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In the spotlight

Due to deteriorating economic conditions and significantly lower forecasts for economic growth in Slovenia's main trading partners, we revised the Autumn Forecast of Economic Trends downward in December 2008, predicting much slower economic growth in 2009 than anticipated in the autumn, as well as a slower revival in 2010. Real GDP growth will total 4.1% in 2008 (instead of the 4.8% projected in the autumn); it will decelerate to 1.1% (3.1%) in 2009, and strengthen to 3.1% in 2010 (4.0%). The greater-than-predicted slowdown of economic growth in 2009 is mainly due to the deteriorating conditions in the international environment and tightening lending conditions. The forecasts for exports and investment activity are, therefore, much lower than the autumn forecasts and final domestic consumption growth will decline as well. As a result of significantly diminished economic activity, employment is also expected to decline in 2009 (-1.3%). Due to a higher number of unemployed, the forecast for the registered unemployment rate is higher compared with the autumn forecast (7.7%; 6.8% in the autumn). Growth of wages in 2009 will also be weaker than projected. Nominal growth of the gross wage per employee will be 2.8 p.p. lower (5.0%); the slowdown will be higher in the private sector, while growth of public sector wages will remain relatively strong as a consequence of the agreement on the implementation of the new wage system. The forecast for inflation is also lower, largely due to lower prices of oil and other commodities. Inflation is thus expected to be at 3.0% (3.6%) at the end of 2009; considering the price movements in 2008, average inflation will drop to 1.1% (3.9%).

After slowing gradually in the first ten months of 2008, the lending activity of domestic banks almost stopped entirely in November due to tougher conditions in international interbank markets; it was at its lowest since March 2005. Only general government loans recorded a somewhat greater increase, given that the government net borrowed EUR 80 m in November. Enterprises posted a modest positive net flow of loans, while households even net repaid their debts. Banks partly compensated for the loss of funds from interbank markets with deposits of domestic clients, who were also withdrawing their assets from capital markets in November, where negative trends continued.

According to the available preliminary data, economic activity in Slovenia slowed even faster in November. October's y-o-y drop in merchandise exports and in the volume of industrial production in manufacturing even increased in November according to the preliminary data. Merchandise exports were 14.2% lower y-o-y and the volume of industrial production saw the largest drop since 1992 (by 12.0%). In October, a more notable slowdown of activity was also recorded in retail trade (particularly in durable goods) and hotels and restaurants, while activity in construction remained strong. According to business tendency data, the sentiment indicator declined again in December 2008, falling to a new low since the measurements began.

The indicators in the labour market are also on a gradual decline. In December, the number of registered unemployed persons increased relative to the previous month for the third month in a row. Employment growth declined in October y-o-y (from 3.0% to 2.7%), after remaining unchanged for four months. Amid a much larger number of persons who lost work and a smaller number of the unemployed who found work, the number of registered unemployed increased in November and December and was at the end of December approximately 3,600 higher than at the end of October.

In October, wages increased substantially at the monthly level, but their growth also remained strong y-o-y. The total gross wage per employee increased by 1.7% in October, largely due to wage rises in the private sector (2.0%) as a result of extraordinary payments in certain activities. In the public sector, wage rises were lower (0.9%). At the y-o-y level, growth moderated slightly (9.2%) on account of the strong growth in October 2007, but remained much higher than in the same period of 2007.

Y-o-y inflation dropped further in December (2.1%), while average inflation in 2008 totalled 5.7%. Y-o-y inflation dropped by 1.0 p.p. in December. Similar to the last five months, price movements in December were mainly marked by lower prices of oil, reflecting the falling oil prices in global markets. Besides lower prices of commodities, the slowdown of economic activity and lower expectations also contributed to the lowering of inflation. For similar reasons, inflation also continues to decline in the euro area as a whole, where it stood at 1.6% in December.

Recording a high level in October, the current account deficit almost doubled in the first ten months of 2008 compared with the same period of 2007. The October deficit, the highest in 2008, was mainly underpinned by the

deficits in trade and factor incomes. In the first ten months of the year, the current account deficit was almost twice as high as in the same period of 2007, and was mainly driven by the trade deficit as a consequence of slower growth of exports and deteriorated terms of trade (with unchanged terms of trade, the trade deficit would have been two-thirds lower, by our estimate).

In the first nine months of 2008, growth of general government revenue (12.8%) almost doubled compared with the same period of 2007 and remained stronger than expenditure growth (9.8%). According to the available data on payments of taxes and social security contributions for the first eleven months, growth of general government revenue started to slow in October and November and was 10.9% higher in the first eleven months than in the same period of 2007. Contributions to the EU budget achieved 94% of planned funds by the end of November, but will be higher than anticipated at the end of the year, given that Slovenia's obligations against the EU budget are set to increase in line with the new estimates of statistical aggregates. At the end of November, absorption from the EU budget reached 40% of the foreseen funds and is expected to decline relative to 2007.

current economic trends

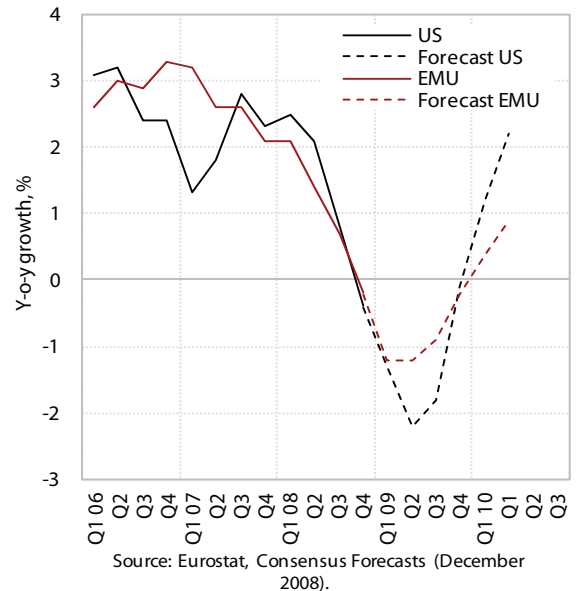
International environment

International institutions revised their forecasts for economic growth downward again in December. The forecasts of macroeconomic developments for the euro area, published by the ECB in December, project GDP growth of between 0.8% and 1.2% for 2008, a contraction of GDP to between -1.0% and 0.0% for 2009 and a gradual revival to between 0.5% and 1.0% for 2010. These low growth forecasts are mainly linked to weaker global economic activity, which will strongly affect euro area exports, and weak domestic demand as a result of higher uncertainty and precautionary saving. The Consensus forecasts of global economic growth were also scaled down again in December: to 2.4% for 2008 and to a mere 0.4% for 2009 (compared with November's forecasts of 2.6% and 1.1%, respectively), which is notably lower than the November world economic growth forecasts by the IMF (3.7% for 2008 and 2.2% for 2009).

GDP growth in the euro area dropped significantly in Q3 2008. The available data for the final quarter suggest a further slowdown of activity. GDP growth was at 0.6% y-o-y in Q3 2008 (1.4% in Q2). The largest contribution to growth came from exports (0.8 p.p.), but the contribution of net exports was nevertheless negative (-0.1 p.p.) due to a higher negative contribution of imports. Government consumption also made a substantial contribution to total growth (0.4 p.p.). The contribution of investment dropped to 0.2 p.p. compared with Q2 (0.5 p.p.), while private consumption made a zero contribution to total growth. Broken down by activities, the slowdown of economic growth in the euro area was mainly due to the contraction of industrial production (by 1.1%, compared with 1.2% growth in Q2). Notably slower growth was also recorded in construction (0.2%, against 1.5% in Q2), and in distributive trades and transport (zero growth). The available data confirm the expectations of international institutions that in the final quarter of 2008 economic activity will continue to slow. The y-o-y drop in the volume of industrial production seen in the euro area for as many as six months accelerated further in October, as did the

y-o-y decline in the value of construction put in place, which was observed in October for the eighth month in a row. The unemployment rate also increased in October and November, by 0.5 p.p. to 7.8%, the largest figure since March 2007. The confidence indicators for the EU and the euro area dropped notably again in December, as they did in the previous two months, reaching the lowest level since the beginning of measurements in January 1985.

Figure 1: Economic growth in the euro area and in the US



Amid ever faster declining inflation, the ECB and Fed cut their key interest rates further in December. At the end of the year, the downward trend of inflation continued both in the euro area (1.6% in December) and in the US (1.1% in November), largely owing to falling oil prices and the rapid slowdown of economic activity. The ECB cut its key interest rate again, by 0.75 p.p. to 2.5%, the biggest decline in the ten-year history of the institution. In mid-December the Fed decided to cut its key interest rate

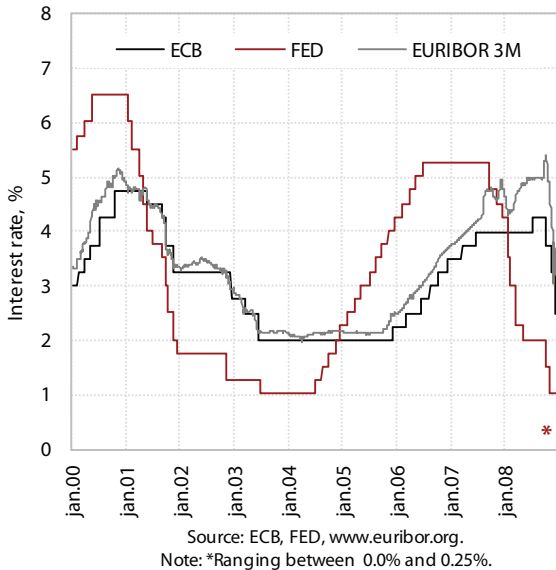
Tabela 1: Real GDP growth – comparison of forecasts and IMAD's assumptions

	2007	2008				2009				2010	
		MDS Nov 08	OECD Nov 08	UMAR Dec 08	CONS Dec 08	MDS Nov 08	OECD Nov 08	UMAR Dec 08	CONS Dec 08	OECD Nov 08	UMAR Dec 08
EU	2.9	1.5	N/A	1.4	1.2	-0.2	N/A	-0.2	-0.7	N/A	1.1
EMU	2.7	1.2	1.0	1.2	1.0	-0.5	-0.5	-0.5	-0.9	1.2	0.9
DE	2.5	1.7	1.4	1.6	1.6	-0.8	-0.8	-0.6	-1.2	1.2	1.0
IT	1.5	-0.2	-0.4	-0.1	-0.4	-0.6	-1.0	-0.6	-1.1	0.8	0.6
AT	3.1	N/A	1.9	1.9	1.7	N/A	-0.1	0.5	0.1	1.2	1.2
FR	2.2	0.8	0.9	0.8	0.9	-0.5	-0.4	-0.5	-0.6	1.5	1.0
UK	3.1	0.8	0.8	0.8	0.8	-1.3	-1.1	-1.3	-1.5	0.9	0.8
US	2.0	1.4	1.4	1.4	1.2	-0.7	-0.9	-0.7	-1.3	1.6	1.3

Source: Eurostat, IMF World Economic Outlook (November 2008), OECD Economic Outlook (November 2008), IMAD Revised Autumn Forecast (December 2008), Consensus Forecasts (December 2008).

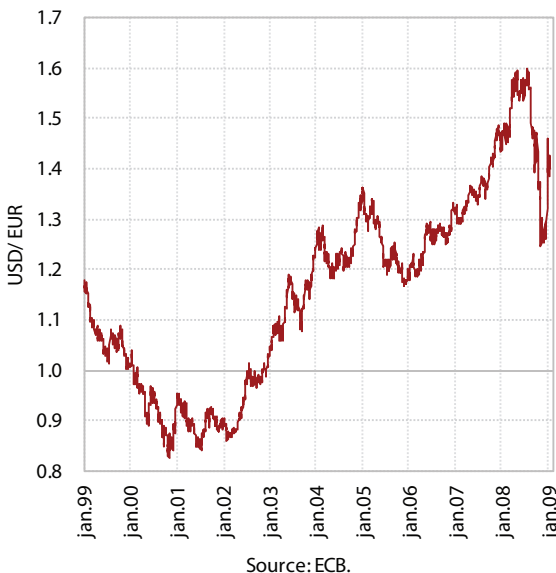
again and predicted establishing a target range for its key interest rate of 0.0% to 0.25%, the lowest level since this institution was founded (down from 1.0%). Interbank interest rates are, consequently, falling as well, albeit slowly, as they are still above the long-term average. The difference between the ECB key interest rate and the three-month EURIBOR declined by almost two-thirds since mid-October.

Figure 2: Movements of interest rates



The exchange rate of the euro against the US dollar started to regain strength again in December. The exchange rate of the euro stood at USD 1.2608 to EUR 1 at the beginning of December, when it began to strengthen again, reaching USD 1.3917 to EUR 1 at the end of December. The average USD/EUR exchange rate thus appreciated to 1.3449 in

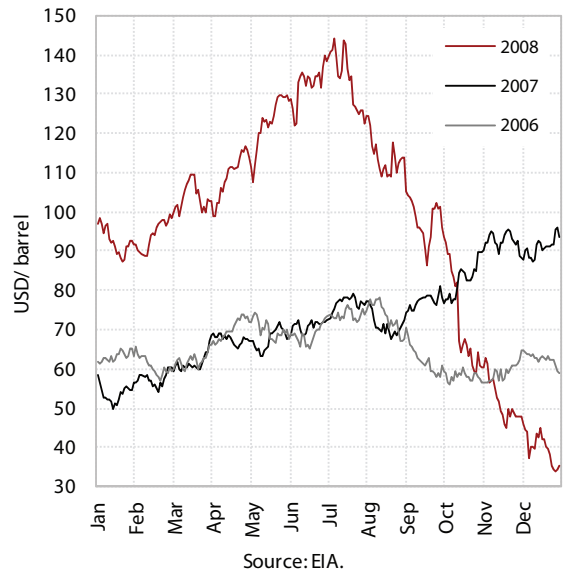
Figure 3: Movements of the USD/EUR exchange rate



December, 5.6% more than in November and 7.7% less than in December 2007. In 2008, the average exchange rate of the euro against the US dollar totalled 1.4708, 7.3% more than in 2007.

In December, oil prices continued to fall, dropping to USD 35.2 per barrel by the end of the month, the lowest level since July 2004. The average price per barrel of Brent crude was USD 40.0 in December. The 2007 trend of rapidly rising oil prices continued at the beginning of 2008; prices were increasing up to mid-July, when they posted record highs (with the price of Brent crude climbing to USD 143.7/ barrel). Then the prices started to fall and plunged below a limit of USD 40 per barrel at the end of December. The average price of Brent crude was thus USD 96.9/barrel, up 33.8% relative to 2007, when the average price per barrel stood at USD 72.4.

Slika 4: Movements of prices per barrel of Brent crude oil

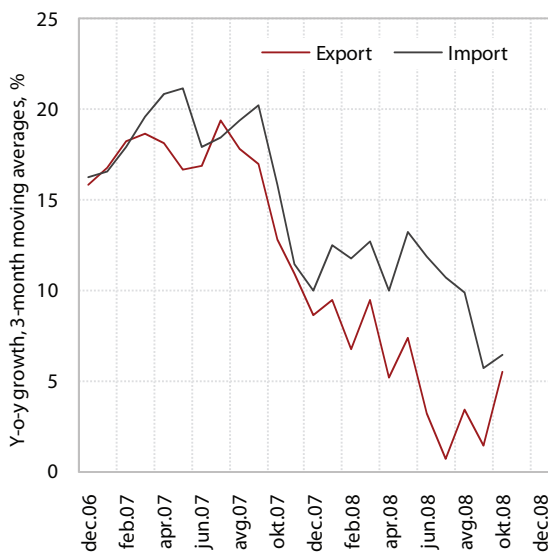


Economic developments in Slovenia

Merchandise export growth continued to slow in October. Merchandise exports declined y-o-y in October (-0.5%), after recording 11.9% growth in September. In the first ten months of 2008, merchandise exports increased by 5.1% y-o-y. October's slowdown was largely a consequence of the lower value of merchandise trade with the EU (-4.5%), which declined y-o-y in Q3 (-1.4%). Q3 saw a y-o-y decline of exports to Italy, France and the United Kingdom, and notably slower growth of exports to Austria and Germany. Growth of merchandise trade with non-EU countries, which, contrary to the trade with the EU, accelerated further y-o-y in Q3 (12.4%), remained at a relatively high level in October (9.0%). Growth of exports to the Russian Federation, Serbia and Bosnia and Herzegovina accelerated somewhat further in Q3, while the y-o-y growth rate

of exports to Croatia had been slowing gradually since the beginning of the year. Merchandise exports to EU countries increased by a nominal 3.5% y-o-y in total in the first nine months of the year, and merchandise exports to non-EU countries by 11.2%. According to the available data on the structure of exports (SITC) for the first nine months, the largest contribution to total export growth still came from exports of medicinal and pharmaceutical products, exports of machinery specialised for particular industries, exports of iron and steel and exports of metal products; the contribution of road vehicle exports, which has been negative since May, was zero in the first nine months of the year.

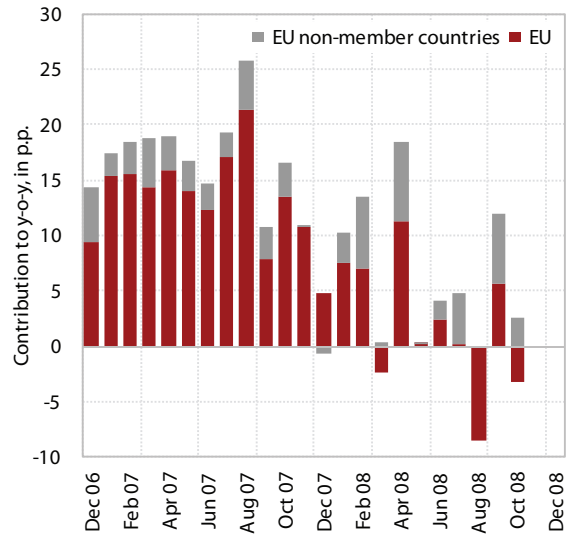
Slika 5: Exports in imports



Source: SORS; calculations by IMAD.

Merchandise import growth also slowed significantly in October. Y-o-y growth of merchandise imports dropped from 9.3% in September to 3.1% in October, totalling 10.7% in the first ten months of 2008. Based on the available data for nine months, imports from EU countries, accounting for 78% of Slovenia's total merchandise imports, increased by 11.0% year-on-year, and imports from non-EU countries by 12.7%. As with exports, y-o-y growth of imports from the EU moderated only in Q3 (8.9%), while y-o-y growth of imports from the non-EU countries accelerated (13.9%). According to the available data on the structure of imports (SITC), the largest contribution to total merchandise import growth in the first nine months came from imports of oil and oil products (4.9 p.p.), which were highest in the period from May to August, but negative in September due to the falling prices of oil. Imports of machinery specialised for particular industries and imports of road vehicles also contributed significantly to total growth of imports in the first nine months of 2008 (0.7 p.p. each); imports of products from these three groups accounted for more than half of total merchandise import growth.

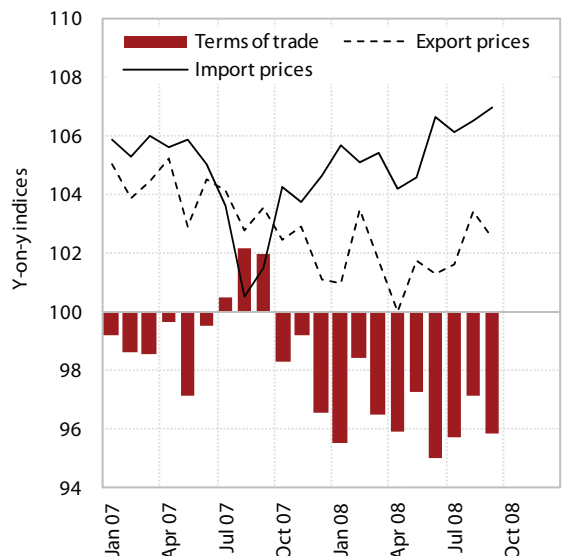
Slika 6: Geographic distribution of merchandise exports



Source: SORS; calculations by IMAD.

Terms of trade deteriorated y-o-y in September, largely due to weaker growth of merchandise export prices. Merchandise export prices increased by 2.5% y-o-y in September (against 3.4% in August) and import prices by 6.9% (against 6.6% in August). September saw a considerably smaller contribution of the export prices of electrical appliances and machinery, which have a 40% share in Slovenia's export prices. Amid a more notable slowdown of growth, the contribution of prices of electric energy and milk and milk products declined as well, but their shares are considerably smaller. In the first nine months of 2008, export price growth was lower (index 101.9) than import price growth (index 105.7); the terms of trade deteriorated by 3.6% (against 0.3% in the same period of

Figure 7: Dynamics of the terms of trade



Source: SORS; calculations by IMAD.

2008). Given the declining prices of oil and other primary commodities, the worsening of the terms of trade is expected to stop y-o-y in the final quarter of 2008.

Growth of trade in services slowed notably y-o-y in October. Growth of service exports dropped from 19.1% in September to 7.7% in October, largely due to the weaker growth of transport service exports, which are closely linked to the dynamics of merchandise exports. Exports of merchanting services also declined. Growth of service

exports totalled 17.1% y-o-y in the first ten months of 2008. Total growth of exports was mainly underpinned by growth of travel, road transport and other services. Even though growth of transport service imports decelerated in October, and imports of construction services declined significantly year-on-year, y-o-y growth of service imports totalled 15.5% in the first ten months of 2008. More than three quarters of total y-o-y growth of imports in this period came from travel services and various business, professional and technical services.

Box 1: Economic growth in Q3 2008

In line with expectations, economic growth in Slovenia moderated in Q3 2008, totalling 3.8% y-o-y (compared with 5.6% in the first half of the year). The moderation was mainly due to weaker growth of gross fixed capital formation and exports, which were the main drivers of growth in the period of high economic activity. Growth of final domestic consumption remained modest; the contribution of the change in inventories (0.8 p.p.) was only slightly higher than in the first half of the year. Owing to the significant moderation of growth in Slovenia's main trading partners, growth of Slovenia's exports (of both merchandise and services) also recorded a notable decline (from 8.5% to 4.2%). Looking at the import side, imports of services increased at a somewhat faster pace, while merchandise imports reached only a third of their Q2 growth. Total import growth more than halved y-o-y in Q3 in comparison to Q2 (from 9.2% to 4.4%). Investment activity moderated notably in Q3, from 10.2% to 3.5%. The slowdown was seen in all investment categories; investment in residential buildings even declined. Y-o-y final domestic consumption growth dropped slightly compared with Q2 (from 3.5% to 3.2%); private consumption growth fell by 0.8 p.p. to 2.7%, while general government consumption accelerated from 3.3% to 4.6%.

Value added growth moderated from 5.2% in the first half of the year, to 3.6%. Broken down by activities, the value added in manufacturing diminished; the strongest growth was still recorded in construction and financial intermediation, while growth in other activities was slowing. Value added in manufacturing declined (-0.5%) for the first time since the final quarter of 1998. The contribution of manufacturing to total value added growth was therefore slightly negative (-0.1%). The growth of value added in construction was equal, as in Q2 (13.9%), but below the level recorded in 2007 (16.0%); its contribution to total growth remained the highest among all activities (1.1 p.p.). Value added growth in financial intermediation was slightly stronger than in Q2 (12.1%). This is the only activity from the group of market services (G-K) in which growth accelerated in Q3. Value added growth declined in all other market services; in hotels and restaurants, value added growth was negative for the second quarter in a row, while public services (L-P) recorded stronger growth.

Figure 8: Expenditure structure of GDP growth

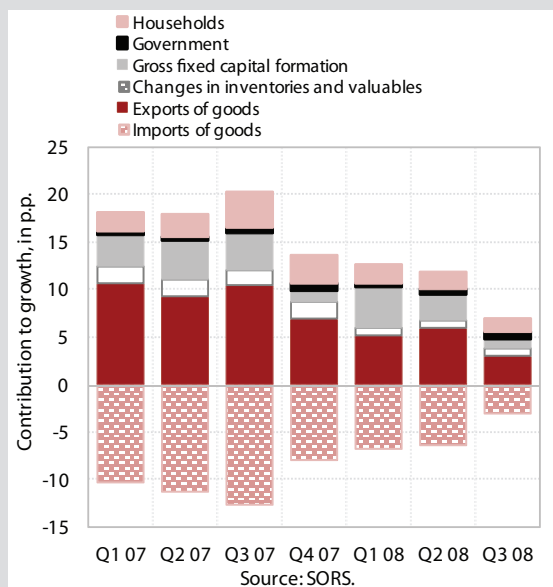


Figure 9: Production structure of GDP

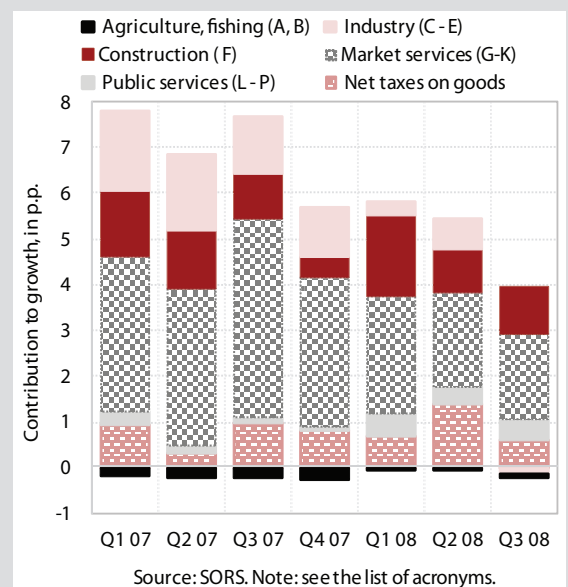


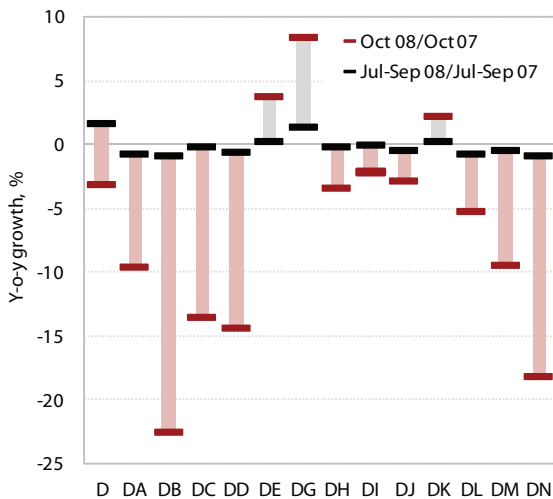
Table 2: Selected monthly indicators of economic activity in Slovenia

In %	2007	X 08/ IX 08	X 08/ X 07	I-X 08/ I-X 07
Exports¹	16.9	-5.8	1.1	7.7
-goods	16.3	-3.9	-0.2	5.7
-services	20.1	-13.4	7.7	17.1
Imports¹	18.3	0.2	3.5	11.4
-goods	18.1	0.1	3.3	10.8
-services	20.1	1.2	4.2	15.5
Industrial production	6.2	-1.3 ²	-3.1 ³	0.8
-manufacturing	7.5	-1.4 ²	-3.1 ³	1.0
Construction -value of construction put in place	18.2	-0.3 ²	15.7	19.7
Distributive trade - turnover in distributive trade and the sale and repair of motor vehicles	9.5	-1.5 ²	2.8 ³	12.2
Hotels and restaurants - turnover in hotels and restaurants	0.3	-0.1 ²	-4.0 ³	-3.6

Sources: BS, SORS, calculations by IMAD. Notes: ¹balance of payments statistics, ²seasonally adjusted, ³working-day adjusted data

Production activity in **manufacturing** declined further in October. The volume of industrial production declined in comparison with the previous month (-1.4, seasonally adjusted) as well as relative to the same month of 2007 (-3.1%). It is expected to drop further in the coming months, given that the confidence indicator in manufacturing maintained its 13-year low for the third consecutive month. Among manufacturing subsectors, positive y-o-y growth continued only in the chemical, paper and machinery industries (8.4%, 3.7% and 2.2%, respectively). The textile industry posted the largest contraction of production (-22.5%). In the first ten months of 2008, the monthly average of the volume of production in manufacturing was only 1% higher than in the comparable period of the previous year.

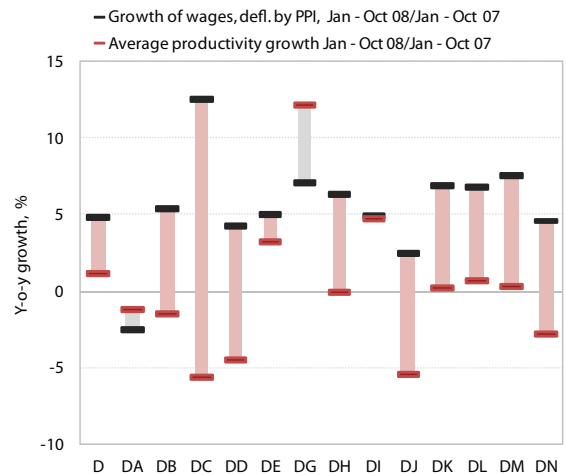
Figure 10: Production in manufacturing by subsectors



Source: SORS, calculations by IMAD. Note: see the list of acronyms.

The number of persons employed in manufacturing declined considerably in October, but wages increased much faster than productivity. After five months of moderate decline, the number of persons in formal employment dropped by 1.3% (or 3,059) relative to October 2007 and by 0.4% (or 835) relative to September 2008. In the first ten months, manufacturing employed on average 0.2% (or 396) fewer workers than in the same period of 2007. As a result of weak production activity, a further decline in employment may also be expected in the coming months. This is corroborated by data from the business tendency survey, given that the indicator of employment expectations dropped to its all-time low in December, for the second month in a row. Gross wage growth in manufacturing is otherwise relatively high, partly as a consequence of adjustment for high inflation and payments based on good company performance in 2007. In the first ten months, the average real growth of wages (4.8%, deflated by PPI) was already notably higher than productivity growth (1.2%), while in 2007 the situation was just the opposite. Among the subsectors, real wage growth exceeded productivity growth most notably in the leather (DC), wood-processing (DD) and metal (DJ) industries, which recorded negative productivity growth; real growth of wages in the chemical industry (DG), by contrast, lagged substantially behind the strong productivity growth.

Figure 11: Wages and productivity growth in manufacturing

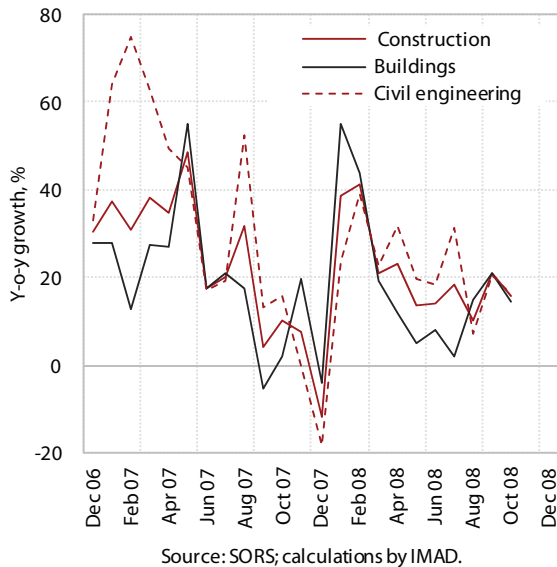


Source: SORS, calculations by IMAD. Note: see the list of acronyms.

Construction activity was high also in October. Growth of the value of construction put in place was 15.7% y-o-y, similar to Q2 (16.9%) and Q3 (16.6%). The structure of growth was also similar; the strongest growth was seen in residential construction.¹ Growth in civil-engineering was modest, while the value of non-residential construction dropped relative to the same month of 2007.

¹ In interpreting data on the value of residential construction, bear in mind that these figures exclude the activity of smaller enterprises, where the main activity is judged to be the construction of buildings, which increases the unreliability of the data.

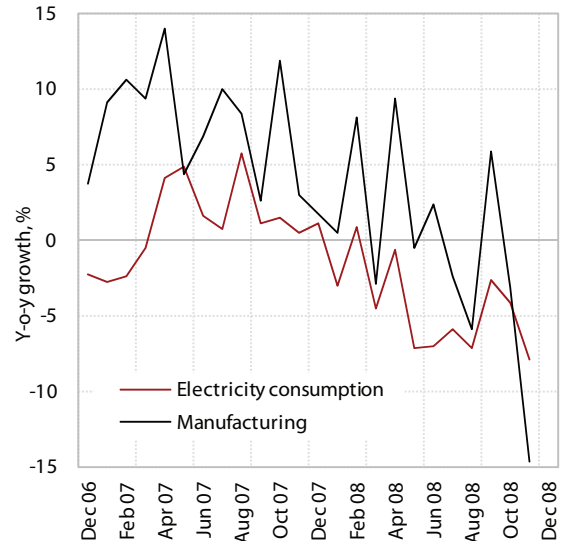
Figure 12: Value of construction put in place



The data on new contracts and business tendency indicate a slowdown of activity. According to the construction statistics, the value of the stock of contracts was 7.6% lower in October relative to the same month of 2007. In the first ten months, the value of new contracts was 1.8% lower than in the same period of 2007. A similar moderation is also indicated by business tendency data on limiting factors, according to which the share of enterprises citing insufficient demand as a factor limiting building activity, increased (this indicator reached its six-year high in December). Over the last few months, enterprises in construction have also perceived financial constraints. According to business tendency surveys, since June, enterprises have been increasingly facing difficulties in acquiring loans, as well as higher costs of finance.

November's **electricity** balance was among the most favourable in 2008. Electricity production increased by 16.9% y-o-y in November, and by 10.0% in the first eleven months of the year. The rise in November was due to the increased output of hydroelectric and nuclear power plants (a low-base effect, as in 2007 the regular overhaul of the nuclear power plant partly fell on November), while the output of thermal power plants declined. Electricity consumption decreased by 8.0% y-o-y in November, and by 4.6% in the first eleven months of the year. In November, consumption by direct users from the transmission network dropped by 18.4%; consumption from the distribution network (all other electricity consumption including household consumption) recorded by far the largest monthly decline in 2008 (-5.5%). In the first eleven months of the year, electricity exports increased by 36.1% y-o-y and imports by 1.4%. Net electricity exports were, by a factor of 2.7, higher than anticipated in Slovenia's electricity balance (EEB) and accounted for 9.8% of production.

Figure 13: Electricity consumption and industrial production in manufacturing

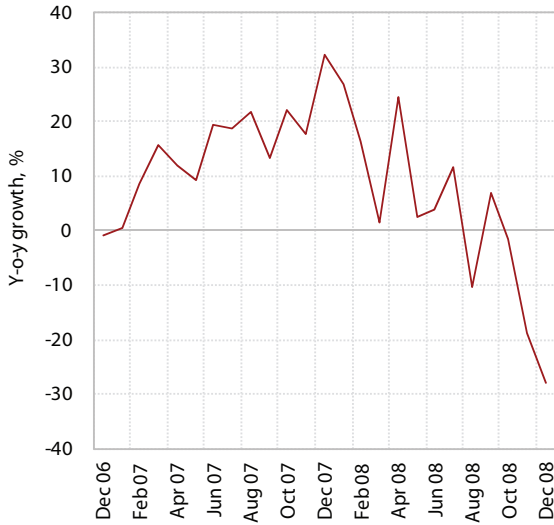


October's figures for **retail trade² and hotels and restaurants** indicate a further moderation of growth or a decline of activity in all sectors that are closely related to economic developments. After fluctuating for a few months at a lower level than recorded in early 2008, y-o-y real growth of turnover in **retail trade** moderated somewhat more notably in October (2.8%). The slowdown was attributable to a decline of turnover in durable trade (non-food products and motor vehicles), where slower growth had already been observed in the previous few months. Similar developments are also indicated by data on the number of new car registrations, which was lower in October than twelve months before (by 1.7%). Due to more favourable developments in the first half of the year, total real growth of turnover in retail trade was still strong (12.2%), on average, in the first ten months of 2008, and exceeded the comparable growth in 2007. Data on new passenger car registrations for the last two months of the year show a further decline in the sale of motor vehicles; in November the number of first car registrations was lower year-on-year almost by a fifth (18.9%) and in December by almost a third (28.1%). The confidence indicator dropped substantially for the second successive month in December and was, according to seasonally adjusted data, the lowest in the whole period since the beginning of measurement in January 1999. Due to a further decline in accommodation and related services (11.4%), real turnover in **hotels and restaurants** decreased y-o-y in October (by 4.0%) for the fourth consecutive month. The number of tourists' overnight stays was lower y-o-y, given that the number of visits by foreign tourists dropped for the third consecutive month (-7.4%). In the first ten months of 2008, the number of tourists' overnight stays

² Total retail trade, sale and maintenance of motor vehicles and retail sale of automotive fuels (50+52).

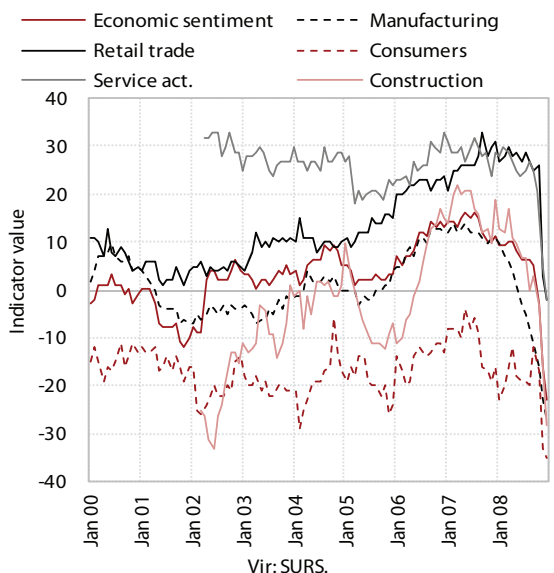
was only 1.8% higher y-o-y (against 7.1% in 2007) and the preliminary data for November suggest a further decline. In the first ten months of 2008, real turnover thus dropped most notably in accommodation and related services (by 4.7%), while the decline in the whole hotel and restaurant group was at 3.6%.

Figure 14: New passenger car registrations



In December, the **consumer** confidence indicator dropped somewhat further compared with the previous month, to its lowest level since 1996. In December, consumers were even more pessimistic than in November regarding the economic situation at present and in the future, major purchases over the next 12 months and the level of unemployment, but they were more optimistic regarding other indicator components.

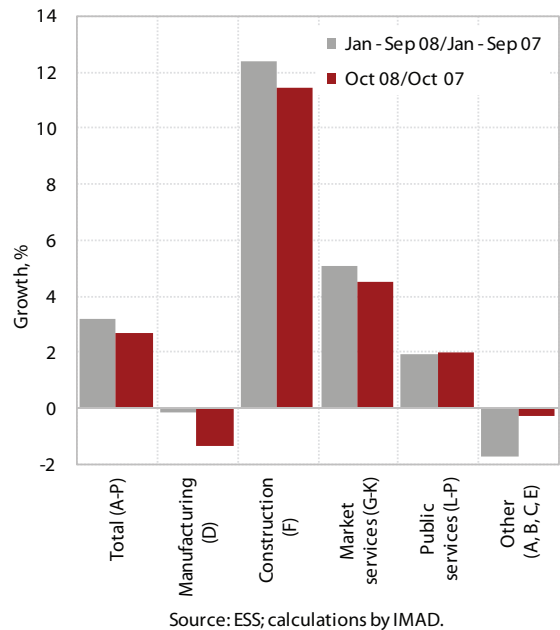
Figure 15: Business tendency



Labour market

Labour market conditions started to worsen gradually. Employment growth in October continued, but at a slower pace; the number of persons in employment increased by 0.3% compared to September, which is less than in September and also less than in October 2007. Y-o-y growth declined to 2.7% (from 3.0% in September). The number of employed persons increased in almost all activities, except agriculture, mining, manufacturing and public administration. Both the number of employed and the number of self-employed persons increased. In relative terms, the largest increase relative to September was recorded in the number of persons employed in hotels and restaurants, other community, social and personal services and in business services; in absolute terms, the increase was largest in distributive trades. The number of persons in employment continued to rise in construction, but the increase was smaller than in the previous months. Employment decreased most notably in manufacturing; particularly in the textile industry and in the manufacture of machinery and equipment. The number of registered vacancies and the number of persons hired also dropped in November, for the second month in a row (by 16% each, y-o-y). The number of work permits for foreigners moderated in November, rising to 90,436, which is 130 more than in October.

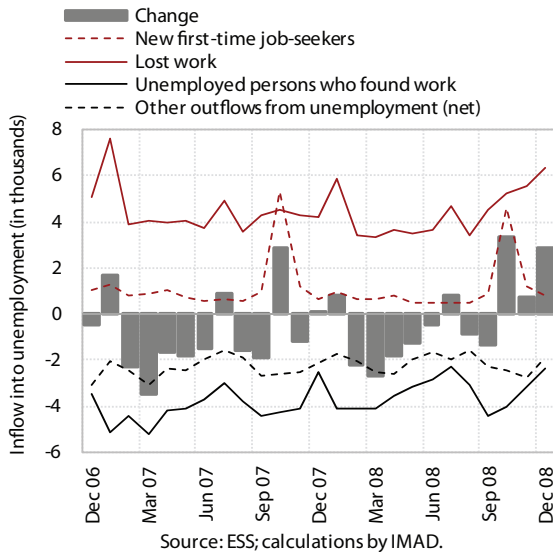
Figure 16: Gains in the number of employees by activity



In November and December, the number of registered unemployed persons increased. At the end of November, it totalled 63,363, which is 742 (1.2%) more than in October (when it increased for seasonal reasons), and climbed to 66,239 by the end of December. The number of persons who lost work increased significantly in both months, while the number of unemployed who got

work declined. The former totalled 5,534 in November and 6,603 in December (around 1,300 and 2,500 more, respectively, than in the same months of 2007), while the latter declined to 3,218 and 2,362, respectively (around 900 and 180 less than in the same months of 2007). The registered unemployment rate increased to 6.6% in October, largely due to the regular inflow of school graduates in the autumn.

Figure 17: Components of the increase in registered unemployment



Wages recorded a significant increase in October. Wage growth also remained strong y-o-y. In October, the gross wage per employee increased by 1.7%. As a result of the strong growth of wages in October 2007, the gross wage per employee slowed slightly y-o-y, to 9.2%. Gross wage growth remained at 8.8% in the first ten months of

Figure 18: Nominal gross wage per employee

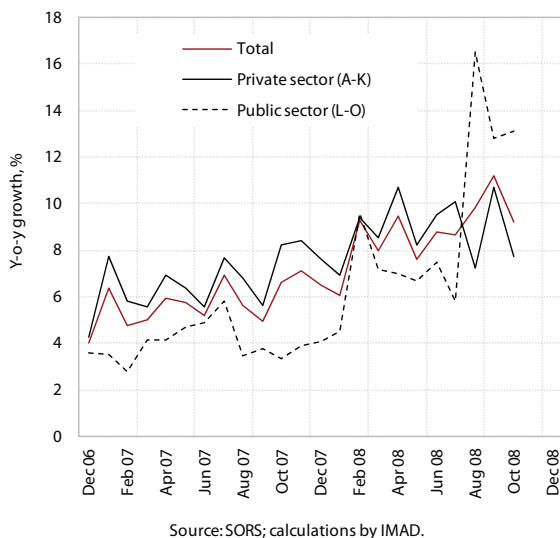


Table 3: Labour market indicators

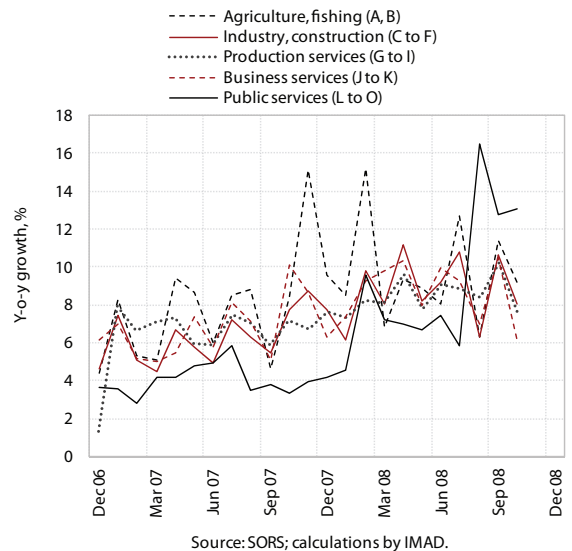
In %	2007	X 08/ IX 08	X 08/ X 07	I-X 08/ I-X 07
Labour force	1.6	0.6	1.8	1.9
Persons in formal employment	3.5	0.3	2.7	3.1
- Employed in in enterprises and organisations and by those self-employed	3.3	0.3	2.8	3.3
Registered unemployed	-16.9	5.6	-9.9	-12.6
Average nominal gross wage	5.9	1.7	9.2	8.8
- private sector	6.9	2.0	7.7	8.8
- public sector	4.1	0.9	13.1	9.1
	2007	X 07	IX 08	X 08
Rate of registered unemployment, v %	7.7	6.6	6.3	6.5
Average nominal gross wage (in EUR)	1,284.79	1303.92	1400.21	1424.08
Private sector (in EUR)	1,217.14	1238.12	1307.55	1333.98
Public sector (in EUR)	1,485.09	1500.26	1680.72	1696.17

Sources: ESS, SORS, calculations by IMAD.

2008, while the net wage retained its 8.3% growth. Due to slowing inflation, the real growth of wages was 0.1 p.p. higher in the first ten than in the first nine months of 2008. The gross wage thus increased by 2.4% and the net wage by 1.9%.

In October, the growth of wages in the private sector was stronger (2%) than total wage growth. With the same number of working days as in September, wages increased in all activities, except in financial intermediation and fishing. A particularly high increase was recorded in mining and in electricity, gas and water supply (around 20%), which was due to extraordinary payments. Besides financial intermediation, these two activities had the

Figure 19: Wages by activity



highest shares of employees who received also year-end payments in previous years; furthermore, the payments themselves were high.

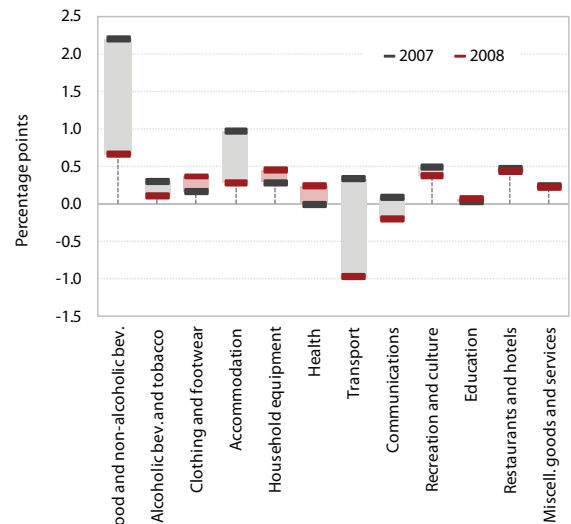
The growth of wages in the public sector totalled 0.9% in October, which was mainly the result of regular promotions of employees who fulfilled the prescribed conditions for such advancements. The greatest increase was recorded in wages in other community, social and personal services (2.4%); however, only a third of employees in these services belong to the public sector. As a result of eliminating wage disparities, the gross wage in the public sector increased significantly over the last few months. In the first ten months of 2008, it recorded an average nominal growth of 9.1% y-o-y and thus exceeded the 8.8% growth of private sector wages in the same period of the year.

Prices

Amid the 0.6% monthly decline in prices, y-o-y inflation in Slovenia totalled 2.1% in December. Compared with November, inflation was 1.0 p.p. lower in December; it lowered by 4.9 p.p. in the second half of the year. Average inflation in 2008 was 5.7%. As in November, price movements in December mainly reflected the decline in liquid fuel prices. Lower prices of liquid fuels for transport and heating contributed -0.7 p.p. to deflation; prices of fruit, clothing and footwear also dropped somewhat in December. Price rises were recorded in the groups of

recreation and culture and health. Passenger car prices were somewhat higher as well.

Figure 20: Contributions to inflation



Source: SORS; calculations by IMAD.

The lowering of inflation was underpinned by the same drivers as its rising in the previous period. In 2007 and in the first part of 2008, inflation in Slovenia surged well above 3% (a level which is considered as consistent with the real convergence process) mainly due to rising prices of commodities (oil) and food in global markets, which had,

Table 4: Prices

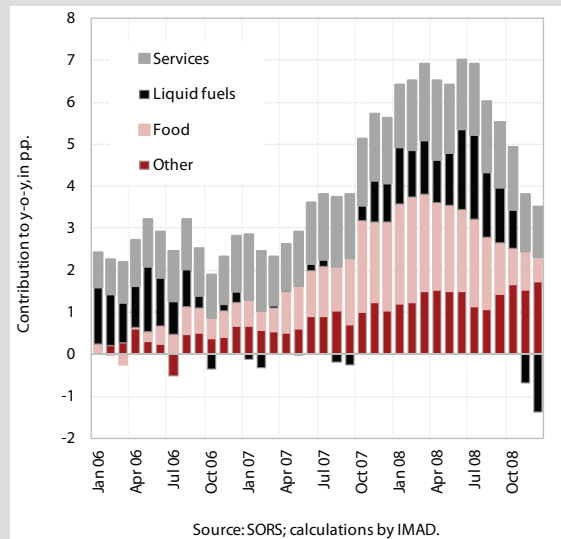
	2007		2008		
	XII 2007/ XII 2006	Φ (I 07–XII 07)/ Φ (I 06–XII 06)	XII 2008/ XI 2008	XII 2008/ XII 2007	Φ (I 08–XII 08)/ Φ (I 06–XII 07)
Consumer prices (CPI)	5.6	3.6	-0.6	2.1	5.7
Goods	6.0	3.2	-1.0	1.3	6.0
- Fuel and energy	9.8	3.1	-5.8	-7.2	10.6
- Other	5.2	3.2	0.1	3.2	5.0
Services	4.8	4.5	0.3	3.8	5.0
Consumer prices (HICP)	5.7	3.8	-0.7	1.8	5.5
Administered prices ¹	7.2	2.6	-5.8	-7.8	9.6
- Energy	9.6	2.7	-8.8	-11.9	14.4
- Other	1.5	2.4	0.3	0.4	0.1
Core inflation:					
- trimmean	3.2	2.3	-0.1	2.6	3.9
- excluding (fresh) food & energy	4.0	2.7	0.2	3.9	3.9
Consumer prices in the EMU	3.1	2.1	-0.1	1.6	3.3
Producer prices of domestic manufacturers ² :					
- domestic market	6.3	5.4	-0.7	3.6	5.9
- EMU	0.9	5.0	-1.6	1.2	2.1

Sources: SORS, Eurostat, calculations by IMAD.

Note: ¹ due to annual changes of the administered price index, figures are not directly comparable across years, ² data by November 2008.

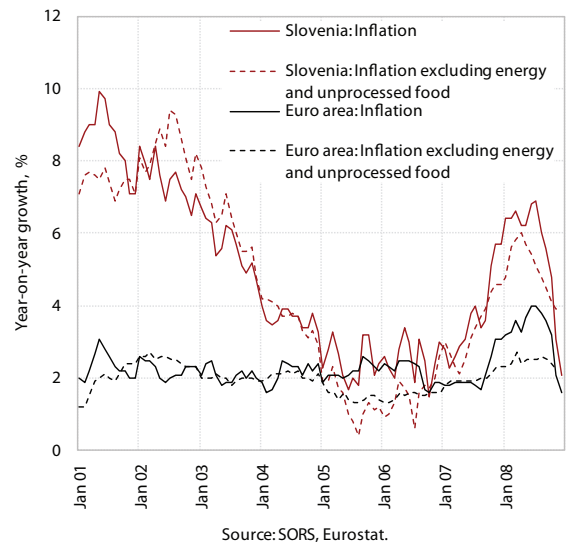
Box 2: Pass-through of higher energy prices into other price groups

The growth of prices of "other goods" also strengthened in the period of rising inflation, in addition to growth of prices of food and liquid fuels for transport and heating, which were, by our estimate, the key drivers of accelerating inflation. The contribution of other goods has also been increasing over the last few months, when total inflation started to decline. The group of other goods, which contributed around 1.7 p.p. to 2.1% y-o-y inflation in December accounts for around 40% of the consumer goods basket. Within the group of other goods, the largest contributions come from clothing and footwear, alcoholic beverages and tobacco, transport equipment, household equipment and some energy prices (gas, electricity, district heating, solid fuels). The contribution of the latter (0.5 p.p. in December) is largely due to external factors, given that the prices of gas and district heating are determined on the basis of the past dynamics of oil prices. In the period of accelerated inflation, a moderate upward trend of prices has also been perceived for goods other than energy and food; this trend also persisted over the last few months when the contribution of liquid fuels, food and services started to diminish. Prices of goods other than energy and food thus rose by 1.9% in 2007 and by around 2.9% in 2008. This is, by our estimate, due to the pass-through of higher energy prices into the price structure of these goods and to the impact of fast economic growth in the previous period. Due to the slowdown of economic growth and the decrease of energy prices in global markets, growth of these prices is thus expected to moderate in the months to come, and their contribution to inflation will decline.

Figure 21: Breakdown of year-on-year inflation

amid the favourable economic situation, a greater impact on price growth in Slovenia than in other countries in the euro area. Over the past few months, when oil prices plummeted (from about USD 150 per barrel in July to less than USD 50 per barrel in December) and accompanied by a slowdown of food prices as well as slowing economic growth and lower expectations for future months, inflation was also slowing at a relatively faster pace. In the six months through December, y-o-y growth of the harmonised index of consumer prices in Slovenia dropped from 6.9% in July to 1.8% in December, and in the euro area as a whole from 4.0% to 1.6% in the same period. The key reason for the faster slowdown of y-o-y inflation in Slovenia is, similar to the period when inflation was growing, an approximately 60% higher share of liquid fuels for transport and heating in the structure of the average household expenditure and thus in the domestic consumer price index than in the euro area as a whole.

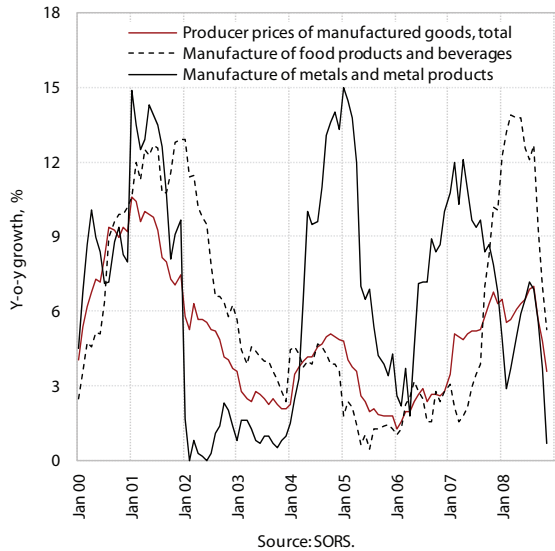
According to the available data, core inflation continued to slow in November. Y-o-y growth of the consumer price index excluding non-processed food and energy prices declined over the last few months, totalling 3.9% in November. The moderation of core inflation is still mainly due to the slower growth of processed food prices, which moderated from 11.3% in April 2008 to 5.9% in November.

Figure 22: Inflation in Slovenia and in the total euro area

Domestic producer prices of manufactured goods decreased in November for the third consecutive month. Price growth also dropped year-on-year, from 4.8% to 3.6% (compared with 6.8% in November 2007). The growth of prices for sale on foreign markets fell from 3.3% to 2.5% (0.3% in November 2007). As in the previous two months, the decline in y-o-y growth of prices was largely due to the

further deceleration of price growth in the manufacture of food products and beverages, while in the manufacture of metals and metal products, growth of prices slowed from 6.8% in August to 0.7% in November.

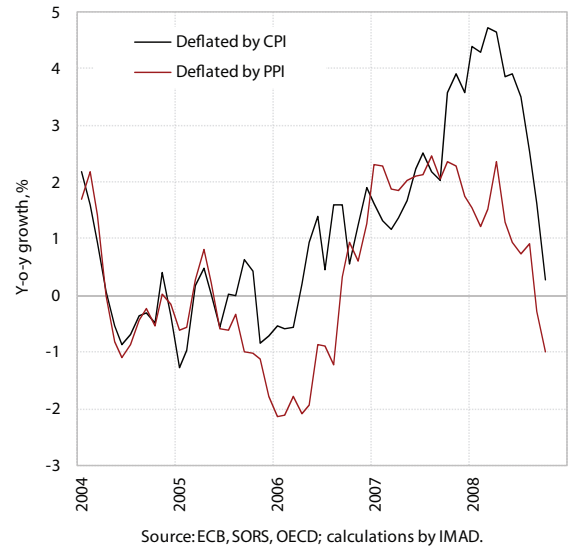
Figure 23: Producer prices of manufactured goods on the domestic market



Amid the improvement again recorded at the monthly level, the y-o-y deterioration of **price competitiveness** measured by relative consumer prices³ continued to slow in October. Falling rapidly at the monthly level for the fourth month in a row (-0.8%), the real effective exchange rate deflated by relative consumer prices was only a mere 0.3% higher in October than a year before (3.4% in the first ten months). As in September, the relatively more favourable movements of price competitiveness continued largely due to the weaker euro. Owing to the fast depreciation of the EUR against the USD, JPY and CHF, the nominal effective exchange rate dropped at the monthly level (-0.9 %) and year-on-year (-1.3%), after appreciating continuously to September at the y-o-y level for more than two years. Relative consumer prices increased slightly again in October (0.1%), after declining for three months, while their y-o-y growth continued to slow at a decelerated pace.

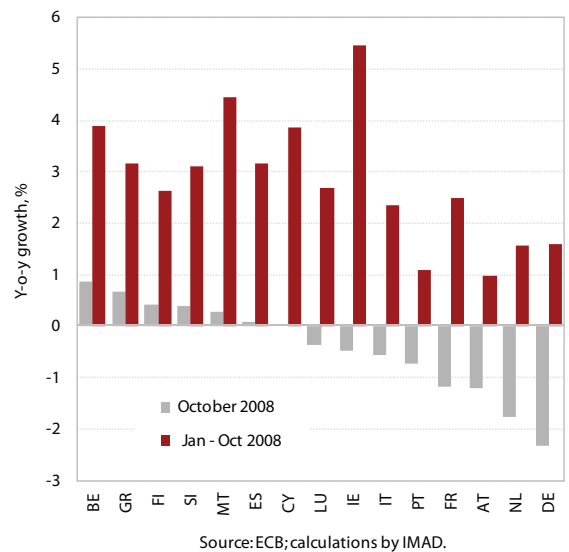
Price competitiveness measured by relative producer prices improved y-o-y in October for the second successive month. The value of the real effective exchange rate deflated by relative producer prices in manufacturing (on the domestic market) was maintained at September's level. At the y-o-y level, the real exchange rate dropped again (-1.0%) in October, but was 0.9% higher in the first ten months of the year.

Figure 24: Real effective exchange rate



Due to the weaker euro, many other countries from the euro area improved their price competitiveness in October relative to the year before. Slovenia was in a relatively smaller group of Member States where price competitiveness deteriorated year-on-year slightly again. Amid the higher – though slowing – growth of relative prices, this deterioration was partly due to a different structure of foreign trade. As Slovenia realises an above-average proportion of its external trade in the euro area, the depreciation of the euro has a relatively smaller impact on its price competitiveness.

Figure 25: Real effective exchange rates of EMU members deflated by HICP



³ In Slovenia compared with Slovenia's trading partners.

Box 3: Cost competitiveness

After several years of relatively favourable developments, the cost competitiveness of the economy deteriorated substantially in 2008. Already in the final quarter of 2007, the real effective exchange rate started to appreciate more notably y-o-y (by 3.8%), mainly due to the faster relative growth⁴ of nominal unit labour costs. In 2008, it appreciated even more (5.2% in Q2 and Q3, respectively). Under the influence of faster growth of the compensation per employee compared with labour productivity growth, real unit labour costs have also been increasing at an accelerated pace since Q2 2008. Real unit labour costs also rose in a number of other euro area members, as well as in other countries of the EU, but in most of these countries less notably than in Slovenia.

The deterioration of the cost competitiveness of the economy was mainly a result of slower labour productivity growth coupled with faster growth of the compensation of employees. Amid the significant fluctuations of the euro, the negative impact of the exchange rate on cost competitiveness in 2008 was much smaller. Notably slower labour productivity growth (y-o-y 0.9% in Q3 2008, from 1.9% in Q4 2007 and from an average of 4.3% in the first three quarters of 2007) was due to a gradual slowdown of economic activity against the background of further relatively strong growth of employment. The deterioration of the favourable labour productivity developments was most pronounced in manufacturing (a 0.1% drop relative to 5.1% and 7.6% increases), where employment growth had already stopped due to tougher conditions in the international environment in Q2 2008, and was declining slightly in Q3. Accelerated growth of the compensation of employees in the first half of the year was due to the adjustment of wages for high inflation (and higher productivity in 2007), particularly in the private sector, and the beginning of eliminating wage disparities in Q3.

Figure 26: Cost competitiveness of the economy and its components

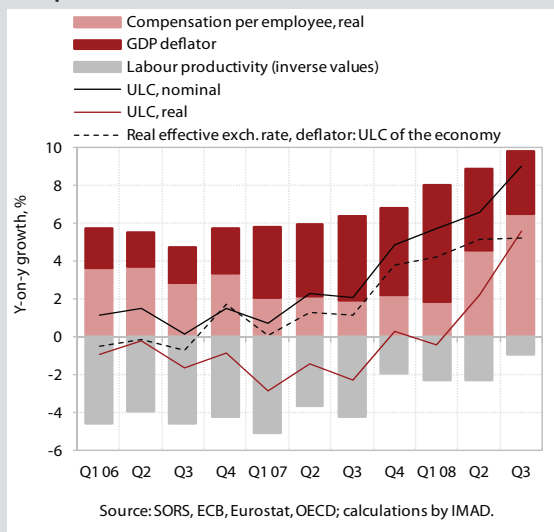


Figure 27: Real unit labour costs in the first nine months of 2008

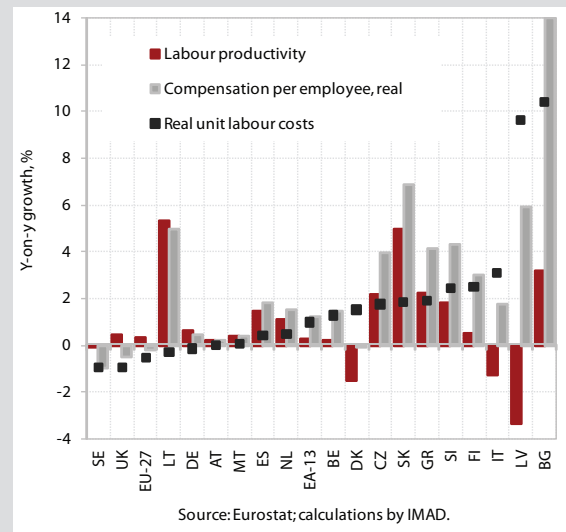


Table 5: Indicators of cost competitiveness

Annual growth rates in %	2004–2006	2007	KV I–III 2008
Real effective exchange rate, deflated by unit labour costs ¹	0.3	1.6	4.9
Nominal effective exchange rate	-0.6	0.8	0.9
Relative unit labour costs	0.9	0.8	3.9
Unit labour cost components (domestic)			
Nominal unit labour costs	1.9	2.5	7.1
Compensation of employees per employee	6.2	6.3	9.1
Labour productivity; ² real	4.3	3.7	1.8
Real unit labour costs	-0.5	-1.5	2.5
Labour productivity; ² nominal	6.7	8.0	6.5

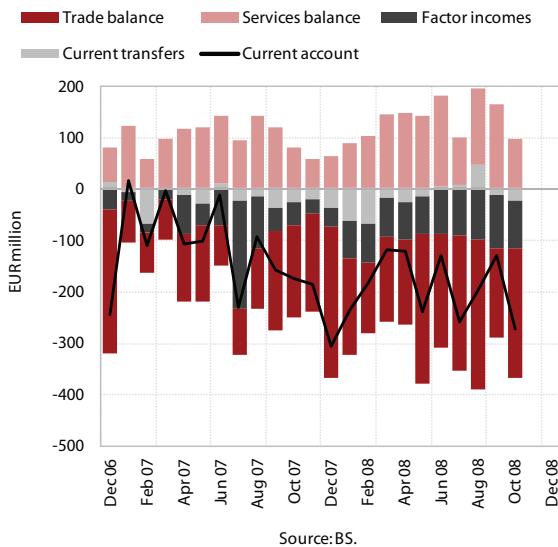
Source: SORS, EUROSTAT, OECD, ECB; calculations by IMAD. Notes: ¹against 17 main trading partners; ² gross domestic product per employee.

⁴ In Slovenia compared with Slovenia's trading partners.

Balance of payments

In October, the monthly current account deficit was at its highest in 2008 (EUR 271.7 m). It reached EUR 1,874.3 m in the first ten months of the year and almost doubled in comparison to the same period of 2007. The higher y-o-y deficit in October was due to higher trade and factor income deficits. The services surplus widened y-o-y, while the deficit in current transfers decreased.

Figure 28: Components of the current account balance



The trade deficit in October totalled EUR 251.9 m. Amid slower import growth, the trade deficit widened y-o-y in October (EUR 71.9 m) due to a decline in merchandise exports. With regard to regional structure, the trade deficit with EU countries widened y-o-y in October, and the trade surplus with non-EU countries decreased. Given that growth of exports decelerated faster than growth of imports, the trade deficit increased by EUR 974.7 m y-o-y in the first ten months of 2008. The widening of the merchandise deficit was to a significant extent due to deteriorated terms of trade, which affected the purchasing power of Slovenia's merchandise exports. The trade deficit would have been approximately EUR 580 m lower y-o-y in the first nine months of 2008, by our estimate, had the terms of trade remained unchanged (the actual trade deficit in the first nine months of the year was EUR 878.5 m higher y-o-y).

The surplus in the services balance totalled EUR 95.9 m in October. The y-o-y increase (by EUR 16.6 m) was mainly due to higher net exports of construction services. In the first ten months of 2008, the surplus in the services balance rose by EUR 223.8 m y-o-y, to EUR 1,297.5 m. The road transport surplus and the surplus in air transport services widened most notably in this period, the maritime transport surplus was only marginally higher and the surplus in railway transport slightly declined. Net inflows from travel services dropped y-o-y, given that

expenditure from travel increased faster than receipts for both private and business trips. The deficit in the group of other services narrowed y-o-y, largely due to higher net exports of construction and merchanting services.

As in the whole period, the factor income deficit in October was higher y-o-y due to net payment of interest on foreign loans. In the first ten months of 2008, it totalled EUR 841.4 m, EUR 199.7 m more than in the same period of 2007. The share of net payments of interest on loans, accounting for 70% of the total income balance, rose notably in the period between July and October 2008 and averaged 87%. Net interest on foreign loans paid by domestic commercial banks accounted for 63.1% of all net payments of interest on foreign loans (compared with 60.5% in the same period last year). The share of the BS's net interest payments from liabilities to the Eurosystem also increased, to 13.0% (compared with 10.5% in the same period of 2007). Net interest payments by other sectors, predominantly enterprises, declined y-o-y.

The deficit in current transfers narrowed y-o-y in October, due to the surplus in insurance premiums in the private sector. In October, contributions from the state budget to the EU budget exceeded receipts from the EU budget by EUR 40.8 m. The higher contributions were a result of the new statistical estimate of gross national incomes of the EU Member States. In the first ten months of 2008, the current transfer deficit totalled EUR 174.1 m, decreasing by EUR 41.2 m y-o-y, largely due to the surplus in other transfers.

In October, **international financial transactions** recorded net outflows for the first time in 2008, largely as a consequence of net capital outflows from other investments. Loans of domestic banks to the rest of the world strengthened in October (EUR 281.4 m) relative to the previous months, while bank borrowing abroad declined (EUR 71.8 m).

Figure 29: Financial transactions of the balance of payments

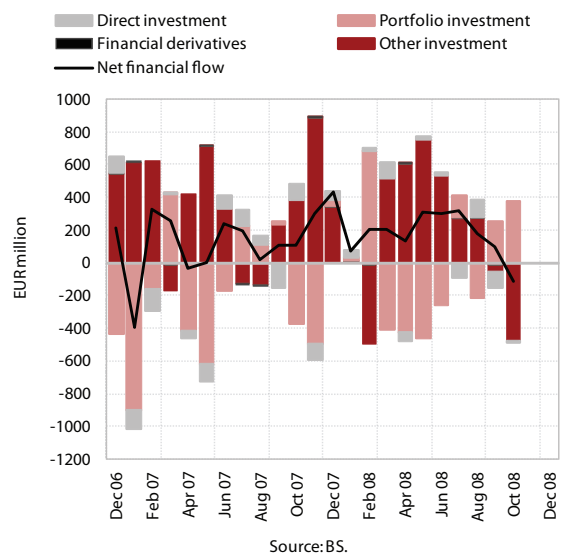


Table 6: Balance of payments

I-X 2008, EUR m	Inflows	Outflows	Balance ¹	Balance, I-X 2007
Current account	23,629.7	25,504.0	-1,874.3	-964.9
- Trade balance (FOB)	17,530.3	19,687.0	-2,156.7	-1,182.0
- Services	4,242.7	2,944.8	1,297.9	1,074.1
- Income	1,046.4	1,887.9	-841.4	-641.7
Current transfers	810.3	984.4	-174.1	-215.2
Capital and financial account	5,018.1	-3,306.3	1,711.8	935.9
- Capital account	186.1	-257.7	-71.6	-36.8
- Capital transfers	183.2	-249.5	-66.2	-34.7
- Non-produced, non-financial assets	2.9	-8.3	-5.4	-2.1
- Financial account	4,832.0	-3,048.6	1,783.4	972.8
- Direct investment	925.7	-878.4	47.2	-216.2
- Portfolio investment	650.1	-929.8	-279.7	-1,810.3
- Financial derivatives	0.0	5.6	5.6	-23.2
- Other investment	3,223.4	-1,245.9	1,977.5	2,926.9
- Assets	53.3	-1,232.5	-1,179.2	-4,575.0
- Liabilities	3,170.1	-13.4	3,156.7	7,502.0
- Reserve assets	32.9	0.0	32.9	95.5
Net errors and omissions	162.5	0.0	162.5	28.9

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

Net capital inflows totalled EUR 1,750.6 m in the first ten months of 2008, compared with EUR 877.3 m in the same period of 2007.

Regarding financial liabilities to the rest of the world, commercial bank loans predominated in the first ten months of 2008. Commercial banks raised a lower amount of loans (EUR 1,907.5 m) than in the same period of 2007 (EUR 2,282.6 m). The maturity structure also changed, given that short-term loans accounted for more than half of the raised loans, compared with more than a quarter in the same period of the previous year. Most loans were raised in the first half of 2008, while bank borrowing abroad has been slowing notably since July. The inflow from direct investment (EUR 925.7 m) was EUR 86.0 m higher y-o-y in the first ten months of the year, largely on account of higher liabilities to affiliated enterprises abroad. The value of equity capital declined y-o-y.

External assets increased again in October, largely due to domestic bank loans to the rest of the world and, to a lesser extent, also to outward direct investment; international assets arising from portfolio investment declined significantly as a result of the sale of debt securities. Most foreign debt securities were, as in September, sold by domestic commercial banks. After the modest investment in foreign securities recorded in the first half of 2008, other sectors have been selling foreign securities since August. In the first ten months of 2008, investment by domestic banks and other sectors in foreign securities thus declined significantly y-o-y. The total decline in the

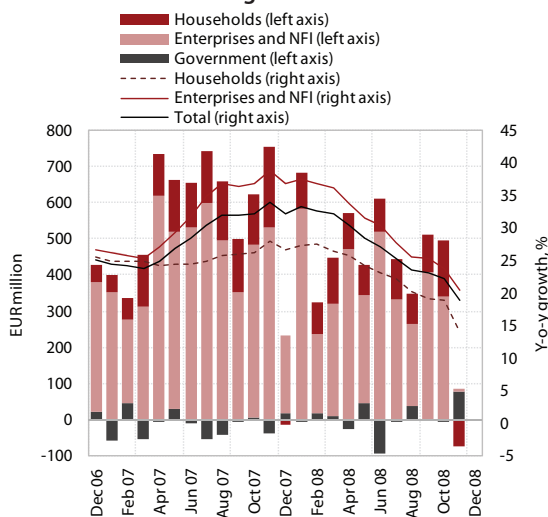
first ten months would have been much higher, had the Bank of Slovenia not substantially increased its investment in foreign debt securities and money market instruments. Within foreign direct investment, in addition to capital investment, Slovenian enterprises financed affiliated enterprises in the form of loans and short-term trade credits. The structure of investment was more balanced than the structure of inward direct investment. After July's increase in investment abroad, foreign direct investment was modest in the period to October. Short-term trade credits, which are linked to the dynamics of merchandise trade, declined again in October after September's increase. In the first ten months of 2008, the volume of short-term trade credits to the rest of the world dropped y-o-y. According to enterprises' direct reports (balance sheets), at the end of October Slovenia had most claims from short-term trade credits on the EU Member States (48.7%). On the side of external assets, exports of capital in the form of portfolio investment predominated in the first ten months of 2008 (EUR 929.8 m; within that, the Bank of Slovenia's currency and deposit claims increased by EUR 1,120.7 m), foreign direct investment (EUR 878.4 m) and trade credits (EUR 720.4 m).

Slovenia's gross external debt totalled EUR 40 bn at the end of October; gross external assets in debt instruments amounted to EUR 31.6 bn. Net external debt reached EUR 8.5 bn at the end of October (22.7% of estimated GDP) and diminished by EUR 200 m compared to September. Slovenia is thus still ranked among the least indebted countries in the euro area.

Financial markets

The volume of domestic bank loans to the non-banking sectors stagnated following the relatively strong growth in October. With 0.5%, the growth of euro loans reached only a third of the monthly average in the first eleven months of 2008; foreign currency loans declined by as much as 5.5%, the largest figure since comparable data have been available;⁵ the contraction of this type of borrowing is largely attributable to increased exchange rate risk. The total y-o-y growth rate declined substantially, falling to its lowest level since February 2006 and was with 18.9%, 3.2 p.p. lower than the month before. This notable decline was also partly due to the strengthened borrowing in November 2007. Banks thus granted only EUR 13.2 m net loans to domestic non-banking sectors in November: In the first eleven months of 2008, these net flows totalled EUR 4,773.1 m, almost a quarter less than in the comparable period of 2007.

Figure 30: Net flows and growth of domestic bank loans to domestic non-banking sectors



Source: BS; calculations by IMAD.

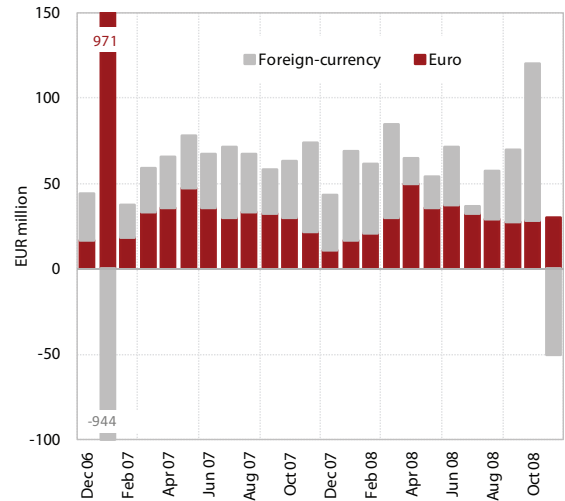
Households net repaid all types of loans in the amount of EUR 72.8 m in November and also housing loans, for the first time since February 2005 (EUR 20 m). A detailed comparison of data shows that the decline in housing loans is mainly due to the cessation of foreign currency borrowing, which was an important source of financing household purchases of dwellings in previous years. In November, foreign currency loans were obviously substituted by euro loans, given that net flows of housing loans in euros strengthened somewhat, despite a notable moderation of lending activity compared with the period from July to October. The highest outflows were recorded by consumer loans, which were down EUR 37.0 m (the largest decline since December 2007).⁶ The y-o-y growth

⁵ Comparable data for loans since January 2005.

⁶ Net outflows of December 2007 are due to the return of loans for the purchase of NKBM shares.

rate of the total volume of household loans dropped to 14.0% in November, hitting the lowest level since comparable data have been available. In the first eleven months of 2008, households net borrowed EUR 967.0 m, almost a third less than in the same period of 2007. Only housing loans were comparable with the same period of 2007, owing to the extremely strong net inflow in the previous months.

Figure 31: Net flows and growth of domestic bank loans to domestic non-banking sectors



Source: BS; calculations by IMAD.

Corporate and NFI borrowing also moderated substantially in November and was, as a result of the limited availability of funds, at the lowest level since data have been available. Net flows of this type of loans reached only EUR 6.3 m, not even 2% of the average monthly net flows recorded in the first eleven months of 2008. Enterprises recorded a positive net flow only for investment loans (EUR 46.9 m), but even these loans reached less than half of the monthly average posted in the first eleven months of 2008; in contrast, enterprises net repaid working capital loans (EUR 49.1 m) and loans for other purposes (EUR 32.9 m). NFI posted a positive net flow of loans largely due to further unfavourable movements in capital markets and continued to borrow mainly to cover liquidity needs. In the first eleven months of 2008, enterprises and NFI thus mainly net borrowed from domestic banks (EUR 3,728.8 m, a quarter less than in the comparable period of 2007). Borrowing abroad stopped in October, after it became an increasingly important source of financing in the previous months. Enterprises and NFI thus net repaid this type of loans in October, in the amount of EUR 38.4 m, the highest figure in the last year and a half. In the first ten months of 2008, the net flow of foreign loans totalled EUR 464.7 m, only slightly over one percent more than in the comparable period of 2007.

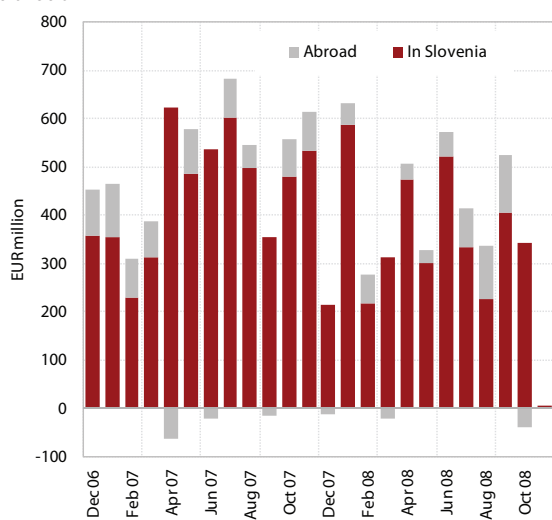
Also in October, banks faced a limited supply of funds in international interbank markets. Even though they

Table 7: Financial market indicators

	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 2007	30. IX 2008	30. IX 2008/ 31. VIII 2008	30. IX 2008/ 31. XII 2007	30. IX 2008/ 30. IX 2007
Loans total	26,715.5	31,488.6	0.0	17.9	18.9
Enterprises and NFI	19,378.7	23,107.4	0.0	19.2	20.6
Government	519.2	596.5	15.4	14.9	19.2
Households	6,817.7	7,784.7	-0.9	14.2	14.0
Consumer credits	2,742.5	2,891.0	-1.3	5.4	3.4
Lending for house purchase	2,667.9	3,336.6	-0.6	25.1	27.1
Other lending	1,407.3	1,557.0	-1.0	10.6	10.6
Bank deposits total	12,541.8	13,507.4	1.2	7.7	13.0
Overnight deposits	5,387.7	5,303.6	0.9	-1.6	4.2
Short-term deposits	5,112.4	5,519.6	1.5	8.0	13.4
Long-term deposits	1,286.0	1,824.1	2.8	41.8	43.5
Deposits redeemable at notice	755.6	860.1	-2.4	13.8	18.8
Mutual funds	2,924.4	1,607.8	-8.3	-45.0	-42.7

Sources: Monthly Bulletin of the BS, SMA (Securities Market Agency), calculations by IMAD.

Figure 32: Corporate and NFI borrowing in Slovenia and abroad



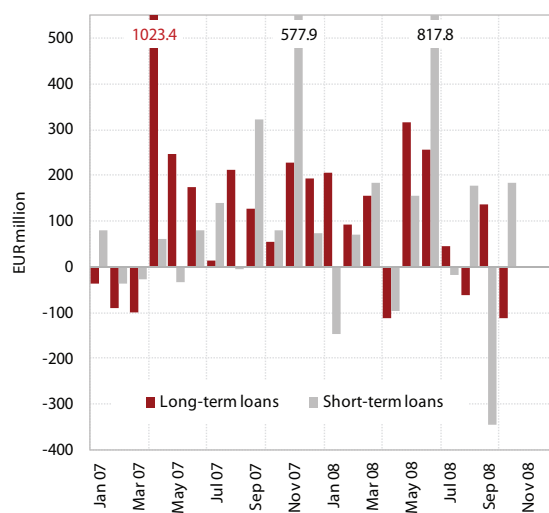
Source: BS; calculations by IMAD.

managed to obtain net funds in the amount of EUR 71.8 m in October, the maturity structure remained unfavourable. Short-term loans recorded a positive net flow, while banks net repaid long-term loans in the amount of EUR 110.7 m. Bank net borrowing abroad totalled EUR 1,905.7 m in the first ten month of 2008, 16.4% less than in the comparable period in 2007. The decline is due to a decline in long-term borrowing (by slightly over 40%), while short-term borrowing strengthened by a good half.

After declining in October, the volume of household deposits in banks strengthened again in November. Long-term household deposits with higher interest rates still

posted the highest growth rates, but their growth slowed substantially compared with Q2 and Q3 2007. Short-term deposits, in contrast, began to strengthen again after declining for three successive months. Household deposits thus recorded a net inflow of EUR 965.5 m in the first eleven months of 2008, which is almost twice as much as in the same period of 2007.⁷ Net outflows of assets from mutual funds were also an important source of financing household deposits in banks in the past eleven months. They moderated somewhat in November,

Figure 33: Net flows of bank borrowing abroad



Source: BS; calculations by IMAD.

⁷ Disregarding the increased net outflows in November 2007 due to the privatisation of the NKBM, household deposit growth would have been approx. 20%.

Box 4: Stock exchange in 2008

After the main index on the Ljubljana Stock Exchange rose by almost four-fifths in 2007, it was down by more than two-thirds in 2008, dropping to the level of almost five years ago. In the final quarter of 2008 alone, its value declined by just over 40%, which is comparable with the annual declines in developed international capital markets. These negative movements were mainly due to the rapid spillover of the financial crisis into the real economy, but also to strong growth in previous years. According to analysts, individual securities were therefore overvalued with regard to the comparable securities on foreign stock exchanges. The larger decline was also attributable to the very poor liquidity of the Slovenian capital market. The share turnover ratio (measured as a ratio of annual turnover to market capitalisation) on the Ljubljana Stock exchange remains low, reaching 0.11 in 2008, while in developed capital markets this value hovers above 0.50.

The volume of market capitalisation on the Ljubljana Stock Exchange fell by 41.9% y-o-y, which is the first y-o-y decline to date. The decrease was mainly due to the lower market capitalisation of shares listed on the Ljubljana Stock Exchange, given that its value fell by EUR 11.3 bn in 2008 (30% of estimated GDP in 2008) and was 57.1% lower than the year before. The decline would have been even greater, had it not been for the listing of new securities on the Ljubljana Stock Exchange. The market capitalisation of shares of investment funds dropped by almost four-fifths, but their contribution to the total decline was less significant, given that their share is low (1.4%). Turnover of securities recorded a much lower value than in 2007; it declined by 42.3%, which is, by our estimate, mainly attributable to the lower value of securities rather than to a lower number of transactions. Turnover of shares more than halved (evenly by all types of listed shares). Turnover of bonds, in contrast, was notably stronger (by a factor of 1.4), which is due to the abolishment of the MMTS and the relocation of trading from the MMTS back to the official market, and partly also to the large decline in the value of shares linked with increased interest in bonds.

More developed capital markets recorded a notably smaller decline than the Ljubljana Stock Exchange, between 31.3% (FTSE100) and 42.7% (CAC40). The MSCI WORLD, measured in euros, dropped by 39.1% in 2008. The decline was to the greatest extent due to negative developments in the period from September to November (a more than 25% drop), when the conditions on the capital markets tightened notably after the collapse of the investment bank Lehman Brothers.

Figure 34: Market capitalisation on the Ljubljana Stock Exchange

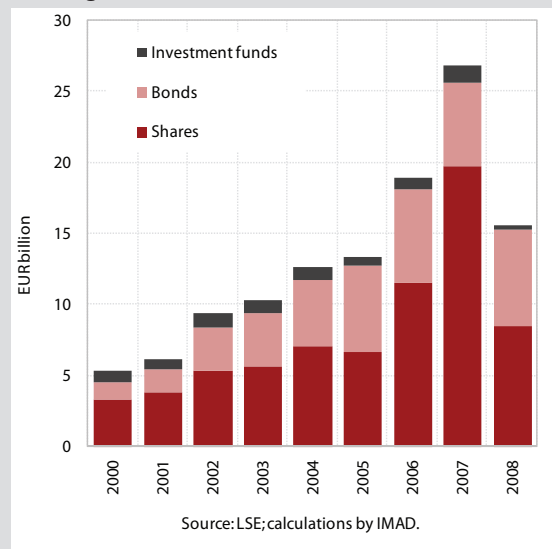
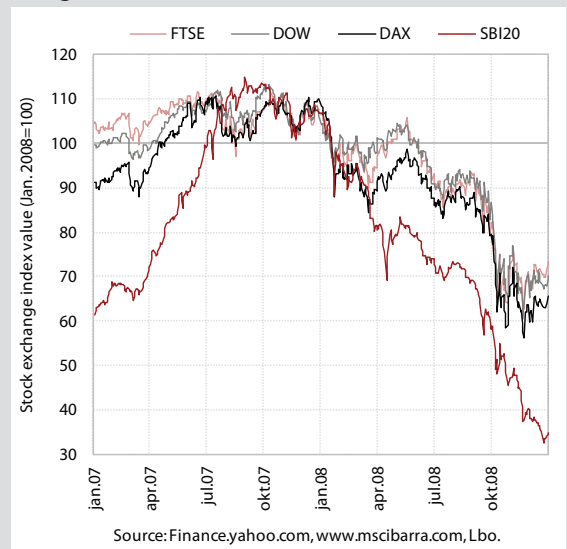


Figure 35: Dynamics of the SBI 20 and selected main foreign indices



but nevertheless still totalled EUR 29.5 m. In the first eleven months of 2008, they were at EUR 290.4 m, while in the same period of 2007 mutual funds recorded net inflows of as much as EUR 404.3 m. The volume of assets in mutual fund managed by domestic administrators contracted by as much as 45% in the first eleven months of 2008; almost 80% of the total decline was due to a lower value of investment by mutual funds. The largest

decline in assets was recorded by riskier stock and mixed mutual funds, while the volume of assets in money market mutual funds with safe and liquid investments almost doubled in this period.

Contrary to developed capital markets, the negative movements on the Ljubljana Stock Exchange did not slow significantly in the last month of 2008. The SBI20, the main

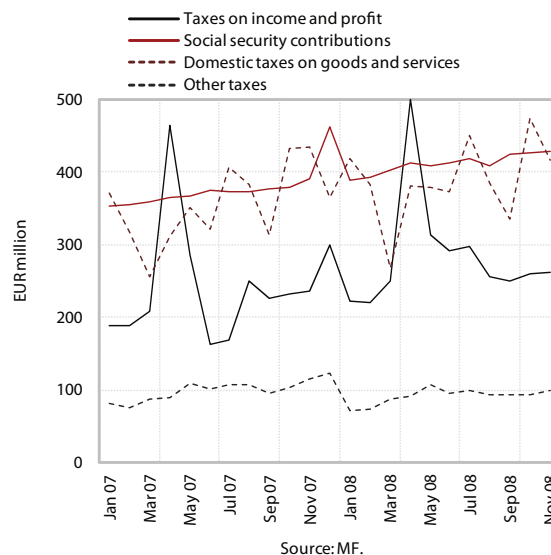
index on the Ljubljana Stock Exchange, recorded the lowest decline in the last four months, but it nevertheless totalled 13.9%. The index volatility moderated somewhat relative to October and November, and in December the SBI20 recorded an average daily increase (and decrease) of 1.6%. The market capitalisation on the Ljubljana Stock Exchange declined by 4.1% in December, which is notably less than the main index and largely a consequence of 5.1% growth of the market capitalisation of bonds. In the previous three months, the values of main indices on foreign capital markets also generally declined, but in December most indices increased or recorded only a minimum drop. Among the main world indices, the main index on the Tokyo stock market (NIKKEI 225, 4.1%) recorded the largest increase; only the New York and Paris stock exchange indices recorded declines (DOW JONES, 0.6% and CAC 40, 1.4%), while in this period the value of the MSCI World measured in euros dropped by 5.9%, which is to a great extent linked to the depreciation of certain important currencies against the euro (GBP, USD in JPY).

Public finance

Growth of general government revenue slowed in the first eleven months of 2008. According to data on the payments of taxes and social security contributions,⁸ taxes and social security contributions increased by 10.9% in the first eleven months of 2008 (12.1% in the first nine and 11.9% in the first ten months) relative to the same period of 2007. Growth is slowing in all categories of taxes. Social security contributions are also slightly moderating. Despite the slight slowdown, revenue from personal income tax nevertheless still recorded the fastest growth in the period of eleven months and increased by 23.4% (by 24.7% in the first ten months) relative to the same period of 2007. In November, y-o-y growth of the main category of personal income tax, tax on wages and salaries, was weaker than in the previous two months; in the period of eleven months, revenue from this tax increased by 13.6% y-o-y (against 13.8% in the first ten months). Growth of revenues from other categories of personal income tax also moderated somewhat, but remained high (especially growth of revenues from taxes on income from capital gains and income from property). Personal income tax refunds in the first eleven months were much smaller than in 2007; revenue from personal income tax thus decreased by EUR 61.5 m compared with EUR 163 m in the same period of 2007. The new amendment to the Personal Income Tax Act, which was adopted in December within the package of measures to mitigate the economic crisis, will also contribute to a further decline in revenue from personal income tax in the tax assessment for 2008, as it increases tax relief for investment in research and technological development for sole proprietors, as well as investment in agricultural holdings.

⁸ Based on the Report on Payments of all Public Revenues, January–November 2008.

Figure 36: Taxes and social security contributions



Revenue from corporate income tax increased by 13.7% in the period of the first eleven months (compared with 14.1% in the first ten months). As a result of the final assessments of the corporate income tax based on annual accounts for 2007, growth in revenue from this tax has been slowing in recent months, given the more even monthly advance payments of the tax. Monthly advance payments have been declining gradually in recent months (from around EUR 92 m in July to around EUR 81 m in November), which shows that in light of the crisis taxpayers are increasingly taking advantage of the (otherwise procedurally complicated) possibility of adjusting advance payments to new tax bases according to the new rate of taxation (according to the currently effective legislation, advance payments are otherwise determined on the basis of tax assessments for the previous year). According to the Act Amending the Tax Procedure Act, adopted as a measure to increase the liquidity of legal persons and thus mitigate the negative impacts of the financial crisis, taxable persons will be able to pay advance payments of the corporate income tax based on the tax base calculation according to the tax assessments for the previous tax period at the (lower) rate of the current tax period.

The dynamics of domestic taxes, which rose by 9.3% in the first eleven months (by 11.0% in the first ten months), also suggest a slight slowdown; revenue from value added tax increased by 10.2% and revenue from excise duties by 9.1%. Part of this slowdown can be explained by delayed payments of value added tax and excise duties, as well as by last year's amendments to the Value Added Tax Act and changes in excise duties in 2007, which were not in effect during the whole year. All of these developments were reflected in the dynamics of tax payments in 2007, which were different than in 2008. The change in excise duties for oil products, which was carried out mid-December, will also have a positive impact on revenue from excise duties. Revenue from social security contributions had

Table 8: Consolidated general government revenues and expenditure

	2007			2008		
	EUR m	% of GDP	Growth. %	EUR m I-IX 08	IX 08/ IX 07	I-IX 08/ I-IX 07
Revenues - total	14,006.1	40.6	8.1	11,214.8	25.6	12.8
- Tax revenues	12,757.9	37.0	8.5	10,284.0	23.4	12.4
- Taxes on income and profit	2,917.6	8.5	6.7	2,607.4	11.4	21.4
- Social security contributions	4,597.9	13.3	8.7	3,730.2	13.1	11.5
- Domestic taxes on goods and services	4,498.6	13.1	10.3	3,508.9	57.3	12.2
- Receipts from the EU budget	347.9	1.0	-0.1	234.4	52.0	16.7
Expenditure - total	13,915.5	40.4	5.4	10,792.8	24.1	9.8
- Wages and other personnel expenditure	3,276.9	9.5	3.0	2,595.0	13.0	5.8
- Purchases of goods and services	2,212.2	6.4	6.7	1,720.8	21.1	15.4
- Transfers to individuals and households	5,093.3	14.8	4.6	4,097.2	9.3	8.1
- Capital expenditure	1,130.5	3.3	25.4	714.8	92.4	26.9
- Capital transfers	334.3	1.0	-17.4	223.4	197.7	46.1
- Payment to the EU budget	355.9	1.0	23.6	270.9	-11.3	10.1

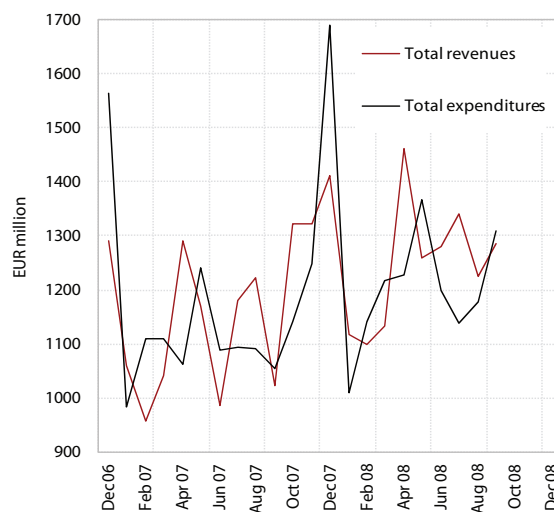
Source: MF, calculations by IMAD.

the most stable growth, increasing by 11.3% in the first eleven months (compared with 11.6% in the first ten months) relative to the same period of 2007. Based on the dynamics of the first eleven months, we estimate that general government revenue will be somewhat higher at the end of the year than envisaged by the supplementary budgets and financial plans of the national Health Insurance Institute (HIIS) and Pension and Disability Insurance Institute (PDII), but less notably than originally foreseen, due to the slowdown in the last few months. The planned revenue will be exceeded in personal income tax and social security contributions, and also slightly in excise duties.

In the first nine months of 2008, **general government revenue** increased by 12.8% relative to the same period of 2007. According to the consolidated balance⁹ of the Ministry of Finance (using the cash flow method), general government revenue totalled EUR 11.2 bn. In the first nine months of 2008, it recorded notably stronger growth than in the comparable period of 2007 (6.8%). In 2008, general government revenue was created according to slightly amended tax legislation and tax instruments and in a relatively favourable macroeconomic environment. Its growth was also generated by higher inflation. In the first nine months, general government revenue recorded the largest increase in revenue from personal income tax (25.9%), where revenue from other personal income tax categories (interest, dividends) rose faster than revenue from tax on wages and salaries, while personal income tax refunds were much lower than in the same period of 2007. Revenues from corporate income tax and

value added tax recorded above-average growth (14.8% and 13.2%, respectively), while growth of revenue from excise duties and growth of revenue from social security contributions were somewhat below average (11.8% and 11.5%, respectively).

Figure 37: Consolidated general government revenue and expenditure



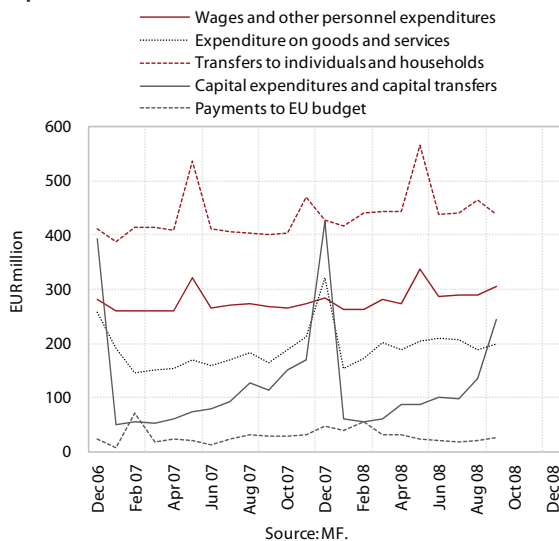
Source: MF; calculations by IMAD.

According to the consolidated balance of revenue and expenditure of the Ministry of Finance for the first nine months of 2008, **general government expenditure** rose by 9.8% relative to the same period of 2007. Consolidated general government expenditure totalled EUR 10.8 bn in the first nine months of the year, posting stronger growth compared with 5.2% in the same period of 2007.

⁹ The consolidated balance includes revenues and expenditures of state and local government budgets and of the pension and health funds.

In terms of the economic structure of expenditure, the largest y-o-y increase in this period of 2008 was seen in expenditure on investment and investment transfers (31%) and expenditure on goods and services (15.4%). Above-average increases were also posted in payments to the EU budget (10.1 %) and subsidies (9.3%). In the first nine months, expenditure on transfers to individuals and households increased by 8.1% y-o-y. The largest rise was recorded in social security transfers (14.2%), largely as a result of the one-off payment of the cost-of-living allowance for pensioners, and other transfers to individuals and households (14.3%), within which free meals for secondary-school pupils were introduced at the beginning of the school year in September and free kindergarten care for the second child in a family. Family benefits and parental allowances also recorded strong growth (13.3 %). Expenditure on pensions increased by 7.1% y-o-y in the first nine months; growth of expenditure on pensions will strengthen further after the adjustment of pensions in November (4.6%). Expenditure on transfers to the unemployed dropped by 7.7% y-o-y. The decline in this expenditure is smaller from month to month. After the disbursement of the first quarter of funds for the adjustment of public sector wages according to the act on the elimination of wage disparities, wages, contributions and other personnel expenditure strengthened somewhat in the first nine months, increasing by 5.8%. Expenditure on interest payments in the first nine month dropped by 5.2% y-o-y.

Figure 38: Main consolidated general government expenditure

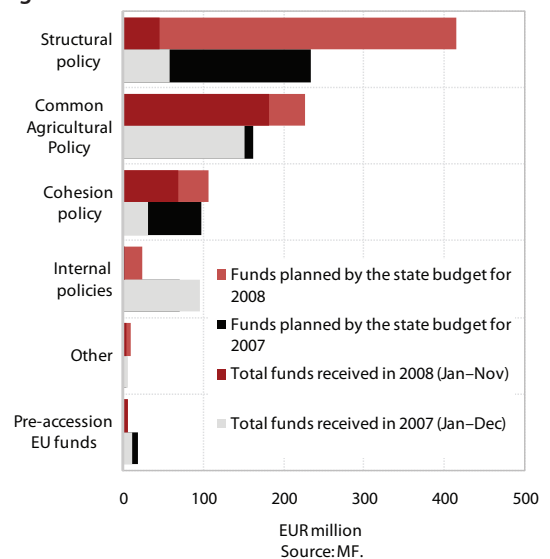


By the end of November, payments to the EU budget reached 94% of the funds envisaged in the state budget. Payments in the whole budgetary period will thus be EUR 40 m higher than planned, given that the European Commission increased Slovenia's obligations to the EU budget on the basis of new estimates of statistical aggregates.¹⁰

¹⁰ See Slovenian Economic Mirror 11/08.

In October, the volume of funds absorbed from the EU budget was smaller than expected, but in November, absorption doubled relative to November 2007. Absorption from cohesion funds strengthened, reaching 65% of planned EU funds. Nearly half of these receipts came from funds for the operative programme of environmental and transport infrastructure development received in November. Absorption of structural funds, on the other hand, remained low, merely at 11% of planned funds. Total absorption reached 40% of the foreseen amount. Judging from the movements recorded in previous years, and given the adopted state budget, absorption in 2008 may be lower than in 2007, which indicates that Slovenia will close the year with a negative net position of its state budget towards the EU budget.¹¹

Figure 39: Planned and absorbed funds from the EU budget



¹¹ The data published by the Ministry of Finance (MF) comprise funds returned to the state budget (MF) in the calendar year, while the data released by the European Commission (EC) comprise funds (payments to both the state budget and directly to final recipients) for individual budgetary periods. In 2007, Slovenia's state budget thus posted a negative net position towards the EU budget according to the MF (in the amount of EUR 8.6 m), and a positive net position (EUR 88.5 m) according to the EC (see Economic Issues 2008). Even though the available data by the MF indicate a negative net position of Slovenia's state budget towards the EU budget, Slovenia may remain a net recipient of European funds also in 2008. This will become known when data will be also published by the EC.

selected topics

Regions 2008 – selected socio-economic indicators by region

A new working paper under the title *Regions 2008 – Selected Socio-Economic Indicators* was published at the end of December. It analyses various topics (e.g. population, unemployment, employment, etc.) by statistical region. The basic conclusion of this year's analysis by various socio-economic indicators is that regions have not changed significantly over the past two years. Most indicators continue to show the best results in the Osrednjeslovenska region, partly as a consequence of the method of collecting certain statistical data (the principle of residence), and partly due to the concentration of economic and administrative activities in Ljubljana and thus in the Osrednjeslovenska region.

The number of people is increasing particularly in the western Slovenian regions, while the population is still most concentrated in the Osrednjeslovenska region, home to a quarter of all Slovenians. In the period between 1997 and 2005, population growth in Slovenia was entirely due to immigration from abroad. In 2006 and 2007, the natural increase was positive as well, but too small to make a significant contribution to total population growth. In 2007, the greatest natural increase was recorded in the Osrednjeslovenska region; the natural increase in the Gorenjska region was also high. All regions posted a positive net migration. The age structure of the population in regions is changing. The proportion of elderly people (65 years and over) is rising while the share of young people (aged 0–14) is shrinking due to the declining natural increase and lower mortality rates. In 2007, the elderly outnumbered the youth in all regions, most notably in the Obalno-kraška region (the population ageing index 146). Rapid ageing of the population was observed in all regions; the disparities in the population ageing index value are diminishing.

The Osrednjeslovenska region generates the largest share (almost 36% in 2005) of Slovenia's gross value added (GVA) and is also the most developed (in terms of GDP per capita) and the only statistical region, which exceeds the EU-27 average. Greater changes in GVA structure by region have been observed only over a longer period. In 2005, the share of the agricultural sector contracted in all regions compared with 2000, except in the Obalno-kraška and Zasavska regions, where no changes were observed. This decline was largely a result of a greater share of the service sector. In terms of development measured by GDP per capita, the Osrednjeslovenska region posted the best results, exceeding the Slovenian average by 44.3% in 2005. Above-average GDP per capita was also recorded in the Obalno-kraška region, while all other regions remained below the Slovenian average (most notably the Pomurska region – by one-third). The Osrednjeslovenska region is also the only region that exceeds the EU-27 average in this indicator – by almost a quarter. Regional disparities measured by the coefficient of variation and the ratio between the best and the worst performing regions

are slightly increasing. In 2005, regional disparities as measured by the coefficient of variation increased by 4.3 p.p. compared with 2000, and by 0.4 p.p. compared with 2004. The ratio between the best and the worst performing regions increased from 1.9:1 to 2.2:1 in the period from 2000 to 2005. These disparities are still moderate, compared with regional disparities within the EU Member States. The EU countries also saw great disparities between the best and the worst performing regions in 2000–2005, largely as a result of faster growth of GDP per capita in their capitals, as was also the case in Slovenia.

Regional disparities are still highest in terms of unemployment, even though the absolute number of the unemployed and the unemployment rate have been declining for a number of years. In 2000–2007, the registered unemployment rate dropped in all regions, most notably in the Podravska region (by 7.7 p.p.). The above-average unemployment rates were nevertheless recorded in the same regions as in the previous years. In 2007, the highest registered unemployment rate (13.4%) was recorded in the Pomurska region, which has had the highest registered unemployment rate since 2002 (before 2002, the highest registered unemployment rate was posted by the Podravska region). In 2000, the Pomurska region exceeded the Slovenian average by more than a half and by as much as three quarters in 2007. Above-average registered unemployment rates were also posted in the Podravska, Zasavska, Savinjska, Spodnjeposavska and Koroška regions (except for the Koroška region, all these regions posted above-average registered unemployment rates also in 2000). In 2007, the Goriška region (4.9%) was again among the regions with the lowest registered unemployment rates, along with the Gorenjska region with an even slightly lower rate. The Pomurska region recorded a 2.8 times higher registered unemployment rate than the best two (Gorenjska and Goriška). Such differences between regions existed in 2003, while in 2004–2006, the ratio was at around 1:2.5. The coefficient of variation also increased in 2007, by 1.6 p.p. relative to the year before, totalling 31.6% (0.1 p.p. more relative to 2000). Structural unemployment is still problematic in all regions, including those with below-average registered unemployment rates, and surfaces in each region in a specific way. The problems of structural unemployment have changed slightly in the period 2000–2007. In 2000, unemployed persons had a low level of education; they were permanently laid off workers and youth. Structural unemployment is now reflected in increasing shares of job seekers with tertiary education and older unemployed persons, and in a slow but persistent rising of the shares of women and the unemployed who lost fixed-term employment.

Disparities in the formal rate of employment by region are similar to those of the registered unemployment rate. The formal employment rate was the highest in the Notranjsko-kraška region and the lowest in the Pomurska region. Jobs are very unevenly distributed in Slovenia. They are most concentrated in the Osrednjeslovenska

region (almost one-third), and predominantly in the service sector. If we add the jobs from the Podravska and Savinjska regions, only three regions account for almost 60% of jobs in Slovenia. The shortage of jobs in certain regions results in increased daily migration of employees and higher unemployment rates, as people cannot find suitable employment even outside their region of residence due to structural employment. The Zasavska region has the highest job shortage relative to the size of the local working-age population.

The population's education level increased on average, relative to 2004. According to the Labour Force Survey for 2006, the best education structure with the lowest share of people with primary school and the highest share of people with tertiary education was in the Osrednjeslovenska, Obalno-kraška and Gorenjska regions. The poorest education structure was recorded in the Pomurska region. The gross enrolment ratio, which measures access to various types of education, is rising in all regions. The highest value was recorded in the Osrednjeslovenska region, where almost 80% of the population aged 6 to 26 participates in various educational programmes. The number of graduates is also rising. The regional supply of labour can also be improved through the participation of people in programmes of continuing education, which do not lead to a higher degree of formal education but provide job qualifications or a broader general education. However, these programmes have so far been available only in some regions (Jugovzhodna Slovenija, Osrednjeslovenska, Notranjsko-kraška, Podravska).

In 2007, the performance of regional commercial companies according to regions generally improved compared with

2006. All regions recorded a positive difference between net profit and net loss. The largest concentration of commercial companies, which is partly due to the method of collecting and presenting statistical data (principle of residence), is in the Osrednjeslovenska region, generating as much as 46 % of Slovenia's positive difference between net profit and net loss. This region is also in the lead in several other indicators. In 2007, more than 45% of all commercial companies operated in the Osrednjeslovenska region, employing 36.1% of workers and generating 45% of total revenues of all commercial companies in Slovenia. The Osrednjeslovenska region is below-average in terms of the share of net revenues from sales in foreign markets as a percent of total revenues from sales. This is attributable to the structure of the economy in the Osrednjeslovenska region, which is less export oriented, and to the region's unique role as the country's capital. The value added from commercial companies per capita is also highly concentrated in the Osrednjeslovenska region. In 2005 and 2006, the Osrednjeslovenska region was the only region to exceed the Slovenian average (by approximately two-thirds). In 2007, it was joined by the Jugovzhodna Slovenija, which only slightly exceeded the Slovenia average.

In terms of the population's economic power, measured by the personal income tax base per capita, the ratio between the best performing region (Osrednjeslovenska) and the worst (Pomurska) has totalled 1.6:1 since 2003. This ratio may be relatively low if compared with the ratio of GDP per capita (2.2:1) for example, but it indicates that the personal income tax base in the Osrednjeslovenska region is more than 60% higher than in the Pomurska region. The coefficient of variation is also lower than that for GDP

Table 9: Selected regional indicators

	Ageing index	GDP per capita, index, Slo=100	Registered unemployment rate, %	Jobs, %, Slo=100%	Population with tertiary education, % ¹	Return on revenues, %	Taxable earnings per capita, index, Slo=100	Gross wage per employee, index, Slo=100
	2007	2005	2007	2007	2006	2007	2006	2007
Osrednjeslovenska	110.1	144.3	5.9	31.7	23.9	4.5	121.5	113.2
Obalno-kraška	146.0	103.5	6.3	5.4	18.4	6.4	107.2	99.5
Gorenjska	107.9	85.1	4.9	8.5	15.4	4.1	101.8	96.9
Goriška	134.1	95.6	4.9	5.7	17.1	4.4	103.6	99.6
Savinjska	104.3	88.9	9.4	12.6	12.2	3.0	90.8	90.2
Jugovzhodna Slovenija	100.6	91.5	7.0	6.5	14.1	5.3	95.9	95.1
Pomurska	121.2	66.6	13.4	5.1	11.1	4.3	75.5	82.7
Notranjsko-kraška	123.4	74.5	5.4	2.1	20.4	2.8	99.6	87.6
Podravska	125.3	83.8	10.4	14.7	14.5	4.6	86.8	92.9
Koroška	104.7	78.1	8.1	3.2	12.5	3.2	88.8	87.8
Spodnjeposavska	118.1	80.2	8.9	2.8	11.0	4.2	86.6	92.0
Zasavska	132.0	70.6	9.7	1.6	9.6	2.9	90.5	92.8
SLOVENIA	115.1	100.0	7.7	100.0	16.6	4.4	100.0	100.0

Sources: SORS, AJPES, DURS. Note: ¹according to the Labour Force Survey - less accurate estimate for Pomurska, Notranjsko-kraška, Koroška, Spodnjeposavska and Zasavska region.

per capita, totalling 12% in 2006. It is not surprising that regional differences are so small. The personal income tax base is mainly based on personal income (at least until 2006, the last year for which data are available), which consists predominantly of wages. Regional disparities in wages are even lower than those in the personal income tax base (the ratio of 1.4:1). This means that the gross wages per employee in the Osrednjeslovenska region are 40% higher, on average, than in the Pomurska region.

Real estate market

Since last year, the movement of prices in the housing market can be monitored in three different ways based on three different publicly accessible statistical sources. The first source is the Real Estate Transactions Database by the Surveying and Mapping Authority, which mainly includes the tax authorities' real estate transaction data taken into account for calculating tax on property transactions, and real estate transactions reported by real estate agencies and notaries. It provides almost no information on newly-built dwellings, as they are not subject to real property transaction tax (but are subject to VAT) and are generally not sold through agents. The Surveying and Mapping Authority does not take into account non-market transactions, transactions with incomplete data and those reported too late. It monitors the price development and the volume of transactions separately for flats and seven other housing categories by calculating a simple arithmetic mean from all prices for a certain housing category. In this way, it obtains the average values of transactions, which may, in addition to price movements, also reflect changes in the structure or quality within individual categories. An increase in the share of upscale flats in a certain quarter can be thus, for instance, reflected as an increase in the average value of flats per square metre, even though prices (of both standard and upscale flats) may be actually declining.¹² The second source of data is SORS, which also relies on data from the Real Estate Transactions Database, but omits less probable and outlier prices and, using the hedonic regression method, tries to adjust prices for quality changes to be as near to actual housing prices as possible.¹³ SORS had monitored quarterly price movements separately for flats and houses, but in Q3 the number of transactions dropped so notably that the family house price index was no longer published separately. Since we are more interested in the movements of prices than in the average values of transactions, we will focus on this source of data and limit our analysis to flats. The third source, which also provides an alternative look on the dynamics of prices, is a private database, Slonep, which does not provide information on

the average prices of transactions, but on the advertised selling prices of the actual offers, published on the largest real estate small ads website Nekretnine.net as per the last day of the quarter. It should also be noted that the advertised prices may be around 10% to 15% higher than the actual ones. Moreover, Slonep publishes the housing price index by region and housing category and not for Slovenia as a whole.¹⁴

All three sources confirm that the housing price rise decelerated significantly in the past year. The SORS data show that the prices of flats, which had recorded the fastest growth at the beginning of 2007 (more than 25% y-o-y), moderated notably in 2008. In the first three quarters of 2008, the average y-o-y growth in Slovenia as a whole reached 5.2%. In the same period of 2008, y-o-y price growth in Ljubljana was at a mere 1.4%, while in Q3 alone, y-o-y prices of flats declined by 0.9% y-o-y. The slowdown of prices was also posted in other parts of Slovenia, where in Q3 prices were 6.9% higher than in the same period of the previous year. Following the strong growth recorded in the previous years, the price of flats in Q3 2008 at the level of Slovenia as a whole was nevertheless as much as 92% above the 2003 average. A further sign of the real estate market slowdown is also a significant drop of transactions. At the level of Slovenia as a whole, in the first three quarters of 2008 the average volume of transactions fell 27.0% y-o-y relative to the same period of 2007, and by a fifth in Ljubljana, after approximately 35% y-o-y declines in Q2 and Q3. Owing to the low volume of transactions, SORS was not able to give a reliable assessment of family house price developments. The declining number of transactions for all real estate categories can, with a certain time lag, also be expected to show statistically in a nominal drop of real estate prices.

Figure 40: Trends of prices of flats, Slovenia



¹² For detailed methodological characteristics see Methodological Explanations to Periodic Reports on the Surveying and Mapping Authority website.

¹³ For detailed methodological explanations see Mišić, Pavlin: Rents and Flat Prices in Slovenia (Najemnine in cene stanovanj v Sloveniji), 19th Real Estate Conference, Portorož 2008.

¹⁴ For more on the methodology, see the Slonep website.

Global competitiveness of Slovenia according to the WEF

The latest estimates of global competitiveness (GCI) according to the WEF methodology (WEF Report 2008–2009) show that Slovenia worsened its ranking to 42nd place (by three places) among 134 countries and retained its 16th place in the EU-27 group. According to the WEF report, Slovenia improved the value of the aggregate competitiveness index only marginally (by 0.02 points to 4.5) after a decline in 2007. The same improvement was recorded, on average, by new Member states (the EU-12 group), while the average value of the aggregate competitiveness index for the EU-15 countries remained unchanged. Regarding the value of the aggregate competitiveness index, Slovenia continues to exceed the EU-12 average and is only slowly approaching the threshold of five index points (the average value of the EU-15 aggregate competitiveness index).

The deterioration of Slovenia's ranking in terms of the aggregate competitiveness index is a consequence of its lower ranking with regard to the basic requirements for competitiveness and innovation and sophistication factors, while in terms of efficiency enhancers, Slovenia's ranking improved. Despite a somewhat higher value, Slovenia was ranked one place lower in 2008 (38th place) than in the previous year in terms of the sub-index of *basic requirements for competitiveness*, but retained its 16th place within the EU-27 group. In terms of the index of *innovation and sophistication* factors, whose value declined, Slovenia's position worsened by three places (to 33rd place) compared with the previous year; its ranking within the EU 27 dropped as well, by two places (to 15th place). In terms of the *efficiency enhancers* sub-index, whose value increased, Slovenia climbed one place higher than the year before (37th place) and retained its 17th place within the EU-27 group. At the level of sub-indices of the three main competitiveness index aggregates, the *greatest positive shift* was achieved in two components of efficiency enhancers (*higher education and training* and *financial market sophistication*) and in two components of the basic requirements for competitiveness (*infrastructure* and *health and primary education*). In contrast, the *greatest negative shifts* were also recorded in two components of efficiency enhancers (*efficiency of product market* and *labour market efficiency*), and in two components of basic requirements for competitiveness (*institutions* and *macroeconomic stability*). Five of twelve sub-indices represent Slovenia's greatest competitive strengths¹⁵ – *macroeconomic stability* (above all EU averages), *health and primary education* (above both the EU-27 and the EU-12 averages), *higher education and training* (above the EU-27 and the EU-12 averages), *technological readiness* (above the EU-12 average) and *innovation* (above the EU-27 and the EU-12 averages). Some components of the basic requirements for competitiveness represent national weaknesses:¹⁶ *labour market efficiency* (below all EU averages), *goods market efficiency* (below all EU averages), *market size*, *institutions* (below the EU-27 and

the EU-15 averages) and *financial market sophistication* (below all EU averages).

The latest estimate of Slovenia's aggregate competitiveness according to the WEF (2008–2009) differs significantly from the IMD 2008 estimate, which was published in the spring of 2008 and according to which Slovenia improved its ranking by eight places. The improvement of the IMD estimate was largely a result of Slovenia's above-average economic growth in 2007 and improved business efficiency (the arrival of multinationals at Slovenia and the partnerships that Slovenian enterprises form in the single European market). A great discrepancy in the estimates of aggregate competitiveness and in the direction of changes of competitiveness assessed according to both systems was otherwise also seen in some previous years. It is due to different time periods of conducting managers' surveys (in the spring or in the autumn), and, especially, to different methodologies for calculating indices, which include different indices and evaluate them in a different way (for more on the methodological differences between the IMD and the WEF, see Chiaiutta, 2007).

¹⁵ Aggregate indices of factors where the ranking is equal to or higher than GCI (42nd place) and sub-indices (areas within the 3 aggregates of competitiveness factors) where the ranking is equal or higher than the highest-ranking aggregate of competitive factors (33rd place).

¹⁶ Aggregate indices of factors where the ranking is equal to or lower than GCI (42nd place) and sub-indices (areas within the three aggregates of competitiveness factors) where the ranking is equal or lower than the lowest-ranking aggregate of competitive factors (38th place).

Table 10: Global competitiveness of Slovenia, other EU members and the USA according to the WEF indices

WEF Report 2008–2009 (08)	Aggregate index		Three aggregates of sub-indices of GCI factors					
	GCI ⁴ Global Competitiveness Index		Basic requirements of competitiveness (4): 1. institutions, 2. infrastructure, 3. macro economy, 4. health and primary education		Efficiency enhancers (6): 5. higher education and training, 6. goods market efficiency, 7. labour market efficiency, 8. financial market sophistication, 9. technological readiness, 10. market size		Innovation and sophistication factors ² (2): 11. business sophistication, 12. innovation	
	07	08	07	08	07	08	07	08
EU countries ¹	r/v	r/v	r/v	r/v	r/v	r/v	r/v	r/v
Austria	15/5.2	14/5.23	10/5.8	9/5.81	21.0/5.0	20/5.03	11/5.2	12/5.16
Belgium	20/5.1	19/5.1	20/5.5	18/5.6	22/5.0	21/5.02	15/5.1	15/5.02
Bulgaria	79/3.9	76/4.0	76/4.2	82/4.2	72/3.8	65/4.05	91/3.3	92/3.3
Cyprus	55/4.2	40/4.5	31/5.2	23/5.48	53/4.1	39/4.43	55/3.8	41/4.05
Czech Rep.	33/4.6	33/4.6	42/4.9	45/4.85	30/4.5	28/4.67	28/4.3	25/4.37
Denmark	3/5.6	3/5.6	1/6.1	4/6.14	4/5.4	3/5.49	8/5.4	7/5.37
Estonia	27/4.7	32/4.7	29/5.3	30/5.27	27/4.7	26/4.73	35/4.1	40/4.06
Finland	6/5.5	6/5.5	2/6.1	1/6.18	14/5.2	13/5.21	6/5.6	5/5.53
France	18/5.2	16/5.2	13/5.7	13/5.76	20/5.0	16/5.09	16/5.1	14/5.08
Greece	65/4.1	67/4.1	48/4.7	51/4.66	57/4.1	57/4.16	59/3.7	68/3.65
Ireland	22/5.0	22/5.0	27/5.3	32/5.24	19/5.1	19/5.05	22/4.8	20/4.72
Italy	46/4.4	49/4.4	54/4.6	58/4.53	39/4.4	42/4.38	32/4.2	31/4.19
Latvia	45/4.4	54/4.3	47/4.7	55/4.63	42/4.3	47/4.31	72/3.6	84/3.39
Lithuania	38/4.5	44/4.5	43/4.8	46/4.84	41/4.3	43/4.37	44/3.9	49/3.87
Luxembourg	25/4.9	25/4.9	15/5.6	12/5.78	25/4.8	27/4.69	24/4.6	24/4.51
Hungary	47/4.4	62/4.2	55/4.5	64/4.43	40/4.3	48/4.31	43/4.0	55/3.75
Malta	56/4.2	52/4.3	41/4.9	40/5.08	54/4.1	44/4.35	58/3.7	56/3.74
Germany	5/5.5	7/5.5	9/5.8	7/5.96	11/5.3	11/5.22	3/5.7	4/5.54
Netherlands	10/5.4	8/5.4	7/5.9	10/5.81	9/5.3	7/5.38	12/5.2	9/5.2
Poland	51/4.3	53/4.3	64/4.4	70/4.39	43/4.3	41/4.39	61/3.7	61/3.7
Portugal	40/4.5	43/4.5	35/5.1	37/5.14	33/4.5	34/4.47	38/4.0	43/4.03
Romania	74/4.0	68/4.1	88/4.1	87/4.15	62/4.0	54/4.18	73/3.5	75/3.53
Slovakia	41/4.5	46/4.4	50/4.6	52/4.66	34/4.5	32/4.52	52/3.8	53/3.8
Slovenia	39/4.5	42/4.5	37/5.1	38/5.13	38/4.4	37/4.45	30/4.2	33/4.15
Spain	29/4.7	29/4.7	26/5.3	27/5.34	26/4.7	25/4.75	31/4.2	29/4.25
Sweden	4/5.5	4/5.5	6/5.9	6/6	8/5.3	9/5.35	5/5.6	6/5.53
U.K.	9/5.4	12/5.3	16/5.6	24/5.5	2/5.5	4/5.45	14/5.1	17/4.93
EU and USA								
EU 27	33.4/4.7	34.3/4.7	33/5.2	34.9/5.2	31.3/4.7	30.1/4.7	34.7/4.4	35.9/4.4
EU 12 ³	48.7/4.3	45.8/4.4	50.3/4.7	52.7/4.8	44.7/4.3	42.0/4.4	53.5/3.8	55.3/3.8
EU 15	21.1/5.1	21.6/5.1	19.3/5.5	20.6/5.6	20.7/5	20.5/5.0	19.7/4.9	20.3/4.8
USA	1/5.7	1/5.7	23/5.4	22/5.5	1/5.8	1/5.8	4/5.7	1/5.8

Notes: In its latest report (autumn 2008), the WEF rates 134 countries. The WEF Report 2008 is based on data from 2005, 2006, 2007 and 2008 and the surveys of management executives carried out in the first quarter of 2008. The WEF publishes 126 indicators. It computes the indices using 116 indicators. The aggregate competitiveness index (GCI) includes 12 sub-indices sorted into three groups of competitiveness factors (aggregate indices), weighted in accordance to growth theory. When comparing the performance of countries across the years, it is best to use the rankings. Due to the methodology, index values are normalised only at the level of last year; they are not fully comparable between the years and are primarily intended to compare the relative differences between the factors and countries in a given year. In the latest WEF report for 2008, data for 2007 were not changed and are based on the WEF Report 2007–2008. ¹The group of reference countries includes the EU-27 countries and the USA. ²Factors of business sophistication and innovation of products and processes. ³New member states. ⁴According to the new methodology of measuring global competitiveness, the WEF no longer measures aggregate growth competitiveness and business competitiveness (see SEM 1/2006:19 and www.weforum.org). r – rank; v – value; **bold print, italic** – a rise in the country's ranking by at least three places (significant improvement); **grey cells** – a fall by at least three places (significant deterioration).

Mortality patterns in Europe

Modern approaches to the understanding of health tend to substitute the biomedical, dualistic concept of health, characterised by a “mechanical” separation of mental and physical health, by a holistic concept. The bio-psychosocial model defines health as a state of physical, mental and social well-being. This definition points to the mutual dependence of individual components; health is viewed as a balance of physical, mental and social dimensions, and as an active relationship of man to his environment. This definition also stresses the dependence of health on external factors. According to the WHO Ottawa Charter for Health Promotion (1986), human health is to a great extent dependent on the fundamental conditions and resources such as shelter, education, food, income, stable eco-systems, peace, social justice and equity. Health is thus defined as an important dimension of the quality of life.

Health is thus significantly dependent on an individual's lifestyle including behavioural patterns determined by the socio-economic group to which that individual belongs, and on the impacts of the environment. While some researchers attribute the lifestyle to individual choices, others associate it with the social group that particular individual belongs to. The lifestyle could be defined as persistently recurring behavioural patterns based on a combination of cultural heritage, social relationships, geographic, socio-economic circumstances and personality, or as a set of a social group's characteristics determined by social and economic circumstances, as well as cultural, spiritual and ideological values, which are reflected in behaviour, the way of speaking, thinking, spending leisure time, consumption etc. The lifestyle is only to a lesser extent dependent on individual choices, and is mainly conditional on the social and cultural environment, the value system and economic capacities of an individual or a group.

The impact of the socio-economic status on health and risky behavioural patterns has been researched in many studies in Slovenia and abroad. All these studies have shown that some population groups tend to fall ill more frequently than others and that in certain socio-economic groups the incidence of certain diseases is higher. The prevalence of diseases thus differs with regard to gender, age, education, income and other socio-economic determinants. The socio-economic status has an impact on the access to (use of) health services, the availability of resources to satisfy the needs which are directly or indirectly related to health, but also on the ways of satisfying these needs, and individual behaviour. The lifestyle thus also involves the way individuals satisfy their needs. Vice versa, this definition of the correlation of lifestyle and health also enables analysis of the overall social, economic and cultural status of a group by looking at its health (the same is true for the population of a country).

To assess similarities in the lifestyle and health and thus also in the social, economic and cultural development of European countries, we analysed mortality samples in the 43 Member States of the Council of Europe, where data were available for 2005. The analysis comprised nine standardized causes of mortality: diseases of the circulatory system, respiratory system, liver, neoplasms, diabetes, traffic accidents, suicides and homicides (number of deaths per 1,000,000 inhabitants) and infant mortality (number of deaths per 1,000 live births). Using the method of cluster analysis (Ward's method of Euclidean distances) we obtained groups (clusters) of countries with similar mortality patterns. The result of the analysis is a graphic presentation of a tree, with leaves representing individual elements of the analysis (countries, in this case), and branches representing countries with similar characteristics. The closer the countries on the branch, the more similar characteristics they have. For each individual group we also present the mortality patterns which are most different from the average (in either direction). One minus (-) or one plus (+) means one standard deviation down or up from the average, and two minuses or pluses, two standard deviations or more.

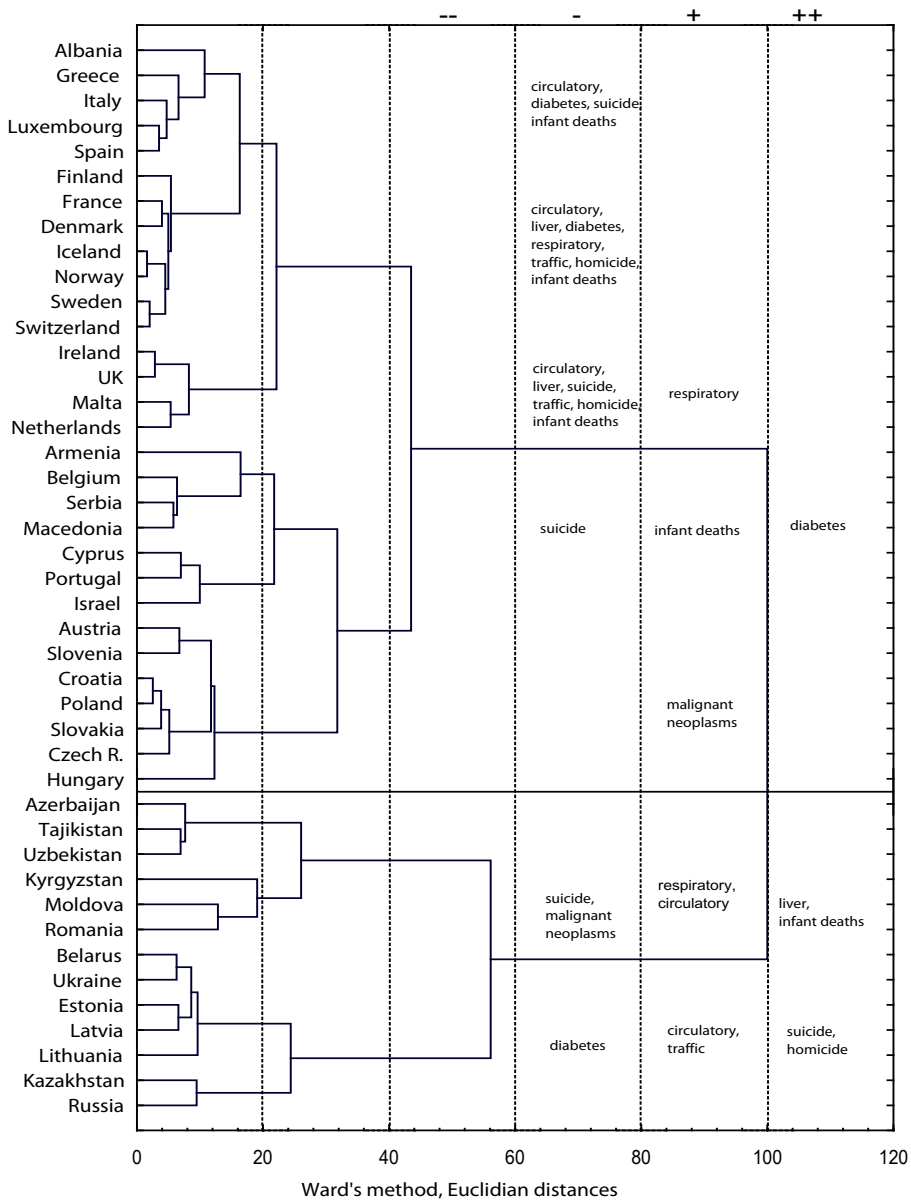
The result of the current data analysis is almost the same as the result of the analysis from a decade ago, published in the Economic Mirror 4/1997, when the European geographic area was still divided into two main social and cultural areas: east and west, divided by the eastern border of the former Austro-Hungarian monarchy. Both parts are further divided into two groups. The east is divided into the European and Asian parts of the former Soviet Union, along with Romania and Moldova. Each of these groups is marked by above-average mortality in as many as four causes of death. The western part is even more internally fragmented than the eastern part. One group consists of three sub-groups, which could be referred to as the Mediterranean group (five causes of mortality below the average), the Nordic-Western group (seven causes above the average) and the British group with Malta and the Netherlands (six causes below and one above the average). The other group consists of two sub-groups: the Balkan group and the Austro-Hungarian group, which includes Slovenia. Even though certain individual countries stand out from their “natural” groups (such as Armenia, Belgium and Luxembourg), the mortality causes, on balance, fairly accurately characterise the groups of countries in a similar environment. This holds especially true for the group comprising Slovenia, as it includes, without exception, all countries that were formed on the territory of the former Austria-Hungary. Taking a closer look at this group, we see that Slovenia is most similar to Austria (both forming a small separate group), and that Hungary also stands slightly out. The whole group is characterised by above-average mortality due to neoplasms, while other causes of mortality are within the European average.

The analysis confirms that the mortality pattern of a country to a great extent mirrors its overall economic, social, cultural and political history. It also shows that to assess the

level of development in a broader sense, it is necessary to consider the whole spectrum of social, cultural and

economic impacts and the system of values, rather than economic indicators (size of GDP) alone.

Figure 41: Mortality patterns in European countries



statistical appendix

MAIN INDICATORS	2003	2004	2005	2006	2007	2008	2009	2010
						Revised Autumn forecast 2008		
						estimates	forecast	forecast
GDP (real growth rates, in %)	2.8	4.3	4.3	5.9	6.8	4.1	1.1	3.1
GDP in EUR million (current prices and current exchange rate)	25,752	27,162	28,704	31,013	34,471	37,403	38,905	41,435
GDP per capita, in EUR (current prices and current exchange rate)	12,900	13,599	14,346	15,446	17,076	18,464	19,151	20,345
GDP per capita (PPS) ¹	17,000	18,400	19,500	20,700	22,000	-	-	-
GDP per capita (PPS EU27=100) ¹	82	85	87	88	89	-	-	-
Gross national income (current prices and current exchange rate)	25,553	26,848	28,460	30,645	33,792	36,432	37,895	40,379
Gross national disposable income (current prices and current exchange rate)	25,583	26,803	28,316	30,429	33,531	36,135	37,602	40,253
Rate of registered unemployment	10.9	10.3	10.2	9.4	7.7	6.7	7.7	8.1
Standardised rate of unemployment (ILO)	6.7	6.3	6.5	6.0	4.9	4.6	5.2	5.4
Labour productivity (GDP per employee)	3.2	4.0	4.5	4.2	3.7	1.3	2.5	2.8
Inflation, ² year average	5.6	3.6	2.5	2.5	3.6	5.7	1.1	3.0
Inflation, ² end of the year	4.6	3.2	2.3	2.8	5.6	2.2	3.0	3.0
INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS								
Exports of goods and services ³ (real growth rates, in %)	3.1	12.4	10.6	12.5	13.8	5.8	1.5	4.8
Exports of goods	4.4	12.8	10.3	13.4	13.1	3.2	1.3	4.1
Exports of services	-2.5	10.9	12.0	8.6	17.0	17.6	2.4	7.5
Imports of goods and services ³ (real growth rates, in %)	6.7	13.3	6.6	12.2	15.7	6.5	0.5	5.3
Imports of goods	7.3	14.6	6.8	12.7	15.1	6.0	0.1	5.3
Imports of services	2.8	5.6	5.5	8.8	19.7	10.4	3.1	5.5
Current account balance, in EUR million	-196	-720	-498	-771	-1,455	-2,266	-1,630	-1,717
As a per cent share relative to GDP	-0.8	-2.6	-1.7	-2.5	-4.2	-6.1	-4.2	-4.1
Gross external debt, in EUR million	13,225	15,343	20,508	24,034	34,358	40,043 ⁴	-	-
As a per cent share relative to GDP	51.4	56.5	71.4	77.5	99.7	-	-	-
Ratio of USD to EUR	1.128	1.242	1.244	1.254	1.371	1.460	1.270	1.270
DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS								
Private consumption (real growth rates, in %)	3.3	2.7	2.6	2.9	5.0	3.4	2.8	3.8
As a % of GDP*	56.0	55.0	54.4	53.0	52.2	52.6	52.5	52.7
Government consumption (real growth rates, in %)	2.2	3.4	3.3	4.1	2.5	3.9	2.2	2.6
As a % of GDP*	19.0	18.9	19.0	18.8	17.7	18.2	18.9	19.2
Gross fixed capital formation (real growth rates, in %)	8.1	5.6	3.8	10.4	11.9	7.0	-2.0	5.0
As a % of GDP*	24.0	24.9	25.3	26.3	27.5	28.0	26.5	26.8
Sources of data: SORS, BS, Eurostat-New Cronos, forecasts by IMAD. Notes: ¹ Measured in purchasing power standard; ² Consumer price index; ³ Balance of payments statistics (exports F.O.B., imports F.O.B.); real growth rates are adjusted for inter currency changes and changes in prices on foreign markets; ⁴ End October 2008; *Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64).								

PRODUCTION	2005	2006	2007	2007				2008				2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
INDUSTRIAL PRODUCTION, y-o-y growth rates, %															
Industry, total	3.3	6.1	6.2	8.4	6.9	5.9	3.8	1.4	3.3	-1.0	-	7.6	8.9	8.5	12.7
C Mining and quarrying	6.7	10.4	3.6	9.4	13.3	0.7	-6.7	5.0	-9.4	-12.0	-	-14.8	10.2	34.3	23.5
D Manufacturing	3.7	6.5	7.5	9.7	8.1	6.8	5.7	1.6	3.6	-0.6	-	9.1	10.6	9.3	14.0
E Electricity, gas & water supply ¹	-1.5	-0.9	-11.1	-8.1	-14.9	-5.0	-15.9	-3.4	6.2	-2.2	-	0.2	-11.9	-13.0	-10.9
CONSTRUCTION,² real indices of construction put in place, y-o-y growth rates, %															
Construction, total	3.0	15.3	18.2	35.5	31.5	16.7	2.8	32.5	16.5	16.1	-	37.4	30.9	38.1	34.7
Buildings	10.3	14.0	15.7	22.6	31.5	9.9	5.6	37.2	7.9	12.4	-	27.8	12.7	27.6	26.8
Civil engineering	-4.5	16.8	24.1	67.0	35.2	26.1	2.4	28.3	23.0	18.8	-	64.1	75.0	63.1	49.7
TRANSPORT, tonne-km in m, y-o-y growth rates, %															
Tonne-km in road transport	22.5	9.8	13.4	7.0	0.1	30.2	19.1	26.7	23.5	-	-	-	-	-	-
Tonne-km in rail transport	3.0	3.9	6.8	14.9	12.1	5.8	-3.7	-5.3	-2.9	-	-	-	-	-	-
Distributive trades, y-o-y growth rates, %															
Total real turnover*	9.7	6.3	9.7	6.0	8.3	12.3	11.8	15.7	13.2	10.5	-	1.9	6.0	9.5	8.9
Real turnover in retail trade	6.9	1.6	5.5	6.4	3.8	5.7	6.0	5.8	5.8	6.2	-	3.5	2.4	12.3	6.0
Real turnover in the sale and maintenance of motor vehicles and in retail sale of automotive fuel	12.9	11.7	14.2	5.6	13.0	19.6	18.2	26.5	21.2	15.4	-	0.3	9.6	6.8	11.9
Nominal turnover in wholesale trade & commission trade	4.0	10.5	16.1	19.7	15.0	15.1	15.2	20.8	24.1	21.1	-	19.6	19.0	20.2	21.7
TOURISM, y-o-y growth rates, %															
Total, overnight stays	-0.2	2.0	7.0	4.8	10.1	6.8	5.5	4.2	1.0	1.8	-	1.7	7.2	5.4	19.7
Domestic tourists, overnight stays	-1.6	1.9	4.9	0.5	13.7	2.3	5.5	4.8	4.6	4.7	-	-8.4	5.4	2.3	23.4
Foreign tourists, overnight stays	0.8	2.0	8.4	9.0	7.9	9.8	5.5	3.6	-1.3	0.1	-	8.9	9.8	8.4	17.6
Turnover in hotels and restaurants	4.5	6.2	0.4	-1.5	-0.5	2.3	0.8	-2.5	-2.7	-5.0	-	-3.1	-2.0	0.5	-0.8
AGRICULTURE, y-o-y growth rates, %															
Purchase of agricultural products, SIT bn, since 2007 in EUR m	103.7	106.7	492.2	101.3	109.7	120.8	160.3	117.9	125.6	134.1	-	32.2	31.1	37.9	37.5
BUSSINES TENDENCY (indicator values**)															
Sentiment indicator	3	9	14	14	15	14	10	9	8	6	-14	14	14	13	15
Confidence indicator															
- in manufacturing	-1	9	12	13	13	12	11	8	1	-8	-22	12	14	12	13
- in construction	-5	2	17	19	21	15	14	14	9	3	-16	14	20	22	20
- in services	22	26	29	30	29	30	27	29	25	26	8	31	29	29	30
- in retail trade	13	21	27	24	26	29	30	28	28	27	9	21	25	25	26
Consumer confidence indicator	-19	-15	-11	-8	-7	-10	-17	-20	-16	-17	-28	-8	-8	-8	-10
Source of data: SORS. Notes: ¹ Only companies with activity of electricity supply are included. ² The survey covers all larger construction enterprises and some other enterprises that perform construction work. *Total real turnover in retail trade, the sale and repair of motor vehicles, and retail sale of automotive fuels; **Seasonally adjusted data.															

2007								2008											
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
3.2	5.4	8.7	8.0	1.5	10.0	1.6	-0.7	0.2	7.6	-3.0	8.9	-1.0	2.3	-2.2	-7.1	5.5	-3.0	-	-
8.8	8.3	-5.8	18.9	-9.7	-2.0	-4.6	-15.2	12.8	9.5	-3.9	0.2	-17.1	-11.5	7.6	-36.7	-0.9	-6.9	-	-
4.3	6.9	10.0	8.4	2.5	11.8	3.0	1.7	0.5	8.1	-2.9	9.4	-0.6	2.3	-2.5	-6.0	5.8	-3.1	-	-
-16.1	-17.4	-5.1	-1.7	-8.2	-10.9	-14.3	-21.5	-7.2	0.3	-2.5	5.5	2.3	11.1	-1.0	-6.6	0.9	0.0	-	-
48.6	17.4	20.0	31.6	4.1	10.0	7.4	-11.8	38.7	41.3	21.2	23.1	13.6	14.0	18.6	10.4	20.8	15.7	-	-
55.1	17.3	21.1	17.3	-5.4	1.9	19.7	-4.1	55.0	43.7	19.1	11.7	4.8	7.9	1.9	14.7	20.9	14.5	-	-
45.2	17.4	19.3	52.7	13.5	16.1	-0.1	-18.0	23.7	39.3	22.9	32.0	20.0	18.8	31.7	7.3	20.7	16.4	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.5	6.5	10.6	12.9	13.4	16.8	11.7	7.0	18.1	23.9	7.2	17.4	11.9	10.3	12.7	5.8	12.8	2.8	-	-
4.5	1.2	4.7	4.7	7.9	9.4	4.5	4.3	6.4	14.9	-1.8	8.2	4.9	4.2	7.6	2.9	7.9	4.0	-	-
14.8	12.3	17.1	22.6	19.3	24.4	19.2	10.5	31.4	33.4	17.0	27.5	19.2	17.1	18.2	9.2	18.2	2.2	-	-
15.5	8.4	19.6	12.7	13.2	19.5	19.2	7.5	21.6	30.2	12.4	32.0	20.9	19.5	23.1	11.4	28.3	11.7	-	-
7.6	6.0	6.0	9.6	3.6	4.6	8.3	4.0	2.9	9.0	0.5	-8.5	14.0	-2.4	3.6	3.2	-3.2	-2.1	-4.6	-
8.6	12.0	0.9	7.2	-3.7	4.2	2.6	9.6	12.1	11.7	-8.5	8.5	10.5	-2.1	1.1	8.9	3.9	6.0	4.1	-
7.0	2.1	9.8	11.0	7.8	4.8	13.7	-0.9	-2.6	5.6	8.9	-18.3	16.3	-2.6	5.3	-0.2	-6.8	-7.4	-12.0	-
-2.0	1.2	0.5	4.7	1.7	1.3	0.1	1.1	-3.4	2.5	-6.9	-3.3	1.5	-6.6	-4.9	-5.7	-4.8	-4.0	-	-
38.4	33.8	38.3	41.8	40.7	46.2	53.1	61.0	38.5	39.3	40.0	42.6	43.0	39.9	44.5	42.2	47.4	49.0	-	-
16	15	16	15	12	10	10	11	9	9	10	10	8	6	6	6	5	-3	-16	-23
14	12	12	12	11	10	11	11	10	7	6	4	1	-3	-5	-8	-11	-16	-23	-27
21	21	17	16	12	13	10	19	13	12	17	11	10	7	7	0	3	-3	-16	-28
27	29	32	30	28	29	24	29	28	30	29	27	25	24	25	27	25	21	5	-2
26	26	26	28	33	28	30	31	27	28	30	28	29	27	29	27	25	26	3	-2
-4	-8	-6	-9	-16	-17	-19	-16	-23	-20	-16	-12	-18	-19	-19	-20	-12	-17	-33	-35

LABOUR MARKET	2005	2006	2007	2007				2008			2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	1	2	3	4
FORMAL LABOUR FORCE (A=B+E)	905.0	910.7	925.3	919.1	923.5	924.6	934.2	937.7	940.9	942.5	918.0	919.2	920.0	921.6
PERSONS IN FORMAL EMPLOYMENT (C+D)¹	813.1	824.8	854.0	841.8	852.7	856.1	865.4	870.8	879.4	881.7	838.0	841.5	845.8	849.0
In agriculture, forestry, fishing	38.7	38.9	41.6	43.1	42.0	41.0	40.3	41.9	41.2	40.6	43.0	43.1	43.1	41.9
In industry, construction	310.9	313.3	322.9	317.4	322.2	324.8	327.3	327.3	331.5	333.2	316.2	317.8	318.3	320.5
Of which: in manufacturing	233.7	227.9	229.9	229.4	230.2	229.6	230.4	230.0	230.2	228.6	228.9	229.6	229.7	230.0
in construction	61.7	69.9	77.8	72.8	76.8	80.0	81.7	82.2	86.2	89.5	72.1	73.0	73.3	75.3
In services	463.5	472.6	489.5	481.3	488.5	490.3	497.8	501.6	506.7	507.9	478.8	480.7	484.4	486.6
Of which: in public administration	49.1	50.2	50.1	49.7	50.1	50.2	50.3	50.6	50.7	50.9	49.8	49.7	49.7	49.9
in education, health-services, social work	106.5	109.1	110.0	109.9	110.2	109.3	110.6	111.3	111.9	111.1	109.5	109.9	110.2	110.4
FORMALLY EMPLOYED¹	731.6	741.6	766.0	753.1	764.7	768.6	777.8	781.2	790.3	792.7	749.5	752.9	757.0	761.3
In enterprises and organisations	666.2	675.1	696.1	685.8	695.0	697.5	706.2	710.4	718.0	719.8	682.8	685.6	689.0	692.4
By those self-employed	65.4	66.5	69.9	67.3	69.8	71.1	71.6	70.8	72.2	73.0	66.7	67.3	68.0	68.9
SELF-EMPLOYED AND FARMERS	81.5	83.3	87.9	88.7	87.9	87.6	87.6	89.6	89.2	88.9	88.5	88.6	88.8	87.8
REGISTERED UNEMPLOYMENT	91.9	85.8	71.3	77.3	70.9	68.4	68.8	66.8	61.4	60.5	80.0	77.7	74.2	72.6
Female	49.4	47.0	39.1	42.0	39.3	38.0	37.3	35.6	32.8	32.1	43.2	42.1	40.7	40.2
By age: under 26	22.2	18.2	11.9	14.0	11.6	10.3	11.7	10.3	8.4	7.7	15.1	14.2	12.8	12.2
aged over 40	40.1	39.7	37.1	38.7	37.2	36.6	36.1	36.3	34.7	34.3	39.0	38.8	38.1	37.7
Unskilled	37.5	33.7	28.0	30.4	27.7	27.0	26.9	26.8	24.6	24.3	31.6	30.7	29.0	28.2
For more than 1 year	43.4	41.9	36.5	38.8	36.7	35.5	35.0	34.0	32.5	31.9	39.6	39.0	37.9	37.4
Those receiving benefits	23.3	22.7	16.6	19.1	16.8	15.8	14.7	15.0	13.6	13.9	19.9	19.1	18.3	17.2
RATE OF REGISTERED UNEMPLOYMENT, E/A, in %	10.2	9.4	7.7	8.4	7.7	7.4	7.4	7.1	6.5	6.4	8.7	8.4	8.1	7.9
Male	8.6	7.7	6.2	6.9	6.1	5.9	6.0	6.0	5.4	5.4	7.2	7.0	6.6	6.3
Female	12.1	11.5	9.6	10.3	9.6	9.3	9.0	8.6	7.9	7.8	10.6	10.3	10.0	9.8
FLOWS OF FORMAL LABOUR FORCE	8.0	5.2	21.5	8.7	5.4	0.6	6.7	5.7	4.2	1.9	6.7	1.2	0.8	1.6
New unemployed first-job seekers	21.7	18.6	14.7	2.9	2.4	2.3	7.2	2.2	1.8	1.9	1.3	0.8	0.9	1.0
Redundancies	67.2	63.8	52.5	15.4	11.6	12.6	12.9	12.5	10.7	12.5	7.6	3.8	4.0	4.0
Registered unemployed who found employment	53.9	57.4	49.1	14.8	12.1	11.3	10.9	12.4	9.7	9.9	5.1	4.4	5.2	4.2
Other unemployed erased out of register	33.1	39.2	28.0	7.6	6.9	6.2	7.4	6.4	6.3	5.9	2.0	2.5	3.1	2.4
Increase in number of work permits for foreigners	3.9	7.8	15.3	3.9	4.9	4.3	2.2	6.0	9.5	7.0	0.3	1.2	2.5	3.6
Retirements ²	18.4	20.6	20.7	5.2	4.7	5.0	5.9	5.4	4.8	6.3	2.0	1.8	1.4	1.7
Deaths ²	2.3	2.5	2.4	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.2	0.2	0.2	0.2
Others who found employment ²	32.7	36.7	37.8	14.3	9.2	4.6	9.9	8.9	3.3	4.5	9.1	3.5	1.8	0.8
REGISTERED VACANCIES³	16.9	19.0	20.2	20.5	21.0	20.4	19.1	21.6	21.1	21.5	20.0	17.8	23.6	20.6
For a fixed term, in %	75.6	75.3	76.5	76.7	77.5	77.2	74.4	73.0	74.0	76.6	77.1	75.1	77.5	76.9
WORK PERMITS FOR FOREIGNERS	41.6	48.3	60.2	52.6	59.3	63.0	65.8	68.7	79.0	86.3	51.0	52.2	54.7	58.3
As % of labour force (I/A)	4.6	5.3	6.5	5.7	6.4	6.8	7.0	7.3	8.4	9.2	6.1	6.2	6.5	6.9
NEW JOBS	137.0	155.9	160.0	39.1	40.7	38.7	41.5	40.9	41.0	42.7	13.5	11.6	13.9	14.4

Sources of data: SORS, PDII, ESS. Notes: ¹In 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. ²Estimated by IMAD, based on data by PDII and ESS; ³according to ESS.

2007								2008									
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
923.6	925.4	924.5	923.1	926.0	934.0	935.8	932.8	936.6	937.9	938.5	939.1	940.8	942.7	942.4	940.5	944.6	950.7
852.9	856.2	854.4	854.6	859.4	864.5	867.4	864.4	867.3	870.9	874.2	876.6	879.6	882.0	879.9	879.8	885.3	888.1
42.0	42.0	41.0	41.0	41.0	40.4	40.3	40.2	41.8	41.9	42.1	41.2	41.2	41.2	40.6	40.6	40.7	40.3
322.3	323.9	324.3	324.4	325.7	327.7	328.4	325.7	326.0	327.1	328.8	330.3	331.4	332.8	332.7	332.7	334.1	333.9
230.2	230.3	229.8	229.3	229.7	230.7	230.9	229.7	229.8	229.9	230.4	230.3	230.1	230.2	229.0	228.5	228.5	227.6
76.8	78.3	79.1	79.9	80.9	81.8	82.4	80.9	81.2	82.2	83.3	84.8	86.2	87.5	88.7	89.2	90.6	91.2
488.6	490.3	489.1	489.2	492.7	496.4	498.7	498.5	499.6	502.0	503.4	505.2	507.0	508.0	506.5	506.6	510.6	513.9
50.1	50.2	50.2	50.2	50.2	50.3	50.3	50.4	50.6	50.7	50.5	50.6	50.7	50.9	50.7	50.8	51.0	50.9
110.1	110.2	109.0	108.7	110.1	110.6	110.8	110.5	110.9	111.4	111.5	111.7	112.0	111.9	110.6	110.4	112.3	113.0
764.9	768.1	767.0	767.1	771.6	777.0	779.7	776.7	777.9	781.3	784.3	787.6	790.5	792.8	791.1	790.9	796.1	798.5
695.1	697.5	696.2	696.1	700.1	705.2	707.7	705.9	707.8	710.5	713.0	715.8	718.2	720.2	718.5	718.2	722.6	724.6
69.8	70.6	70.8	71.0	71.5	71.8	72.0	70.8	70.2	70.8	71.3	71.8	72.3	72.6	72.7	72.7	73.5	74.0
88.0	88.1	87.3	87.5	87.8	87.5	87.7	87.7	89.4	89.6	89.9	89.1	89.2	89.2	88.8	88.9	89.2	89.6
70.7	69.3	70.1	68.5	66.7	69.5	68.4	68.4	69.2	67.0	64.3	62.4	61.2	60.7	61.6	60.7	59.3	62.6
39.2	38.5	39.3	38.1	36.7	38.0	37.1	36.7	36.9	35.7	34.3	33.5	32.6	32.4	33.0	32.3	31.1	32.7
11.5	11.1	11.1	10.4	9.5	12.2	11.6	11.2	11.1	10.3	9.5	8.8	8.4	8.1	8.1	7.8	7.3	9.8
37.2	36.7	36.9	36.6	36.3	36.1	36.0	36.3	37.0	36.4	35.6	35.0	34.7	34.5	34.6	34.4	33.9	34.0
27.7	27.1	27.2	27.0	26.7	27.0	26.8	27.1	27.6	26.9	25.9	25.0	24.6	24.3	24.3	24.3	24.3	24.9
36.8	36.0	35.8	35.6	35.0	35.3	35.0	34.7	34.7	34.0	33.3	32.7	32.5	32.2	32.1	31.8	31.6	31.4
16.9	16.3	16.3	16.0	15.2	14.8	14.5	14.7	15.6	15.1	14.2	13.7	13.6	13.4	13.9	13.9	13.7	14.1
7.7	7.5	7.6	7.4	7.2	7.4	7.3	7.3	7.4	7.1	6.8	6.6	6.5	6.4	6.5	6.5	6.3	6.6
6.1	6.0	6.0	5.9	5.8	6.0	6.0	6.1	6.2	6.0	5.7	5.5	5.4	5.4	5.4	5.4	5.3	5.6
9.6	9.4	9.6	9.3	9.0	9.2	9.0	8.9	8.9	8.6	8.3	8.1	7.9	7.8	8.0	7.8	7.5	7.9
2.0	1.8	-0.9	-1.4	2.9	8.0	1.8	-3.0	3.8	1.4	0.6	0.6	1.7	2.0	-0.3	-1.9	4.1	6.1
0.7	0.6	0.7	0.6	1.0	5.3	1.2	0.6	0.9	0.6	0.7	0.8	0.5	0.5	0.5	0.5	0.9	4.6
4.0	3.7	4.9	3.5	4.2	4.5	4.3	4.1	5.8	3.4	3.3	3.6	3.4	3.6	4.6	3.4	4.5	5.2
4.1	3.7	3.0	3.8	4.4	4.3	4.1	2.5	4.1	4.2	4.1	3.6	3.2	2.9	2.3	3.1	4.5	4.0
2.5	2.0	1.6	1.9	2.7	2.6	2.5	2.2	1.8	2.1	2.5	2.6	2.0	1.7	2.0	1.6	2.3	2.5
1.7	-0.5	2.2	1.6	0.5	1.7	0.3	0.2	-0.2	2.4	3.8	4.2	2.8	2.5	2.3	2.9	1.9	1.7
1.6	1.4	1.6	1.1	2.3	2.2	2.1	1.6	2.4	1.4	1.7	1.7	1.6	1.5	1.6	2.2	2.6	2.3
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	0.2	0.2	0.2	0.2	0.2
3.3	5.0	-0.7	-0.9	6.2	5.6	4.6	-0.3	7.1	1.7	0.1	-0.4	1.7	2.0	-0.8	-0.7	6.0	4.4
19.3	23.1	18.8	19.7	22.8	24.4	18.7	14.2	22.4	22.8	19.8	21.6	21.6	20.2	19.8	20.1	24.7	19.7
79.1	76.6	78.4	77.1	76.5	76.4	75.2	69.8	71.9	73.0	74.2	72.7	74.4	74.9	76.9	76.8	76.0	74.9
60.1	59.5	61.7	63.3	63.9	65.6	65.9	66.1	65.8	68.3	72.1	76.3	79.1	81.6	83.8	86.7	88.6	90.3
7.0	7.0	7.2	7.4	7.4	7.6	7.6	7.6	7.6	7.8	8.2	8.7	9.0	9.2	9.5	9.9	10.0	10.2
13.4	13.0	11.8	9.9	16.9	18.2	13.6	9.7	14.5	13.0	13.4	15.4	13.1	12.5	12.7	10.4	19.6	17.8

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2005	2006	2007	2007				2008			2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	1	2	3	4
GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %														
Total	4.8	4.8	5.9	5.4	5.6	5.8	6.7	7.8	8.6	9.9	6.4	4.8	5.0	5.9
Private sector (A to K)	5.4	5.4	6.9	6.3	6.3	6.7	8.1	8.3	9.4	9.3	7.7	5.8	5.5	6.9
Agriculture, fishing (A, B)	3.9	5.6	8.2	6.2	8.0	7.3	11.2	10.1	8.8	10.1	8.2	5.3	5.1	9.4
A Agriculture	3.7	5.6	8.2	6.4	8.0	7.3	11.0	10.2	8.8	10.1	8.4	5.5	5.5	9.4
B Fishing	6.9	7.9	8.0	-3.8	8.2	8.2	17.5	6.8	7.7	9.5	3.3	-2.7	-11.4	9.9
Industry, construction (C to F)	5.8	5.5	6.5	5.7	5.8	6.3	8.1	8.0	9.5	9.2	7.5	5.1	4.5	6.7
C Mining and quarrying	6.3	4.5	7.0	3.6	4.3	6.0	13.4	10.1	14.1	16.1	4.2	3.2	3.4	3.3
D Manufacturing	5.8	5.5	6.8	5.9	5.9	6.8	8.4	8.2	9.7	9.3	7.8	5.3	4.5	7.1
E Electricity, gas & water supply	9.7	5.6	6.2	3.0	5.0	5.5	10.7	9.0	9.4	9.3	4.6	2.8	1.6	4.2
F Construction	4.8	6.2	6.5	7.1	6.7	5.6	6.6	7.5	9.5	9.1	8.4	6.4	6.6	7.5
Production services (G to I)	4.7	5.0	7.0	7.3	6.4	6.8	7.2	7.9	8.9	9.2	8.0	6.7	7.1	7.4
G Distributive trades	4.8	5.6	7.6	8.0	7.4	7.5	7.4	7.4	9.0	8.8	9.1	6.7	8.3	8.6
H Hotels & restaurants	3.2	4.4	6.0	4.0	5.3	5.4	8.7	10.1	10.3	10.1	3.9	2.7	5.4	4.4
I Transport, storage & communications	5.1	3.6	5.7	6.7	4.4	5.6	5.9	7.7	7.9	9.4	6.9	7.9	5.3	5.4
Business services (J to K)	3.9	4.7	6.8	5.7	6.2	6.8	8.3	8.8	9.4	8.9	7.0	5.2	5.0	5.4
J Financial intermediation	6.7	7.2	7.3	7.9	7.8	5.7	7.4	8.1	8.8	8.2	8.7	9.1	6.0	6.5
K Real estate	3.2	3.9	7.2	5.3	6.1	7.8	9.4	9.5	10.1	9.6	6.8	4.0	5.1	5.6
Public services (L to O)	3.3	3.5	4.1	3.5	4.6	4.4	3.8	7.1	7.0	11.7	3.6	2.8	4.2	4.1
L Public administration	3.2	3.1	5.1	2.5	4.9	6.5	6.4	11.1	10.8	13.2	2.6	1.7	3.2	3.8
M Education	4.8	4.8	3.9	4.8	5.7	3.1	2.4	5.5	5.8	7.7	4.9	4.5	4.9	5.5
N Health & social work	2.2	2.7	3.2	2.7	3.7	4.0	2.4	6.1	4.8	16.7	3.2	1.9	3.0	3.2
O Other community, social & personal services	2.7	2.1	3.9	4.1	2.9	3.9	4.5	4.5	6.7	9.2	2.9	2.3	7.0	2.9
INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %														
Effective exchange rate, ¹ nominal	-0.7	0.2	0.8	0.9	0.7	0.6	1.2	1.2	1.1	0.4	0.7	1.0	0.9	0.8
Real (relative consumer prices)	-0.2	0.7	2.3	1.4	1.8	2.3	3.7	4.5	4.2	2.6	1.6	1.3	1.2	1.4
Real (relative producer prices) ²	-0.6	-0.9	2.1	2.1	2.0	2.2	2.1	1.4	1.5	0.4	2.3	2.3	1.9	1.8
USD/EUR	1.2448	1.2557	1.3706	1.3105	1.3482	1.3745	1.4494	1.4998	1.5620	1.5038	1.2999	1.3074	1.3242	1.3516
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.														
Notes: Data on the monthly gross wage per employee for 2004 and beyond calculated according to the new methodology were published in September 2005. ¹ Change of methodology: the calculation of domestic currency'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 domestic currency and vice versa. ² Producer prices in manufacturing activities														

2007								2008									
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
5.8	5.2	6.9	5.7	4.9	6.6	7.1	6.5	6.1	9.3	8.0	9.5	7.6	8.8	8.7	9.8	11.2	9.2
6.4	5.5	7.6	6.8	5.6	8.2	8.4	7.6	6.9	9.4	8.5	10.7	8.2	9.5	10.1	7.2	10.7	7.7
8.6	6.0	8.5	8.8	4.6	8.4	15.1	9.5	8.5	15.2	6.8	9.4	8.9	8.1	12.7	6.3	11.4	9.2
8.7	5.9	8.5	8.7	4.6	7.9	15.2	9.5	8.7	15.5	6.7	9.6	8.9	7.9	12.7	6.3	11.4	9.8
5.3	9.5	8.6	12.4	3.5	30.6	13.0	10.0	2.5	4.4	14.0	-1.3	10.2	14.8	12.5	5.7	10.4	-11.5
5.8	5.0	7.3	6.3	5.5	7.8	8.7	7.8	6.2	9.8	8.1	11.2	8.2	9.2	10.8	6.3	10.6	8.1
4.7	4.8	6.6	3.9	7.5	9.5	10.2	21.6	5.9	10.4	14.1	12.3	17.7	12.3	17.5	10.2	20.5	38.5
5.7	5.1	7.5	6.9	6.0	7.9	9.2	8.0	6.1	10.2	8.5	11.2	8.4	9.5	10.8	6.5	10.7	6.8
3.0	7.7	3.5	5.2	7.7	11.1	11.2	9.6	8.1	10.8	8.3	12.1	8.5	7.7	14.1	6.9	7.4	20.9
8.1	4.5	8.5	5.3	3.1	6.7	7.4	5.6	7.3	8.6	6.6	11.9	7.3	9.5	9.9	6.0	11.4	7.4
6.0	5.9	7.5	7.1	5.9	7.2	6.7	7.7	7.3	8.2	8.1	9.7	7.8	9.1	8.9	8.4	10.3	7.6
6.8	6.7	7.8	7.8	7.0	7.1	8.3	6.7	6.5	8.8	7.0	10.1	8.0	8.9	9.2	7.0	10.1	7.9
5.1	6.5	6.5	6.0	3.8	7.6	10.5	8.0	10.6	11.0	8.7	10.9	11.1	8.9	10.5	9.1	10.8	7.7
4.1	3.8	6.9	5.7	4.0	6.6	2.6	9.1	7.5	5.9	9.6	8.3	6.2	9.2	7.4	10.7	10.1	6.9
7.4	5.8	8.2	7.2	5.1	10.1	8.7	6.3	7.4	9.3	9.8	10.4	8.0	9.9	9.3	7.0	10.5	6.2
9.9	7.0	8.5	7.1	1.6	13.9	8.0	1.0	6.7	6.7	10.7	12.0	6.6	7.9	6.9	6.5	11.1	0.9
6.8	5.8	8.4	7.6	7.3	8.7	9.8	9.6	8.1	10.8	9.6	10.0	9.1	11.3	10.7	7.6	10.6	8.9
4.7	4.9	5.8	3.5	3.8	3.3	3.9	4.1	4.5	9.6	7.2	7.0	6.7	7.5	5.8	16.5	12.8	13.1
5.2	5.7	8.7	4.9	5.9	5.9	6.5	6.9	6.8	14.3	12.0	12.0	10.0	10.4	7.6	18.9	13.3	12.9
6.4	5.1	4.3	2.6	2.4	2.3	2.6	2.2	3.1	7.8	5.6	5.7	5.6	6.0	5.0	10.8	7.3	8.0
3.4	4.3	5.4	3.3	3.3	2.1	2.0	3.0	3.6	8.0	6.7	3.8	4.4	6.2	4.8	24.2	21.2	20.8
1.9	3.9	4.5	3.1	4.0	3.0	5.1	5.3	5.0	6.9	1.8	5.9	6.7	7.3	6.0	11.1	10.5	12.1
0.7	0.6	0.6	0.5	0.7	1.1	1.3	1.1	1.3	1.0	1.4	1.4	1.1	0.9	0.8	0.6	-0.1	-1.3
1.7	2.3	2.5	2.2	2.0	3.6	3.9	3.6	4.4	4.3	4.7	4.7	3.9	3.9	3.5	2.6	1.6	0.3
2.0	2.1	2.1	2.5	2.0	2.3	2.3	1.8	1.5	1.2	1.5	2.4	1.3	0.9	0.7	0.9	-0.3	-1.0
1.3511	1.3419	1.3716	1.3622	1.3896	1.4227	1.4684	1.4570	1.4718	1.4748	1.5527	1.5750	1.5557	1.5553	1.5770	1.4975	1.4369	1.3322

PRICES	2005	2006	2007	2007				2008			2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	1	2	3	4
CPI, y-o-y growth rates, %	2.5	2.5	3.6	2.3	3.0	3.6	5.4	6.6	6.6	6.1	2.7	2.1	2.3	2.6
Food, non-alcoholic beverages	-0.8	2.3	7.8	3.7	6.5	8.2	12.6	14.0	12.0	9.8	4.0	3.0	3.9	6.3
Alcoholic beverages, tobacco	3.9	3.7	6.5	5.5	6.0	8.0	6.5	5.4	5.0	0.7	5.5	5.4	5.6	5.7
Clothing and footwear	-1.0	-0.5	2.1	1.8	0.9	3.3	2.5	4.9	5.2	2.1	3.6	2.6	-0.5	-0.7
Housing, water, electricity, gas	9.1	5.3	2.6	-0.2	1.0	2.2	7.6	10.5	11.4	11.5	-0.1	-0.9	0.4	1.0
Furnishings, household equipment	3.6	4.1	4.5	5.0	5.2	3.6	4.0	4.5	5.5	6.5	5.1	5.3	4.7	4.8
Medical, pharmaceutical products	-0.3	-1.7	1.1	1.5	1.4	1.1	0.4	-0.5	1.7	4.9	0.9	1.4	2.3	1.4
Transport	2.7	1.3	0.3	-0.2	0.8	-0.9	1.6	2.9	2.9	4.1	-0.4	-0.9	0.6	0.4
Communications	0.0	0.3	0.3	0.0	0.4	0.6	0.3	2.2	1.9	0.1	1.4	-0.7	-0.6	-0.3
Recreation and culture	2.3	2.1	3.6	2.5	2.5	4.6	4.7	4.6	5.0	4.8	2.9	2.6	2.2	1.4
Education	7.1	3.1	1.9	1.1	0.6	2.2	3.6	4.7	5.4	4.8	0.5	1.5	1.1	-1.1
Catering services	4.4	4.5	7.3	6.9	6.6	7.0	8.7	9.3	10.0	10.4	6.9	7.1	6.7	6.6
Miscellaneous goods & services	1.9	4.1	3.6	4.2	3.1	3.7	3.4	3.9	4.5	3.8	5.0	4.7	3.0	2.9
HCPI	2.5	2.5	3.8	2.6	3.3	3.7	5.5	6.5	6.4	6.2	2.8	2.3	2.6	2.9
Core inflation (trim mean)	2.3	2.8	2.3	1.6	2.0	2.5	3.1	4.4	4.4	4.1	2.0	1.3	1.5	1.7
Core inflation (excluding fresh food and energy)	1.0	1.1	2.6	1.9	1.9	2.9	3.9	4.7	4.9	4.7	2.3	1.9	1.5	1.5
PRODUCER PRICE INDICES, y-o-y growth rates, %														
Total	1.9	2.3	4.2	4.3	4.6	4.1	3.6	3.4	3.9	5.2	3.9	4.6	4.5	4.7
Domestic market	2.7	2.3	5.4	4.5	5.1	5.4	6.5	5.9	6.3	6.5	3.5	5.1	5.0	4.9
Non-domestic market	1.0	2.2	2.9	4.1	4.2	2.8	0.7	0.8	1.4	3.8	4.2	4.1	4.0	4.4
euro area	1.4	2.6	5.0	7.1	7.3	4.6	1.4	1.2	1.6	4.1	7.1	6.9	7.3	7.6
non-euro area	0.0	1.6	-0.5	-0.6	-0.6	-0.3	-0.5	0.1	1.0	3.4	-0.3	-0.3	-1.2	-0.7
Import price indices		5.8	4.0	7.0	6.6	2.4	0.1	-0.2	0.3	3.8	7.8	6.6	6.7	7.0
PRICE CONTROL,¹ y-o-y growth rates, %														
Energy prices	11.8	8.0	0.6	-2.0	-0.1	-1.6	6.2	13.1	16.9	21.1	-0.4	-4.6	-0.8	-0.3
Oil products	15.4	10.3	-0.9	-4.0	-2.2	-4.3	7.4	14.8	17.4	21.1	-2.0	-7.5	-2.3	-2.6
Basic utilities	4.0	-2.6	-2.3	-6.3	-6.2	-3.7	8.4	1.4	1.3	-1.3	-7.4	-5.8	-5.8	-6.5
Transport & communications	2.1	1.5	0.6	0.7	0.6	0.6	0.6	0.5	0.6	-1.3	0.7	0.8	0.6	0.6
Other controlled prices	4.5	2.6	2.9	3.0	2.6	3.0	3.0	1.4	1.7	1.7	2.4	3.3	3.4	3.1
Direct control – total	9.3	7.0	3.1	1.9	3.2	1.6	5.9	9.5	11.7	13.7	2.8	0.0	2.8	3.1

Source of data: SORS, calculations and estimates IMAD. Note: ¹ the structure of groups varies, data published are not directly comparable to those published previously. The electricity market was liberalized on 1 July 2007. Data from July 2007 onwards are not comparable.

2007								2008										
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
2.9	3.6	3.8	3.5	3.5	5.1	5.7	5.6	6.4	6.5	6.9	6.5	6.4	7.0	6.9	6.0	5.5	4.9	3.1
6.3	6.9	7.6	6.9	10.0	13.3	11.7	12.9	13.9	14.6	13.5	12.3	12.1	11.6	12.2	10.1	7.2	5.3	5.6
6.2	6.0	8.1	8.5	7.6	6.5	6.6	6.6	5.7	5.5	5.1	4.8	5.0	5.1	-0.2	0.5	1.8	2.1	2.1
1.0	2.4	2.7	4.1	3.1	1.8	3.5	2.1	2.9	4.8	6.7	7.0	4.6	4.1	0.8	1.7	3.7	6.1	4.6
0.4	1.7	1.9	3.2	1.4	6.7	8.2	8.0	11.7	9.6	10.4	9.3	11.4	13.4	13.6	10.4	10.5	9.0	4.8
5.2	5.7	4.5	3.3	3.0	3.6	4.1	4.3	4.0	4.3	5.2	5.7	5.7	5.2	5.9	6.4	7.3	7.0	6.7
1.1	1.7	2.0	0.7	0.8	0.8	0.5	0.0	-0.9	-1.2	0.5	1.4	1.7	1.9	4.5	5.0	5.1	5.2	5.4
0.4	1.5	0.9	-1.6	-1.9	0.4	2.5	1.9	2.8	2.7	3.1	2.1	2.4	4.4	4.9	3.7	3.7	2.6	-3.6
0.2	1.2	1.2	1.2	-0.7	-0.7	-0.2	1.9	1.0	2.8	2.9	2.8	1.5	1.5	0.7	0.5	-0.9	-0.9	0.0
3.0	3.3	4.4	4.8	4.5	4.9	4.6	4.7	4.1	4.9	4.9	5.4	4.4	5.3	5.6	4.9	4.0	2.8	3.2
1.4	1.4	1.4	1.4	3.7	3.6	3.6	3.6	3.4	3.8	7.0	7.0	4.6	4.6	4.6	4.6	5.0	6.0	6.1
6.8	6.4	6.5	7.0	7.6	7.9	9.6	8.6	9.2	9.4	9.4	10.1	9.9	10.1	10.7	10.4	10.0	9.7	8.8
3.1	3.2	3.3	4.0	3.8	3.0	3.6	3.6	3.6	3.8	4.2	4.7	4.4	4.5	4.0	3.7	3.6	3.4	3.2
3.1	3.8	4.0	3.4	3.6	5.1	5.7	5.7	6.4	6.4	6.6	6.2	6.2	6.8	6.9	6.0	5.6	4.8	2.9
1.9	2.5	2.5	2.3	2.5	2.7	3.3	3.2	4.2	4.3	4.6	4.3	4.4	4.4	4.7	4.0	3.6	3.1	2.8
1.9	2.4	2.6	2.9	3.0	3.7	4.0	4.0	4.2	4.9	5.1	5.3	4.9	4.7	5.1	4.7	4.5	4.1	3.9
4.7	4.6	4.3	4.2	3.9	3.7	3.5	3.4	3.5	3.4	3.3	3.3	3.7	4.6	5.2	5.6	4.8	4.0	3.1
5.1	5.2	5.2	5.3	5.8	6.3	6.8	6.3	6.5	5.6	5.7	6.1	6.3	6.5	6.9	7.0	5.7	4.8	3.6
4.3	3.9	3.4	3.0	1.9	1.1	0.3	0.6	0.5	1.2	0.8	0.4	1.0	2.7	3.5	4.2	3.9	3.3	2.5
7.6	6.7	5.5	4.7	3.8	2.1	1.1	0.9	0.8	1.9	1.0	0.4	0.8	3.5	3.9	4.6	3.7	2.9	1.2
-0.8	-0.5	0.0	0.3	-1.1	-0.4	-1.1	0.1	-0.2	-0.1	0.5	0.4	1.3	1.1	2.5	3.3	4.3	3.9	5.1
6.7	6.1	2.9	3.6	0.8	-0.2	0.0	0.5	-0.7	-0.1	0.1	-0.3	0.5	0.7	3.5	3.2	4.6	3.7	1.6
-1.0	0.9	1.3	-2.6	-3.6	2.2	8.4	7.9	12.4	12.1	14.8	11.9	15.5	23.2	24.8	20.0	18.4	14.1	-4.3
-3.3	-0.8	-0.8	-5.5	-6.6	2.1	10.3	9.8	14.0	14.1	16.4	12.6	15.3	24.1	25.5	20.0	17.7	12.2	-9.4
-6.0	-6.0	-6.0	0.7	-5.7	14.3	6.5	4.8	2.8	0.7	0.7	1.3	1.3	1.3	1.3	-5.7	0.7	0.7	0.8
0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.4	0.6	0.6	0.6	0.6	-1.3	-1.3	-1.3	-1.3	-1.3
2.4	2.3	2.2	3.8	3.0	3.0	2.9	2.9	2.1	1.2	1.0	1.2	1.9	1.9	1.1	1.6	2.4	2.4	2.4
2.6	4.0	4.3	2.9	-2.3	3.9	7.1	6.6	9.3	8.8	10.4	8.5	10.8	15.7	16.3	12.2	12.4	9.7	-2.2

BALANCE OF PAYMENTS	2005	2006	2007	2007				2008			2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	1	2	3	4
BALANCE OF PAYMENTS, in EUR m														
Current account	-498	-771	-1,455	-96	-216	-480	-663	-535	-486	-581	17	-109	-3	-105
Goods ¹	-1,026	-1,151	-1,666	-242	-359	-401	-664	-494	-679	-732	-82	-80	-80	-134
Exports	14,599	17,028	19,798	4,783	5,027	4,927	5,062	5,138	5,414	5,127	1,471	1,514	1,798	1,586
Imports	15,625	18,179	21,464	5,025	5,386	5,328	5,726	5,632	6,093	5,860	1,553	1,594	1,878	1,720
Services	920	993	1,193	275	366	354	198	332	465	406	123	56	97	116
Exports	3,214	3,572	4,291	897	1,038	1,307	1,049	1,083	1,236	1,512	321	254	323	347
Imports	2,293	2,580	3,098	622	672	953	851	751	771	1,107	198	198	226	230
Income	-295	-440	-708	-52	-188	-356	-112	-221	-235	-293	-16	-16	-20	-74
Receipts	647	872	1,169	234	293	298	344	294	325	313	76	75	82	93
Expenditure	942	1,312	1,877	286	481	654	456	515	560	607	92	91	102	167
Current transfers	-97	-173	-274	-76	-34	-78	-86	-152	-37	39	-7	-69	0	-14
Receipts	738	785	905	197	237	219	252	195	265	277	51	59	87	75
Expenditure	835	958	1,178	273	271	296	338	347	301	239	58	128	87	89
Capital and financial account	970	1,092	1,713	281	177	339	915	413	812	564	-187	220	249	22
Capital account	-114	-131	-52	15	-27	-32	-8	-2	-21	-42	18	6	-9	0
Financial account	1,084	1,223	1,765	266	204	371	923	415	833	607	-205	214	258	22
Direct investment	-43	-174	-269	-248	-64	-4	47	153	-14	-85	-114	-135	2	-43
Domestic abroad	-516	-687	-1,319	-326	-296	-439	-257	-158	-325	-333	-107	-157	-62	-148
Foreign in Slovenia	473	513	1,050	79	232	435	304	311	310	248	-8	22	64	104
Portfolio investment	-1,313	-1,442	-2,264	-624	-1,204	377	-814	303	-1,139	178	-902	-152	430	-414
Financial derivatives	-10	-13	-21	2	-2	-12	-10	2	0	3	6	-4	1	0
Other investment	2,639	1,571	4,179	1,080	1,484	-22	1,636	38	1,907	510	620	628	-168	425
Assets	-1,459	-1,939	-4,877	-2,413	-455	-1,405	-605	-991	-195	479	-734	-836	-843	-847
Commercial credits	-226	-442	-394	-385	-180	32	139	-509	-166	-7	-27	-164	-194	-97
Loans	-340	-733	-1,890	-372	-456	-435	-627	53	-440	160	-21	-90	-261	-48
Currency and deposits	-872	-743	-2,601	-1,675	182	-990	-118	-526	369	345	-754	-575	-345	-685
Other assets	-22	-21	7	18	0	-12	1	-9	42	-19	68	-7	-43	-16
Liabilities	4,098	3,510	9,057	3,493	1,939	1,383	2,241	1,029	2,101	31	1,355	1,464	675	1,272
Commercial credits	291	479	503	269	55	-88	268	177	298	68	-172	218	223	-19
Loans	2,731	2,064	3,840	32	1,554	910	1,345	622	1,450	233	146	-52	-62	1,021
Deposits	1,053	998	4,727	3,208	338	567	613	253	346	-272	1,406	1,282	521	279
Other liabilities	23	-30	-14	-16	-7	-6	16	-22	7	2	-25	16	-6	-9
International reserves ²	-189	1,281	140	55	-11	32	64	-81	80	1	185	-123	-7	55
Statistical error	-473	-321	-258	-185	39	141	-252	122	-326	17	170	-110	-245	84
EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m														
Export of investment goods	1,392	1,680	1,933	456	508	466	504	523	578	594	136	134	185	159
Intermediate goods	7,723	9,368	10,438	2,609	2,670	2,560	2,593	2,752	2,894	2,728	811	835	963	854
Consumer goods	5,282	5,709	7,014	1,647	1,746	1,790	1,858	1,754	1,817	1,654	503	521	623	545
Import of investment goods	2,163	2,565	3,004	658	736	740	870	772	928	846	198	211	249	229
Intermediate goods	9,764	11,319	12,874	3,152	3,212	3,162	3,344	3,416	3,664	3,536	1,006	987	1,159	1,016
Consumer goods	3,877	4,456	5,609	1,238	1,446	1,413	1,508	1,456	1,515	1,474	359	402	477	478
Sources of data: BS, SORS. Notes: ¹ exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports; ² reserve assets of the BS.														

2007								2008									
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
-100	-10	-230	-93	-158	-173	-184	-306	-236	-182	-117	-119	-237	-130	-257	-196	-128	-272
-146	-79	-89	-117	-195	-180	-191	-293	-189	-139	-166	-167	-290	-222	-264	-293	-175	-252
1,729	1,712	1,741	1,478	1,708	1,855	1,781	1,426	1,637	1,724	1,778	1,886	1,737	1,791	1,836	1,366	1,926	1,851
1,874	1,791	1,830	1,595	1,903	2,035	1,973	1,719	1,826	1,862	1,944	2,053	2,027	2,013	2,100	1,659	2,101	2,103
119	130	94	141	119	79	56	63	88	101	143	147	142	176	92	150	163	96
337	354	443	465	399	382	307	360	352	349	381	410	384	442	519	518	475	412
218	224	349	324	280	303	251	297	264	249	239	263	242	266	427	368	312	316
-43	-71	-210	-102	-44	-45	-28	-39	-72	-74	-76	-73	-75	-88	-90	-99	-104	-92
100	100	97	91	110	112	112	120	97	96	100	108	109	108	108	102	103	114
143	171	307	193	154	157	139	159	169	170	176	181	183	196	199	201	207	206
-30	10	-25	-15	-38	-27	-22	-37	-63	-70	-18	-26	-15	4	6	45	-13	-24
65	96	70	89	59	74	85	93	56	64	75	76	86	102	93	108	76	74
95	87	96	104	97	101	106	130	119	134	94	102	101	98	87	62	89	98
-66	221	323	19	-2	139	286	491	83	248	82	228	324	260	237	285	42	-77
-7	-20	-11	3	-24	7	5	-20	6	2	-10	6	-6	-21	-11	2	-33	-6
-59	240	334	16	21	132	281	511	77	247	92	222	330	281	248	283	76	-72
-100	79	96	45	-145	99	-103	50	41	12	100	-50	12	24	-92	101	-95	-6
-116	-32	-154	-61	-224	6	-159	-104	-42	-39	-77	-154	-133	-37	-212	-25	-96	-62
17	111	250	107	79	93	56	154	83	51	177	104	145	61	120	126	1	56
-620	-169	234	119	24	-360	-490	36	18	688	-404	-426	-457	-256	134	-207	251	379
0	-2	-7	-5	-1	-11	0	1	3	3	-3	1	0	0	2	0	1	0
726	333	-121	-136	235	384	901	351	14	-493	518	613	760	534	277	285	-51	-478
481	-89	-605	-360	-439	-302	-372	70	140	-954	-176	397	184	-775	175	-52	356	-473
-10	-73	31	155	-154	-233	-18	390	-76	-224	-208	-23	-96	-46	16	144	-168	-38
-213	-194	-214	-148	-74	-131	-136	-359	174	-41	-80	18	-205	-253	256	-378	282	-284
701	165	-408	-371	-211	53	-217	45	28	-684	130	354	494	-478	-103	185	264	-159
3	13	-14	3	-1	8	-1	-6	14	-5	-18	48	-9	3	5	-2	-22	9
245	423	484	225	674	686	1,273	282	-126	461	694	216	576	1,309	102	337	-407	-5
89	-15	59	-303	156	163	97	8	-78	106	149	93	213	-9	28	-94	135	2
301	232	231	254	425	209	881	254	98	215	309	-175	492	1,133	108	225	-99	44
-140	199	188	281	98	328	299	-14	-134	150	236	294	-128	180	-40	206	-438	-51
-5	6	7	-8	-6	-14	-4	34	-13	-10	0	4	-2	5	6	0	-5	0
-65	-1	132	-8	-91	20	-28	72	0	37	-118	85	16	-21	-73	104	-30	33
166	-211	-93	74	160	34	-101	-185	153	-66	35	-109	-87	-130	20	-89	86	349
176	174	166	140	160	180	165	159	146	178	199	194	193	191	202	152	240	N/A
921	895	918	778	864	959	927	707	892	934	927	1,016	925	953	977	756	996	N/A
592	610	619	520	651	679	653	526	561	580	613	635	578	604	607	411	636	N/A
265	242	246	199	295	303	299	268	248	251	273	316	312	301	293	223	330	N/A
1,119	1,077	1,105	955	1,102	1,161	1,185	998	1,116	1,144	1,156	1,225	1,219	1,220	1,291	1,026	1,219	N/A
494	475	478	424	511	576	492	440	466	473	518	515	501	498	519	403	552	N/A

MONETARY INDICATORS AND INTEREST RATES	2005	2006	2007	2007							
				1	2	3	4	5	6	7	8
SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m											
Claims of the BS on central government	17.4	16.6	67	69	69	69	68	68	68	68	68
Central government (S. 1311)	780.5	776.6	2,367	3,184	3,219	2,944	2,748	2,574	2,465	2,408	2,342
Other government (S. 1312, 1313, 1314)	23.1	24.9	118	108	106	107	105	107	107	107	110
Households (S. 14, 15)	1025.9	1289.4	6,818	5,428	5,488	5,633	5,748	5,892	6,015	6,157	6,323
Non-financial corporations (S. 11)	2620.9	3236.0	18,105	14,086	14,250	14,660	15,142	15,426	15,788	16,274	16,720
Non-monetary financial institutions (S. 123, 124, 125)	230.9	368.1	2,305	1,554	1,563	1,574	1,761	1,747	1,911	2,034	2,083
Monetary financial institutions (S. 121, 122)	1408.2	1158.7	2401	3,505	2,770	2,267	2,033	2,257	2,211	2,218	2,439
Claims on domestic sectors, TOTAL											
In domestic currency	2099.2	2298.2	26,555	21,761	21,634	21,726	22,297	23,089	23,558	24,146	24,892
In foreign currency	2199.4	3149.0	1,990	1,048	1,100	1,160	1,248	1,335	1,456	1,560	1,638
Securities, total	1375.1	1286.8	3,570	5,055	4,662	4,299	3,992	3,577	3,484	3,492	3,488
SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m											
Deposits in domestic currency, total	2,610.3	2,903.4	20,029	17,823	17,912	17,914	18,066	18,367	18,446	18,880	19,299
Overnight	987.0	1,178.6	6,887	6,645	6,598	6,648	6,676	6,849	6,953	7,047	6,881
With agreed maturity – short-term	1,175.5	1,251.2	8,913	7,673	7,837	7,639	7,758	7,777	7,592	7,867	8,331
With agreed maturity – long-term	309.9	292.4	2,857	2,486	2,492	2,560	2,569	2,573	2,693	2,728	2,790
Short-term deposits redeemable at notice	137.8	181.2	1,372	1,019	985	1,067	1,063	1,168	1,208	1,238	1,297
Deposits in foreign currency, total	1,346.6	1,454.5	559	634	614	607	597	615	610	605	628
Overnight	534.8	552.7	218	311	293	285	264	280	274	270	278
With agreed maturity – short-term	481.2	545.5	248	240	239	237	251	248	249	242	258
With agreed maturity – long-term	295.2	318.3	56	64	64	62	60	61	60	61	62
Short-term deposits redeemable at notice	35.4	38.0	37	19	18	23	22	26	27	32	30
INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %											
New deposits in domestic currency											
Households											
Overnight deposits	0.47	0.32	0.36	0.33	0.33	0.33	0.34	0.34	0.34	0.35	0.35
Time deposits with maturity of up to one year	3.34	2.96	3.36	2.83	2.91	3.01	3.07	3.15	3.26	3.36	3.41
New loans to households in domestic currency											
Housing loans, 5-10 year fixed interest rate	4.99	4.56	5.80	5.16	5.44	5.50	5.35	5.37	5.36	5.79	5.98
New loans to non-financial corporations in domestic currency											
Loan over EUR 1 million, 1-5 year fixed interest rate	5.23	4.64	5.76	5.49	6.53	-	-	4.86	5.12	6.49	-
INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %											
Main refinancing operations	2.02	2.78	3.85	3.50	3.50	3.75	3.75	3.75	4.00	4.00	4.00
INTERBANK INTEREST RATES											
EURIBOR											
3-month rates	2.19	3.58	4.28	3.75	3.82	3.89	3.98	4.07	4.15	4.22	4.54
6-month rates	2.24	3.58	4.35	3.89	3.94	4.00	4.10	4.20	4.28	4.36	4.59
LIBOR CHF											
3-month rates	0.80	1.51	2.55	2.15	2.21	2.26	2.32	2.41	2.55	2.72	2.80
6-month rates	0.87	1.65	2.65	2.26	2.32	2.36	2.44	2.54	2.70	2.85	2.86

Sources of data: BS, BBA - British Bankers' Association.

2007				2008									
9	10	11	12	1	2	3	4	5	6	7	8	9	10
67	67	67	67	67	67	66	66	66	65	66	66	67	69
2,345	2,348	2,374	2,367	2,412	2,397	2,392	2,123	2,162	2,052	2,030	2,069	2,046	2,058
111	114	112	118	123	124	124	128	129	133	136	143	178	184
6,468	6,607	6,830	6,818	6,918	7,009	7,133	7,235	7,318	7,409	7,521	7,603	7,705	7,857
17,004	17,269	17,748	18,105	18,570	18,754	18,938	19,351	19,616	20,064	20,404	20,619	20,872	21,134
2,205	2,367	2,396	2,305	2,390	2,411	2,494	2,558	2,568	2,736	2,726	2,729	2,798	2,815
2,448	2,460	2,580	2,401	2,455	2,432	2,444	2,624	2,375	2,386	2,403	2,400	2,737	2,965
25,310	25,864	26,596	26,555	27,164	27,406	27,768	28,503	28,871	29,380	29,805	30,108	30,888	31,444
1,699	1,789	1,900	1,990	2,117	2,192	2,280	2,276	2,259	2,263	2,228	2,271	2,344	2,512
3,573	3,511	3,544	3,570	3,586	3,529	3,477	3,239	3,038	3,137	3,188	3,184	3,104	3,059
19,386	19,579	19,558	20,029	20,088	20,674	20,779	20,774	20,613	21,144	21,341	21,465	21,992	22,177
6,907	6,695	6,573	6,887	6,924	6,557	6,787	6,711	6,841	7,071	6,744	6,703	6,918	6,666
8,247	8,689	8,723	8,913	8,899	9,862	9,745	9,734	9,292	9,439	9,936	9,929	10,038	10,530
2,874	2,820	2,817	2,857	2,845	2,803	2,814	2,926	3,046	3,170	3,241	3,378	3,519	3,555
1,358	1,375	1,445	1,372	1,420	1,452	1,433	1,403	1,434	1,464	1,420	1,455	1,517	1,426
608	589	585	559	571	560	520	529	527	488	491	502	493	537
269	255	260	218	248	240	226	222	225	218	220	228	218	244
248	241	226	248	229	237	220	224	224	196	192	190	196	213
60	60	57	56	55	48	45	45	42	42	43	42	43	44
31	33	42	37	39	35	29	38	36	32	36	42	36	36
0.37	0.42	0.40	0.40	0.44	0.41	0.41	0.43	0.46	0.46	0.48	0.48	0.48	0.51
3.61	3.89	3.83	4.04	4.08	3.95	4.03	4.14	4.20	4.30	4.40	4.39	4.53	4.65
6.16	6.45	6.44	6.58	6.75	6.40	6.61	6.53	6.53	6.63	6.71	6.95	6.99	7.10
5.76	5.59	-	6.25	5.63	6.32	5.47	6.63	6.91	6.53	6.94	6.76
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	3.75
4.74	4.69	4.64	4.85	4.48	4.36	4.60	4.78	4.86	4.94	4.96	4.97	5.02	5.11
4.75	4.66	4.63	4.82	4.50	4.36	4.59	4.80	4.90	5.09	5.15	5.16	5.22	5.18
2.82	2.79	2.75	2.77	2.70	2.74	2.83	2.85	2.78	2.84	2.79	2.75	2.78	3.00
2.90	2.89	2.85	2.84	2.77	2.77	2.87	2.93	2.89	2.98	2.94	2.89	2.92	3.09

PUBLIC FINANCE	2005	2006	2007	2007				2008			2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	1	2	3	4
CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m														
GENERAL GOVERNMENT REVENUES														
TOTAL REVENUES	11,976.1	12,958.7	14,006.1	3,063.2	3,454.0	3,429.1	4,059.8	3,354.3	3,354.3	4,005.6	1,060.6	958.7	1,043.9	1,293.0
Current revenues	11,517.2	12,395.3	13,467.2	2,955.0	3,374.9	3,332.1	3,805.1	3,274.5	3,274.5	3,881.0	1,034.4	926.2	994.4	1,272.6
Tax revenues	10,884.0	11,762.0	12,757.9	2,828.7	3,199.7	3,123.6	3,606.0	3,110.0	3,110.0	3,702.0	994.5	883.2	951.0	1,219.0
Taxes on income and profit	2,241.9	2,735.3	2,917.7	587.7	914.3	646.3	769.4	694.4	694.4	1,106.5	188.2	189.9	209.7	462.9
Social security contributions	3,987.7	4,231.2	4,598.0	1,083.4	1,123.7	1,139.1	1,251.8	1,203.1	1,203.1	1,254.2	358.4	360.5	364.6	371.1
Taxes on payroll and workforce	526.2	472.9	418.1	96.1	99.7	101.5	120.9	59.4	59.4	62.2	32.8	32.1	31.1	32.8
Taxes on property	170.4	189.1	206.4	22.2	58.0	67.3	59.0	27.5	27.5	62.6	6.2	7.9	8.1	10.7
Domestic taxes on goods and services	3,914.7	4,077.3	4,498.6	1,017.6	973.0	1,135.5	1,372.5	1,099.4	1,099.4	1,181.7	403.2	286.9	327.6	332.5
Taxes on international trade & transactions	39.1	50.7	117.1	21.5	30.7	33.2	31.7	25.6	25.6	33.7	5.5	6.3	9.7	8.9
Other taxes	4.0	5.4	2.1	0.3	0.4	0.7	0.7	0.6	0.6	1.0	0.3	-0.3	0.3	0.1
Non-tax revenues	633.3	633.3	709.2	126.3	175.2	208.6	199.1	164.5	164.5	179.0	39.9	43.0	43.4	53.6
Capital revenues	113.4	166.8	136.6	19.7	15.2	39.6	62.1	28.0	28.0	26.8	7.5	6.1	6.1	6.0
Grants	9.1	5.4	11.9	2.1	2.8	2.0	5.0	2.0	2.0	2.1	0.7	0.4	1.0	0.7
Transferred revenues	34.0	42.8	42.5	0.2	1.4	0.4	40.5	1.2	1.2	0.9	0.1	0.0	0.0	0.3
Receipts from the EU budget	302.4	348.4	348.0	86.2	59.6	55.1	147.1	48.5	48.5	94.8	17.9	26.0	42.3	13.4
GENERAL GOVERNMENT EXPENDITURES														
TOTAL EXPENDITURES	12,275.7	13,208.7	13,915.5	3,201.2	3,392.6	3,240.0	4,081.8	3,371.5	3,792.9	3,628.4	983.7	1,108.8	1,108.7	1,061.8
Current expenditures	5,353.9	5,689.0	5,950.9	1,482.0	1,448.5	1,362.2	1,658.2	1,574.4	1,581.6	1,513.6	489.3	473.2	519.5	506.4
Wages, salaries and other personnel expenditures	3,016.3	3,180.3	3,276.9	785.8	851.7	814.4	825.0	811.9	898.8	884.3	262.1	262.1	261.6	261.8
Expenditures on goods and services	1,911.0	2,073.2	2,212.2	490.3	482.6	518.0	721.3	529.3	597.2	594.2	192.1	146.0	152.2	155.1
Interest payments	372.1	376.4	357.0	197.5	105.3	17.5	36.7	221.0	69.8	12.9	32.4	62.4	102.7	87.1
Reserves	54.6	59.0	104.8	8.3	8.9	12.3	75.2	12.1	15.8	22.2	2.6	2.7	3.0	2.4
Current transfers	5,598.6	5,925.8	6,143.9	1,457.2	1,665.6	1,456.0	1,565.1	1,489.9	1,856.8	1,567.4	434.9	507.9	514.4	468.2
Subsidies	381.2	402.9	423.4	104.4	137.9	88.3	92.8	60.5	243.0	57.7	6.7	54.8	42.8	10.0
Current transfers to individuals and households	4,628.6	4,871.5	5,093.3	1,219.0	1,359.2	1,211.1	1,304.0	1,303.4	1,448.9	1,344.9	388.1	415.5	415.5	409.2
Current transfers to non-profit institutions, other current domestic transfers	563.1	624.1	595.3	130.9	158.4	145.3	160.8	118.7	151.3	153.2	39.7	35.5	55.6	48.5
Current transfers abroad	25.7	27.4	32.0	2.9	10.2	11.3	7.6	7.2	13.6	11.6	0.3	2.1	0.5	0.6
Capital expenditures	654.2	901.4	1,130.5	133.4	162.9	266.9	567.3	149.0	215.9	350.0	44.7	46.3	42.4	46.6
Capital transfers	383.4	404.6	334.3	28.6	55.0	69.3	181.4	30.6	62.3	130.5	6.5	9.4	12.7	16.5
Payments to the EU budget	285.6	287.9	355.9	100.0	60.6	85.6	109.8	127.7	76.2	67.0	8.3	71.9	19.7	24.1
SURPLUS / DEFICIT	-299.6	-250.0	90.6	-	-	-	-	-	-	-	-	-	-	-

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. Data prior to 2007 are recalculated on the basis of the irrevocable SIT/EUR exchange rate = 239.64.

Acronyms

BS – Bank of Slovenia, **CONS** – Consensus forecasts, **DURS**–Tax Administration of the Republic of Slovenia, **ECB** – European Central Bank, **EC** – European Commission, **ELES** – Elektro Slovenia, **ESS** – Employment Service of Slovenia, **ETN** – Real Estate Transactions Database, **FED** – Federal Reserve System, **GDP** – Gross domestic product, **GVA** – Gross value added, **HICP** – Harmonised Index of Consumer Prices, **IMAD** – Institute of Macroeconomic Analysis and Development, **LSE** – Ljubljana Stock Exchange, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **MNZ** – Ministrstvo za notranje zadeve, **MSCI** – Morgan Stanley Capital International, **NFI** – non-monetary financial institutions, **NKBM** – Nova kreditna banka Maribor, **OECD** – Organization for Economic Cooperation and Development, **SBI** – Slovenian Stock Exchange Index, **SITC** – Standard International Trade Classification, **SMARS** – Surveying and Mapping Authority of the Republic of Slovenia, **SORS** – Statistical Office of the Republic of Slovenia, **VAT** – value added tax, **WEF** – World Economic Forum

Acronyms of Standard Classification of Activities (SCA)

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

Acronyms of Countries

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

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