unemployment rate is projected to fall from 9.5% (2005) to 7.8% (2008). The European Commission's and the OECD's expectations regarding the future dynamics of investment differ. According to the first, investment growth in 2007 and 2008 will be similar to the growth dynamics of private consumption, whereas the latter projects that investment growth will remain robust in 2007 and slow down in 2008. Export growth will ease off in the next two years owing to the expected slackening of world economic growth.

**Following the stagnation in 2005, Italy's GDP growth picked up appreciably in 2006 and is expected to ease off slightly in the next two years.** According to seasonally adjusted data, year-on-year quarterly GDP growth in each of the first three quarters of 2006 totalled 1.7%. This rebound was underpinned by the stronger growth of private consumption (2005: 0.1%; forecast for 2006: 1.6%) along with investment (2005:

**International Environment –  
Slovenia's Main Trading Partners in the EU**

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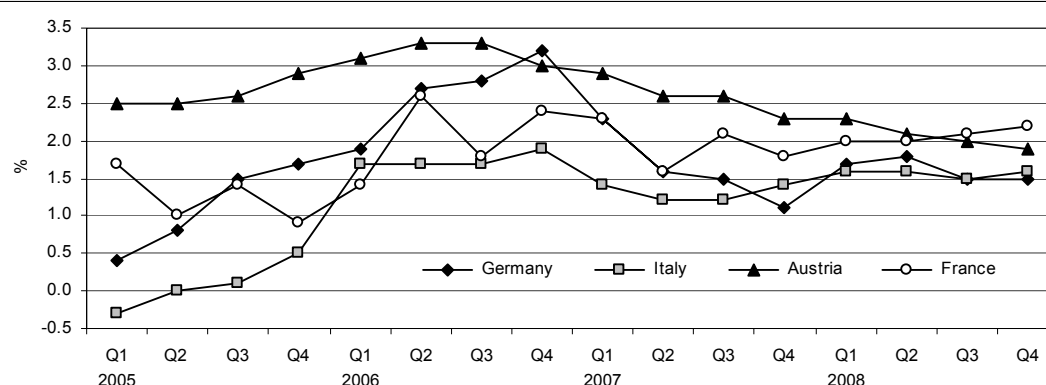
p. 7

-0.3%; 2006: forecast between 3.3% and 3.7%). The growth of exports also picked up (2005: 0.3%; 2006: forecasts range between 5.1% and 5.9%). In the next two years, economic growth, while expected to ease off slightly again, will continue to be driven by the growth of domestic demand. In addition to the gradual softening in investment, the growth of private consumption will decelerate due to anticipated tax increases, and imports will slow down in line with the weaker growth of domestic demand. Export growth will also ease off but it will nevertheless be stronger than in previous years. Thanks to the strong economic activity and the more restrictive fiscal policy, the general government deficit will narrow substantially over the next two years, from the current 4.7% of GDP to just below the Maastricht target of 3% in 2007 and edge up to approximately 3.1% of GDP in 2008.

**Economic growth in Austria also increased in 2006 and was above 3.0%; in the next two years it will slow down but remain above the EU average.** At the year-on-year level, seasonally adjusted data for the first three quarters of 2006 show growth above 3.0%. Due to the impact of Germany, expectations regarding growth in Q4 are also positive so that annual GDP growth could even exceed the latest fairly upbeat forecasts. The key factor of higher GDP growth in 2006 was a substantial acceleration in investment growth (2005: 0.3%; 2006: forecast between 4.3% and 5.6%), primarily in machinery and equipment. The growth of private consumption, on the other hand, has been fairly constant (2005: 1.7%; 2006: forecast between 1.8% and 2.0%) and has not accelerated substantially despite the 2005 tax cuts. Exports have continued to accelerate (2005: 6.4%; forecast for 2006: 7.5%) and will make a significant contribution to the expansion of economic activity in 2006. In the next two years, economic growth will soften, mainly due to the gradual slowdown in the investment growth rates. The European Commission and the OECD project different growth dynamics of Austrian exports and imports in the next two years. The Commission does not anticipate any significant changes in their growth rates, while the OECD expects an appreciable rebound in 2008 after the slackening projected for 2007. Austria's GDP growth in the next two years will be largely underpinned by the growth of domestic demand.

**The growth of French GDP similarly picked up in 2006. France is also the only country among Slovenia's main trading partners within the EU in which growth is not expected to decelerate in 2007 and 2008.** According to seasonally adjusted data, the year-on-year acceleration of growth seen in Q2 (from 1.4% to 2.6%) was followed by a slight slowdown in Q3 (1.8%). Quarterly seasonally adjusted data show that Q2 enjoyed the highest growth in six years (Q1: 0.5%; Q2: 1.2%), followed by a stagnation in Q3, which was probably transient since it was mainly caused by a fall in inventories. France's economic growth in 2006 was still propelled by the growth of domestic consumption (2005: 2.0%; 2006: forecast between 2.6% and 2.8%), whereas investment growth saw no increase (2005: 3.6%; 2006: forecast between 3.4% and 3.7%). The most important change in comparison with 2005 was the acceleration in export growth (2005: 3.1%; 2006: forecast between 7.7% and 8.0%). In 2007-2008, the GDP growth rate is projected to remain at the 2006 level and continue to be based on the growth of domestic demand, whereas the difference between EC and OECD forecasts is that the latter expects higher growth of general government consumption than the EC due to the 2007 presidential election. The growth of exports is projected to cool down again in the next two years.

**Graph: Year-on-year quarterly growth rates in the main trading partners within the EU (in %)\***



Source of data: Consensus forecasts (December 2006).  
Note: \* EC Autumn Forecasts (November 2006) for Austria and Q3-Q4 for 2008.

<b>Competitiveness</b>	Slovenian Economic Mirror	IMAD
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Price and costs competitiveness indicators, average indices – year-on-year comparison	QIII 2005	QIV 2005	QI 2006	QII 2006	QIII 2006
<b>Tolar's effective exchange rate<sup>1</sup> - nominal</b>	99.8	99.1	99.2	100.1	100.6
Real exchange rate – based on consumer prices	100.1	99.5	99.3	100.8	101.1
Real exchange rate – based on producer prices <sup>2</sup>	99.3	98.6	97.9	98.3	99.3
<b>Unit labour costs and components<sup>3</sup></b>					
Unit labour costs, in nominal terms, in SIT	100.9	97.5	95.8	97.5	93.3
In SIT in real terms <sup>4</sup>	98.6	95.4	94.4	95.6	90.9
In the basket of currencies	100.7	96.6	95.1	97.6	93.9
Compensation of employees, in real terms <sup>4</sup>	102.7	103.0	104.0	101.4	100.8
Net wages and other remuneration	104.1	102.9	104.4	101.2	101.1
Tax burden <sup>5</sup>	98.2	99.7	99.7	99.6	99.3
Labour productivity	104.8	107.9	110.8	107.2	110.5
Consumer prices/nominal effective exchange rate	102.3	101.6	101.4	103.0	103.2

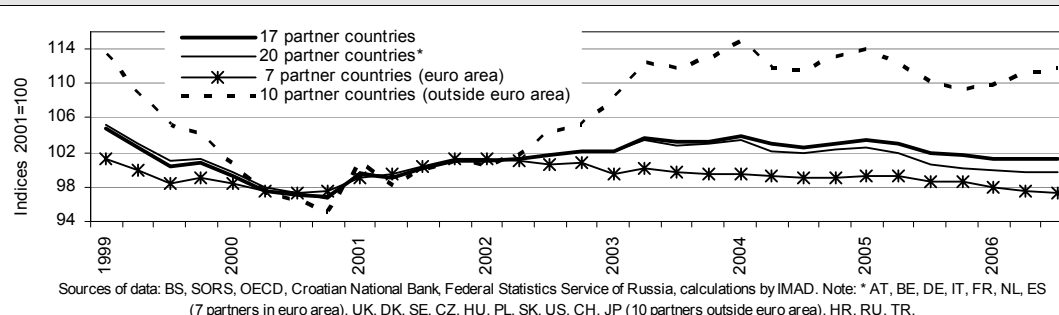
Sources of data: SORS, AP, BS, OECD Main Economic Indicators; calculations by the IMAD. Notes: <sup>1</sup>change of methodology: the calculation of the tolar's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan) - for more details see p. 26; <sup>2</sup>deflated by producer prices in manufacturing; <sup>3</sup>for enterprises and other organisations; domestic factors only; <sup>4</sup>deflated by the consumer price index; <sup>5</sup>ratio of gross earnings, taxes and employer's contributions to net earnings.

**Slovenia's price competitiveness measured by relative consumer prices deteriorated in Q3 of 2006, mainly due to the appreciation of the euro in international currency markets.** The tolar appreciated in nominal terms against the basket of currencies of the main trading partners (see Note 1 in the table) at both quarterly (0.2%) and year-on-year levels (0.6%), primarily under the influence of the tolar's nominal appreciation against the US dollar and the Japanese yen. As the quarterly relative consumer price rise slowed down strongly (to 0.1%) in line with the slower nominal appreciation of the tolar, the real appreciation of the tolar's real effective exchange rate was also lower in Q3 over Q2 (0.3% over 1.6%). At the year-on-year level, the tolar's real effective exchange rate appreciated at an accelerated pace in Q3 (1.1% over 0.8%), since the slowdown in the relative consumer price rise was less pronounced (to 0.5%) as the tolar appreciated strongly in nominal terms. In the first nine months of 2006 on average, Slovenia's price competitiveness measured by relative consumer prices did not diverge significantly from the comparable level in 2005 (a deterioration by 0.4%) despite the somewhat stronger deterioration seen in Q3.

**The price competitiveness measured by manufacturing's relative producer prices improved in Q3 of 2006.** Despite the tolar's nominal appreciation and the smaller lagging of Slovenian producer prices behind foreign price rises, the tolar's effective exchange rate fell in real terms at both quarterly (by 0.1%) and year-on-year (by 0.7%) levels in Q3. Thanks to the substantial improvement in Q1 (2.1%) and Q2 (1.7%), Slovenia's price competitiveness measured by relative producer prices was much better in the nine months to September 2006 (by 1.5%) than a year before that.

**The year-on-year improvement of the cost competitiveness of Slovenian manufacturing continued at a robust pace in Q3 of 2006, underpinned by the rapid growth of labour productivity on one hand and subdued growth of real compensation of employees on the other.** As the decline in employment slowed down (to 1.1% from 2.0% in Q2), labour productivity growth surged (to 10.5% from 7.2%), driven by accelerated production growth (9.2% over 5.1%). The growth of real compensation of employees decreased (to 0.8%) as a result of the softening in the real growth of net wages (to 2.0%, from 2.7% in Q2 and 4.1% in Q1), the real fall in other remuneration (by 2.6% over the respective 2.8% drop and 4.6% growth) and a decrease in the tax burden on wages resulting from the payroll tax cut. The falling of unit labour costs in the basket of currencies (-6.1%) continued for the fourth consecutive quarter (see the table).

Graph: **The tolar's real effective exchange rate (PPI deflator)**





	Market shares, %				Growth rates, %		
	2004	2005	Q I-III 2005	Q I-III 2006	2005/2004	Q I-III 2006/ Q I-III 2005	Q I-III 2006/ Φ 2005
Aggregate market share <sup>1</sup>	0.542	0.561	0.572	0.587	3.5	2.6	4.5
Germany	0.480	0.458	0.469	0.458	-4.4	-2.3	0.0
Italy	0.583	0.588	0.599	0.619	0.9	3.4	5.2
France	0.217	0.292	0.296	0.270	34.7	-8.8	-7.6
Austria	0.991	1.133	1.159	1.294	14.3	11.7	14.2
Netherlands	0.074	0.071	0.072	0.071	-4.3	-2.3	-0.4
Belgium	0.061	0.062	0.062	0.068	1.1	9.9	9.3
Spain	0.094	0.111	0.100	0.130	18.6	30.5	17.3
UK	0.076	0.087	0.084	0.099	13.8	17.6	14.4
Czech Rep.	0.435	0.521	0.530	0.523	19.9	-1.3	0.3
Slovakia	0.727	0.750	0.776	0.743	3.2	-4.2	-0.9
Hungary	0.511	0.531	0.531	0.588	3.9	10.7	10.6
Poland	0.477	0.446	0.454	0.495	-6.5	9.2	11.2
USA	0.034	0.022	0.023	0.024	-35.2	1.3	8.2
Croatia	8.744	8.740	9.017	8.736	-0.1	-3.1	0.0
Russia	0.536	0.464	0.488	0.485	-13.4	-0.6	4.4

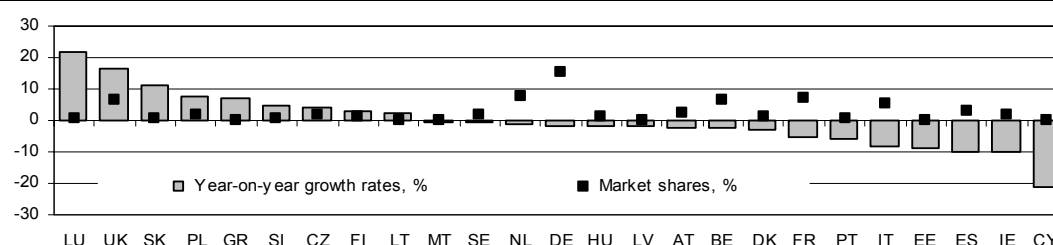
Source of data: SORS, EUROSTAT, WIIW, U.S. Census Bureau, calculations by IMAD. Note: calculated as the weighted average of Slovenia's merchandise exports in the imports of its 15 main trading partners selected according to the size of their shares in Slovenia's exports. The shares of individual trading partners in Slovenia's goods exports are also used as weight in calculating the weighted average (using Fisher's formula).

**After falling in Q1, the year-on-year growth of Slovenia's aggregate market share gradually strengthened in the first nine months of 2006 (to 2.6%) but it fell short of the growth achieved in 2005.** Among the main markets within the EU, Slovenia's market share continued to grow rapidly in Austria and its growth also picked up somewhat in the Italian market after the more modest increase recorded in 2005. After having dropped considerably at the beginning of the year, the falling of Slovenia's market shares in Germany and France gradually slowed down. In the hitherto less prominent EU markets, Slovenia's market shares rose sizeably in the UK and Spain, as well as Hungary and Poland. Outside the EU, Slovenia's market share in the USA rebounded after having declined for two years, whereas its market shares in Croatia and Russia shrank.

**Slovenia was ranked 6<sup>th</sup> among the EU countries according to the growth of the country's market share in the EU in the first nine months of 2006, although its year-on-year growth slowed down in comparison with 2005 (from 8% to 4.5%).** Slovenia was ranked 7<sup>th</sup> for the average results of 2004-2005 and 10<sup>th</sup> for the average of 2001-2003. Compared with Slovenia, the market shares of Luxembourg, the United Kingdom, Slovakia, Poland and Greece rose faster while the Czech Republic, Finland and Lithuania recorded slower growth. The market shares of other member states in the EU market were lower than a year ago in the nine months to September 2006 (see the graph).

**Among the trade classification sectors (SITC), the year-on-year growth of the market share of manufactured products (5-8) and food, drinks and tobacco (0, 1) in the EU market slowed down in the first nine months of 2006 while the growth of the share of raw materials (2-4) strengthened.** The subdued growth of the market share of manufactured products (to 4.9%), the most important market share for Slovenia, was caused by the much slower growth of the market share of machinery and transport equipment due to the drop in road vehicles' exports, and the fall in the market share of miscellaneous manufactured articles (prefabricated buildings, furniture, clothing, footwear and other consumer goods). The market shares of chemical products and manufactures classified by material (leather, rubber, paper, wood, textile and metals) were increasing at an accelerated pace. The still strong growth (43%) of the substantially lower market share of food and beverages slowed down due to the decelerated growth of the market share of food and live animals. The accelerated growth of the market share of raw materials (38%), which is also significantly smaller in comparison with the market share of manufactured products, was underpinned by the robust growth of the market share of mineral fuels and lubricants.

Graph: Market shares in the EU and their growth in the first nine months of 2006



Source of data: Eurostat, IMAD calculations.

<b>Balance of Payments</b>	Slovenian Economic Mirror	IMAD
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Balance of Payments, Jan-Oct 2006, EUR million	Inflows	Outflows	Balance <sup>1</sup>	Balance Jan-Oct 2005
<b>Current account</b>	18,159.8	18,601.3	-441.5	-146.9
Trade balance (FOB)	14,021.4	14,665.3	-643.9	-563.4
Services	2,930.3	2,156.0	774.4	694.9
Factor services	632.3	1,039.3	-407.0	-192.3
Unrequited transfers	575.7	740.7	-165.0	-86.1
<b>Capital and financial account</b>	4,579.5	-3,679.3	900.1	-8.6
Capital account	136.8	-207.5	-70.7	-68.7
Capital transfers	133.4	-204.1	-70.7	-69.5
Non-produced, non-financial assets	3.4	-3.4	0.0	0.9
Financial account	4,442.7	-3,471.8	970.8	60.1
Direct investment	586.5	-476.1	110.3	-211.1
Portfolio investment	667.4	-1,437.5	-770.1	-1,321.4
Financial derivatives	0.0	-18.4	-18.4	-19.4
Other long-term capital investment	2,369.8	-1,539.8	829.9	1,656.1
Assets	0.0	-1,524.1	-1,524.1	-1,390.6
Liabilities	2,369.8	-15.8	2,354.0	3,046.6
International reserves (BS)	819.0	0.0	819.0	-44.1
<b>Statistical error</b>	0.0	-458.6	-458.6	155.4

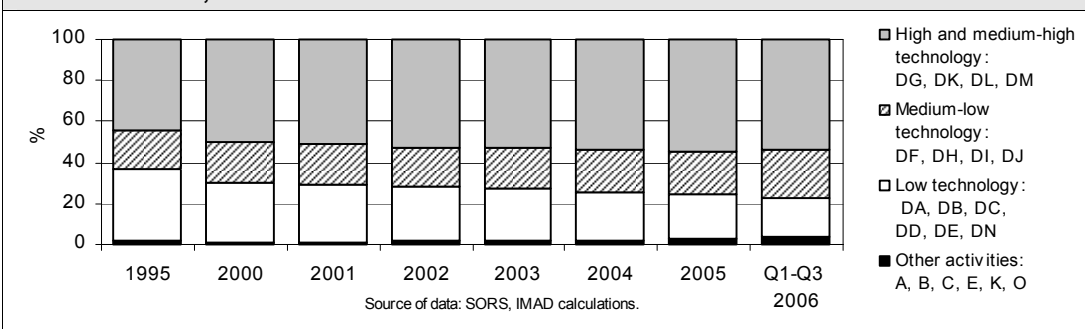
Source of data: BS. Note: <sup>1</sup> minus sign (-) in the balance indicates the surplus of imports over exports in the current account and the rise in assets in the capital and financial account and the central bank's international reserves.

**External trade continued to enjoy robust growth.** According to the SORS' preliminary data, the year-on-year nominal growth of exports and imports of goods picked up in October over September, totalling a respective 19.0% and 18.7%. In the first ten months of 2006, exports of goods rose by a nominal 16.3% over the same period of 2005 (by 17.5% to EU countries and by 13.9% to non-members), whereas imports of goods increased by 16.2% (by 14.1% from EU countries and by 25.4% from non-members).

**Within the structure of merchandise exports classified by sector, sub-sector and industry of the Standard Classification of Activities, the largest increase was observed in the exports of medium-low-technology industries (according to the OECD methodology).** According to the data available, only the share of medium-low-tech industries' exports saw an increase in the first three quarters of 2006 over the same period of 2005 (by 2.1 p.p., to 23.0% of the total merchandise exports). The export share of high-tech and medium-high-tech industries, which predominate in Slovenia's merchandise exports, decreased by 1 p.p. to total 54.0%. The latter was mainly the result of the slowdown in exports of motor vehicles, trailers and semi-trailers, whose growth was exceptionally high in 2005 due to the boom in production in Revoz. The export share of low-technology industries decreased by 2 p.p., to 19.6%.

**The nominal growth of trade in services (11.2%) was slower than the growth of trade in goods (16.3%) in the first ten months of 2006, year on year.** Although the growth of exports of other knowledge-based and higher-value-added services (insurance, financial, other business services, licences, patents and copyrights, and computer services) picked up the most, changes in this service segment have been too slow. The latter is partly due to the excessive domestic-market orientation of the suppliers of these services. An increase was also observed in the volume of transport services, which was consistent with the dynamics of goods exports, while the receipts from tourism were only 3.2% higher in nominal terms (also see p. 19). Within imports, transport services' growth strengthened the most. The growth of other services, which depend on economic development, was also relatively strong. The growth of travel recorded the smallest increase among import components (also see p. 17). The year-on-year increase in the services balance surplus was largely underpinned by the higher net exports of transport services and the lower net imports of other services, whereas the surplus in the travel trade even decreased.

Graph: **Structure of exports by industry as classified by the Standard Classification of Activities, in %**



Price indices	2005		2006		
	Dec 2005/ Dec 2004	Φ (Jan 05-Dec 05)/ Φ (Jan 04-Dec 04)	Nov 2006/ Oct 2006	Nov 2006/ Nov 2005	Φ (Dec 05-Nov 06)/ Φ (Dec 04-Nov 05)
<b>Consumer prices (CPI)</b>	<b>102.3</b>	<b>102.5</b>	<b>100.3</b>	<b>102.3</b>	<b>102.4</b>
Goods	102.0	102.2	100.4	101.7	102.0
Fuels and energy	110.1	111.9	99.4	103.5	108.7
Other	100.2	100.1	100.6	101.3	100.4
Services	103.0	103.2	100.2	103.6	103.3
<b>Consumer prices (HICP)</b>	<b>102.3</b>	<b>102.5</b>	<b>100.3</b>	<b>102.4</b>	<b>102.5</b>
<b>Administered prices<sup>1</sup></b>	<b>107.7</b>	<b>110.0</b>	<b>100.4</b>	<b>101.6</b>	<b>106.3</b>
Energy	109.8	112.6	99.4	103.4	108.6
Other	103.0	104.1	102.8	97.2	100.6
<b>Core inflation<sup>2</sup></b>					
Trimmean	103.1	102.5	100.0	102.3	102.8
Excluding food and energy	100.8	101.0	100.1	101.6	101.1
<b>Producer prices (IPI)</b>	<b>101.8</b>	<b>102.7</b>	<b>100.0</b>	<b>102.6</b>	<b>102.3</b>
Intermediate goods	102.0	103.2	100.1	104.1	103.3
Investment goods	101.5	103.1	99.9	100.3	100.2
Consumer goods	101.6	102.0	99.8	101.3	101.5
<b>Inflation in the euro area</b>					
Consumer prices (MUICP)	102.2	102.2	100.0	101.9	102.2
Excluding food, energy, tobacco, alcohol	101.4	101.4	100.1	101.7	101.5
Producer prices (IPI)	104.5	104.1	100.0 <sup>3</sup>	104.0 <sup>3</sup>	105.2 <sup>3</sup>

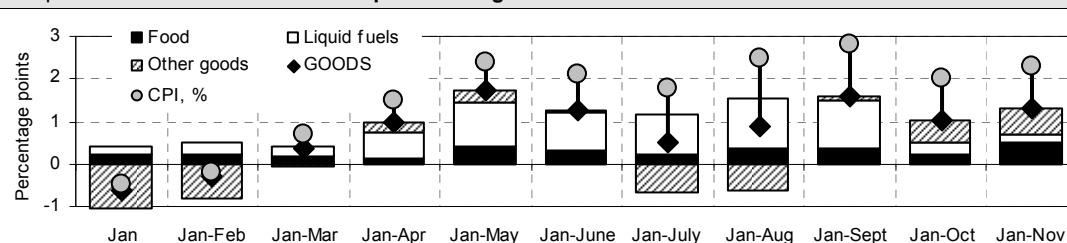
Sources of data: CPI, HICP, IPI: SORS; administered prices and core inflation: IMAD's estimate; MUICP, IPI in the EU: Eurostat (provisional data) and IMAD's recalculation. Notes: figures do not always add up due to rounding; <sup>1</sup>figures are not directly comparable between the years due to the annual changes of the administered prices index; <sup>2</sup>due to modernisation of the calculation method, data on core inflation measured by the trimmean are fully comparable from the Slovenian Economic Mirror May 2006 issue onwards; <sup>3</sup>figure for the previous month.

**Prices rose by 0.3% in November over October.** November's year-on-year increase totalled 2.3% and was 0.8 p.p. higher than in October. The year-on-year index oscillated evenly around its average value of approximately 2.5% from January 2005 to November 2006, and we can therefore say that inflation has stagnated at the achieved level. In the first eleven months of 2006, prices increased by 2.3%, just as much as in the comparable period of 2005. The average twelve-month inflation totalled 2.4% in November, the same as the month before. Average inflation (measured by the harmonised index of consumer prices), which is used as the indicator of compliance with the Maastricht inflation criterion, remained unchanged in November over October, at 2.5%. Slovenia fulfilled this criterion for the thirteenth consecutive month, thereby proving that the disinflationary process in Slovenia has been sustainable and confirming Slovenia's price stability.

**November's inflation was the result of seasonal factors.** November saw rises in the prices of fruit (by 6.2%) and vegetables (by 7.2%) as well as clothing and footwear (by 1.2%) as new collections hit the shelves. After the prices of utilities fell in October due to the changed method of calculating water consumption, these prices went up in November. In Ljubljana, there was an increase in the prices of waste water disposal and treatment services, and the sewage system fee consequently surged by 42.1%, whereas Maribor saw an 11.6% rise in the price of waste collection. This pushed utility prices up by 6.6%. Higher prices of the more expensive food products contributed 0.3 p.p. to the overall price rise in November, while the prices of clothing and footwear, along with utilities, contributed a further 0.1 p.p. each. A substantial decrease in prices was recorded, among other groups, in communications (-1.1%) and hotels and restaurants (-0.5%), whereas the decrease in the transport group (-0.3%) was caused by the price falls in airline passenger transport (-3.0%), cars (-0.8%) and fuels and lubricants (-0.2%). The lower prices of liquid fuels and cars reduced the overall price rise by 0.1 p.p. each.

**Higher prices of food and services accounted for over 60% of the overall price rise recorded in the first eleven months of 2006.** After the price increase in liquid fuels contributed 1.1 p.p. (40%) to inflation in the first nine months of 2006, its contribution in the eleven months to November was only 0.2 p.p. (9%; see the graph). The increase in the prices of food seen in the first eleven months of 2006 contributed 0.5 p.p. to inflation, while the price rise in services added 1 p.p. or 44% to the overall increase in this period.

Graph: **Breakdown of the consumer price index growth in 2006**



Source of data: SORS, IMAD calculations.

Note: Vertical lines between the CPI and goods show the contributions of services' price rises.

<b>Money Market – Loans</b>	Slovenian Economic Mirror	IMAD
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Domestic banks' loans	Nominal amounts, SIT bn		Nominal loan growth, %		
	31. Dec 2005	30. Nov 2006	30. Nov 2006/ 31. Oct 2006	30. Nov 2006/ 31. Dec 2005	30. Nov 2006/ 30. Nov 2005
<b>Loans total</b>	3,864.5	4,740.1	1.5	22.7	25.0
<b>Total tolar loans</b>	1,754.1	1,812.4	0.7	3.3	1.9
Enterprises and NFI	995.5	1,000.0	-0.7	0.5	-1.6
Households	642.2	696.3	2.8	8.4	7.8
Government	116.4	116.1	-0.3	-0.2	-0.6
<b>Foreign currency loans</b>	2,110.4	2,927.6	2.0	38.7	45.5
Enterprises and NFI	1,679.2	2,306.7	2.3	37.4	44.4
Households	383.7	581.3	1.1	51.5	57.6
Government	47.5	39.6	0.0	-16.7	-14.5
<b>Household loans by purpose</b>	1,025.9	1,277.6	2.0	24.5	25.9
Consumer credits	471.5	543.6	1.3	15.3	15.8
Lending for house purchase	327.7	458.1	2.6	39.8	44.0
Other lending	226.7	276.0	2.5	21.7	21.7

Source of data: BS Bulletin, calculations by IMAD. Note: NFI - non-monetary financial institutions.

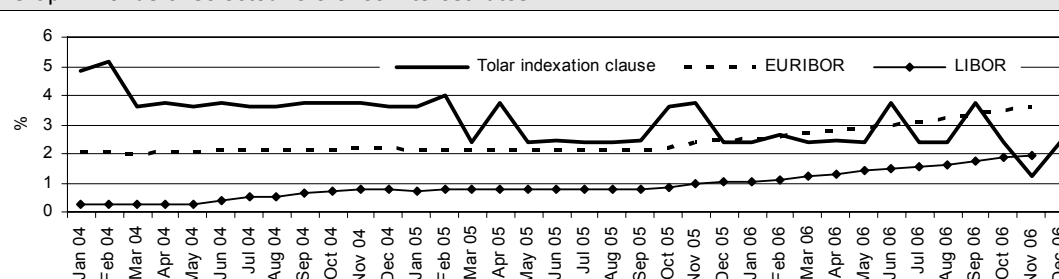
**After having recorded slightly higher growth in September and October, the volume of loans extended to the non-banking sectors eased back to the level from summer months in November.**

The main reason for this decrease was the somewhat slacker corporate borrowing, whereas household borrowing remained roughly at the level of the previous five months. In the first eleven months of 2006, banks granted loans in a net amount of SIT 875.6 bn to domestic non-banking sectors, up 91.3% over the comparable period of 2005. Within that, foreign currency loans represented 93.3% but their share fell slightly in the last few months.

**In November, enterprises and NFI limited both their tolar and foreign currency borrowing from domestic banks, while in October they also reduced their borrowing abroad.** The net flows of banks' loans to enterprises and NFI thus achieved the level of SIT 632.1 bn in the eleven months to November, up 43.8% from the comparable period of 2005. After enterprises and NFI strengthened their borrowing abroad considerably in the first three quarters last year, they net repaid these loans in October in the amount of SIT 13.6 bn. The net flows of these loans thus achieved the value of SIT 135.1 bn in the first ten months of 2006, twice as much as in the same period of 2005. The gradual softening of banks' borrowing abroad continued in October, when the banks net borrowed SIT 28.6 bn worth of loans, while in the ten months to October the total net flows achieved the value of SIT 289.9 bn, equalling 68.8% of the level recorded in the same period of 2005.

**The currency structure of Slovenian household borrowing saw a shift in November.** The volume of tolar household borrowing rose strongly: in November alone, the net flows of these loans amounted to SIT 18.8 bn, by far the highest value since January 2005. In the past, households' borrowing of domestic currency comprised other loans (including overdrafts and advances) and partly consumer loans. In November 2006, the volume of housing loans surged to more than 60% of the total monthly tolar net household borrowing. This is possibly attributable to the dynamics of interest rates. Part of the new contracts for tolar housing loans are still tied to the tolar indexation clause, which has recently dropped considerably due to disinflation (the average level in 2006 was 2.5%), and even plunged to its historically lowest point of 1.2% in November. On the other hand, the contracts for foreign currency loans are largely tied to the EURIBOR and LIBOR rates. The three-month EURIBOR stood at 3.6% in November while LIBOR, tied to the Swiss franc, was 1.9%, up 1.1 and 0.9 p.p., respectively, over December 2005. Given the anticipated future price rises, the tolar indexation clause is projected to remain approximately at the average 2006 level in the future, while the prospects for the reference interbank interest rates are more uncertain.

Graph: Trends of selected reference interest rates



Source of data: SORS, www.euribor.org, British Banker's Association.

<b>The Money Market – Household Savings</b>	Slovenian Economic Mirror	IMAD
	No. 12/2006	p. 13

Household savings in banks and mutual funds managed by domestic administrators	SIT bn, nominal		Nominal growth rates, %		
	31 December 2005	30 November 2006	30 Nov 2006/ 31 Oct 2006	30 Nov 2006/ 31 Dec 2005	30 Nov 2006/ 30 Nov 2005
<b>Total savings</b>	2,547.6	2,658.6	1.4	4.4	6.7
<b>Tolar savings, total</b>	1,580.7	1,653.6	1.6	4.6	8.1
Overnight deposits <sup>1</sup>	752.9	822.6	2.2	9.3	14.9
Short-term deposits	624.1	626.5	1.2	0.4	3.0
Long-term deposits	157.5	153.9	-0.1	-2.3	-4.2
Dep. redeemable at notice	46.2	50.7	0.7	9.7	12.8
<b>Foreign currency savings</b>	966.9	1,004.9	1.2	3.9	4.5
Overnight deposits <sup>1</sup>	432.8	422.2	-0.5	-2.5	46.1
Short-term deposits	398.0	441.5	2.5	10.9	-17.8
Long-term deposits	108.0	111.9	3.1	3.6	5.4
Dep. redeemable at notice	28.1	29.3	0.3	4.2	0.0
<b>Mutual funds</b>	329.6	443.8	8.6	34.6	45.5

Source of data: Monthly Bulletin of the BS, IMAD's calculations. Note: <sup>1</sup> demand deposits.

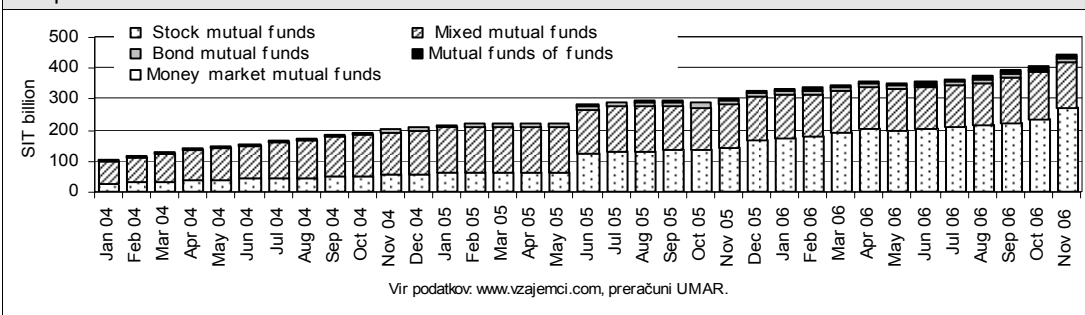
**People are increasingly investing their savings in non-bank savings schemes.** Nevertheless, household deposits in banks still occasionally record slightly higher growth rates, but these increases are mostly due to overnight deposits, which are highly liquid and not intended for saving. In November 2006, the total growth of savings achieved its highest monthly level in eleven months. Both tolar and foreign currency loans were on the rise. This relatively strong growth also contributed to the higher year-on-year growth rate, which achieved its peak value in the last twelve months of 6.7%. The total net flows amounted to SIT 110.9 bn in the first eleven months of 2006, 53.4% more than in the same period of 2005. Within that, November's inflows represented almost one-third of the total net inflows.

**Among tolar loans, only long-term deposits recorded a minimal decrease after five months of uninterrupted growth.** The reverse dynamics were observed in tolar demand deposits. After having fallen for four months, these deposits recorded relatively strong growth that was comparable to the rates seen in the first half of the year. One of the factors underlying this renewed growth may have been the approaching euro changeover and the consequently somewhat higher inflow of tolar currency to bank accounts. However, these values are by far not comparable with the level of five years ago when the banking system recorded exceptionally high net inflows upon the first exchange to euros. The net flows of tolar deposits thus amounted to SIT 72.9 bn in the first eleven months of 2006 (SIT 25.3 bn in November alone), which is 37.9% more than in the same period of 2005.

**After domestic-managed mutual funds recorded a net outflow of assets in October, they again enjoyed a positive flow of SIT 5.8 bn in November.** In the first eleven months of 2006, these flows amounted to SIT 34.3 bn, 16.2% more than in the same period of 2005. This growth was mostly the result of the net flows into stock mutual funds (notably those investing mainly in foreign markets), which totalled SIT 44.4 bn, having almost doubled over the same period of 2005.

**The volume of assets in mutual funds achieved the value of SIT 443.8 bn at the end of November, over one-third more than at the end of 2005.** The value of assets increased by 8.6% in November. Contrary to the previous month, when the main contributor to growth was the high return of mutual funds, November's growth was largely due to the restructuring of an investment fund into one of the five largest domestic-managed mutual funds in terms of the value of the assets they manage. At the end of November, mutual funds thus achieved as much as 16.7% of the household deposits in banks. After the exceptionally high October return, the domestic-managed mutual funds recorded a 0.9% yield in November. Compared with the previous month, the volatility between individual funds' returns increased somewhat. The most profitable fund thus recorded a 8.6% return while the value of the least successful fund's points dropped by 10.4%.

Graph: Volume of assets in mutual funds



<b>Labour Market</b>	Slovenian Economic Mirror	IMAD
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Selected labour market indicators	thousands			% growth		
	Φ 2005	Oct 2005	Oct 2006	Oct 06/ Sept 06	Jan-Oct 06/ Jan-Oct 05	Φ 2005/ Φ 2004
A <b>Registered labour force (A=B+C)</b>	905.0	911.7	915.0	0.6	0.7	0.5
<b>People in formal employment</b>	813.1	817.5	833.7	0.5	1.3	0.7
B in enterprises and organisations	666.2	669.1	681.6	0.5	1.2	1.1
by those self-employed	65.4	66.4	68.5	0.8	1.2	-0.3
self-employed and farmers	81.5	82.0	83.6	0.2	2.2	-1.9
<b>Registered unemployed</b>	91.9	94.2	81.3	1.3	-4.7	-1.0
C women	49.4	51.3	44.9	0.8	-2.9	0.4
aged over 40	40.1	39.9	38.2	-1.8	0.1	0.9
unemployed over 1 year	43.4	43.9	41.0	-0.5	-2.6	1.4
<b>Rate of registered unemployment (C/A), %</b>	10.2	10.3	8.9	-	-	-
D male	8.5	8.6	0.0	-	-	-
female	12.1	12.5	0.0	-	-	-
<b>Job vacancies</b>	16.9	17.2	19.5	-14.0	14.3	19.9
for a fixed term, %	75.6	75.0	77.9	-	-	-
<b>No. of people hired</b>	11.4	14.8	14.7	-11.8	15.8	12.8
Lower education	3.3	3.9	4.1	-3.6	21.2	10.6
Secondary education	6.3	8.6	8.6	3.4	15.8	13.3
Tertiary education	1.9	2.3	2.0	-50.7	6.3	14.8

Sources of data: SORS, ESS, IMAD's calculations. Note: persons in employment according to administrative sources.

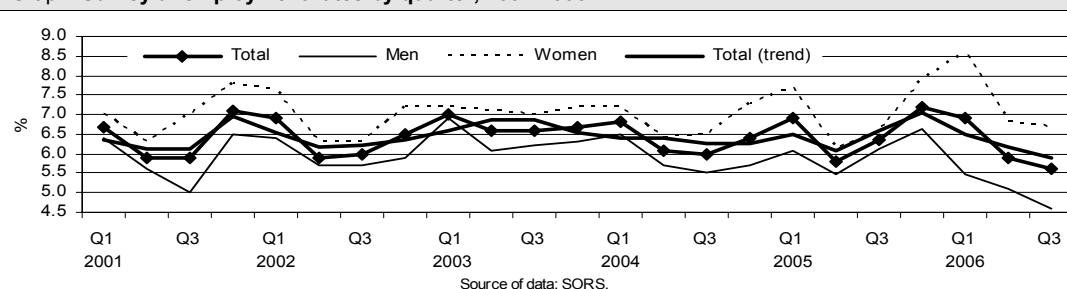
**The number of people in formal employment rose by a further 0.5% in October 2006 and was 2.0% higher than in October 2005.** It increased in almost all activities, except in agriculture, fishing, mining, and hotels and restaurants. The highest increase (1.3%) was recorded in business services, while manufacturing, construction, distributive trades and transport each enjoyed a 0.6% rise in employment. The number of workers also rose in almost all manufacturing sub-industries, except in food-processing, textile and leather industries.

**Registered unemployment decreased by 3.0% to 78,042 persons in November. The fall was again almost entirely due to reasons other than people moving into employment.** A total of 4,956 people lost work in November and 4,984 unemployed people found a job. Both flows were slightly worse than in October 2006, yet considerably better than in November 2005. The inflow of first-time job-seekers (1,432 people) was also significantly lower than in November 2005. The number of people who were struck off the unemployment register for reasons other than getting a job was again high in November (4,108). Almost half of these removals (44.1% from January to November 2006) were related to breaches of the obligations of unemployed people, close to 30% were struck off due to moving into inactivity (education, retirement, maternity leave), 14% signed off voluntarily, and the rest were taken off for various administrative reasons, among them almost 11% were due to a transfer to other registers.

**According to the labour force survey, the number of people in employment is also rising, while the number of the unemployed and the unemployment rate are declining.** Employment rose by 0.5% in Q3 over Q2 of 2006 and by 1.2% over Q3 of 2005. In the first three quarters of 2006 it was, on average, 1.6% higher than in the same period of the previous year. According to the SORS' explanation, this rise was mainly due to an increase in student work and partly due to the somewhat higher number of entrepreneurs and their employees. Survey-measured unemployment contracted by 3,000 persons or 4.9% over Q2 and by 7,000 or 10.9% over Q3 of 2005. The survey unemployment rate fell by 0.3 p.p. to 5.6%, and by 0.7 p.p. over the same quarter of 2005. The survey unemployment rate recorded in the first three quarters of 2006 thus averaged out at 6.2%, 0.6 p.p. lower than in the same period of 2005. The gender gap in unemployment, after having narrowed somewhat in Q2 of 2006, increased again in Q3 in favour of men whose unemployment rate decreased more than the female one.

**The number of vacancies and people hired fell in October and November 2006 yet remained above the level from a year ago.** Following September's increase, the number of vacancies fell to 16,904 by November 2006 while the number of people hired decreased to 12,493. Despite having dropped by over 25% from September 2006, these levels are still a respective 8.9% and 7.8% higher than in November 2005 (also see the table).

Graph: Survey unemployment rates by quarter, 2001-2006



Gross wage per employee, growth index	Wages in SIT Oct 2006	In nominal terms			In real terms		
		Oct 06/ Sept 06	Oct 06/ Oct 05	Jan-Oct 06/ Jan-Oct 05	Oct 06/ Sept 06	Oct 06/ Oct 05	Jan-Oct 06/ Jan-Oct 05
Gross wage per employee, total	293,121	101.9	104.9	104.7	102.7	103.3	102.2
<b>Private sector (activities A-K)</b>	274,204	102.3	105.5	105.3	103.1	103.9	102.8
A Agriculture	246,477	103.0	109.4	105.7	103.8	107.8	103.3
B Fisheries	225,990	97.7	99.5	107.9	98.5	98.0	105.4
C Mining and quarrying	356,344	103.4	103.9	104.2	104.2	102.3	101.8
D Manufacturing	255,616	103.5	106.0	105.5	104.3	104.4	103.1
E Electricity, gas and water supply	364,284	103.1	102.6	105.5	103.9	101.0	103.1
F Construction	245,043	101.4	107.9	106.0	102.2	106.3	103.5
G Wholesale, retail; certain repairs	263,133	102.9	107.0	105.4	103.8	105.4	102.9
H Hotels and restaurants	213,344	100.9	103.3	104.4	101.7	101.8	101.9
I Transp., storage & communications	309,630	101.7	102.1	103.8	102.5	100.6	101.3
J Financial intermediation	415,140	97.0	105.5	105.8	97.7	104.0	103.3
K Real estate, renting, business services	303,947	102.2	103.7	103.9	103.1	102.2	101.5
<b>Public services (activities L to O)</b>	347,973	101.1	103.6	103.4	101.9	102.1	101.0
L Public administration	351,350	100.9	103.7	103.0	101.7	102.1	100.6
M Education	365,467	100.4	104.8	104.9	101.2	103.3	102.4
N Health and social work	329,682	102.1	102.9	102.5	102.9	101.3	100.1
O Other social and personal services	330,619	102.0	101.3	101.8	102.8	99.8	99.4

Source of data: SORS and IMAD's calculations for the private sector and public services.

Note: <sup>1</sup> deflated by the consumer price index.

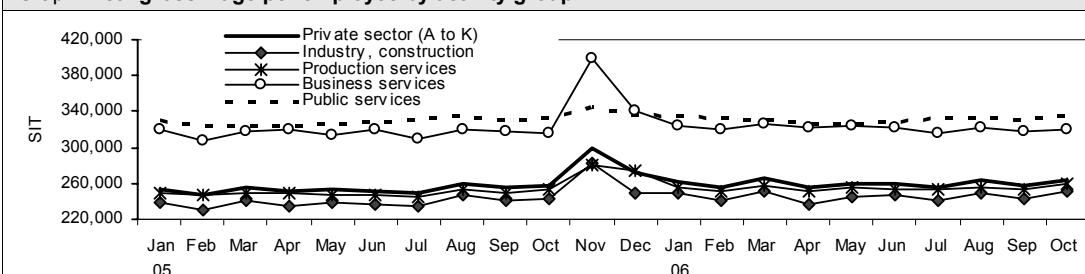
The gross wage per employee rose by 1.9% in nominal terms in October; the increase in real terms was even higher, 2.7%, due to the deflation in that month (-0.8%). The average gross wage per employee recorded a nominal rise in both the private sector (activities A to K) and public services (L to O). The rise in the private sector was slightly higher, 2.3% in nominal and 3.1% in real terms, despite the equal number of working days in October and September.

Within the private sector, the biggest nominal rise in the gross wage per employee was recorded in the industry and construction group (C, D, E, F). Wages rose by 3.1% over the previous month, with the highest rise being observed in manufacturing. Except for construction, there were no significant differences in wage growth within the group. In the group of production services (G, H, I), the nominal rise in the gross wage per employee was somewhat lower (2.3%) and varied more across activities. The highest increase was recorded in distributive trades (see the table). The gross wage in the group of business services (J, K) increased by 0.4%. Like in September, October saw a significant discrepancy in wage movements of the two activities in the group, but this time the gross wage in financial intermediation fell after having enjoyed robust growth in September. The reverse is true of the real services.

In public services, the gross wage per employee rose by a nominal 1.1% in October, largely due to promotions, which are carried out in that month. The increase in the gross wages in other community, social and personal services follows the dynamics of the private sector, which has a major share in this activity.

In the first ten months of 2006, the gross wage per employee increased by 4.7% in nominal terms, year on year, the same as in the first nine months. Meanwhile, the real level of the gross wage increased by 2.2% or 0.1 of a percentage point more. The difference is due to October's deflation. The achieved real growth of gross wages already roughly indicates the annual growth of the gross wage per employee; it will gain approximately an additional 0.2 p.p. thanks to the '13<sup>th</sup> month's' payments at the end of the year. The gross wage in the private sector rose by a nominal 5.3% and by a real 2.8%, while the gross wage per employee in the public services sector increased by a nominal 3.4% and a real 1.0% in this period. The slower growth of gross wages in public services is chiefly attributable to the negotiated adjustment mechanism, according to which part of the adjustment percentage is set aside for the elimination of wage disparities in the public sector. These deferred funds will not be spent until wages begin to be disbursed in accordance with the Salary System in the Public Sector Act.

Graph: Real gross wage per employee by activity group



Source of data: SORS, IMAD's calculations. Note: deflated by consumer price index, 2005=100.

<b>Manufacturing</b>	Slovenian Economic Mirror	IMAD
	No. 12/2006	p. 16

Selected economic indicators	Growth rates, %			
	Oct 2006/ Sept 2006	Oct 2006/ Oct 2005	Jan-Oct 2006/ Jan-Oct 2005	Jan-Dec 2005/ Jan-Dec 2004
Production value <sup>1</sup>	0.3	11.5	7.9	3.5
- highly export-oriented industries <sup>2</sup>	9.2	18.0	9.4	6.8
- mainly export-oriented industries <sup>3</sup>	-3.7	13.0	9.9	3.9
- mainly domestic-market-oriented industries <sup>4</sup>	1.1	1.8	1.8	-0.8
Average number of employees	0.6	-0.7	-2.0	-1.8
Labour productivity	-0.3	12.3	10.1	5.4
Level of inventories <sup>1</sup>	0.4	4.2	2.3	5.1
Turnover <sup>1</sup>	0.5	8.2	6.3	4.8
New orders <sup>1</sup>	1.1	4.3	6.0	11.1
Industrial producer prices	0.6	3.1	2.2	2.7
- producer prices/inflation	1.4	1.6	-0.2	0.2
<i>Source of data:</i> SORS; IMAD's calculations. <i>Notes:</i> <sup>1</sup> real growth calculated on the basis of data on production value – SORS' recalculation with the IPI (provisional data); <sup>2</sup> manufacturing industries (DG, DK, DM) which earn over 70% of their average net revenues from sales in foreign markets, according to data on Slovenian commercial companies from the AJPES (2005); <sup>3</sup> manufacturing industries (DB, DC, DD, DH, DJ, DL, DN) which earn 50% to 70% of their average net revenues from sales in foreign markets; <sup>4</sup> manufacturing industries (DA, DE, DF, DI) which earn less than 50% of their average net revenues from sales in foreign markets.				

**Despite a slowdown in October, manufacturing's cumulative output growth remained at a high level.** According to the SORS' provisional data, manufacturing's industrial production rose by 0.3% in October 2006 over the previous month, which had the same number of working days, and decreased by 0.1% if the data are seasonally and working-day adjusted. At the year-on-year level, industrial production in October 2006 was 11.5% higher than in October 2005, which had one working day fewer, and 8.8% higher if adjusted for working days. From January to October 2006 production activity increased by 7.9% in comparison with the same period of 2005 that was one working day longer and by a further 0.1 p.p. more if the data are adjusted for working days. Production is still on a rising trend.

**The stronger domestic demand added to the growth stimuli coming from the international environment.** In the first ten months of 2006, turnover in manufacturing rose by a real 6.3% year on year. Within that, turnover generated in foreign markets increased by 7.9% (i.e. by 0.2 p.p. less than in the first six months of the year), while turnover generated in the domestic market was 3.0% higher in real terms than in the same period of 2005 (its growth more than doubled in comparison with the year-on-year growth recorded in the first half of 2006).

**The highest contribution to the overall growth of industrial production was generated by the manufacture of electrical and optical equipment (DL).** After the modest growth in 2005, this sub-industry, belonging to the group of mainly export-oriented industries, recorded a 16.2% year-on-year increase in production in the period from January to October 2006 and contributed 2.2 p.p. (27.5%) to manufacturing's overall growth in this period. The second highest contribution to manufacturing's overall growth (25.6% or 2.0 p.p.) came from the mainly export-oriented metal industry (DJ), which achieved a 12.3% year-on-year increase in production in the first ten months of 2006. Within the group of highly export-oriented industries, production rose substantially in the chemical industry (DG) and the manufacture of machinery and equipment (DK) in this period, by 12.6% and 11.5%, respectively. The activity of these four main sub-industries accounted for as much as 87.3% of manufacturing's overall growth. On the other hand, the period from January to October 2006 saw production shrink in the manufacture of textiles and textile products (DB; -1.9%), transport equipment (DM; -3.4%), food and beverages (DA; -3.0%), and coke, petroleum products and nuclear fuel (DF; -4.8%). The latter two belong to industries oriented mainly to the domestic market.

**Business optimism cooled off slightly at the end of 2006.** According to the SORS' survey on business trends in manufacturing, the seasonally adjusted value of the confidence indicator (composed of total order books, level of inventories and production expectations) fell by 1.0 p.p. in December 2006 over the previous month and by 2.0 p.p. over September 2006, when the year's highest value was recorded. The share of surveyed enterprises expecting an improvement in the business climate was thus 10.0 p.p. higher than the share of those expecting a deterioration. The lower value recorded in December 2006, which was nevertheless still 7.0 p.p. higher than in December 2005, was mainly the result of the lower production expectations for the next three months and lower estimated levels of inventories, while the estimated total order books remained unchanged. Business expectations of the total demand and export growth in the next three months plunged to below last year's monthly average in December, but they are not included in the computation of the composite confidence indicator.



Selected private consumption and household indebtedness indicators	Real year-on-year growth rates, %*						
	Q1 05	Q2 05	Q3 05	Q4 05	Q1 06	Q2 06	Q3 06
Private consumption <sup>1</sup>	3.2	4.5	3.4	2.7	3.2	3.3	3.5
Household consumption <sup>1</sup>	3.3	4.6	3.6	2.7	3.2	3.4	3.5
Consumption of NPSIH <sup>1</sup>	-2.0	-2.0	-3.9	-0.8	1.6	3.0	2.9
Household receipts <sup>2,3</sup>	1.5	2.6	3.1	1.8	5.3	4.0	3.3
Turnover in retail trade <sup>4</sup>	5.4	6.4	7.9	7.3	2.9	2.8	-0.3
New car registrations <sup>5</sup>	-8.9	-3.1	-3.4	-3.4	0.6	-1.2	7.2
Consumer confidence indicator <sup>6</sup>	-17.3	-16.7	-19.3	-24.0	-16.0	-16.0	-12.0
Commercial banks' loans to households (end-of-period stock)	17.4	21.5	23.0	22.5	24.5	24.5	24.5
Household savings in banks (end-of-period stock)	11.4	10.4	8.5	3.1	3.9	4.6	4.7

Sources of data: SORS, AJPES, MF, BS, DUNZ; calculations by IMAD. Notes: \*unless otherwise indicated; <sup>1</sup>SORS; <sup>2</sup>net earnings, other remuneration (contract-based payments, reimbursement of work-related costs, other personal income - AJPES), transfers to individuals and households (consolidated general government revenue and expenditure, MF); <sup>3</sup>deflated by the consumer price index; <sup>4</sup>calculation based on original volume indices, SORS; <sup>5</sup>increase in the number of cars, IAAD; <sup>6</sup>original value, SORS; <sup>7</sup>deflated by the consumer price index and the nominal effective exchange rate.

**The real growth of private consumption was 3.5% in Q3 of 2006, the highest in the first three quarters of the year.** At the year-on-year level, it increased by 3.3% in the nine months to September, falling 1.9 p.p. short of the GDP growth in that period and also contributing 1.9 p.p. (35.3%) to it.

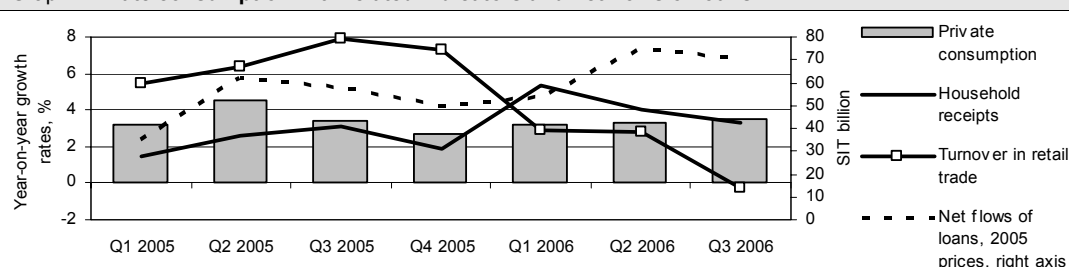
**Household receipts rose by a real 3.3% in Q3, year on year, less than in the first two quarters of 2006.** The nine-month growth of household receipts was one percentage point higher. The reason for the lower increase in receipts was the unchanged real value of social transfers in comparison with Q3 of 2005 (they rose by 2.1% in the first nine months of 2006). The net wage bill increased by 4.2% while other remuneration rose by 8.4%; their combined growth thus totalled 5.2% (5.6% in nine months).

**Among the short-term indicators, only consumer confidence and new car registrations recorded a year-on-year increase in Q3 of 2006.** The turnover in retail trade even fell in real terms (by 0.3%, mainly as a result of the lower turnover in the sale of food, beverages and tobacco; in the nine months to September, turnover increased by 1.8%). The real growth of VAT charged to final consumers was in line with the retail trade indicator and totalled just 0.2%. The stronger growth of private consumption (see the table) was probably due to the considerable difference between the nominal growth of residents' spending abroad (6.6%; in January to September 8.5%) and non-residents' spending in Slovenia (-0.3% and 3.0%, respectively). The value of the consumer confidence indicator was 7.3 p.p. higher (-12.0) than in the same period of 2005 (3 p.p. higher in the nine months; -15.0). After two and a half years, new car registrations picked up in Q3 of 2006, when 7.2% more new vehicles were registered than in the same quarter of 2005 (in the three quarters, growth totalled 1.8%, while this figure fell by 5.2% in the same period of 2005).

**The available data for the final quarter of 2006 could indicate an additional boost in consumption.** October was another month to see the value of residents' purchases abroad rise more (by the high 17.1%) than the value of non-residents' purchases in Slovenia (by 5.6%). October's and November's combined real year-on-year increase in the net wage bill and other remuneration totalled 5.3%. The turnover in retail trade rose by a real 2.9% in the two months together. In the final quarter of the year, 9.0% more new cars were registered than in the same period of 2005; moreover, the data on the value of consumer confidence also show that consumer optimism is still strong (-12.0).

**The net flows of loans suggest that the dynamics of household borrowing slackened somewhat.** In the first nine months of 2006, they rose by 28.6%, compared with the high 76.2% increase in the same period of 2005. In contrast with 2005, the net flows of domestic currency loans were rising at a faster pace (a 2.5-fold increase) than the flows of foreign currency loans (18.1%). Similarly, a breakdown of loans by purpose shows that consumer loans rose more than housing loans: the former doubled after having contracted by more than 50% in the same period of 2005 while the latter rose by 41%, compared with their 3.9-fold increase in the first nine months of 2005. Other loans decreased by 18.6% (compared with their 2.3-fold increase in the same period of 2005). **The volume of loans increased by 24.8% by the end of September (in the same period of 2005 by 23.0%).** Within that, housing loans surged by 52.3% (37.2%), consumer loans rose by 12.0% (13.1%) while other loans were up 9.2% (25.8%). In the first nine months of 2006, each tolar of household receipts was, on average, burdened by 4.3 tolar of commercial banks' loans (by 3.6 tolar in the nine months of 2005).

Graph: Private consumption with related indicators and net flows of loans



Sources of data: SORS, AJPES, MF, BS, calculations by IMAD.

<b>Distributive Trades</b>	Slovenian Economic Mirror	IMAD
	No. 12/2006	p. 18

Selected distributive trades indicators	Growth rates, %			
	QI 2006/ QI 2005	QII 2006/ QII 2005	QIII 2006/ QIII 2005	Jan-Sept 2006/ Jan-Sept 2005
Total nominal turnover in retail trade, the sale and repair of motor vehicles, and retail sale of automotive fuels	9.9	9.0	6.3	8.4
Turnover in retail trade	3.2	3.9	0.8	2.6
Sale of food, beverages and tobacco	-2.9	1.0	-0.8	-0.9
Sale of non-food products	10.3	7.3	2.8	6.8
Turnover in the sale and maintenance of motor vehicles and retail sale of automotive fuel	17.4	14.8	12.8	15.0
Motor vehicles, motorcycles, parts and accessories	10.7	7.0	15.8	11.1
Maintenance and repair of motor vehicles	23.9	11.3	15.3	16.7
Automotive fuel	25.4	26.9	10.0	20.5
Total nominal turnover in wholesale trade & commission trade	8.8	9.5	12.2	10.1
Average gross wage per employee <sup>1,2</sup>	3.1	2.1	2.6	2.6
Average number of people in employment <sup>1</sup>	0.9	0.9	0.5	0.8
Real growth of value added in distributive trades <sup>1</sup>	5.7	5.4	5.9	5.7

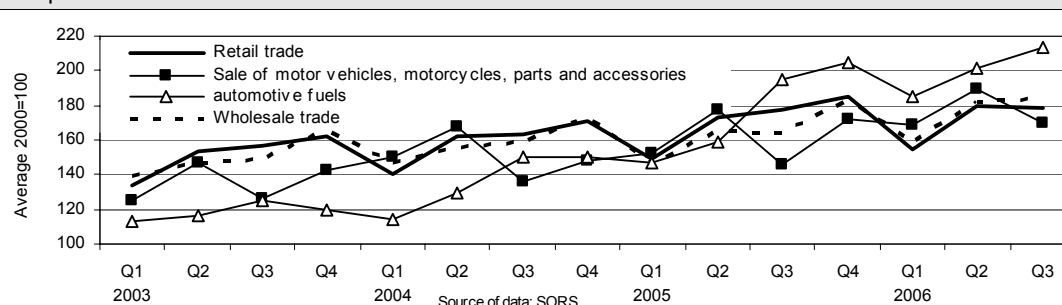
Source of data: SORS, IMAD's calculations. Notes: <sup>1</sup>in wholesale and retail trade, the repair of motor vehicles, and personal and household goods; <sup>2</sup>deflated by the consumer price index.

**The growth of value added in wholesale and retail trade, the sale and repair of motor vehicles, and personal and household goods (activity G) strengthened in Q3 of 2006.** In real terms, it was 5.9% higher than in Q3 of 2005 and the highest since 2000. Q3 also saw stronger growth of the average gross wage per employee in distributive trades as a whole. The increase was mainly underpinned by the higher growth of the gross wage per employee in wholesale trade (by 4.7%; in Q2 by 3.7%). Value added in retail trade increased by 1.8% (1.6% in Q2), whereas the average gross wage per employee in the sale of motor vehicles and retail sale of automotive fuel increased by 1.6% (by 1.9% in Q2). The growth of the number of people employed in the distributive trades eased off, largely as a result of the lower number of workers in the sale and maintenance of motor vehicles and retail sale of automotive fuels. On the other hand, the number of employees increased in retail trade (by 1.6%) and wholesale trade (by 0.2%).

**According to the SORS' monthly survey on turnover, the nominal turnover in retail trade, the sale and repair of motor vehicles, and retail sale of automotive fuels increased by 6.3% in Q3 of 2006, year on year, with its growth having softened for the third consecutive quarter.** The increase of turnover in retail trade, following the stronger growth in Q2 and Q3 of 2006, was the lowest since 1999 in Q3 of 2006. The slackening was caused by the poor results of shops selling food, beverages and tobacco, where both non-specialised shops mainly selling food (most supermarkets) and specialised shops selling food, beverages and tobacco recorded lower turnover than in Q3 of 2005. Turnover growth also slowed down in the sale of non-food products (see the table). Within this segment, the largest nominal increase in turnover (14.4%) was recorded in specialised shops selling furniture, household equipment and construction material. Turnover in specialised shops with pharmaceuticals, toilet articles and cosmetics was 0.4% lower year on year while in Q2 it enjoyed robust year-on-year growth (15.8%). The turnover in the sale and repair of motor vehicles and in the retail sale of automotive fuels rose by a nominal 12.8%. Within that, turnover went up 10.0% in the sale of automotive fuels, by 15.3% in the repair and maintenance of motor vehicles, and by 15.8% in the sales of motor vehicles, motorcycles, parts and accessories. The strong performance of motor vehicles sales is additionally confirmed by the data on the number of newly registered cars, which rose by 7.2% on Q3 of 2006 over the same period of 2005.

**The nominal year-on-year growth in wholesale trade and commission trade strengthened further in Q3 of 2006.** It totalled 12.2% (see the table).

Graph: **Indexes of nominal turnover in distributive trades**



<b>Tourism</b>	Slovenian Economic Mirror	IMAD
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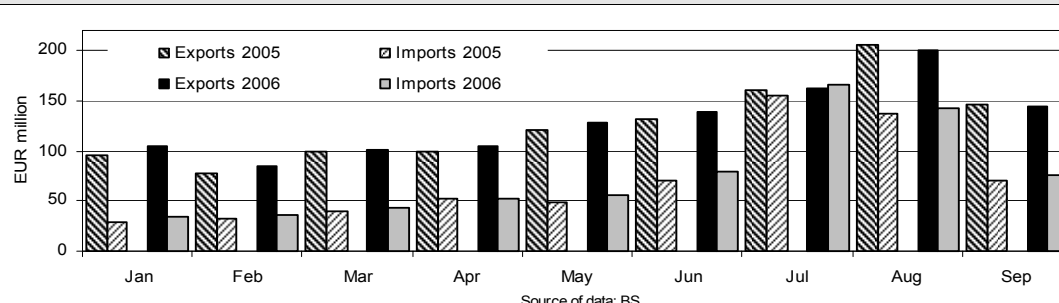
Selected indicators for tourism & hotels and restaurants	Growth rates, %						
	Q <sub>1</sub> 2005/ Q <sub>1</sub> 2004	Q <sub>2</sub> 2005/ Q <sub>2</sub> 2004	Q <sub>3</sub> 2005/ Q <sub>3</sub> 2004	Q <sub>4</sub> 2005/ Q <sub>4</sub> 2004	Q <sub>1</sub> 2006/ Q <sub>1</sub> 2005	Q <sub>2</sub> 2006/ Q <sub>2</sub> 2005	Q <sub>3</sub> 2006/ Q <sub>3</sub> 2005
Overnight stays, total	1.4	-1.7	-1.5	3.6	3.1	0.5	0.4
Domestic tourists	-3.7	1.4	-3.2	0.4	5.7	-5.6	1.8
Foreign tourists	6.7	-3.8	-0.5	6.3	0.6	4.7	-0.4
Average number of people in employment <sup>1</sup>	2.8	2.7	2.4	2.3	1.9	2.1	1.9
Average gross wage per employee <sup>1,2</sup>	1.5	0.6	1.1	0.0	2.3	2.6	0.8
Passenger road border crossings, in thousands	3.3	-9.2	-2.3	-10.2	-8.1	-2.2	-4.5
Prices of hotel and restaurant services, total <sup>3</sup>	5.1	4.1	4.5	4.0	3.9	4.6	4.6
Prices of catering services <sup>3</sup>	5.1	4.1	4.5	4.1	4.1	4.5	4.5
Prices of accommodation services <sup>3</sup>	5.2	3.8	4.3	3.4	3.0	4.2	4.0
Turnover in hotels and restaurants (real terms)	3.1	4.2	4.1	4.2	5.3	4.6	5.8

Source of data: SORS; calculations by IMAD. Notes: <sup>1</sup>hotels and restaurants; <sup>2</sup>deflated by the CPI; <sup>3</sup>CPI group or sub-group.

**The growth in the number of overnight stays slowed down further in the third quarter of 2006 due to the low tourist inflow in August.** After July, when the number of tourists increased by 4.5% over July 2005 and the number of their overnight stays was up 3.8%, August witnessed poorer results, mainly due to bad weather. The number of tourists decreased by 1.2% compared with August 2005 and the number of their stays fell by 4.1%. There was a decline in both foreign visitors but even more in domestic ones. August's shortfall was partly offset by September's outcome. In Q3 as a whole, the number of tourists increased by 3.1% over Q3 of 2005 (5.7% for domestic guests and 2.0% for foreign tourists) while the number of their overnight stays was up 0.4% (see the table). In the first nine months of 2006, 2.5% more tourists stayed in Slovenia than in the same period of 2005. The number of their overnight stays increased by 1% (1.2% for foreign tourists and 0.7% for domestic visitors). Provisional data for **October** and **November** show that the number of tourists rose by 7.2% in these two months together, year on year, while the number of the overnight stays they made increased by 4.7%.

**In the first nine months of 2006, residents' spending abroad rose at a faster year-on-year rate than non-residents' spending in Slovenia; the foreign exchange surplus from travel was therefore somewhat lower than in the first nine months of 2005.** After having increased in the first two quarters (by a nominal 6.6% and 5.1%, respectively, year on year), the foreign exchange receipts from travel were 0.3% lower in Q3 of 2006 than in the same period of 2005. Gambling houses recorded poorer business results than in the first two quarters, whereas credit card payments in tourism (except for purposes analysed elsewhere) decreased for the second quarter in a row. Although the growth of outlays that Slovenian citizens made on travel abroad slowed down in Q3 of 2006 in year-on-year terms (to 6.6%), the foreign exchange surplus from travel was 17.1% lower in Q3 than in the same period of 2005. The foreign exchange receipts from travel amounted to EUR 1,171 m in the first nine months of 2006, 3.0% more than the year before in nominal terms. Among the main items of tourism, the highest increase (18.9%) was recorded in the receipts of foreign currency from the sale of other goods and other services (accounting for one-fifth of non-residents' total spending in Slovenia) and foreign currency payments for services provided by tourist agencies, hotels and other accommodation facilities (an 8.6% increase and a 15% share in non-residents' total spending in Slovenia). On the other hand, payments with credit cards within tourism fell by 18.9% (and represented 7.5% of the total non-residents' spending). The sales in duty-free shops dropped by a further 41.3% and its share consequently shrank further (to 2.2%). Slovenian citizens spent EUR 690 m on their tourist trips abroad in the first nine months of 2006, 8.5% more in nominal terms than in the same period of 2005. The foreign exchange surplus from travel thus amounted to EUR 481 m in this period, 4.0% less than the year before in nominal terms.

Graph: **Non-residents' spending in Slovenia and residents' spending abroad, EUR m**



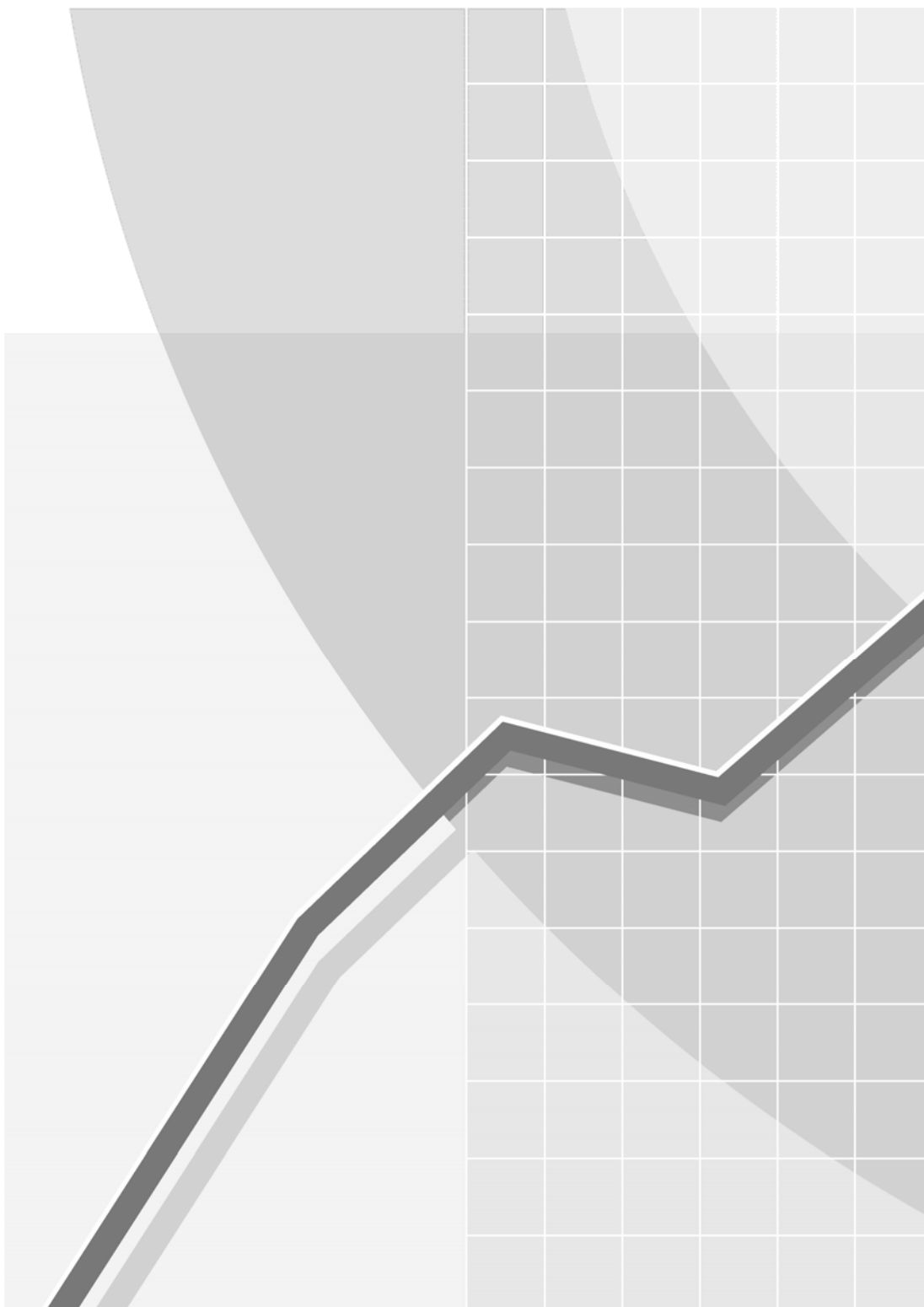
# Selected Topics

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## Sales Capacities in Retail Trade

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Sales capacities in in retail trade	Number of shops			Retail sales area (m <sup>2</sup> )		
	2005	2005/2001, in %	2005/1999, in %	2005	2005/2001, in %	2005/1999, in %
<b>Total</b>	12,033	5.9	-1.6	1,976,405	30.8	49.6
<b>Retail sale of food</b>	3,097	-14.6	-26.1	561,242	12.7	27.7
Non-specialised stores selling food	2,038	-22.8	-34.6	519,623	17.8	33.7
Specialised food stores	1,059	7.6	-1.2	41,619	-27.3	-18.5
<b>Retail sale of non-food products</b>	7,872	16.9	11.4	1,246,287	40.2	62.9
Other non-specialised mainly non-food	792	1.5	-9.3	248,777	28.4	8.6
Pharmaceutical, cosmetic articles	351	1.4	11.4	42,820	37.6	134.4
Textiles, clothing, footwear, leather goods	2,693	19.7	14.2	272,101	12.5	68.0
Furniture, lighting, metal products, varnish	1,204	15.4	7.6	434,196	72.6	105.1
Books and newspapers	452	5.4	-3.4	27,133	16.7	21.0
Other specialised shops	2,337	25.4	22.1	218,667	50.0	82.6
Second-hand goods	43	87.0	138.9	2,593	97.6	22.8
<b>Retail sale of automot. fuel and mot. vehic.</b>	1,064	6.5	8.9	168,876	35.4	45.0
Automotive fuels	380	3.3	9.5	74,007	171.5	70.9
Motor vehicles and parts	684	8.4	8.6	94,869	-2.7	29.6

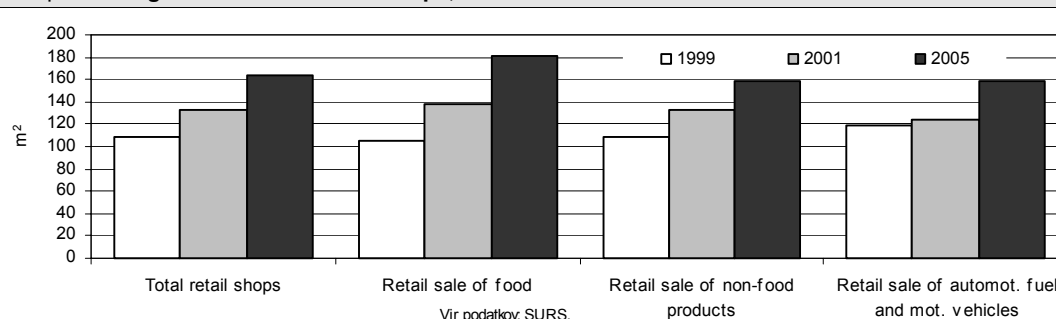
Source of data: SORS, IMAD's calculations. Note: data are available for 1999, 2001 and 2005.

**According to the SORS, the number of retail shops increased by 5.9% from 2001 to 2005 while the total sales area expanded by 30.8%.** The average sales area of a shop in 2005 was 164 m<sup>2</sup>, having grown by 31 m<sup>2</sup> from 2001 and by 56 m<sup>2</sup> from 1999. The majority of shops (65.4%) sold non-food goods in 2005. Among these, over one-third traded in textiles, clothing, footwear and leather goods. Over one-quarter sold food (65.8% thereof in non-specialised shops) while 8.8% dealt in automotive fuels and motor vehicles. Compared with 2001, the number of food-selling shops decreased while the number of shops selling non-food products, automotive fuels and motor vehicles rose (see the table). The sales area expanded in all three retail trade categories in 2005 compared with 2001, with the biggest increase of 40.2% recorded in retail sale of non-food products. Food stores had the largest average sales area in 2005 (181 m<sup>2</sup>) and their average area also grew the most from 2001 (by 44 m<sup>2</sup> or 31.9%), even though the number of these shops shrank during the period.

**Shops with a sales area of 31-60 m<sup>2</sup> were still the most common in 2005 (26.5% of all shops).** They were followed by shops of 11-30 m<sup>2</sup> (22.9%), 61-119 m<sup>2</sup> (20.8%), 120-399 m<sup>2</sup> (18.6%), 400-999 m<sup>2</sup> (5.5%) and up to 10 m<sup>2</sup> (3.4%). 281 shops (2.3% of all shops) had a sales area in excess of 1,000 m<sup>2</sup> in 2005. Compared with 2001, their number increased by 80 (by 40%).

**A quarter of all retail shops operated in the Osrednjeslovenska region, with their share having increased by 2.6 percentage points from 2001.** The number of shops in this region increased by 18.1% in 2005 over 2001 while their sales area expanded by 34.3%. The average sales area in 2005 was thus 23 m<sup>2</sup> bigger than in 2001. It measured 194 m<sup>2</sup> and was the largest among all regions. The Podravska and Savinjska regions were home to over 10% of shops in 2005 (15.3% and 12.9%, respectively). In both regions, the number of shops grew along with their sales area in comparison with 2001. The number of shops also rose in the Gorenjska and Obalno-kraška regions, whereas it fell in all other regions. In the Koroška, Zasavska and Goriška regions, the sales area contracted as well, however not as much as the number of shops, hence the average sales area increased in all 12 regions.

Graph: Average sales area in retail shops, m<sup>2</sup>



Vir podatkov: SORS.

<b>Slovenia's Ranking on the World Bank's Ease of Doing Business Index, 2005-2006</b>	<b>Slovenian Economic Mirror</b>	<b>IMAD</b>
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Ease of doing business in Slovenia and the EU, 2005-2006		SLO		EU-25 <sup>1</sup>		EU-15 <sup>2</sup>		EU-10 <sup>3</sup>	
		05	06	05	06	05	06	05	06
EASE OF DOING BUSINESS (r)		<b>56</b>	<b>61</b>	35.86	36.14	34.73	34.18	42.13	43.38
1	STARTING A BUSINESS (r)	<b>89</b>	<b>98</b>	54.55	53.68	48.45	42.91	65.88	70.00
	Procedures (number)	9	9	7.41	7.18	7.09	6.73	7.88	7.75
	Duration (days)	60	60	27.55	24.14	21.82	16.45	33.88	31.88
	Cost (% GNI per capita)	12.0	9.4	9.03	7.47	8.61	6.25	10.61	9.60
	Min. capital (% GNI per capita)	17.0	16.1	46.40	43.40	37.72	36.33	65.90	59.98
2	DEALING WITH LICENCES (r)	<b>60</b>	<b>63</b>	57.91	58.45	48.73	47.73	74.75	76.25
	Procedures (number)	14	14	15.91	15.95	12.64	12.64	19.38	19.63
	Time (days)	207	207	191.8	188.9	177.4	171.7	213.2	213.0
	Cost (% of income per capita)	128.7	122.2	81.89	79.55	74.62	73.09	79.76	73.53
3	EMPLOYING WORKERS (r)	<b>149</b>	<b>146</b>	100.5	98.77	92.36	90.45	101.4	99.38
	Difficulty of hiring index (0-100)	61	61	33.27	32.77	27.73	27.73	33.25	31.88
	Rigidity of hours index (0-100)	60	60	56.36	55.45	50.91	49.09	60.00	60.00
	Difficulty of firing index (0-100)	50	50	39.09	39.09	35.45	35.45	41.25	41.25
	Rigidity of employment index (0-100) <sup>4</sup>	57	57	43.05	42.55	38.09	37.45	45.00	44.50
	Non-wage labour cost (% of salary)	16.6	16.6	27.71	27.73	25.38	25.41	29.03	29.03
	Firing costs (weeks of wages)	39.6	39.6	34.27	34.27	38.13	38.13	25.51	25.51
4	REGISTERING PROPERTY (r)	<b>93</b>	<b>97</b>	60.41	59.09	72.18	69.91	57.38	57.13
	Procedures (number)	6	6	4.95	4.86	5.55	5.55	4.88	4.63
	Time (days)	391	391	71.95	71.41	55.09	54.82	114.4	114.2
	Cost (% of property value)	2	2	4.84	4.44	6.09	5.25	2.65	2.69
5	GETTING CREDIT (r)	<b>41</b>	<b>48</b>	31.36	32.00	34.00	33.27	30.50	32.75
	Legal rights index (0-10)	6	6	5.77	5.91	4.82	5.09	5.88	5.88
	Credit information index (0-6)	3	3	4.64	4.68	4.27	4.27	4.25	4.38
	Public registry coverage (% adults)	2.7	2.9	8.23	9.44	11.75	13.56	1.20	1.69
	Private bureau coverage (% of adults)	0.0	0.0	32.62	36.49	36.15	38.96	15.34	20.71
6	PROTECTING INVESTORS (r)	<b>43</b>	<b>46</b>	66.23	64.23	61.91	62.91	66.13	67.13
	Disclosure index (0-10)	3	3	5.36	5.55	5.45	5.45	4.38	4.38
	Director liability index (0-10)	8	8	4.45	4.45	3.82	3.82	4.38	4.38
	Shareholder suits index (0-10)	6	6	6.45	6.50	5.55	5.55	7.00	7.13
	Investor protection index <sup>5</sup> (0-10)	5.7	5.7	5.42	5.50	4.94	4.94	5.25	5.29
7	PAYING TAXES (r)	<b>82</b>	<b>84</b>	71.59	71.23	63.45	64.64	81.38	77.25
	Payments (number)	34	34	20.32	18.77	18.00	18.00	26.38	22.13
	Time (hours)	272	272	260.1	260.1	183.4	183.4	326.4	326.4
	Total tax rate (% profit)	39.4	39.4	51.91	50.71	50.29	49.10	48.43	47.03
8	TRADING ACROSS BORDERS (r)	<b>101</b>	<b>108</b>	42.23	42.00	39.64	35.73	55.63	60.13
	Documents for export (number)	9	9	5.45	5.32	4.73	4.45	6.38	6.38
	Time for export (days)	20	20	12.73	12.23	11.09	10.27	15.25	15.25
	Cost to export (USD per container)	-	1,070	-	939.7	-	855.2	-	1,036
	Documents for import (number)	11	11	7.14	6.77	6.82	6.09	8.38	8.38
	Time for import (days)	24	24	15.23	14.73	13.36	12.55	18.88	18.88
	Cost to import (USD per container)	-	1,107	-	950.8	-	921.4	-	1,096
9	ENFORCING CONTRACTS (r)	<b>85</b>	<b>84</b>	36.32	36.41	33.18	33.00	44.50	44.88
	Procedures (number)	25	25	24.32	24.32	22.00	22.00	25.63	25.63
	Time (days)	1.35	1.35	363.6	363.5	312.4	312.4	422.8	422.8
	Cost (% of debt)	15.2	15.2	12.27	12.27	11.74	11.74	12.06	12.06
10	CLOSING A BUSINESS (r)	<b>35</b>	<b>35</b>	33.64	32.86	20.09	20.36	58.88	56.38
	Time (years)	2.0	2.0	2.22	2.19	1.43	1.40	3.53	3.49
	Cost (% estate)	8.0	8.0	10.75	10.52	8.86	8.41	13.25	13.25
	Recovery rate (cents on the dollar)	44.0	44.9	57.95	59.04	59.89	60.63	36.14	38.04

Source of data: World Bank's database: <http://www.doingbusiness.org/>; IMAD's calculations. Notes: <sup>1</sup>EU member states excluding Luxembourg, Cyprus and Malta; <sup>2</sup>old member states excluding Luxembourg; <sup>3</sup>new EU member states excluding Cyprus and Malta; Bulgaria and Romania are not included in the analysis; <sup>4</sup>average of the three indexes (difficulty of hiring, rigidity of hours and difficulty of firing); <sup>5</sup>average of the three indexes (extent of disclosure, extent of director liability, ease of shareholder suit); r – ranking among 175 countries that are included in the database.

<b>Slovenia's Ranking on the World Bank's Ease of Doing Business Index, 2005-2006</b>	Slovenian Economic Mirror	IMAD
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**The ease of doing business index is a World Bank project intended to monitor the regulation of business environments and the protection of property rights.** A country's ranking on the ease of doing business index is not a substitute indicator of the level of business activity in an economy. A high ranking rather indicates that a country's government has been successful in creating a regulatory framework conducive to the operation of business. Improvements on the scale often proxy for broader reforms to laws and institutions that affect administrative procedures and the time and cost needed to carry out the regulatory procedures. The methodology of constructing the index has been subject to frequent changes. The number of the included sub-indices is increasing and their content has changed to some extent. The calculations are therefore not comparable between years. A direct comparison between longer time periods is further complicated by the growing number of the economies included in the project. As a result, the phenomenon can only be compared with the data for the previous year re-calculated using the current year methodology. The ease of doing business index only ranks countries according to the quality of their regulatory environment. Other determinants such as the proximity to large markets, the quality of infrastructure, macroeconomic conditions or the transparency of public procurement have no effect on the ranking. Moreover, the methodology is relatively restrictive since it only covers the procedures that apply for the registration of limited liability companies.

**In 2006, Slovenia was ranked 61<sup>st</sup> on the ease of doing business index, five places lower than the year before.** In comparison with the other EU countries, which roughly retained their positions from 2005, Slovenia thus slipped further down the scale. Slovenia was ranked 25 places below the EU-25 average, 27 places below the EU-15 average and 18 places below the average of the new member states (EU-10). The worsening of Slovenia's performance was not due to a decline in the ease of doing business in Slovenia but to the fact that Slovenia has been overtaken by other countries that have made faster progress in areas measured by the World Bank's methodology. A look at the table shows that most parameters included in the ease of doing business index did not change for Slovenia from 2005 to 2006, which proves that the country has been slow to make improvements in these areas.

**Among individual areas of the index, Slovenia's ranking is above-average (relative to its overall ranking) according to the following three criteria: closing a business, protecting investors and getting credit.** As far as the closing of a business is concerned, Slovenia (rank 35 in both 2006 and 2005) is below the EU-25 average (rank 33) and above the average of the new member states (EU-10; rank 56). On the other hand, Slovenia slightly improved its debt recovery rate from 2005 (to 44.9 cents/dollar). Slovenia was ranked 46<sup>th</sup> on the investors' protection indicator, which is above the average EU-25 ranking but three places lower than in 2005. Slovenia slipped even more, by seven places, on the getting credit indicator (rank 48; see the table).

**The remaining seven indicators of the ease of doing business rank Slovenia lower than the overall index in 2006.** Slovenia's ranking on the dealing with licences index (rank 63) slipped by three places although the costs of obtaining the necessary permits measured as a % of GNI p.c. decreased. Slovenia was nevertheless ranked higher than the EU-10 average (rank 76) in this area. Slovenia slipped two places on the paying taxes index (rank 84), despite the situation in this area remaining the same in comparison with the year before. On the other hand, Slovenia improved its ranking in the contract enforcement index (rank 84) despite the unchanged parameters in this area. As regards the registration of property, Slovenia was ranked four places lower (rank 97) than in 2005. Slovenia's sharpest drop (by 9 places) was observed in the starting a business indicator (rank 98). That Slovenia achieved worse results than a year ago was partly linked to the construction method for the ease of doing business index. The one-stop-shop system that is already running in Slovenia is intended for the registration of individual private entrepreneurs. The extension of the system to encompass limited liability companies that are covered by the World Bank's method was still not carried out in 2006.

**Indicators in which Slovenia lags the farthest behind the European averages are trading across borders and the difficulty of hiring and firing workers.** In trading across borders, Slovenia is 66 places below the EU-25, 72 places below the EU-15 and 48 places below the EU-10 (its global ranking dropped 7 places to 108<sup>th</sup> place from 2005). The second indicator ranks Slovenia 47 places behind the EU-25 and EU-10 and 55 places behind the EU-15. In spite of an improvement by three places on the difficulty of hiring and firing index, Slovenia's ranking in this area (rank 146) was the lowest among all sub-indices.

<b>Changes in the Method of Measuring Price and Cost Competitiveness</b>	Slovenian Economic Mirror	IMAD
	No. 12/2006	p. 26

Overall trade weights by groups of trading partners according to new methodology		
Country	Narrow group – 17 trading partners	Broad group – 20 trading partners
Austria	7.60	6.82
Belgium	2.86	2.59
Germany	25.64	23.29
Italy	16.71	14.99
France	11.29	10.58
Netherlands	3.06	2.75
Spain	3.09	2.88
Denmark	0.98	0.90
UK	4.65	4.31
Sweden	1.63	1.47
Czech Republic	3.06	2.80
Hungary	1.66	1.48
Poland	2.37	2.18
Slovakia	1.36	1.26
USA	8.10	7.65
Switzerland	2.26	2.08
Japan	3.67	3.47
Turkey	-	1.06
Croatia	-	5.22
Russia	-	2.19
Total	100.00	100.00

Sources of data: SORS, OECD, Republic of Croatia – Central Bureau of Statistics, IMF, Eurostat; author's calculations.

A new paper entitled 'Changes in the Method of Measuring Price and Cost Competitiveness' has been written by Slavica Jurančič and published in the IMAD's Working Paper series. The author presents the previous and the new methodology for computing effective exchange rates, the reasons underlying these changes and their effects on the dynamics of Slovenia's price competitiveness. In view of Slovenia's adoption of the euro the author also presents the differences seen in the computation of price and cost competitiveness indicators used in the euro area as a whole and in its member countries.

**The purpose of the changes introduced to the computation of the tolar's effective exchange rate was to ensure methodological comparability with the European Central Bank (ECB) and the Bank for International Settlements (BIS) on whose methodology the ECB method is modelled.** In addition, the change was also necessitated by the considerable shifts witnessed in the currency structure of Slovenia's trade in goods.

**The computation method of the Bank of Slovenia applied by the IMAD so far differed from the ECB's concept mainly with regard to the method of weighing the currencies/prices (costs) of the trading partners** included in the computation of nominal and real effective exchange rates. Rather than being based on the currency structure of merchandise exports and imports, weights are now computed on the basis of the regional distribution of exports and imports of manufactured goods (SITC sections 5-8 in 2001-2003). Export weights, which were previously simple export shares, are now double weighted. The double-weighted export weights account for the so-called third-market effect. This means that Slovenian exporters to a foreign market compete not only with domestic competitors in that market but also with exporters from third markets.

**According to the new methodology, the basic computation of the effective exchange rate includes 17 trading partners:** 7 from the euro area (Austria, Belgium, Germany, Italy, France, the Netherlands and Spain), 7 from outside the euro area (United Kingdom, Denmark, Sweden, Czech Republic, Hungary, Poland, Slovakia) and 3 non-EU countries (USA, Switzerland, Japan). In 2001-2003, Slovenia realised 78% of its total manufacturing trade (and 68% of Slovenia's total trade in goods) with the selected trading partners. Because Slovenia's trade with countries outside the EU is less well covered, Croatia, Russia and Turkey are included in a **broad group of 20 trading partners** for which the real effective exchange rate can for the time being only be computed on the basis of relative prices. Slovenia's trade with the broad group of 20 countries accounted for 87% of its total manufacturing trade in 2001-2003 (and 75% of its total merchandise trade).

**The new method has had a relatively small aggregate effect on the dynamics of the effective exchange rate** although the previous methodology included only four currencies out of Slovenia's seven main developed trading partners (Germany, Austria, Italy, France, USA, United Kingdom and Switzerland) in the computation of the effective exchange rate. In the last four years, the effect of these changes has been reflected in the lower real appreciation of the tolar's effective exchange rate, mainly due to the sizeable nominal depreciation of the tolar against the currencies of new EU members, in addition to the slightly faster price rises in these countries.

**By adopting the euro, Slovenia has joined the group of euro area countries that are relatively less sensitive to the euro's volatility in international currency markets.** Like Portugal, Spain, Belgium, Luxembourg, the Netherlands and Austria, Slovenia realises an above-average proportion of its external trade in the euro area, where the common currency eliminates currency risks. Therefore, the relative significance of the dynamics of Slovenian prices (costs) in comparison with its trading partners will have an accordingly greater impact on the dynamics of Slovenia's price and cost competitiveness.



# Statistical Appendix

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# Gross Domestic Product / I

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	2001-2004 constant previous year prices, 2005-2008 constant 2004 prices													
	In SIT m							Real growth rates in %						
	2002	2003	2004	2005	2006 estimate	2007 forecast	2008 forecast	2003	2004	2005	2006 estimate	2007 forecast	2008 forecast	
<b>VALUE ADDED BY ACTIVITIES AND GROSS DOMESTIC PRODUCT</b>														
A Agriculture, hunting, forestry	139,709	123,680	149,634	138,342	141,178	139,766	141,233	-15.8	17.1	-5.2	2.0	-1.0	1.0	
B Fishing	709	896	881	869	844	844	844	4.9	-16.9	9.5	-3.0	0.0	0.0	
C Mining and quarrying	20,980	23,617	27,037	30,948	31,263	31,263	31,122	6.2	2.5	-0.2	1.0	0.0	-0.5	
D Manufacturing	1,164,763	1,259,492	1,386,846	1,444,152	1,525,747	1,593,649	1,666,160	4.0	4.1	2.8	5.6	4.4	4.5	
E Electricity, gas and water supply	131,475	140,256	149,089	173,849	174,719	175,680	178,403	-1.0	0.8	6.6	0.5	0.5	1.5	
F Construction	245,150	274,175	294,211	322,680	342,040	359,313	373,865	3.6	1.3	4.0	6.0	5.0	4.0	
G Wholesale, retail; certain repairs	489,314	553,700	610,259	653,633	686,314	714,110	741,603	2.8	3.1	4.0	5.0	4.0	3.8	
H Hotels and restaurants	99,912	110,905	116,979	123,365	129,286	135,815	142,674	3.5	-0.1	0.7	4.8	5.0	5.0	
I Transport, storage and communications	297,719	334,458	360,946	451,071	475,880	501,339	525,153	4.0	0.1	9.0	5.5	5.3	4.7	
J Financial intermediation	201,104	221,699	260,587	276,319	298,424	323,641	348,076	4.5	17.2	10.4	8.0	8.4	7.5	
K Real estate, renting and business services	653,642	742,611	826,027	901,517	937,578	975,550	1,015,060	3.0	4.7	3.6	4.0	4.0	4.0	
L Public administration and defence	277,053	311,343	357,775	349,322	360,675	371,675	383,011	4.3	7.3	2.3	3.2	3.0	3.0	
M Education	246,278	269,600	296,231	326,464	332,993	341,817	351,559	2.1	2.7	3.0	2.0	2.6	2.8	
N Health and social work	226,148	241,059	261,747	278,144	287,879	299,538	313,167	2.5	3.7	2.9	3.5	4.0	4.5	
O Other community and personal services	146,734	158,845	175,356	199,499	208,477	220,047	232,260	3.9	5.7	5.8	4.5	5.5	5.5	
P Private households with employed persons	1,634	1,163	1,228	1,436	1,436	1,451	1,467	-32.7	-8.1	5.9	0.0	1.0	1.0	
<b>VALUE ADDED (A+...+P)</b>	<b>4,342,324</b>	<b>4,767,499</b>	<b>5,274,834</b>	<b>5,671,609</b>	<b>5,934,733</b>	<b>6,185,499</b>	<b>6,445,656</b>	<b>2.7</b>	<b>4.5</b>	<b>3.9</b>	<b>4.6</b>	<b>4.2</b>	<b>4.2</b>	
Taxes on products and services	737,786	794,799	843,679	886,131	946,722	1,019,863	1,082,839	1.9	4.2	4.8	4.5	4.2	3.6	
Less: subsidies on products and services	23,048	29,857	31,436	35,271	35,276	30,346	32,393	-5.7	7.1	-0.6	-2.0	-2.5	-3.0	
<b>GDP</b>	<b>4,965,320</b>	<b>5,497,364</b>	<b>6,070,840</b>	<b>6,524,427</b>	<b>6,828,400</b>	<b>7,118,800</b>	<b>7,415,000</b>	<b>2.7</b>	<b>4.4</b>	<b>4.0</b>	<b>4.7</b>	<b>4.3</b>	<b>4.2</b>	

Source of data: SORS, estimate, forecasts IMAD – Autumn Forecast 2006.

# Gross Domestic Product / II

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	Current prices, in SIT m							Structure in %, current prices, GDP=100					
	2002	2003	2004	2005	2006 estimate	2007 forecast	2008 forecast	2003	2004	2005	2006 estimate	2007 forecast	2008 forecast
<b>SUPPLY AND USE OF GROSS NATIONAL DISPOSABLE INCOME</b>													
1. GROSS DOMESTIC PRODUCT	5,355,440	5,813,540	6,271,795	6,620,145	7,055,200	7,586,400	8,098,200	100.0	100.0	100.0	100.0	100.0	100.0
2. Net primary income from the rest of the world	-30,892	-46,845	-75,400	-61,078	-88,667	-89,625	-110,953	-0.8	-1.2	-0.9	-1.3	-1.2	-1.4
3. GROSS NATIONAL INCOME (1+2)	5,324,548	5,766,695	6,196,395	6,559,066	6,966,533	7,496,775	7,987,246	99.2	98.8	99.1	98.7	98.8	98.6
4. Net current transfers from the rest of the world	13,653	3,527	-14,815	-32,675	-30,674	-33,070	-6,710	0.1	-0.2	-0.5	-0.4	-0.4	-0.1
5. GROSS NATIONAL DISPOSABLE INCOME ( 3+4 )	5,338,201	5,770,222	6,181,580	6,526,391	6,935,859	7,463,704	7,980,536	99.3	98.6	98.6	98.3	98.4	98.5
6. Final consumption expenditure	4,030,745	4,381,447	4,666,049	4,931,809	5,226,119	5,556,432	5,900,320	75.4	74.4	74.5	74.1	73.2	72.9
Private consumption	2,973,258	3,242,319	3,438,530	3,636,387	3,855,644	4,099,739	4,347,683	55.8	54.8	54.9	54.6	54.0	53.7
Government consumption	1,057,486	1,139,128	1,227,519	1,295,422	1,370,475	1,456,693	1,552,637	19.6	19.6	19.6	19.4	19.2	19.2
7. GROSS SAVINGS ( 5-6 )	1,307,466	1,388,776	1,515,531	1,594,581	1,709,741	1,907,272	2,080,216	23.9	24.2	24.1	24.2	25.1	25.7
8. GROSS CAPITAL FORMATION	1,250,957	1,436,604	1,680,755	1,724,428	1,875,844	2,027,930	2,178,397	24.7	26.8	26.0	26.6	26.7	26.9
9. SURPLUS ON THE CURRENT ACCOUNT WITH THE ROW (7-8)	56,500	-47,829	-165,224	-129,846	-166,103	-120,658	-98,181	-0.8	-2.6	-2.0	-2.4	-1.6	-1.2
<i>Source of data: SORS, BS, estimate, forecasts IMAD – Autumn Forecast 2006.</i>													
<b>EXPENDITURE STRUCTURE OF GROSS DOMESTIC PRODUCT, 2001-2004 constant previous year prices; 2005-2008 constant 2004 prices</b>													
	In SIT m							Real growth rates, in %					
GROSS DOMESTIC PRODUCT (3+4+5)	4,965,320	5,497,364	6,070,840	6,524,427	6,828,400	7,118,800	7,415,000	2.7	4.4	4.0	4.7	4.3	4.2
1. Exports of goods and services	2,929,909	3,155,890	3,651,048	4,157,224	4,570,863	4,950,245	5,368,590	3.1	12.5	10.5	9.9	8.3	8.5
2. Imports of goods and services	2,913,616	3,186,667	3,685,560	4,106,912	4,480,641	4,827,779	5,201,931	6.7	13.4	7.0	9.1	7.7	7.7
3. EXTERNAL BALANCE * (1-2)	16,294	-30,777	-34,512	50,312	90,222	122,466	166,659	-2.0	-0.5	2.0	0.6	0.5	0.6
4. FINAL CONSUMPTION	3,743,709	4,150,646	4,505,482	4,811,325	4,964,448	5,130,029	5,301,594	3.0	2.8	3.1	3.2	3.3	3.3
Private consumption	2,754,950	3,075,724	3,327,207	3,556,451	3,675,039	3,808,384	3,943,591	3.4	2.6	3.4	3.3	3.6	3.6
Government consumption (individual and collective)	988,758	1,074,922	1,178,275	1,254,875	1,289,409	1,321,644	1,358,003	1.6	3.4	2.2	2.8	2.5	2.8
5. GROSS CAPITAL FORMATION	1,205,317	1,377,495	1,599,870	1,662,790	1,773,730	1,866,305	1,946,746	10.1	11.4	-1.1	6.7	5.2	4.3
Gross fixed capital investment	1,169,330	1,296,953	1,459,991	1,559,267	1,694,144	1,786,491	1,866,008	7.1	7.9	1.5	8.6	5.5	4.5
Changes in inventories and valuables*	35,988	80,542	139,879	103,523	79,586	79,814	80,738	0.8	1.0	-0.6	-0.4	0.0	0.0
<i>Source of data: SORS, estimate, forecasts IMAD – Autumn Forecast 2006. Note: *as contributions to real GDP growth (in percentage points).</i>													

# Industrial Production

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	2001	2002	2003	2004	2005	2005		2006			2005				2006									
						Q <sub>III</sub>	Q <sub>IV</sub>	Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	9	10	11	12	1	2	3	4	5	6	7	8	9	10
<b>INDUSTRIAL PRODUCTION by sectors <sup>*</sup>, indices, 2000=100</b>																								
INDUSTRY, total	102.9	105.4	106.9	112.8	116.5	113.9	122.3	118.8	125.5	123.4	125.3	123.5	129.7	113.8	115.5	111.9	129.1	114.8	131.6	130.1	126.0	109.5	134.7	136.8
C Mining and quarrying	92.1	99.2	104.9	97.6	104.2	108.5	109.6	103.0	112.5	104.0	108.7	122.4	128.6	77.9	109.2	97.5	102.4	107.8	122.5	107.3	93.4	99.0	119.5	142.8
D Manufacturing	102.8	104.8	106.5	111.6	115.6	113.6	120.5	117.8	125.8	124.1	126.3	122.5	128.4	110.7	113.6	110.6	129.2	114.3	132.2	131.0	127.1	109.3	135.9	136.6
DA Food, beverages, tobacco	100.2	98.6	99.6	89.4	88	89.0	96.2	74.9	87.8	86.9	86.6	93.0	98.0	97.6	70.9	71.2	82.7	81.7	89.3	92.3	86.5	85.5	88.7	87.4
DB Textiles & textile products	92.0	80.5	71.3	61.7	54.1	51.9	51.0	57.5	49.8	54.6	55.2	52.6	54.1	46.2	64.3	49.9	58.3	44.6	49.8	55.0	60.1	44.4	59.4	52.3
DC Leather & leather products	98.4	83.6	72.7	68.2	72.7	69.8	73.0	78.6	77.9	71.9	75.1	73.2	79.1	66.8	75.8	72.6	87.3	67.8	85.0	81.0	68.3	67.7	79.6	91.5
DD Wood & wood products	91.5	94.3	91.0	94.7	100.7	100.2	103.0	94.2	110.9	106.0	115.0	110.4	108.4	90.1	80.9	93.6	108.0	101.1	117.7	113.9	110.8	90.5	116.6	114.9
DE Paper, publishing, printing <sup>1</sup>	95.8	100.9	100.6	101.2	104.8	102.4	112.5	105.1	109.0	106.4	107.6	111.2	116.8	109.4	99.7	97.1	118.4	104.1	115.1	107.9	104.8	102.0	112.5	115.9
DF Coke, petrol. prod., nuclear fuel <sup>2</sup>	32.6	34.2	36.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.8	19.9	21.1
DG Chem., prod., man-made fibers	108.1	114.5	128.0	147.5	158.7	155.3	155.9	173.2	183.4	172.3	175.0	156.4	161.1	150.2	178.4	162.3	178.8	173.6	196.5	180.2	191.8	154.5	170.5	207.5
DH Rubber & plastic products	101.2	99.8	103.6	116.5	122.2	125.5	127.0	121.4	127.7	137.6	138.5	136.8	135.3	109.0	114.7	116.2	133.4	114.9	133.7	134.5	135.5	124.6	152.7	146.8
DI Non-metal mineral products	100.1	100.9	101.6	84.6	78.7	87.4	79.5	67.6	89.0	91.8	92.2	87.1	87.2	64.2	62.4	59.9	80.4	76.6	91.6	98.8	92.7	86.4	96.4	98.4
DJ Basic metals & fabricated. prod.	104.6	108.3	112.0	107.8	116.3	114.5	119.6	121.5	131.1	131.8	124.4	123.3	127.2	108.3	114.0	117.8	132.7	118.6	138.2	136.6	133.6	119.6	142.3	149.0
DK Machinery & equipment nec.	115.5	128.6	120.9	138.5	140.9	139.0	150.9	150.5	156.2	153.2	158.8	154.4	161.4	136.8	140.8	143.4	167.4	142.6	160.3	165.8	161.9	129.9	167.8	172.0
DL Electrical & optical equipment	106.5	110.3	122.8	153.0	157.7	153.5	166.9	168.9	183.8	185.2	188.2	164.2	181.7	154.9	165.3	159.0	182.3	153.0	199.3	199.1	173.9	153.6	228.0	196.4
DM Transport equipment	101.4	106.4	111.7	152.7	184.7	152.8	187.3	200.6	186.0	148.6	193.8	193.4	196.2	172.2	198.5	173.0	230.3	182.6	187.3	188.1	176.8	75.4	193.5	177.1
DN Manufacturing nec.	108.4	106.3	102.6	103.4	108.7	104.9	125.5	105.1	111.3	110.7	117.6	128.4	149.8	98.4	94.4	99.7	121.3	101.2	118.5	114.1	111.2	99.4	121.5	119.7
E Electricity, gas & water supply <sup>3</sup>	109.3	115.3	111.3	132.9	130.9	115.7	150.4	137.6	122.3	117.7	114.7	133.4	143.7	174.2	142.1	133.4	137.2	121.6	122.1	123.3	121.2	113.1	118.7	130.8
<b>NUMBER OF PERSONS IN PAID EMPLOYMENT IN INDUSTRY <sup>4</sup></b>																								
Total, in 1000	257.8	259.9	255.1	251.7	247.3	246.5	245.3	242.8	243.0	243.0	246.0	246.2	246.0	243.7	243.0	242.7	242.6	242.4	242.9	243.6	242.9	242.7	243.3	244.6
C Mining & quarrying	5.5	5.1	4.8	4.4	4.2	4.2	4.1	4.1	4.0	4.0	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.0	4.0	4.0	4.0	4.0	3.9
D Manufacturing	240.8	243.1	238.9	236.1	231.8	230.9	229.8	227.5	227.5	227.5	230.5	230.7	230.5	228.3	227.7	227.5	227.3	227.0	227.5	228.0	227.4	227.2	227.8	229.1
E Electricity, gas & water supply	11.5	11.7	11.4	11.3	11.4	11.4	11.4	11.2	11.4	11.5	11.4	11.4	11.4	11.3	11.2	11.2	11.3	11.4	11.4	11.5	11.5	11.5	11.5	11.5
<b>CONSTRUCTION <sup>5</sup>, real indices of construction put in place, indices 2000=100</b>																								
Construction	92.9	97.9	105.7	108.4	111.7	125.3	128.7	76.7	120.0	149.0	126.2	133.2	132.5	120.5	64.6	74.9	90.6	101.1	115.0	143.9	140.4	132.3	174.2	188.1
Buildings	107.1	104.2	104.9	114.6	126.4	137.9	137.9	100.3	131.3	165.3	133.8	128.1	147.1	138.5	83.9	102.3	114.8	119.0	117.7	157.3	152.7	156.1	187.1	191.9
Civil engineering	79.8	92.1	106.4	102.6	98	113.7	120.3	54.8	109.5	133.8	119.1	138.0	119.1	103.9	46.7	49.6	68.1	84.5	112.4	131.5	128.9	110.2	162.3	184.6
Persons in paid employment in construction <sup>4</sup>	100.4	99.4	99.1	97.5	102	104.8	104.2	102.5	108.6	113.1	105.2	105.4	105.0	102.1	101.5	102.0	104.0	106.5	108.7	110.5	112.2	112.9	114.2	114.9
<p><i>Source of data:</i> SORS. <i>Notes:</i> <sup>*</sup>From February 2004 onwards the industrial production indices have been provisional. For the period up until January 2004 they are calculated according to data on produced quantities of industrial goods. From February 2004 onwards, data on production value have been taken as the basis for the calculation. The value of production is calculated according to the following formula: turnover in the month (x) + value of stocks in the month (x) - value of stocks in the month (x-1). <sup>1</sup>Enterprises with activity of publishing are excluded; <sup>2</sup>data not published because of confidentiality; <sup>3</sup>only companies with activity of electricity supply are included. <sup>4</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>5</sup>The survey covers all larger construction enterprises and some other enterprises that perform construction work.</p>																								

# Production

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	2001	2002	2003	2004	2005	2005		2006			2005			2006									
						Q <sub>III</sub>	Q <sub>IV</sub>	Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	10	11	12	1	2	3	4	5	6	7	8	9	10
<b>TRANSPORT</b>																							
Passenger-km in transport for hire or reward (1000)	1,470	1,143	1,065	980	848	176	215	211	236	181	79	69	68	74	64	74	73	83	81	50	46	85	79
Passenger-km in rail transport , in m	715	749	778	764	777	190	199	191	197	190	67	71	67	68	60	64	62	69	66	60	58	71	72
Passenger-km in air transport , in m	790	794	837	896	1,019	390	198	182	251	411	74	61	63	63	56	63	69	77	104	147	143	121	83
Tonne-km in rail transport , in m	2,837	3,078	3,274	3,466	3,245	784	894	799	815	817	336	341	312	247	265	287	267	287	261	289	259	269	315
Tonne-km in maritime transport, in m	32,951	28,578	28,361	37,047	52,513	14,045	11,013	13,498	11,545	12,618	3,527	3,563	3,923	3,759	5,015	4,725	3,494	3,552	4,498	4,709	3,955	3,954	4,381
Tonne-km in road transport , in m	7,035	6,609	7,040	9,007	11,033	2,905	2,752	2,901	3,413	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Urban passenger traffic, in m	105.6	103.9	98.4	100.2	97.2	15.1	28.8	27.3	24.3	14.6	9.4	9.7	9.7	9.2	8.6	9.5	8.6	8.1	7.6	4.0	3.7	6.9	9.1
Airport passengers traffic, in 000	888	866	922	1,047	1,228	449	264	236	334	488	106	81	77	78	73	85	90	112	132	169	171	148	116
Harbour freight transport, in 000 t	9,145	9,305	10,788	12,063	12,625	2,787	3,555	3,871	3,877	3,555	1,227	1,088	1,240	1,266	1,341	1,265	1,103	1,372	1,402	1,245	895	1,416	1,426
Transport of gas, million m <sup>3</sup>	1,039	1,007	1,098	1,097	1,136	193	331	-	-	-	89	114	128	-	-	-	-	-	-	-	-	-	-
<b>TOURISM, overnight stays, in 000</b>																							
Total	7,130	7,321	7,503	7,589	7,573	3,101	1,303	1,404	1,814	3,102	528	377	398	464	464	476	474	575	765	1,157	1,209	749	548
Domestic tourists	3,316	3,300	3,327	3,226	3,173	1,204	578	697	691	1,221	196	184	197	193	268	236	169	220	303	498	457	271	219
Foreign tourists	3,814	4,021	4,175	4,363	4,399	1,898	725	708	1,123	1,881	332	193	201	271	196	240	306	355	462	659	753	478	329
Health resorts	2,284	2,327	2,360	2,417	2,464	814	548	523	573	853	212	175	162	173	169	181	158	197	217	275	324	255	219
Seaside	2,016	2,052	2,010	2,002	1,949	955	266	201	493	961	122	83	62	52	58	91	139	139	215	367	346	248	118
<b>AGRICULTURE, slaughter in slaughterhouses, in 000 tons</b>																							
Cattle	39.2	40.5	43.1	40.1	37.4	8.2	10.7	8.9	9.0	8.4	3.0	3.9	3.9	3.0	2.8	3.1	2.9	3.3	2.8	2.5	2.9	2.9	3.4
Pigs	35.8	37.1	37.3	34.6	31.7	7.5	8.7	8.3	9.1	7.9	2.5	3.1	3.2	2.7	2.5	3.1	2.8	3.2	3.0	2.6	2.7	2.6	2.7
Poultry	56.6	51.4	56.0	52.0	53.4	14.0	13.4	12.4	12.0	12.3	4.9	4.5	4.0	3.8	3.9	4.7	3.4	4.3	4.3	4.3	4.2	3.8	4.2
Purchase of agricultural products, SIT m	98.7	101.6	103.3	102.4	104.1	25.2	32.0	21.7	25.6	26.1	9.7	9.3	12.9	6.7	6.8	8.2	8.1	8.9	8.6	7.9	8.9	9.3	9.6
<b>FISHING, in 000 tons</b>																							
Catches in marine waters	1620.6	1459.8	1087.5	815.9	1021.6	366.3	268.3	131.1	155.0	271.3	115.1	100.2	53.0	49.8	65.4	15.9	36.3	36.6	82.1	84.2	92.7	94.3	91.4

Source of data: SORS.

# Balance of Payments

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	2001	2002	2003	2004	2005	2005			2006		2005			2006									
						Q III	Q IV	Q I	Q II	Q III	10	11	12	1	2	3	4	5	6	7	8	9	10
<b>BALANCE OF PAYMENTS, EUR m</b>																							
Current account	38	247	-196	-720	-547	-60	-395	-126	50	-356	5	-113	-288	54	-94	-86	45	-22	26	-221	-48	-87	-10
Trade balance <sup>1</sup>	-684	-265	-543	-1,009	-1,026	-239	-517	-204	-116	-258	-54	-171	-291	7	-92	-119	18	-76	-59	-78	-115	-65	-66
Exports	10,454	11,082	11,417	12,933	14,599	3,593	3,871	4,028	4,284	4,153	1,309	1,379	1,183	1,248	1,270	1,509	1,334	1,463	1,488	1,450	1,174	1,529	1,556
Imports	11,139	11,347	11,960	13,942	15,625	3,832	4,388	4,231	4,401	4,411	1,364	1,550	1,475	1,241	1,363	1,628	1,316	1,539	1,546	1,528	1,289	1,594	1,622
Services	536	620	540	688	856	235	245	207	253	220	85	102	59	73	57	76	69	94	90	28	104	88	94
Exports	2,178	2,440	2,465	2,783	3,210	1,001	832	728	863	1,044	256	288	287	240	225	263	256	292	315	339	394	311	295
Imports	1,642	1,820	1,925	2,095	2,354	766	586	521	609	825	171	186	228	167	167	187	187	197	225	311	290	224	201
Income	43	-168	-219	-322	-283	-64	-99	-43	-82	-242	-8	-12	-79	-10	-12	-20	-25	-19	-39	-153	-15	-74	-40
Receipts	511	490	510	530	641	178	171	158	197	211	60	54	58	52	53	53	56	69	73	65	68	77	66
Expenditure	468	657	728	852	924	242	270	201	280	453	68	66	136	62	66	73	81	87	111	217	84	152	106
Current transfers	144	60	26	-76	-94	8	-25	-86	-5	-76	-17	-32	24	-16	-47	-23	-17	-22	34	-19	-21	-36	2
Receipts	436	500	474	561	708	200	191	147	205	147	46	46	100	40	54	53	53	50	102	57	50	39	77
Expenditure	293	439	449	638	802	192	216	233	210	222	63	77	76	57	101	76	70	72	68	76	72	75	75
Capital and financial account	-148	3	46	698	404	156	199	-1	317	569	-213	-55	467	-146	109	35	35	169	114	350	76	143	15
Capital account	-4	-164	-165	-96	-114	-22	-57	-11	-21	-32	-11	-9	-36	4	-6	-9	8	-9	-19	-21	6	-17	-7
Financial account	-144	167	211	794	518	178	255	10	338	601	-202	-46	503	-150	116	44	27	178	133	371	70	159	22
Direct investment	251	1,556	-151	224	-58	3	115	-82	46	162	-38	-10	163	-163	45	37	1	-27	73	159	-34	37	-17
Domestic abroad	-161	-166	-421	-441	-503	-231	-67	-108	-188	-140	-56	-23	12	-88	-22	1	-87	-25	-75	-12	-38	-89	-41
Foreign in Slovenia	412	1,722	270	665	445	234	182	26	234	302	19	13	150	-75	66	35	88	-2	148	172	5	126	24
Portfolio investment	80	-69	-223	-637	-1,618	-193	-735	-257	-178	-269	-438	-104	-193	-103	-116	-39	-28	-106	-45	-86	-190	7	-65
Financial derivatives	0	0	0	6	-10	2	-2	-2	-10	-3	-11	6	3	2	-4	0	0	-9	-1	-6	1	2	-3
Other investment	964	565	849	945	2,393	521	869	443	184	28	132	99	638	349	183	-89	-21	309	-104	-105	39	94	175
Assets	248	-538	-730	-1,308	-1,531	-403	-278	-340	-860	-431	-138	-199	59	55	-150	-245	-59	-583	-218	30	-69	-392	107
Commercial credits	-239	-135	-116	-237	-195	16	120	-248	-155	-61	-87	-8	215	-42	-94	-112	-58	-44	-52	-29	67	-99	-77
Loans	19	-174	-223	-281	-413	-76	-189	-149	-155	-135	-40	-48	-101	-16	-37	-96	-31	-52	-72	-56	-1	-78	-34
Currency and deposits	500	-157	-323	-720	-835	-317	-154	89	-497	-207	10	-117	-47	113	-12	-11	30	-472	-55	101	-115	-193	237
Other assets	-32	-71	-68	-69	-88	-25	-55	-32	-54	-27	-21	-25	-8	1	-7	-25	1	-16	-39	14	-20	-21	-19
Liabilities	716	1,104	1,579	2,252	3,924	924	1,147	783	1,045	458	270	298	579	294	334	155	38	893	114	-136	108	486	68
Commercial credits	-10	95	59	214	236	1	112	-15	105	36	45	60	7	-89	52	22	14	41	51	53	-48	32	97
Loans	575	838	1,123	1,671	2,649	657	890	209	952	433	248	217	425	153	-42	98	40	976	-64	60	109	264	69
Deposits	152	130	428	335	1,014	245	120	599	-10	-9	-16	18	119	236	327	36	-14	-124	128	-247	49	190	-97
Other liabilities	-1	39	-31	33	25	20	25	-9	-3	-2	-7	2	29	-6	-3	0	-2	0	-1	-1	-1	0	-1
International reserves <sup>2</sup>	-1,439	-1,885	-264	256	-189	-155	8	-92	295	684	153	-37	-108	-234	6	136	76	10	210	409	254	20	-68
Statistical error	110	-250	150	22	144	-96	196	127	-367	-213	208	168	-179	91	-15	51	-80	-147	-140	-129	-29	-56	-6
<b>EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m</b>																							
Export of investment goods	1,417	1,542	1,634	1,873	2,058	500	545	551	615	622	180	191	174	158	169	224	186	212	217	222	168	231	N/A
Intermediate goods	5,039	5,245	5,463	6,342	6,990	1,724	1,797	1,992	2,139	2,094	616	649	531	618	630	744	656	736	750	720	604	770	N/A
Consumer goods	3,891	4,175	4,188	4,568	5,349	1,280	1,456	1,432	1,453	1,366	489	514	453	453	456	523	470	482	501	485	367	515	N/A
Import of investment goods	2,009	2,072	2,322	2,494	2,624	612	829	629	723	746	230	292	307	152	224	253	213	239	271	245	204	297	N/A
Intermediate goods	6,700	6,816	7,079	8,348	9,534	2,356	2,572	2,632	2,713	2,738	814	916	842	778	842	1,012	796	950	966	972	800	966	N/A
Consumer goods	2,635	2,686	2,838	3,301	3,646	892	1,000	991	1,011	986	332	352	316	290	318	383	310	352	349	320	289	376	N/A

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> reserve assets of the BS.

# Monetary Indicators

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	2005	2005								2006									
	Dec.	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	
<b>MONETARY SYSTEM – CONSOLIDATED BALANCE SHEET OF MONETARY FINANCIAL INSTITUTIONS, end of the month, in SIT bn</b>																			
Currency in circulation	214.2	204.4	202.2	197.6	202.7	210.3	201.2	214.2	202.7	206.8	207.5	220.9	216.5	220.7	212.1	210.3	213.1	214.0	
Overnight deposits at other MFI	1490.9	1276.9	1268.2	1273.3	1284.9	1282.8	1312.9	1490.9	1475.5	1482.4	1525.4	1535.3	1571.7	1598.7	1595.7	1594.7	1605.7	1590.4	
Overnight deposits of NFI at the BS	2.8	2.8	2.9	2.6	3.1	2.3	3.0	2.8	3.5	2.8	5.7	6.5	4.9	3.6	3.6	5.7	4.8	6.0	
Overnight deposits of other government sector (central government excluded) at the BS	2.7	3.1	2.7	3.1	3.3	2.8	2.9	2.7	2.2	2.0	1.9	2.1	2.1	1.8	2.2	2.1	2.1	1.9	
Total overnight deposits at the BS	5.5	5.9	5.6	5.7	6.4	5.1	5.9	5.5	5.7	4.8	7.6	8.5	7.0	5.3	5.9	7.8	6.9	7.9	
Deposits with agreed maturity at the BS	0.4	0.1	0.1	0.4	0.3	0.5	0.5	0.4	0.3	0.4	0.5	0.4	0.7	0.5	0.5	0.0	0.0	0.0	
Deposits with agreed maturity at other MFI	1687.9	1753.1	1781.1	1808.9	1765.4	1774.7	1826.6	1687.9	1728.4	1742.3	1718.2	1661.8	1682.0	1678.2	1710.8	1692.1	1735.0	1717.8	
Deposits at redeemable notice	122.4	149.1	145.7	155.9	164.9	157.4	123.1	122.4	77.1	78.8	101.6	109.7	106.5	117.1	166.0	170.8	182.7	184.6	
Debt securities, units/shares of money market funds and repos	7.8	11.5	11.3	9.9	10.4	10.2	8.5	7.8	8.8	9.1	9.4	9.3	9.0	6.7	8.0	8.7	8.3	7.5	
HM1	1710.7	1487.2	1476.0	1476.5	1494.1	1498.2	1519.9	1710.7	1683.9	1694.1	1740.5	1764.7	1795.3	1824.8	1813.6	1812.6	1825.7	1812.3	
HM2	3521.4	3389.4	3402.9	3441.7	3424.6	3430.7	3470.1	3521.4	3489.7	3515.6	3560.8	3536.7	3584.4	3620.6	3690.8	3675.6	3743.4	3714.7	
HM3	3529.2	3400.9	3414.2	3451.6	3435.0	3441.0	3478.6	3529.2	3498.5	3524.7	3570.2	3546.0	3593.4	3627.3	3698.8	3684.2	3751.7	3722.2	
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn</b>																			
Claims of the BS on central government	17.4	17.7	17.7	17.6	17.6	17.4	17.4	17.4	17.3	17.3	17.1	16.9	16.9	16.9	16.9	16.8	16.9	16.8	
Central government (S. 1311)	780.4	744.5	740.5	734.0	762.6	773.9	776.5	780.4	808.0	792.9	767.3	774.0	777.2	774.9	774.5	777.8	782.2	792.5	
Other government (S. 1312, 1313, 1314)	23.1	21.3	18.6	18.2	17.8	21.9	22.1	23.1	19.2	19.4	23.9	23.8	23.4	23.3	23.4	20.6	20.4	21.5	
Households (S. 14, 15)	1025.9	917.7	937.3	956.9	976.0	995.8	1014.4	1025.9	1040.6	1053.2	1080.5	1108.6	1138.2	1157.3	1180.4	1203.7	1229.2	1252.3	
Non-financial corporations (S. 11)	2621.2	2386.2	2414.2	2437.8	2483.5	2497.1	2577.3	2621.2	2695.3	2738.2	2800.0	2883.1	2910.3	2948.8	2989.3	3025.0	3096.5	3162.5	
Non-monetary financial institutions (S. 123, 124, 125)	227.7	183.2	178.4	187.9	197.9	194.5	207.2	227.7	231.2	243.6	253.1	263.0	278.0	285.7	287.2	296.5	303.8	321.4	
Monetary financial institutions (S. 121, 122)	1409.9	1365.5	1373.9	1349.8	1381.0	1358.6	1372.8	1409.9	1493.7	1496.0	1485.2	1407.3	1438.3	1413.4	1293.7	1235.5	1251.5	1267.9	
Claims on domestic sectors, TOTAL																			
In domestic currency	2099.3	2168.7	2162.3	2159.0	2165.3	2150.2	2102.8	2099.3	2106.1	2136.3	2124.1	2132.6	2114.1	2149.9	2121.8	2136.1	2152.6	2200.9	
In foreign currency	2199.6	1735.4	1783.5	1836.1	1913.8	1978.3	2095.9	2199.6	2286.2	2352.9	2455.8	2539.4	2618.8	2716.2	2748.6	2814.9	2894.6	2992.3	
Securities, total	1789.4	1714.3	1717.1	1689.6	1739.8	1713.4	1771.6	1789.4	1895.7	1854.0	1830.1	1787.8	1832.5	1737.3	1678.1	1608.1	1636.5	1624.9	
<b>SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn</b>																			
Deposits in domestic currency, total	2610.2	2423.7	2447.8	2478.4	2516.9	2526.9	2579.5	2610.2	2692.7	2651.4	2651.7	2685.9	2704.6	2749.2	2751.9	2774.1	2846.7	2885.6	
Overnight	986.9	899.4	893.4	892.6	903.4	921.9	915.0	986.9	962.5	950.4	1004.8	1003.6	1032.6	1073.0	1056.9	1057.6	1067.4	1052.8	
With agreed maturity – short-term	1175.8	1059.0	1086.7	1107.6	1134.3	1134.2	1217.8	1175.8	1295.1	1264.0	1210.5	1229.8	1233.9	1225.9	1257.4	1271.3	1323.7	1361.8	
With agreed maturity – long-term	309.7	338.6	347.4	344.9	343.2	324.4	308.8	309.7	312.7	313.2	294.1	295.3	286.0	284.8	282.3	285.4	286.4	304.6	
Short-term deposits redeemable at notice	137.8	126.8	120.2	133.3	136.0	146.4	137.9	137.8	122.3	123.9	142.3	157.2	152.1	165.6	155.3	159.8	169.1	166.3	
Deposits in foreign currency, total	1346.6	1327.8	1306.2	1370.2	1326.9	1321.6	1372.4	1346.6	1344.7	1372.8	1403.8	1367.3	1417.4	1432.4	1424.9	1420.3	1433.9	1425.8	
Overnight	534.8	392.0	387.8	395.4	395.6	387.9	415.8	534.8	542.5	550.7	547.0	546.0	559.0	556.9	558.4	564.3	562.8	564.7	
With agreed maturity – short-term	481.2	625.2	618.2	626.0	623.7	609.6	619.1	481.2	474.9	491.5	515.3	480.9	514.1	533.6	522.1	506.4	517.6	510.0	
With agreed maturity – long-term	295.2	277.7	268.1	316.0	270.3	285.0	301.0	295.2	295.7	297.9	300.5	302.8	310.9	307.8	311.1	316.1	319.2	313.8	
Short-term deposits redeemable at notice	35.4	32.9	32.1	32.7	37.4	39.2	36.4	35.4	31.6	32.7	41.0	37.6	33.4	34.1	33.3	33.6	34.3	37.3	

Source of data: Bank of Slovenia. Note: The BS has adopted a new methodology harmonised with the European Central Bank. As a result, the structure of tables showing household loans and savings in the Slovenian Economic Mirror has changed.

# Prices

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Indices, 2005 = 100	2001	2002	2003	2004	2005	2005		2006			2005		2006											
						Q III	Q IV	Q I	Q II	Q III	11	12	1	2	3	4	5	6	7	8	9	10	11	
<b>GROWTH IN SELECTED PRICE INDICATORS</b>																								
<b>Consumer price index</b>	83.0	89.2	94.2	97.6	100.0	100.6	101.0	100.8	102.8	103.2	100.8	100.8	100.2	100.6	101.4	102.3	103.2	102.9	102.6	103.3	103.6	102.8	103.1	
Food, non-alcoholic beverages	89.2	95.9	100.3	100.8	100.0	98.7	99.5	101.6	102.0	102.3	99.5	100.2	101.6	101.6	101.5	101.2	102.8	102.1	101.7	102.6	102.7	101.9	103.4	
Alcoholic beverages, tobacco	70.7	80.8	91.0	96.3	100.0	101.8	101.3	101.5	101.9	105.2	101.2	101.2	101.3	101.5	101.7	101.8	101.8	102.1	105.3	105.1	105.2	106.3	106.1	
Clothing and footwear	90.5	93.5	99.3	101.0	100.0	97.4	103.5	93.7	104.8	94.0	104.9	102.0	89.6	91.0	100.6	104.1	105.7	104.5	92.5	90.5	99.2	104.9	106.2	
Housing, water, electricity, gas	75.1	80.2	85.4	91.7	100.0	101.8	103.1	104.4	106.1	107.0	102.8	102.8	103.6	104.8	104.7	105.7	106.6	105.9	106.5	106.8	107.6	103.3	103.8	
Furnishings, household equip.	85.3	90.1	94.3	96.5	100.0	100.6	101.1	101.9	102.9	105.2	101.3	101.1	101.7	101.3	102.7	103.0	102.8	102.9	104.1	105.6	106.0	106.1	106.1	
Medical, pharmaceutical products	87.5	93.4	98.8	100.3	100.0	99.1	99.2	98.4	98.5	98.0	99.2	99.2	98.3	98.3	98.5	98.6	98.6	98.3	98.0	98.1	97.9	98.0	98.2	
Transport	82.0	88.0	92.1	97.4	100.0	101.7	100.8	99.9	101.8	103.0	99.7	99.5	100.2	100.2	99.4	101.2	102.6	101.7	102.0	103.8	103.0	100.3	100.1	
Communications	85.5	98.5	99.8	100.0	100.0	99.8	100.2	100.0	99.2	100.4	100.2	100.1	100.1	100.0	99.9	99.7	99.5	98.5	99.4	99.6	102.2	102.2	101.1	
Recreation and culture	83.9	89.8	94.2	97.7	100.0	102.9	99.5	100.0	101.7	105.8	99.1	100.1	99.4	100.4	100.1	100.6	101.4	103.1	106.3	107.8	103.3	100.6	100.9	
Education	75.9	83.5	87.1	93.4	100.0	100.9	102.2	102.0	104.1	103.5	102.1	102.5	102.5	101.6	101.9	104.1	104.1	104.1	104.1	104.1	102.1	102.9	102.9	
Catering services	77.8	84.9	91.1	95.8	100.0	100.7	101.6	102.2	104.0	105.4	101.6	101.4	101.9	102.1	102.7	103.5	104.0	104.4	104.9	105.3	105.8	106.0	105.5	
Miscellaneous goods & services	81.8	88.8	94.5	98.1	100.0	100.8	100.8	102.1	103.9	104.4	101.0	101.0	101.1	101.7	103.6	103.6	104.0	104.0	104.4	104.2	104.6	105.7	105.8	
<b>Harmonized consumer price index</b>	82.9	89.1	94.2	97.6	100.0	100.7	100.9	100.8	102.8	103.2	100.8	100.7	100.3	100.7	101.4	102.3	103.3	103.0	102.7	103.4	103.7	102.9	103.2	
<b>Producer price index</b>	86.6	91.0	93.4	97.4	100.0	99.9	100.6	101.3	102.3	102.7	100.5	100.9	100.8	101.3	101.8	102.1	102.2	102.5	102.6	102.4	103.0	103.1	103.1	
Intermediate goods	86.4	89.6	91.4	96.9	100.0	99.9	100.6	101.8	103.4	104.2	100.4	101.2	101.2	101.8	102.5	103.1	103.4	103.8	104.1	103.8	104.7	104.4	104.5	
Capital goods	92.5	95.1	94.7	97.0	100.0	99.5	100.2	99.8	99.5	100.3	100.3	100.1	99.6	100.1	99.6	99.5	99.2	99.9	100.0	100.3	100.8	100.8	100.7	
Consumption goods	85.2	91.6	95.3	98.1	100.0	100.0	100.6	101.0	101.7	101.3	100.6	100.6	100.4	101.1	101.5	101.7	101.6	101.6	101.4	101.1	101.2	102.1	101.9	
<b>PRICE CONTROL <sup>1</sup></b>																								
Energy prices	76.3	81.1	83.3	89.4	100.0	104.5	103.8	104.7	109.6	111.9	102.0	102.0	104.1	105.3	104.6	107.8	111.4	109.7	110.4	112.7	112.6	106.2	105.5	
Oil products	74.0	78.9	80.2	86.7	100.0	105.8	104.8	105.6	113.4	116.3	102.5	102.5	105.0	106.5	105.4	110.4	116.1	113.8	114.5	117.5	117.0	106.5	105.1	
Electricity for households	85.4	90.4	93.8	98.6	100.0	100.3	100.3	100.8	100.8	102.0	100.3	100.3	100.8	100.8	100.8	100.8	100.8	100.8	100.8	100.8	102.7	102.7	102.7	102.7
Basic utilities	71.0	83.4	88.6	96.2	100.0	100.0	99.9	100.1	100.9	100.9	100.0	99.9	99.9	100.1	100.1	101.2	100.7	100.7	100.7	100.9	100.9	83.3	89.3	
Transport & communications	70.7	91.5	95.2	97.9	100.0	101.1	101.0	101.2	101.6	101.6	101.0	101.0	101.0	101.0	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	
Other controlled prices	81.7	86.0	89.8	95.7	100.0	100.7	100.7	101.8	102.2	103.2	100.7	100.7	101.8	101.8	101.9	102.2	102.2	102.3	103.2	103.2	103.2	103.2	103.3	
<b>Direct control – total</b>	74.7	82.5	85.5	91.5	100.0	103.3	102.8	103.7	107.3	110.2	101.6	101.6	103.2	104.1	103.7	106.1	108.5	107.4	107.9	109.5	113.3	106.5	106.9	

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.



# Interest Rates and Investment

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	End year					2005			2006											
	2001	2002	2003	2004	2005	10	11	12	1	2	3	4	5	6	7	8	9	10	11	
<b>INTEREST RATES, in %</b>																				
General legal penalty rate	27.99	21.16	18.25	15.50	15.50	15.50	15.50	15.50	13.50	13.50	13.50	13.50	13.50	13.50	12.50	12.50	12.50	12.50	12.50	-
Foreign exchange bills	4.1	3.1	2.2	2.0	2.1	2.1	2.3	2.4	2.4	2.5	2.6	2.6	2.7	2.8	2.9	3.1	3.2	3.3	3.3	-
Deposits interest rates (r)																				
Demand deposits (n)	1.0	1.0	1.0	0.6	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-
Time deposits over 1 year (r)	4.7	3.6	1.7	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	-
Lending interest rates																				
Long-term loans	7.8	7.4	6.2	4.9	4.2	3.9	3.9	4.0	4.0	4.0	4.0	4.0	3.9	3.9	3.9	3.9	3.9	3.9	3.8	-
<b>REVALUATION CLAUSES, in %</b>																				
Tolar: annualised rate	8.62	7.66	5.96	3.87	2.95	3.59	3.71	2.38	2.38	2.64	2.38	2.46	2.38	3.71	2.38	2.38	3.71	2.38	-	
Exchange clause: annualised	4.7	4.0	2.8	1.3	-0.1	0.2	-0.3	0.0	0.0	-0.1	0.1	0.0	0.2	0.0	-0.1	0.0	0.0	0.0	-	
<b>INVESTMENT, outlays, in SIT m</b>																				
<b>Total</b>	514,497	524,626	610,923	760,662	772,675	52,422	81,795	128,155	70,523	51,609	63,277	52,510	56,768	62,748	55,592	56,808	62,610	58,911	86,544	
Industry total	121,197	114,794	136,349	184,271	181,466	13,292	21,655	20,091	21,726	10,971	12,392	10,174	11,172	13,613	12,797	9,218	11,634	12,008	16,069	
Energy sector	26,743	36,959	31,538	39,105	38,701	1,884	3,050	6,625	2,686	3,337	2,340	1,405	2,119	1,934	2,995	2,119	3,460	2,294	4,832	
Manufacturing	94,454	77,835	104,811	145,163	142,765	11,408	18,605	13,466	19,040	7,634	10,052	8,769	9,053	11,679	9,802	7,099	8,174	9,714	11,237	
Construction	9,391	8,937	11,350	21,470	129,609	8,272	12,852	22,406	8,392	8,929	10,808	7,472	11,717	11,122	11,561	15,119	14,507	13,065	14,565	
Transport and communications	82,479	58,244	39,779	54,720	63,689	4,387	8,279	7,148	4,115	2,762	4,692	3,855	4,716	4,085	3,935	5,076	7,245	3,401	9,931	
Trade	56,554	66,950	67,852	80,272	93,793	5,282	12,105	16,237	13,481	6,019	7,889	4,879	4,880	11,155	5,304	6,325	4,527	6,229	4,926	
Hotels and restaurants	7,687	9,144	14,665	14,206	15,641	651	693	2,742	1,233	650	1,705	840	889	962	1,298	1,319	816	439	722	
Financial and technical services	30,796	40,339	48,049	52,291	48,192	2,376	3,995	5,659	3,851	2,486	3,284	4,210	4,957	4,109	5,117	4,199	2,560	3,805	4,297	
Other	206,393	226,220	292,876	353,432	240,285	18,162	22,216	53,872	17,725	19,792	22,507	21,080	18,437	17,702	15,580	15,552	21,321	19,964	36,034	
In economic infrastructure, total <sup>1</sup>	166,027	162,078	177,777	223,096	180,751	10,942	17,214	29,409	11,917	11,312	11,724	7,283	13,947	12,868	13,319	16,649	16,725	13,348	19,366	
Energy sector	26,742	36,959	46,562	46,469	42,212	1,884	3,050	6,625	2,686	3,337	2,340	1,405	2,119	1,934	2,995	2,119	3,460	2,294	4,832	
Electricity supply	16,012	25,132	26,903	23,107	24,251	940	1,756	2,433	1,554	1,947	1,394	941	1,381	1,261	1,963	1,200	2,516	1,304	3,331	
Gas supply	506	1,380	1,282	689	678	57	74	111	74	32	51	41	30	51	56	80	58	26	111	
Hot water supply	966	1,168	2,725	2,027	2,564	140	253	144	73	205	211	41	140	90	240	125	216	240	346	
Cold water supply	9,259	9,280	15,652	20,645	14,720	746	966	3,939	986	1,153	685	381	569	532	737	714	670	724	1,044	
Transport infrastructure	139,285	125,119	131,215	176,627	138,539	9,058	14,164	22,783	9,231	7,975	9,384	5,878	11,828	10,934	10,324	14,530	13,265	11,054	14,534	
Railways	30,074	16,924	1,717	1,822	2,615	87	291	263	78	123	586	608	571	372	558	1,487	1,653	77	493	
Air traffic	821	618	1,774	2,660	3,462	77	450	137	135	216	73	10	207	101	49	469	96	123	139	
Roads, motorways	67,506	81,467	103,849	141,157	106,040	6,116	10,930	19,875	6,791	5,887	5,968	3,760	9,044	8,994	9,224	11,516	11,064	10,310	13,150	
Postal and telecom services	38,757	24,573	20,923	26,717	24,143	2,693	2,359	2,393	2,161	1,621	2,563	1,330	1,749	1,308	292	770	372	432	399	
Other	2,127	1,538	2,952	4,271	2,279	85	135	116	66	128	195	171	257	157	201	287	80	112	354	

Sources of data: SORS, BS, AP. Notes: a large infrastructure company has been included in the construction activity since September 2005. <sup>1</sup>Outlays collected on the basis of data for individual investors.

# Labour Market

Slovenian Economic Mirror	IMAD
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Number in thousand	2001	2002	2003	2004	2005	2005			2006			2006											
						Q III	Q IV	Q I	Q II	Q III	10	11	12	1	2	3	4	5	6	7	8	9	10
<b>A FORMAL LABOUR FORCE (A=B+E)</b>	908.2	911.4	899.1	900.3	905.0	905.0	910.0	908.2	910.9	909.6	911.7	912.2	906.1	907.7	908.3	908.7	909.9	910.7	912.3	910.8	908.2	909.8	915
<b>PERSONS IN FORMAL EMPLOYM. (C+D)</b>	806.3	808.7	801.4	807.5	813.1	814.1	816.5	814.6	823.6	826.6	817.5	818.3	813.6	812.5	814.1	817.3	819.9	823.6	827.4	825.2	825.2	829.5	833.7
In agriculture, forestry, fishing	42.3	45.4	37.7	41.2	38.7	38.9	38.8	39.5	39.1	38.7	38.9	38.9	38.6	39.4	39.5	39.6	39.2	39.1	39.0	38.8	38.7	38.7	38.6
In industry, construction	321.8	323.3	318.4	313.9	310.9	313.3	311.8	308.2	312.2	315.1	313.5	313.0	308.8	307.8	307.8	308.9	310.3	312.3	314.1	314.5	314.7	316.2	317.9
Of which: in manufacturing	240.8	243.1	238.9	236.1	233.7	230.9	229.8	227.5	227.5	227.5	230.7	230.5	228.3	227.7	227.5	227.3	227.0	227.5	228.0	227.4	227.2	227.8	229.1
In construction	64.1	63.4	63.3	62.2	61.7	66.9	66.5	65.4	69.3	72.2	67.2	67.0	65.2	64.8	65.1	66.3	67.9	69.4	70.5	71.6	72.0	72.8	73.3
In services	442.2	440.0	445.2	452.3	463.5	461.9	465.9	467.0	472.3	472.8	465.1	466.4	466.1	465.4	466.8	468.8	470.3	472.2	474.3	471.9	471.8	474.7	477.2
Of which: in public administration	44.6	45.9	47.7	49.9	49.1	49.8	49.9	49.8	50.4	50.3	49.9	49.9	49.8	49.5	49.7	50.1	50.3	50.4	50.6	50.5	50.3	50.2	50.3
in education, health-services soc. work	110.1	101.6	102.7	105.0	106.5	107.0	108.4	108.5	109.3	108.6	108.2	108.5	108.4	108.1	108.6	108.7	108.9	109.3	109.7	108.2	108.0	109.5	109.9
<b>FORMALLY EMPLOYED <sup>1</sup></b>	722.1	721.4	722.1	724.4	731.6	732.6	734.4	731.7	740.6	743.4	735.5	736.2	731.5	729.6	731.1	734.2	737.0	740.5	744.2	742.1	742.0	746.1	750.1
In enterprises and organisations	653.8	654.6	656.0	658.7	666.2	666.6	668.6	667.6	674.2	675.9	669.1	670.1	666.7	665.9	667.3	669.7	671.5	674.2	676.9	674.7	674.7	678.2	681.6
In small scale sector	68.4	66.8	66.2	65.6	65.4	66.0	65.8	64.0	66.4	67.5	66.4	66.2	64.8	63.8	63.8	64.5	65.5	66.4	67.3	67.3	67.3	67.9	68.5
<b>D SELF EMPLOYED AND FARMERS</b>	84.2	87.3	79.2	83.1	81.5	81.5	82.0	83.0	83.1	83.2	82.0	82.1	82.0	82.8	83.0	83.1	82.9	83.0	83.2	83.1	83.2	83.5	83.6
<b>REGISTERED UNEMPLOYMENT</b>	101.9	102.6	97.7	92.8	91.9	90.9	93.6	93.6	87.3	83.0	94.2	93.9	92.6	95.2	94.1	91.4	90.0	87.1	84.9	85.6	83.1	80.2	81.3
Female	51.7	52.5	51.6	49.3	49.4	49.7	50.6	50.3	47.9	46.3	51.3	50.9	49.7	50.7	50.5	49.6	49.1	47.7	46.8	47.9	46.4	44.6	44.9
By age: under 26	24.5	24.7	25.5	24.3	22.2	21.7	23.9	21.7	18.9	16.4	24.6	24.4	22.8	22.6	21.8	20.7	20.0	18.8	17.8	17.8	16.6	14.8	16.8
Older than 40	51.5	50.7	43.1	39.7	40.1	39.8	39.9	41.7	40.1	39.3	39.9	39.8	40.0	41.8	41.9	41.2	40.9	40.1	39.4	39.6	39.3	38.9	38.2
Unskilled	47.9	48.2	43.2	38.6	37.5	36.9	37.5	37.4	34.3	32.2	37.6	37.7	37.2	38.1	37.8	36.4	35.5	34.3	33.2	32.8	32.3	31.6	31.1
For more than 1 year	60.0	55.8	47.5	42.9	43.4	44.6	43.6	43.6	42.4	41.5	43.9	44.0	42.9	43.8	43.6	43.2	43.0	42.3	41.9	41.9	41.3	41.2	41
Those receiving benefits	25.8	24.4	24.3	22.3	23.3	23.5	23.2	25.4	23.6	22.4	22.7	23.1	23.7	25.6	25.2	25.3	23.7	24.2	22.8	22.9	22.7	21.7	19.9
<b>F RATE OF REG. UNEMPLOYM., E/A, in %</b>	<b>11.2</b>	<b>11.3</b>	<b>10.9</b>	<b>10.3</b>	<b>10.2</b>	<b>10.0</b>	<b>10.3</b>	<b>10.3</b>	<b>9.6</b>	<b>9.1</b>	<b>10.3</b>	<b>10.3</b>	<b>10.2</b>	<b>10.5</b>	<b>10.4</b>	<b>10.1</b>	<b>9.9</b>	<b>9.6</b>	<b>9.3</b>	<b>9.4</b>	<b>9.1</b>	<b>8.8</b>	<b>8.9</b>
<b>FLOWS OF FORMAL LABOUR FORCE</b>	2.8	-2.3	-10.2	2.4	8.0	2.2	-1.0	2.6	3.6	-2.5	4.6	0.5	-6.1	1.6	0.6	0.4	1.2	0.8	1.6	-1.5	-2.5	1.5	5.3
New unemployed first job seekers	21.9	21.4	25.4	26.0	21.7	6.3	8.6	3.7	3.2	3.5	5.6	1.9	1.1	1.4	1.0	1.3	1.2	1.0	1.0	1.0	1.0	1.5	5.8
Redundancies	65.8	66.0	68.8	69.6	67.2	17.0	17.0	19.4	14.4	15.2	5.3	5.6	6.0	9.0	5.0	5.5	4.9	5.1	4.4	5.6	4.5	5.1	4.8
Reg. unemployed who found employment	52.7	52.2	50.5	54.3	53.9	12.9	11.9	15.6	14.7	13.5	4.3	4.4	3.2	5.0	4.4	6.1	4.9	5.5	4.3	3.5	4.6	5.3	5.1
<b>G Other unemployed erased out of register</b>	35.3	39.9	47.3	46.6	33.1	8.2	12.1	8.7	9.4	9.8	3.5	3.4	5.3	2.7	2.6	3.4	2.6	3.5	3.3	2.4	3.4	4.1	4.4
Change in no. of work permits for foreigners	-6.4	2.1	3.5	-0.5	3.9	1.4	-0.3	2.7	3.3	1.6	-0.1	-0.1	-0.1	0.1	0.7	1.9	1.6	0.9	0.8	0.5	0.8	0.3	0.4
Retirements <sup>2</sup>	14.6	14.8	15.1	15.4	12.3	5.1	4.8	4.4	4.1	4.7	1.7	1.1	1.0	2.3	0.9	1.2	1.3	1.1	1.6	1.3	1.0	2.4	2.3
Deaths <sup>2</sup>	2.7	2.6	2.5	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>	37.9	29.4	23.9	39.5	28.9	7.8	7.7	9.4	10.8	7.2	4.2	3.3	-0.8	5.0	2.5	1.9	2.4	3.6	4.8	0.7	0.2	6.3	5.7
<b>H JOB VACANCIES <sup>3</sup></b>	11.9	11.6	12.1	14.1	16.9	18.0	16.5	19.1	20.5	18.9	17.2	15.5	16.7	19.2	16.5	21.7	18.4	20.3	22.7	17.7	16.4	22.7	19.5
For fixed term, in %	72.4	74.4	73.8	73.7	75.6	77.9	73.7	71.6	74.9	77.6	75.0	73.9	72.1	66.1	71.4	76.6	75.4	73.7	75.5	75.5	78.5	78.7	77.9
<b>I WORK PERMITS FOR FOREIGNERS</b>	38.2	35.3	39.7	39.7	41.6	43.2	43.1	44.2	48.1	50.0	43.2	43.0	43.0	43.1	43.7	45.7	47.2	48.1	48.9	49.4	50.2	50.5	50.9
As % of labour force (I/A)	4.2	3.9	4.4	4.4	4.6	4.8	4.7	4.9	5.3	5.5	4.7	4.7	4.7	4.7	4.8	5.0	5.2	5.3	5.4	5.4	5.5	5.5	5.6

Sources of data: SORS, PDII, ESS. Notes: <sup>1</sup> In January 2005, the SORS adopted 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 PDII and ESS; <sup>3</sup> according to ESS.

# Wages, Competitiveness, Exchange Rate

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	2001	2002	2002	2003	2004	2004	2005	2006			2006									
								Q I	Q II	Q III	1	2	3	4	5	6	7	8	9	10
<b>GROSS WAGE PER EMPLOYEE, in SIT<sup>1</sup></b>											<b>New methodology</b>									
Total	214,561	235,436	235,436	253,200	267,571	264,403	277,279	281,562	283,981	286,917	281,593	277,403	285,690	279,896	286,316	285,731	283,047	290,148	287,557	293,121
Agriculture, fishing	185,256	200,608	196,197	207,446	217,474	215,981	224,253	227,817	229,953	234,180	227,922	222,596	232,932	224,718	233,088	232,053	227,255	236,221	239,065	246,013
A Agriculture	185,550	201,007	196,758	207,565	217,554	216,252	224,225	227,475	230,000	234,330	227,776	222,116	232,534	224,525	233,168	232,308	227,341	236,385	239,263	246,477
B Fishing	172,752	183,110	183,110	197,567	207,828	205,207	218,670	241,535	228,451	228,286	233,696	242,475	248,433	233,254	229,976	222,124	223,864	229,792	231,201	225,990
Industry, construction	182,498	201,146	200,160	215,547	230,884	229,615	243,067	248,540	249,392	252,418	249,600	241,494	254,527	242,758	252,268	253,148	247,126	258,208	251,919	259,650
C Mining and quarrying	248,031	274,202	274,202	298,122	326,739	324,410	344,670	347,854	355,425	347,764	348,582	345,434	349,545	345,081	361,792	359,403	341,267	357,349	344,675	356,344
D Manufacturing	178,596	197,166	196,220	211,060	226,029	225,806	238,985	245,762	245,578	248,069	247,403	238,025	251,857	239,263	247,879	249,593	243,298	253,828	247,080	255,616
E Elect., gas&water supply	250,000	278,616	277,009	299,812	324,344	322,478	353,836	347,421	350,785	355,321	352,398	335,951	353,915	341,094	360,776	350,485	347,759	364,848	353,355	364,284
F Construction	173,179	189,015	188,911	204,316	218,781	214,536	224,794	227,539	232,640	239,102	225,028	224,250	233,339	225,300	236,219	236,402	231,933	243,748	241,624	245,043
Production services	199,109	216,813	216,457	232,528	247,320	242,355	253,747	256,947	260,251	261,841	255,447	253,401	261,993	257,312	262,884	260,558	258,907	263,514	263,104	269,263
G Distributive trade	189,609	207,203	207,059	222,101	237,002	233,682	244,880	248,976	252,136	254,723	247,515	246,450	252,962	249,304	254,451	252,654	252,603	255,915	255,650	263,133
H Hotels & restaurants	165,159	178,438	178,105	189,230	200,054	196,458	202,895	205,712	209,789	210,678	207,214	203,880	206,041	207,644	212,160	209,563	207,008	213,505	211,520	213,344
I Transport, storage & communications	232,483	252,308	251,625	272,238	290,603	284,881	299,377	299,517	302,935	302,254	296,790	292,584	309,176	299,354	306,447	303,005	297,889	304,311	304,562	309,630
Business services	262,436	287,424	283,209	305,446	322,248	312,967	325,355	325,652	332,172	328,901	324,323	321,702	330,931	330,016	335,420	331,080	323,043	332,310	331,351	332,557
J Financial intermediation	313,370	339,900	339,900	370,832	392,954	388,044	413,896	402,474	431,824	415,908	396,145	397,594	413,684	426,939	440,529	428,004	404,927	414,649	428,147	415,140
K Real estate	233,439	258,709	254,626	273,716	288,965	283,421	292,763	297,356	296,412	298,125	297,527	293,543	300,999	294,896	297,842	296,499	293,992	303,078	297,304	303,947
Public services	262,648	285,571	293,973	312,583	321,405	319,911	330,580	334,543	336,529	343,246	335,371	334,065	334,193	334,641	337,356	337,588	341,724	343,977	344,037	347,973
L Public administration	278,826	299,889	299,889	321,502	322,912	322,928	333,302	338,015	338,545	346,124	338,904	339,765	335,376	335,054	339,019	341,562	344,886	345,285	348,201	351,350
M Education	255,222	288,267	288,038	309,968	326,002	325,463	340,967	347,883	350,291	362,784	346,243	348,008	349,399	348,245	349,298	353,330	360,988	363,395	363,969	365,467
N Health & social work	253,131	267,824	291,318	308,013	312,423	310,990	316,827	318,848	322,107	323,843	322,135	315,908	318,501	321,717	324,668	319,936	323,527	325,081	322,920	329,682
O Other soc.&person.serv.	273,443	293,855	293,764	307,184	325,541	316,566	325,159	322,738	324,515	324,566	324,857	320,575	322,783	323,475	327,509	322,560	320,629	328,908	324,162	330,619
<b>INDICATORS OF OVERALL COMPETITIVENESS, 2001=100</b>																				
<b>Foreign exchange rates</b>																				
Effective exc. rate <sup>2</sup> , nominal	100.0	96.4	-	95.9	94.7	-	94.0	93.6	94.2	94.4	93.6	93.5	93.7	94.0	94.2	94.3	94.4	94.4	94.4	94.2
Real (relative consum. prices)	100.0	101.7	-	105.0	105.0	-	104.7	104.0	105.6	105.9	103.7	103.7	104.5	105.2	105.9	105.7	105.5	105.9	106.4	105.4
Real (rel. ind. prod. prices) <sup>3</sup>	100.0	101.6	-	103.1	103.1	-	102.5	101.4	101.3	101.3	101.1	101.3	101.6	101.4	101.2	101.3	101.1	100.7	102.0	102.3
SIT/US\$	242.7	240.2	-	207.1	192.4	-	192.7	199.3	190.9	188.0	197.9	200.4	199.5	195.9	187.6	189.2	188.9	187.1	188.1	190.0
SIT/EUR	217.2	226.2	-	233.7	238.9	-	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6
<b>Unit labour costs<sup>4</sup></b>																				
Nominal	100.0	105.9	-	109.8	111.4	111.4	111.3	109.1	106.8	103.6	111.5	112.0	104.0	113.9	106.3	100.2	97.9	118.4	94.4	-
Real <sup>5</sup>	100.0	100.6	-	101.4	98.8	98.8	95.7	92.9	89.9	86.8	95.3	95.3	87.9	96.1	89.5	84.2	82.1	99.4	78.8	-
In currency basket <sup>5</sup>	100.0	102.1	-	105.3	105.4	105.5	104.6	102.2	100.6	97.8	104.4	104.7	97.5	107.1	100.1	94.5	92.5	111.8	89.1	-

Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD. Notes: The September 2005 data on the monthly gross wage per employee were calculated according to the new methodology for 2004 and beyond.

<sup>1</sup> Data on wages based on SCA, basic data on wages - SORS, since January 2002, SORS' figures were used, which ignore the changes in subgroup 85.322 - organizations for handicapped persons. Figures in the second column for 2002 and onwards include corrections made by the SORS to the subgroup 85.322. <sup>2</sup> Change of methodology: the calculation of the tolar's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted; a rise in the index value indicates an appreciation of the tolar and vice versa. <sup>3</sup> Producer prices in manufacturing activities. <sup>4</sup> For manufacturing in enterprises and organizations. <sup>5</sup> Based on producer prices in SIT. <sup>6</sup> Only domestic factors.

# Public Finance

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Current prices in SIT million	2001	2002	2003	2004	2005	2005	2006			2006								
						QIV	QI	QII	QIII	1	2	3	4	5	6	7	8	9
<b>CONSOLIDATED GENERAL GOVERNMENT REVENUES</b>																		
TOTAL REVENUES	2,048,224	2,176,399	2,477,425	2,683,055	2,869,949	800,505	684,591	817,208	729,589	240,645	218,157	225,789	293,787	273,189	250,232	249,787	257,715	222,087
Current revenues	2,017,807	2,136,049	2,440,298	2,609,053	2,759,987	756,618	665,806	782,076	706,335	233,432	212,042	220,332	284,315	266,329	231,432	242,443	249,675	214,217
Tax revenues	1,878,783	2,002,134	2,291,071	2,446,899	2,608,230	710,844	637,904	746,742	665,880	224,142	203,674	210,087	275,009	252,030	219,703	232,024	234,557	199,299
Taxes on income and profit	357,877	395,045	460,520	506,878	537,260	143,484	130,290	235,706	134,797	43,455	42,415	44,420	121,396	71,843	42,467	43,014	47,180	44,603
Social security contributions	701,347	774,355	839,216	899,400	955,611	257,033	242,274	248,707	250,117	81,038	80,204	81,032	83,165	82,263	83,279	83,794	82,071	84,253
Taxes on payroll and workforce	83,369	93,897	107,424	117,676	126,097	35,989	26,465	27,214	27,376	9,066	8,713	8,686	9,066	8,885	9,262	9,324	8,803	9,249
Taxes on property	32,965	34,428	34,419	39,513	40,834	12,314	6,440	10,171	15,126	1,683	2,459	2,298	1,872	4,178	4,121	4,448	6,898	3,780
Domestic taxes on goods and services	673,380	672,703	814,577	856,610	938,118	254,911	229,658	221,864	235,012	88,232	69,108	72,318	58,533	83,834	79,496	90,261	88,669	56,082
Taxes on internat. trade & transactions	29,607	31,341	34,653	19,339	9,360	2,672	2,638	2,988	2,653	665	699	1,274	928	1,023	1,036	947	746	960
Other taxes	238	365	261	7,484	950	4,441	138	92	799	4	77	58	48	3	40	237	190	372
Non-tax revenues	139,024	133,915	149,227	162,154	151,756	45,774	27,902	35,334	40,454	9,290	8,367	10,245	9,306	14,299	11,729	10,419	15,117	14,918
Capital revenues	10,199	15,165	15,857	20,751	27,181	11,874	7,032	7,299	10,175	3,513	1,849	1,669	1,981	3,186	2,133	2,503	2,869	4,802
Grants	10,788	14,223	13,384	1,877	2,173	846	179	343	356	136	23	20	122	131	90	97	105	154
Transferred revenues	9,431	10,962	7,887	7,536	8,140	7,312	83	75	117	40	9	33	9	32	34	55	-32	94
Receipts from the EU budget	-	-	-	43,838	72,469	23,855	11,492	27,414	12,607	3,524	4,233	3,735	7,360	3,511	16,543	4,689	5,098	2,820
<b>CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE</b>																		
TOTAL EXPENDITURE	2,111,417	2,332,422	2,555,894	2,768,427	2,941,756	824,788	715,924	802,514	721,053	224,404	252,270	239,249	278,061	279,011	245,442	238,539	234,983	247,530
Current expenditure	1,004,446	1,118,539	1,225,523	1,234,113	1,283,018	342,362	337,247	349,649	308,788	104,025	116,601	116,620	132,346	115,096	102,208	103,403	101,204	104,180
Wages, salaries and other personnel expenditure	536,849	607,464	662,776	700,349	727,075	183,123	179,412	192,871	185,513	60,499	59,387	59,526	59,796	72,882	60,193	61,023	61,100	63,390
Expenditure on goods and services	385,770	417,688	451,440	429,861	453,690	137,218	111,703	128,279	114,590	37,102	36,451	38,151	51,033	37,354	39,892	39,702	38,445	36,442
Interest payments	72,809	83,528	92,661	91,933	89,180	17,109	43,396	25,453	5,439	5,512	20,015	17,869	20,477	3,826	1,150	1,519	706	3,215
Reserves	9,018	9,858	18,646	11,969	13,074	4,912	2,736	3,046	3,246	913	748	1,075	1,039	1,034	972	1,159	954	1,133
Current transfers	908,026	1,006,977	1,097,369	1,249,909	1,341,641	354,261	317,302	397,591	332,275	102,603	108,408	106,291	127,556	146,394	123,641	113,880	109,215	109,181
Subsidies	63,161	60,435	69,470	77,571	91,362	36,434	8,908	42,366	13,726	1,680	4,428	2,800	18,937	9,847	13,583	7,380	2,952	3,395
Current transfers to individuals and households	821,358	910,391	986,100	1,053,417	1,109,197	274,860	279,308	313,688	280,259	91,076	94,196	94,036	94,123	124,460	95,105	93,257	94,521	92,481
Current transfers to non-profit institut., other current domestic transfers	18,085	31,075	36,722	113,675	134,930	41,412	28,405	39,457	35,970	9,651	9,718	9,035	14,176	11,227	14,055	12,411	11,551	12,008
Current transfers abroad	5,421	5,076	5,077	5,247	6,154	1,555	681	2,079	2,320	196	66	419	321	860	898	832	191	1,297
Capital expenditure	127,996	128,733	142,131	151,305	156,784	71,542	29,681	26,537	42,683	10,145	11,142	8,394	7,361	8,724	10,452	11,239	14,307	17,138
Capital transfers	70,949	78,174	90,871	92,464	91,874	40,706	9,175	15,694	19,400	3,736	2,024	3,415	6,079	4,113	5,502	4,494	4,042	10,864
Payments to the EU budget	-	-	-	40,637	68,438	15,918	22,520	13,044	17,907	3,895	14,095	4,530	4,720	4,684	3,639	5,524	6,215	6,168
<b>SURPLUS / DEFICIT</b>	<b>-63,193</b>	<b>-156,023</b>	<b>-78,469</b>	<b>-85,372</b>	<b>-71,807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source of data: MF Bulletin. Note: in line with the changed methodology of the International Monetary Fund of 2001, social security contributions paid by the state are not consolidated.

<b>Main Indicators</b>	Slovenian Economic Mirror	IMAD
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Real growth rates, in %	2001	2002	2003	2004	2005	2006	2007	2008
						Autumn Forecast 2006		
GDP	2.7	3.5	2.7	4.4	4.0	4.7	4.3	4.2
GDP per capita, in EUR	11,094	11,866	12,461	13,146	13,807	14,691	15,770	16,808
GDP per capita, PPS <sup>1</sup>	15,400	16,000	16,800	18,200	19,200	-	-	-
Standardised rate of unemployment (ILO)	6.4	6.4	6.7	6.3	6.5	6.4	6.4	6.4
Labour productivity (GDP per employee)	2.2	3.8	3.1	3.9	3.7	3.8	3.5	3.2
Inflation <sup>2</sup> , annual average	8.4	7.5	5.6	3.6	2.5	2.7	2.7	2.5

#### INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS

Exports of goods and services <sup>3</sup>	6.3	6.7	3.1	12.5	10.5	9.9	8.3	8.5
Exports of goods	7.0	6.4	4.4	12.8	10.3	10.6	8.6	8.9
Exports of services	3.2	8.0	-2.5	10.9	11.7	6.6	6.7	6.8
Imports of goods and services <sup>3</sup>	3.0	4.8	6.7	13.4	7.0	9.1	7.7	7.7
Imports of goods	3.2	4.4	7.3	14.6	6.8	9.3	7.7	7.7
Imports of services	1.8	7.5	3.0	5.5	8.4	8.1	7.1	7.5
Current account balance, In EUR million	38	247	-196	-720	-547	-693	-503	-410
Average exchange rate, SIT/EUR	217.2	226.2	233.7	238.9	239.64	239.64	-	-
Foreign exchange reserves, In EUR million	6,514	7,842	7,703	7,484	8,833	8,089 <sup>4</sup>	-	-
Gross external debt, In EUR million	10,403	11,484	13,259	15,271	19,566	22,375 <sup>4</sup>	-	-

#### DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS (share in GDP in %)

Private consumption	56.6	55.5	55.8	54.8	54.9	54.6	54.0	53.7
Government consumption	20.0	19.7	19.6	19.6	19.6	19.4	19.2	19.2
Gross fixed capital formation	24.1	22.6	23.3	24.5	24.4	25.4	25.6	25.8

#### CONSOLIDATED GENERAL GOVERNMENT REVENUE AND EXPENDITURE BY THE GFS – IMF METHODOLOGY (as a % of GDP)

General government revenue	42.7	40.6	42.6	42.8	43.3	43.7	43.2	42.5
General government expenditure	44.0	43.5	44.0	44.1	44.4	44.8	44.1	43.3
Surplus (deficit)	-1.3	-2.9	-1.4	-1.3	-1.1	-1.1	-0.9	-0.8

Sources of data: SORS, BS, MF, calculations, estimate and forecast by the IMAD - Autumn Forecast 2006.

Notes: <sup>1</sup>Eurostat – New Cronos, December 2006; <sup>2</sup>the consumer price index; <sup>3</sup>balance of payments statistics (exports F.O.B., imports F.O.B.), changes in exchange rates and prices in foreign markets eliminated by calculating real rates, <sup>4</sup>end October 2006.

**International Comparisons / I**

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	Real GDP growth				GDP per capita in PPS <sup>1</sup> EU25=100				Inflation <sup>2</sup> (annual average)			
	2002	2003	2004	2005	2001	2002	2003	2004	2002	2003	2004	2005
<b>Slovenia</b>	3.5	2.7	4.4	4.0	74.5	77.4	79.9	81.9	7.5	5.7	3.7	2.5
EU25	1.2	1.3	2.3	1.7	100	100	100	100	2.1	1.9	2.1	2.2
Euro Area	0.9	0.8	2.0	1.4	107.7	107.2	106.4	106.0	2.2	2.1	2.1	2.2
Belgium	1.5	1.0	3.0	1.1	117.6	118.9	119.4	118.1	1.6	1.5	1.9	2.5
Czech Republic	1.9	3.6	4.2	6.1	67.7	70.7	72.1	73.7	1.4	-0.1	2.6	1.6
Denmark	0.5	0.7	1.9	3.0	121.4	120.0	120.1	122.1	2.4	2.0	0.9	1.7
Germany	0.0	-0.2	1.2	0.9	108.5	112.5	111.1	110.0	1.4	1.0	1.8	1.9
Estonia	8.0	7.1	8.1	10.5	46.8	51.2	53.4	59.8	3.6	1.4	3.0	4.1
Greece	3.8	4.8	4.7	3.7	77.2	80.2	81.4	84.1	3.9	3.4	3.0	3.5
Spain	2.7	3.0	3.2	3.5	95.2	96.7	96.6	98.0	3.6	3.1	3.1	3.4
France	1.0	1.1	2.3	1.2	112.0	107.7	107.7	108.2	1.9	2.2	2.3	1.9
Ireland	6.0	4.3	4.3	5.5	132.3	134.4	135.7	138.9	4.7	4.0	2.3	2.2
Italy	0.3	0.0	1.1	0.0	110.0	106.0	103.0	100.4	2.6	2.8	2.3	2.2
Cyprus	2.0	1.8	4.2	3.9	82.6	85.2	87.7	88.9	2.8	4.0	1.9	2.0
Latvia	6.5	7.2	8.6	10.2	38.7	41.2	43.6	48.0	2.0	2.9	6.2	6.9
Lithuania	6.9	10.3	7.3	7.6	41.9	47.1	49.0	52.1	0.3	-1.1	1.2	2.7
Luxembourg	3.8	1.3	3.6	4.0	220.7	236.7	240.8	251.2	2.1	2.5	3.2	3.8
Hungary	4.3	4.1	4.9	4.2	59.1	60.8	61.3	62.5	5.2	4.7	6.8	3.5
Malta	1.9	-2.3	0.8	2.2	74.9	74.3	71.3	70.5	2.6	1.9	2.7	2.5
Netherlands	0.1	0.3	2.0	1.5	125.3	123.8	124.7	125.6	3.9	2.2	1.4	1.5
Austria	0.9	1.1	2.4	2.0	120.0	123.4	123.4	123.1	1.7	1.3	2.0	2.1
Poland	1.4	3.8	5.3	3.5	46.3	46.9	48.7	49.8	1.9	0.7	3.6	2.2
Portugal	0.8	-1.1	1.2	0.4	79.5	73.0	71.8	71.1	3.7	3.3	2.5	2.1
Slovakia	4.1	4.2	5.4	6.0	51.0	52.8	54.4	57.1	3.5	8.4	7.5	2.8
Finland	1.6	1.8	3.5	2.9	114.7	108.6	110.8	110.7	2.0	1.3	0.1	0.8
Sweden	2.0	1.7	4.1	2.9	113.7	115.4	115.4	114.8	1.9	2.3	1.0	0.8
United Kingdom	2.1	2.7	3.3	1.9	116.1	116.1	118.0	117.5	1.3	1.4	1.3	2.1
USA	1.6	2.5	3.9	3.2	145.4	146.4	148.0	150.1	1.6	2.3	2.7	3.4

Sources of data: SORS; Eurostat. New Cronos. Notes: <sup>1</sup>PPS – Purchasing Power Standard. Data for 2005 were published by Eurostat on 15 June 2006. <sup>2</sup>Harmonised Index of Consumer Prices for EU countries and Consumer Price Index for the USA. N/A - not available

## International Comparisons / II

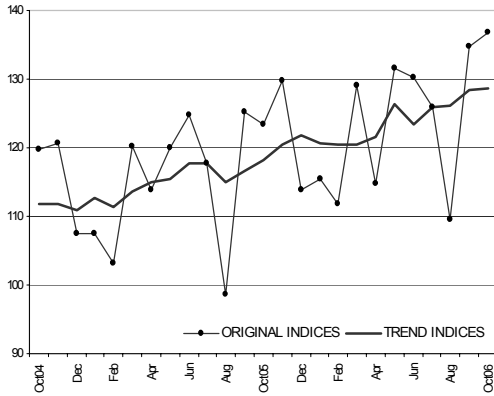
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	Survey Unemployment Rate				Current account balance <sup>1</sup> , % GDP				General Government Balance <sup>2</sup> , % GDP				General Government Gross Debt <sup>2</sup> , % GDP			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
Slovenia	6.3	6.7	6.3	6.5	1.1	-0.8	-2.6	-2.0	-2.5	-2.8	-2.3	-1.4	29.1	28.5	28.7	28.0
EU25	8.8	9.0	9.1	8.8	0.4	0.2	0.3	-0.4	-2.3	-3.0	-2.7	-2.3	60.4	62.0	62.4	63.2
Euro Area	8.2	8.7	8.8	8.6	0.9	0.5	0.8	0.0	-2.5	-3.1	-2.8	-2.4	68.2	69.3	69.8	70.8
Belgium	7.5	8.2	8.4	8.4	5.0	4.5	3.6	2.5	0.0	0.0	0.0	-2.3	103.3	98.6	94.3	93.2
Czech Republik	7.3	7.8	8.3	7.9	-6.1	-6.5	-6.3	-2.7	-6.8	-6.6	-2.9	-3.6	28.5	30.1	30.7	30.4
Denmark	4.6	5.4	5.5	4.8	2.5	3.2	2.3	2.9	1.2	1.1	2.7	4.9	46.8	44.4	42.6	35.9
Germany	8.2	9.0	9.5	9.5	2.2	2.0	3.9	4.2	-3.7	-4.0	-3.7	-3.2	60.3	63.9	65.7	67.9
Estonia	10.3	10.0	9.7	7.9	-10.4	-11.5	-12.5	-11.1	0.4	2.0	2.3	2.3	5.6	5.7	5.2	4.5
Greece	10.3	9.7	10.5	9.8	-9.7	-10.0	-9.5	-9.2	-5.2	-6.1	-7.8	-5.2	110.7	107.8	108.5	107.5
Spain	11.1	11.1	10.6	9.2	-3.8	-4.0	-5.9	-7.5	-0.3	0.0	-0.2	1.1	52.5	48.7	46.2	43.1
France	8.9	9.5	9.6	9.9	0.8	0.2	-0.6	-2.1	-3.2	-4.2	-3.7	-2.9	58.2	62.4	64.4	66.6
Ireland	4.5	4.7	4.5	4.4	-1.4	0.0	-1.0	-3.1	-0.4	0.3	1.5	1.1	32.2	31.1	29.7	27.4
Italy	8.6	8.4	8.0	7.7	-0.3	-0.9	-0.5	-1.1	-2.9	-3.5	-3.4	-4.1	105.6	104.3	103.9	106.6
Cyprus	3.6	4.1	4.6	5.2	-3.8	-0.9	-5.3	-5.7	-4.4	-6.3	-4.1	-2.3	64.7	69.1	70.3	69.2
Latvia	12.2	10.5	10.4	8.9	-6.4	-8.0	-12.9	-12.5	-2.3	-1.2	-0.9	0.1	13.5	14.4	14.5	12.1
Lithuania	13.5	12.4	11.4	8.3	-5.1	-6.8	-7.9	-6.9	-1.5	-1.3	-1.5	-0.5	22.2	21.2	19.4	18.7
Luxembourg	2.8	3.7	5.1	4.5	11.0	6.4	10.6	9.7	2.1	0.3	-1.1	-1.0	6.5	6.3	6.6	6.0
Hungary	5.8	5.9	6.1	7.2	-7.0	-8.6	-8.4	-7.4	-8.2	-6.3	-5.3	-6.5	54.0	55.8	56.3	57.7
Malta	7.5	7.6	7.4	7.3	1.3	-5.0	-7.5	-11.0	-5.5	-10.0	-5.0	-3.2	60.1	70.2	74.9	74.2
Netherlands	2.8	3.7	4.6	4.7	6.0	6.1	8.6	7.1	-2.0	-3.1	-1.8	-0.3	50.5	52.0	52.6	52.7
Austria	4.2	4.3	4.8	5.2	2.5	1.7	2.1	2.9	-0.5	-1.6	-1.2	-1.5	65.8	64.6	63.8	63.4
Poland	19.9	19.6	19.0	17.7	-2.5	-2.1	-4.2	-2.2	-3.2	-4.7	-3.9	-2.5	39.8	43.9	41.9	42.0
Portugal	5.0	6.3	6.7	7.6	-8.2	-6.5	-7.8	-9.5	-2.9	-2.9	-3.2	-6.0	55.5	57.0	58.6	64.0
Slovakia	18.7	17.6	18.2	16.3	-7.3	-2.1	-2.5	-7.9	-7.7	-3.7	-3.0	-3.1	43.3	42.7	41.6	34.5
Finland	9.1	9.0	8.8	8.4	10.0	5.9	7.6	4.6	4.1	2.5	2.3	2.7	41.3	44.3	44.3	41.3
Sweden	4.9	5.6	6.3	7.8	5.3	6.6	6.6	5.9	-0.2	0.1	1.8	3.0	52.0	51.8	50.5	50.4
United Kingdom	5.1	4.9	4.7	4.8	-1.6	-1.3	-1.6	-2.2	-1.7	-3.3	-3.2	-3.3	37.5	38.9	40.4	42.4
USA	5.8	6.0	5.5	5.1	-4.4	-4.7	-5.6	-6.2	-3.8	-4.6	-4.4	NA	60.2	62.5	63.4	NA

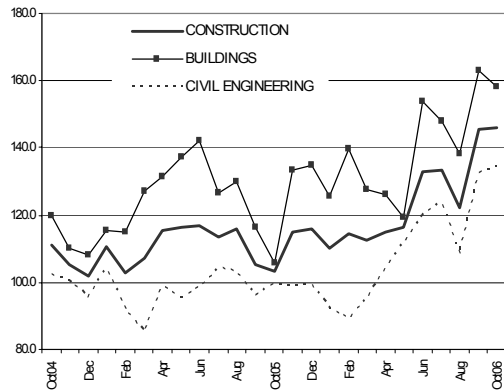
Sources of data: SORS; Eurostat. Notes: <sup>1</sup>EU25 and euro area aggregates are adjusted for reporting errors concerning intra-EU trade; <sup>2</sup> data from Eurostat news release on 23 October 2006.

# Graphs

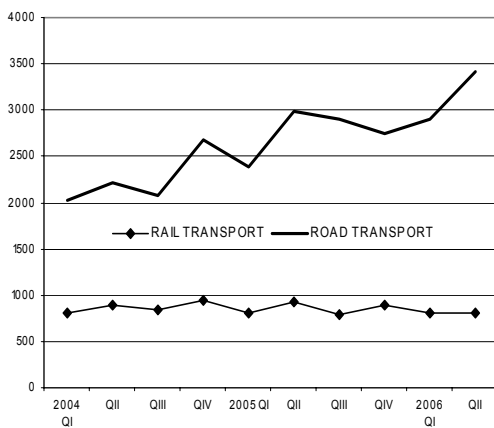
INDUSTRY indices: average 2000=100  
trend indices by the TRAMO-SEATS method



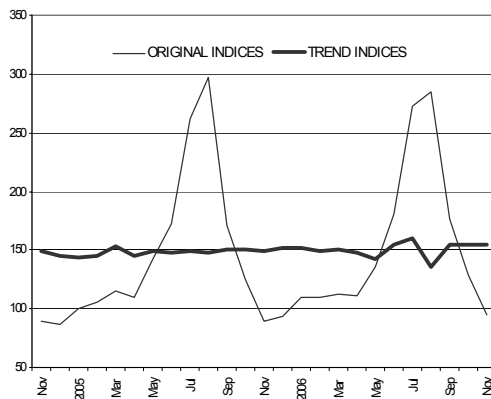
REAL INDICES OF CONSTRUCTION PUT IN PLACE  
indices: average 2000=100;  
trend indices by the TRAMO-SEATS method



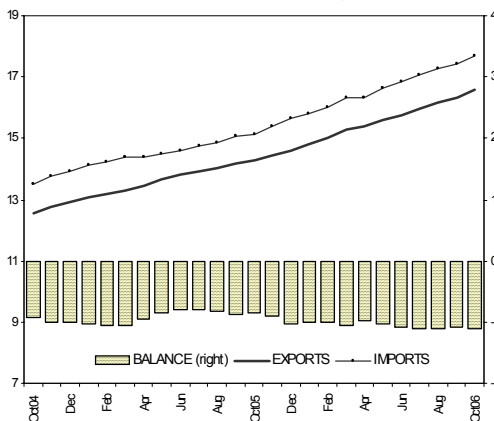
FREIGHT TRANSPORT BY ROAD AND RAIL (mio tonne km)



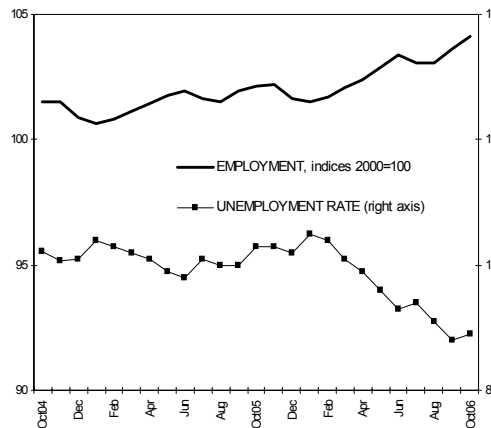
OVERNIGHT STAYS TOTAL indices: average 1992=100;  
trend indices by the TRAMO-SEATS method



GOODS TRADE FOB, EXCL. INTERCURRENCY CHANGES  
12-month cummulatives in EUR, bn

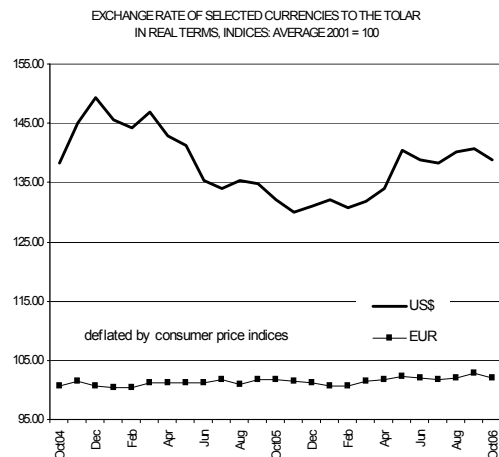
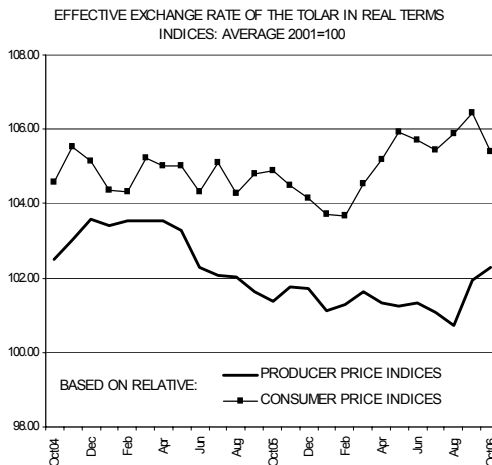
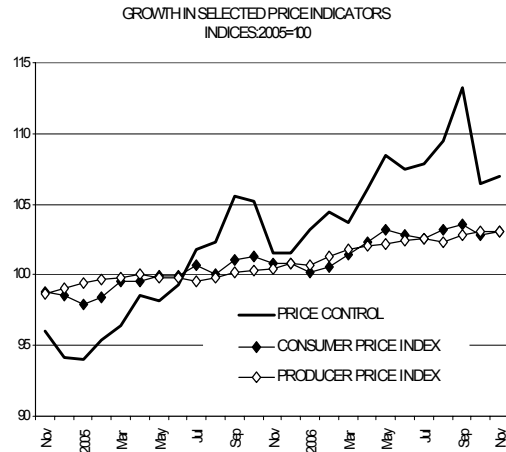
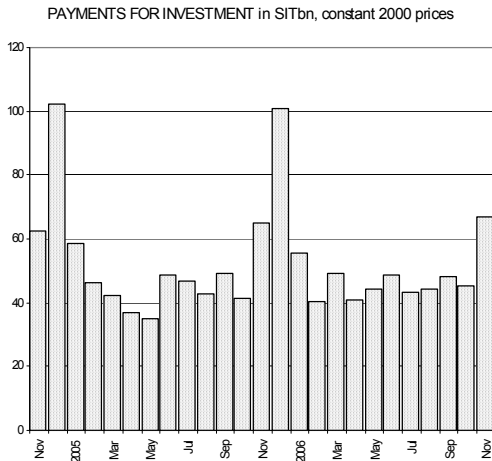
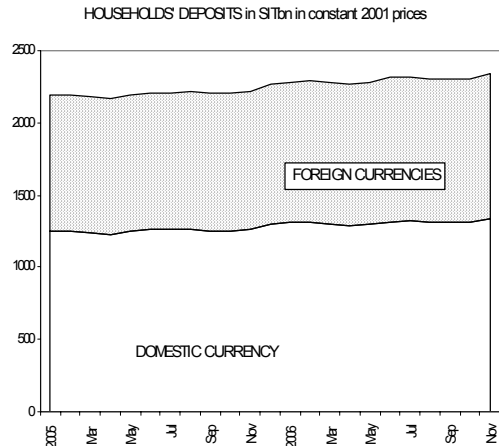
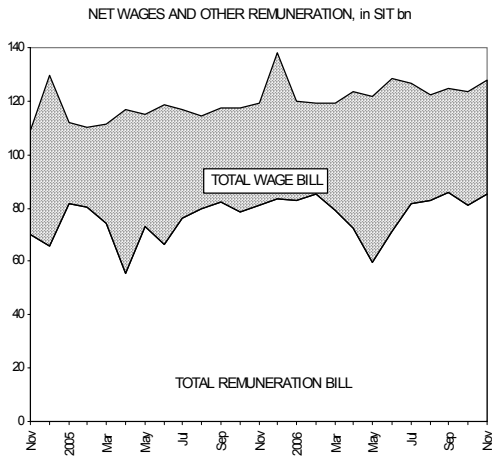


EMPLOYMENT AND UNEMPLOYMENT





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**Acronyms** in the text have the following meanings: **AIS**-Agricultural Institute of Slovenia, **AJPES**-Agency of the Republic of Slovenia for Public Legal Records and Related Services, **AP**-Agency of the Republic of Slovenia for Payments, **APr**-Agency of the Republic of Slovenia for Privatisation, **BS**-Bank of Slovenia, bn – billion, **CCIS**-Chamber of Commerce and Industry of Slovenia, **CSCC**-Central Securities Clearing Corporation, **DAIA**-Directorate of Administrative Interior Affairs, **DURS**-Tax Administration of the Republic of Slovenia, **EIMV**-Electro Institute Milan Vidmar, **ELES**-Electro Slovenia, **ESS**-Employment Service of Slovenia, **GEM**-Global Entrepreneurship Monitor, **HICP**-Harmonised Index of Consumer Prices, **HII**-Health Insurance Institute, **ICT**-information and communications technologies, **IER**-Institute for Economic Research, **IAAD**-International Administrative Affairs Directorate, **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, **MESP**-Ministry of the Environment and Spatial Planning, **MF**-Ministry of Finance, **MIA**-Ministry of Internal Affairs, **MLFSA**-Ministry of Labour, Family and Social Affairs, **MMTS**-Market Maker Trading Segment, **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, **PPP**-purchasing power parity, **PPS**-purchasing parity standards, **SDC**-Slovene Development Corporation, **SEC**-Slovene Exports Corporation, **SIA**-Slovenian Insurance Association, **SITC**-Standard International Trade Classification, **SMARS**-Surveying and Mapping Authority of the Republic of Slovenia, **SORS**-Statistical Office of the Republic of Slovenia.

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