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On January 2008, the new classification of activities of business entities NACE Rev.2, which replaced NACE Rev. 1.1, came into force in all EU Member States. In the Republic of Slovenia, the national version of the standard classification, SKD 2008, which includes the entire European classification of activities but also adds some national subclasses, came into force on the mentioned date. In the Slovenian Economic Mirror, all analyses are based on the SKD 2008, except when the previous SKD 2002 classification is explicitly referred to. More general information about the introduction of the new classification is available on the SORS website [http://www.stat.si/eng/skd\\_nace\\_2008.asp](http://www.stat.si/eng/skd_nace_2008.asp).

All seasonally adjusted data in the Economic Mirror are calculations by IMAD

## In the spotlight

**In light of the gradual recovery of the global economy, the IMF revised upwards its forecast of global GDP growth for this year, while simultaneously emphasising continued significant downside risks.** Amid the global economic recovery, largely owing to massive fiscal and monetary measures, the IMF revised its forecast of economic growth upwards by 0.8 p.p. to 3.9%. It points out, however, that there are still few indications that autonomous, not-policy-induced, private demand is taking hold, at least in advanced economies, so the recovery in these countries will be slow, while the global recovery is propelled by key emerging economies in Asia. Among the risks for the global economy in 2010, the IMF warns of a premature and uncoordinated exit from supportive policies, high general government deficits and debt, and the negative impact of growing unemployment on household spending.

**The value of merchandise exports and production in manufacturing increased again in November, as it had in previous months, while other indicators show that the risks to recovery persist.** With a gradual rebound in international trade flows, nominal merchandise exports also increased in November, according to seasonally adjusted data. Amid increasing exports, Slovenia's aggregate market share of goods, which had been falling since the second quarter 2008, increased y-o-y in the third quarter for the second time in a row. The same applies to the volume of industrial production in manufacturing, where the largest increases were recorded in highly export-oriented industries. However, there are no signs of recovery in domestic demand, as the value of construction put in place, total real turnover in retail trade, nominal turnover in wholesale trade and real turnover in hotels and restaurants declined again. Y-o-y, most indicators recorded much smaller drops, given that the base effect was even stronger than in October. Insolvency of legal entities increased significantly in 2009, given that in December 2009, the number of legal entities that had outstanding matured liabilities for more than five days in a month was more than one half higher than in December 2008 and the average daily amount of their outstanding matured liabilities increased by nearly three quarters. Nearly one half of the increase in the amount of liabilities came from legal entities in construction.

**Employment dropped further in November. December and January saw lower growth in the number of the registered unemployed than previous months.** Also in November, the greatest declines in the number of employed persons were recorded in construction and manufacturing and the greatest increases in most services sectors. The number of registered unemployed persons totalled 86,354 in 2009 as a whole, which is 36.6% more than in 2008. The increase was mainly due to the 70.7% higher number of persons who lost jobs. By the end of January this year, the number of the registered unemployed had already reached 99,591.

**The growth of the average gross wage increased due to extraordinary payments in November and the government passed a new Minimum Wage Act, which will most likely induce a restructuring of the economy and, consequently, increase the number of the unemployed.** In November, the average gross wage recorded high growth due to Christmas bonuses and 13th month payments that were relatively high for a time of crisis. Wage rises were highest in the sectors that have a monopoly position on the market and high levels of state ownership, and in financial activities. The government adopted a new act on the minimum wage with a broader definition of how the minimum wage is set, determining a 22.9% higher gross amount, which is now EUR 734.15. This higher amount will translate into a higher number of recipients and a higher concentration of employees with low wages. The higher minimum wage will also most likely increase unemployment. The model-based assessment shows that assuming an immediate adjustment of the minimum wage, approximately 5,000 jobs would be lost, but this number might also rise to around 20,000 during the adjustment process.

**In 2009, Slovenia's inflation was among the highest in the euro area. In January, y-o-y inflation totalled 1.5% in Slovenia.** Last year, changes in oil and food prices had the greatest impact on the movement of y-o-y inflation in Slovenia and in the euro area as a whole (the base effect), while in certain euro area countries (including Slovenia) another important inflationary factor was fiscal changes. In January, y-o-y inflation diminished in Slovenia, totalling 1.5%, while it was 1.0% in the euro area as a whole.

**The situation on Slovenia's financial markets tightened further in the last quarter of 2009. The last quarter of 2009 saw the most notable slowdown in lending activity in the entire year.** In December, borrowing was only recorded for households, while enterprises and NFI net repaid their loans for the fourth month in a row. Corporate and NFI borrowing from banks only amounted to EUR 24.6 m in 2009, which is not even one percent of the 2008 amount. However, the dependency of enterprises and NFI on foreign loans increased in 2009; even if borrowing abroad declined in nominal terms, foreign loans represented around 80% of all corporate borrowing last year. According to our estimate, this is also due to a significant difference in interest rates. The government otherwise attempted to ease the difficulties in access to finance by a guarantee scheme; eight auctions have already been carried out under the guarantee scheme for legal persons, at which less than one half of the total guarantee quota of EUR 1.2 bn was used. We estimate that the guarantee scheme nonetheless prevented an even greater decline in the volume of corporate and NFI loans, as banks also extended loans to riskier clients. The share of loans granted to enterprises under the guarantee scheme was greatest in manufacturing (nearly one half of all loans) and construction (more than a quarter).

**In 2009, revenue from taxes and social security contributions declined by 7.1% relative to the year before and the consolidated balance of public financing recorded a deficit of EUR 1,484 m according to the available data for the first ten months.** Revenues from excise duties and social security contributions were the only revenues to increase in 2009; all other revenues from taxes and social contributions declined. According to the available data on the consolidated balance for the first ten months of 2009, the gap between general government revenues and expenditures increased from month to month, by EUR 161 m in October alone. Slovenia's net budgetary position to the EU was, on the other hand, positive again in 2009 and the utilisation of EU funds at the highest since 2006: 73% of what was planned. The greatest improvement was recorded for the utilisation of cohesion and structural funds.

# current economic trends



## International environment

According to January's forecasts by the IMF, the global recovery is off to a stronger start than earlier anticipated but is proceeding at different speeds in various regions. The first signs of global recovery were already visible at the end of 2009, but they vary considerably across countries and regions. In China, which unveiled one of the world's most extensive fiscal stimulus packages as early as in November 2008, in the amount of 15% of GDP (USD 586 bn) and mainly aimed at boosting public infrastructure spending and domestic demand, GDP growth intensified from quarter to quarter y-o-y, reaching 10.7% in the last quarter, and 8.7% in the year as a whole. In the US, GDP increased at an annual rate of 5.7% in the fourth quarter of 2009 (quarter-on-quarter) according to the advance estimate, recording the first y-o-y growth (0.1%) in four quarters. Even if the first estimate of the US GDP is subject to further downward revisions, the available data on growth structure show that the increase was primarily due to positive contributions from inventory investment, exports and investment in computer equipment. In 2009, the US otherwise recorded the greatest GDP decline since 1946 (-2.4%). Amid global economic recovery, largely as a result of massive fiscal and monetary measures, the IMF revised its October forecast of global economic growth upwards by 0.8 p.p. to 3.9%. At the same time, there are still few indications that autonomous (not-policy-induced) private demand is taking hold, at least in advanced economies, according to the IMF. In advanced economies, the recovery is still expected to be weak, with GDP remaining below its pre-crisis levels until late 2011. The global recovery is propelled by key emerging economies in Asia. Even if improving its forecast, the IMF also emphasises significant risks for the global economy, particularly the risks associated with a premature and uncoordinated exit from supportive policies and negative impacts of impaired financial systems, while it also draws attention to the negative movements on the housing markets in some countries and especially to the impact of growing unemployment on household spending, as well as high general government deficits and debt.

Interest rates of central banks are still at record lows, while lending conditions continued to deteriorate in the euro area also in the final quarter of 2009. The value of the three-month EURIBOR declined in January for the 15<sup>th</sup> month in a row, averaging 0.68% in the month as a whole. The interest rates of the main central banks were left unchanged at record lows also in January (ECB: 1.0%, FED: 0.0%, BoE: 0.5%). According to the ECB survey, lending conditions in the euro area also tightened in the last quarter of 2009; however, this time the number of banks reporting a tightening of credit standards was not more than 3% higher than the number of banks reporting an easing. Estimates of conditions for approving loans to enterprises are fairly similar for small and large enterprises and loan maturities, while the demand for loans from small and medium-sized enterprises decreased slightly less than the demand from large enterprises. Debt restructuring is still among the main reasons for raising a loan. Banks expect lending conditions to be somewhat tighter again in the first quarter of 2010 compared with the last quarter of 2009, particularly for large enterprises. Banks expect significantly stronger demand for loans from small and large enterprises, particularly for short-term loans. According to the survey data on lending conditions for households, in the last quarter of 2009, lending conditions for purchasing a house tightened much less than in late 2008 and early 2009; the tightening is set to be even less pronounced in the first quarter this year, when banks also expect stronger demand for this type of loans. The ECB lending survey for the euro area thus confirms the IMF expectations that lending is likely to remain sluggish this year and that large enterprises, in particular, will try to offset the reduction in loans by issuing bonds; however, this can not entirely replace bank lending, especially in the euro area, where the financial system is significantly more reliant on banks than it is in Anglo-Saxon countries.

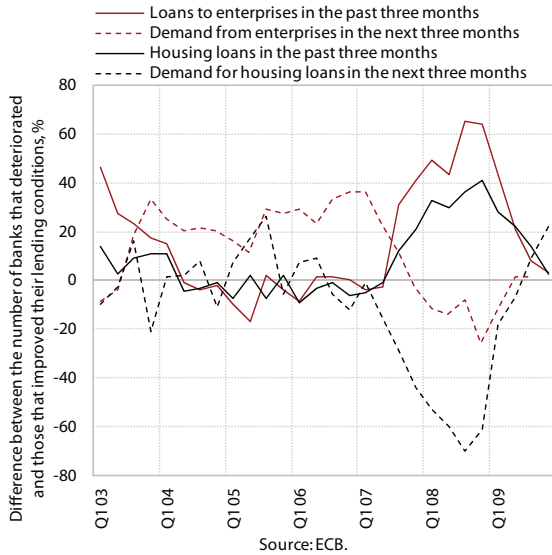
The euro continued to depreciate against main currencies in January. The average exchange rate of the dollar strengthened by 2.4% against the euro in December, to USD 1.4272 to EUR 1. The British pound sterling appreciated against the euro (+1.9% to 0.8831 of GDP to EUR 1), as did the Japanese yen (+0.7% to 130.33 JPY to EUR 1) and Swiss franc (+1.7% to CHF 1.4765 to EUR 1).

Table 1: Economic growth forecasts by international institutions and IMAD's assumptions used in the Autumn Forecast of Economic Trends 2009

	2009			2010					2011				
	IMAD Sep 09	CONS Jan 10	IMF Jan 10	IMAD Sep 09	EC Nov 09	OECD Nov 09	CONS Jan 10	IMF Jan 10	IMAD Sep 09	EC Nov 09	OECD Nov 09	CONS Jan 10	IMF Jan 10
EMU	-3.9	-3.9	-3.9	0.4	0.7	0.9	1.3	1.0	1.6	1.5	1.7	1.6	1.6
EU	-4.2	-4.0	-4.0	0.2	0.7	N/A	1.2	1.0	1.6	1.6	N/A	N/A	1.9
DE	-4.8	-5.0	-4.8	0.9	1.2	1.4	1.8	1.5	1.5	1.7	1.9	1.6	1.9
IT	-5.2	-4.8	-4.8	-0.2	0.7	1.1	0.9	1.0	0.9	1.4	1.5	1.2	1.3
AT	-3.5	-3.5	N/A	0.0	1.1	0.9	1.3	N/A	1.6	1.5	2.2	1.7	N/A
FR	-2.1	-2.2	-2.3	0.6	1.2	1.4	1.4	1.4	1.7	1.5	1.7	1.6	1.7
UK	-4.7	-4.7	-4.8	-0.3	0.9	1.2	1.5	1.3	1.8	1.9	2.2	2.2	2.7
ZDA	-2.8	-2.5	-2.5	0.9	2.2	2.5	2.9	2.7	3.0	2.0	2.8	3.1	2.4

Source: IMAD Autumn Forecast of Economic Trends (September 2009). OECD Economic Outlook 2/2009 (November 2009). European Commission Autumn Forecast (November 2009). Consensus Forecasts (January 2010). IMF World Economic Outlook Update (January 2010).

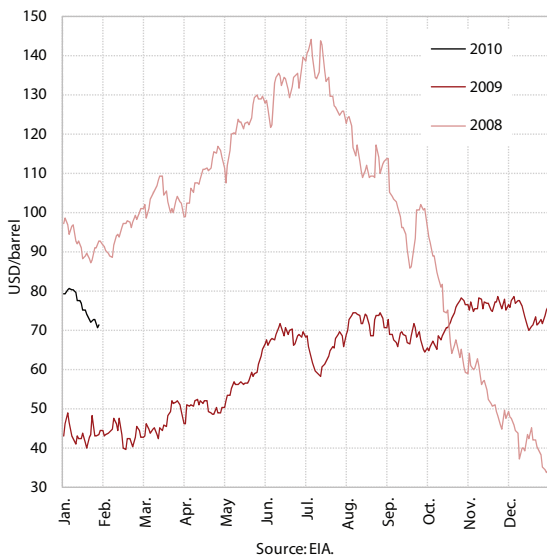
Figure 1: Lending conditions in the euro area and expected loan demand



The price of the Brent crude oil increased in January, in US dollars as well as in euros, largely as a result of high oil prices at the beginning of the month, when they exceeded USD 80 a barrel for the first time since October 2008. The average price of Brent crude rose by 4.5% to EUR 53.98 a barrel in January as a whole (by 2.3% to USD 76.17 a barrel in USD). Expressed in euros, the monthly price of oil increased by 57.9% on average y-o-y, in dollars by 75.3%.

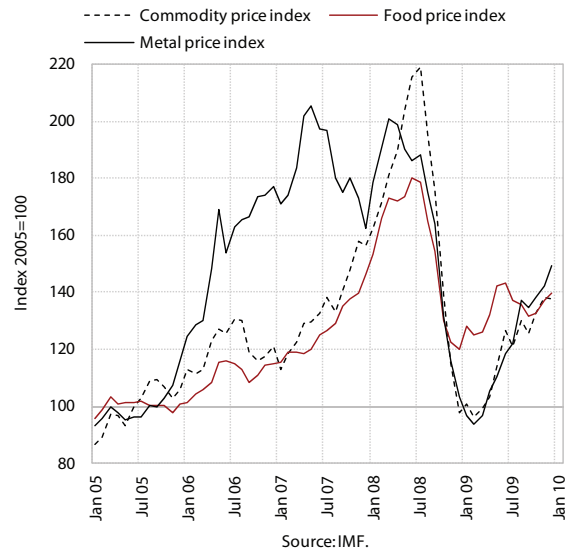
According to the IMF, commodity prices declined by 31.0% in 2009 as a whole, but are expected to increase by around 5% this year. Commodity prices had declined significantly in the period from August 2008 to February 2009, when they started to rise again, largely due to the onset of recovery in the developing economies. Prices of industrial commodities and metals rose, in particular, as a result

Figure 2: Prices of a barrel of Brent crude



of increased demand for these commodities due to the nature of recovery in developing countries focusing on infrastructure investment to revive the economy. Despite high inventory levels and substantial spare capacity in many commodity sectors, the probability of higher-than-expected commodity price rises (the IMF forecast 5.8% growth of non-fuel commodities in 2010) represents one of the risks for the global economy in 2010.

Figure 3: Movements of commodity prices



## Economic activity in Slovenia

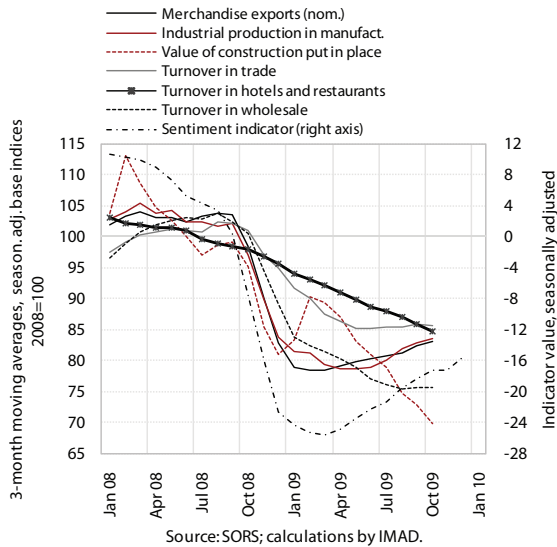
As in previous months, the value of merchandise exports and production in manufacturing were the only short-term indicators of economic activity to increase in November, while other indicators declined, suggesting that domestic demand remains weak. With a gradual rebound in international trade flows, nominal merchandise exports increased also in November, according to seasonally adjusted data. The same applies to the volume of industrial production in manufacturing, where the largest increases were recorded in highly export-oriented industries. Merchandise imports, on the other hand, fluctuate considerably more than exports, indicating that domestic demand remains low, as besides by the export component, imports are also importantly determined by domestic spending. Specifically, real total turnover in retail trade, nominal turnover in wholesale trade and real turnover in hotels and restaurants declined in November, according to seasonally adjusted data. The value of construction put in place also dropped again. Given that the base effect was even stronger than in October, most indicators recorded much smaller y-o-y drops.<sup>1</sup>

**Merchandise exports** continued to post modest growth in November (in contrast to imports, where clear signs of

<sup>1</sup> For more on the base effect see Box 1, SEM, December 2009.

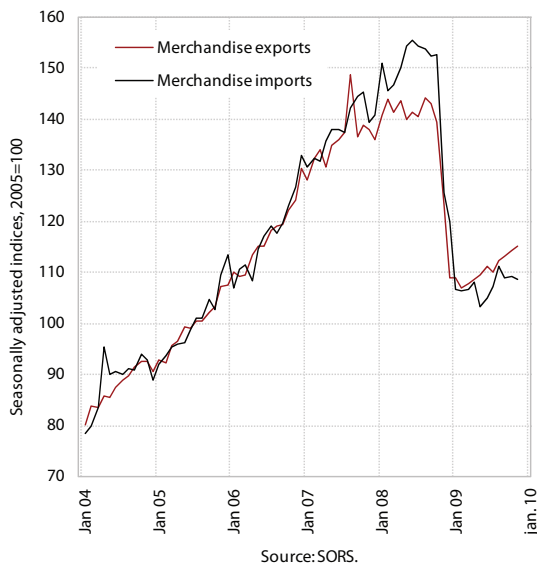


Figure 4: Values of short-term indicators of economic activity in Slovenia



recovery have yet to be seen), while at the y-o-y level, their decline is slowing due to the base effect.<sup>2</sup> According to seasonally adjusted data, merchandise exports increased slightly at the monthly level again in November (0.6%), while their y-o-y drop was much smaller due to the base effect (-3.5%). In the first eleven months of 2009, exports dropped by 20.3% y-o-y in nominal terms, and are close to the level of the average exports in 2006. Imports are more volatile, as they are also dependent on domestic demand, besides on exports. After growing in October, imports declined in November, according to seasonally adjusted data (-0.5%). They dropped by 27.7% y-o-y in the first eleven months of 2009 as a whole.

Figure 5: Merchandise exports and imports



<sup>2</sup> According to the external trade statistics.

**Trade in services** recorded a smaller y-o-y decline (-11.5%) than merchandise trade (-24.3%) in the first eleven months last year, except for November. Exports of services dropped by a nominal 15.8% y-o-y in November. A similar drop was also recorded in the first eleven months last year (15.4%), mainly on account of lower exports of road transport, travel and construction services. Imports of services were 3.2 % lower y-o-y in November, having declined by 5.7% in the first eleven months of last year. In the first eleven months of last year, imports mainly declined as a result of lower imports of maritime transport and miscellaneous business, professional and technical services.

Table 2: Selected monthly indicators of economic activity in Slovenia

in %	2008	XI 09/ X 09	X 109/ X 108	I-XI 09/ I-XI 08
<b>Exports<sup>1</sup></b>	<b>4.8</b>	<b>-4.6</b>	<b>-6.4</b>	<b>-19.5</b>
-goods	1.3	-2.3	-4.1	-20.6
-services	21.6	-13.9	-15.8	-15.4
<b>Imports<sup>1</sup></b>	<b>6.4</b>	<b>-0.7</b>	<b>-10.4</b>	<b>-24.9</b>
-goods	5.7	0.7	-11.5	-27.7
-services	10.8	-8.3	-3.2	-5.7
Industrial production	2.5	4.0 <sup>2</sup>	-2.4 <sup>3</sup>	-18.7 <sup>3</sup>
-manufacturing	2.6	3.0 <sup>2</sup>	-2.8 <sup>3</sup>	-19.9 <sup>3</sup>
Construction -value of construction put in place	15.7	-4.5 <sup>2</sup>	-18.1 <sup>3</sup>	-21.7 <sup>3</sup>
Distributive trade - total turnover in retail trade	10.4	-2.4 <sup>2</sup>	-13.4 <sup>3</sup>	-13.8 <sup>3</sup>
Hotels and restaurants - turnover in hotels and restaurants	-2.7	-1.1 <sup>2</sup>	-13.4 <sup>3</sup>	-11.3 <sup>3</sup>

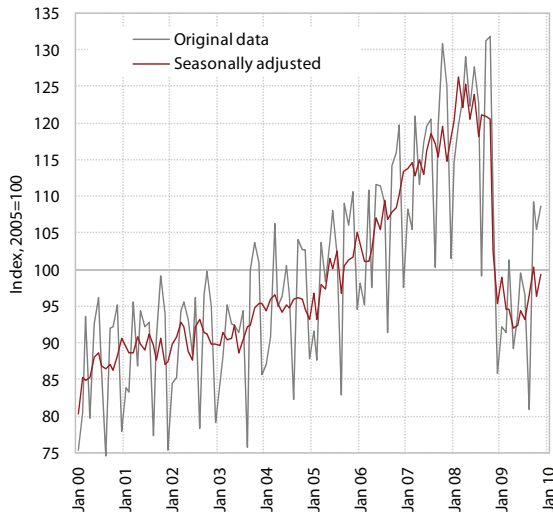
Sources: BS, SORS; calculations by IMAD. Notes: <sup>1</sup>balance of payments statistics, <sup>2</sup>seasonally adjusted, <sup>3</sup>working-day adjusted data.

The volume of production in **manufacturing** strengthened in November after contracting in October, posting what was the smallest y-o-y decline in 2009, particularly as a result of a low base. In November, production activity was 3.0% higher than a month earlier (seasonally adjusted) and 2.8% lower than in the same month of 2008 (working-day adjusted), which was largely due to low production activity in November 2008, when the volume of industrial production had already been much smaller.<sup>3</sup> The base effect was strongest in most highly export-oriented industries, which recorded a further production decline only in the manufacture of textile and metal products, the only highly export-oriented low- and medium-low technology industries. In the first eleven months of 2009 as a whole, production activity in highly export-oriented industries thus recorded the smallest lag behind the same period of 2008 (-16.3%), while being 19.7% lower in the manufacturing sector as a whole, at the level of 2004.<sup>4</sup>

<sup>3</sup> For more on the base effect see Box 1, SEM, December 2009.

<sup>4</sup> The average annual growth is calculated using unadjusted data, as working-day adjusted data on the volume of production by manufacturing sector are not available.

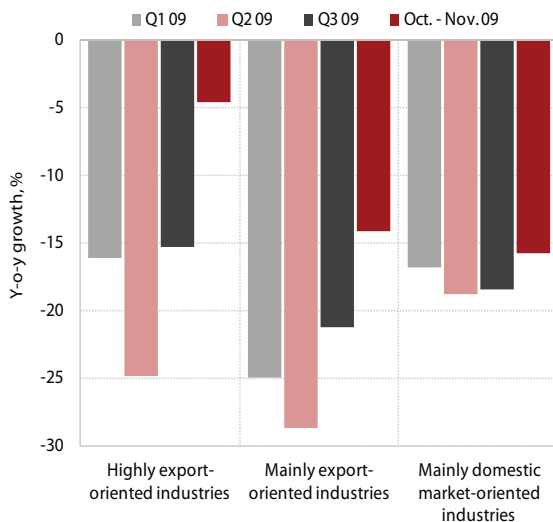
Figure 6: Volume of industrial production in manufacturing



Source: SORS; calculations by IMAD.

November saw the deepest y-o-y production declines in industries mainly oriented to the domestic market where the low base effect was weakest.<sup>5</sup> Most of the industries oriented to the domestic market are low-technology industries, which posted similar (the food-processing industry) or greater (the manufacture of furniture) production declines in 2009, compared with 2008. In the medium-low technology industries (the manufacture of non-metal mineral products, repair and installation of machinery and equipment), where production activity largely relies on domestic economic activity (construction), production started to decline at the end of 2008.

Figure 7: Volume of industrial production in manufacturing by sub-industries

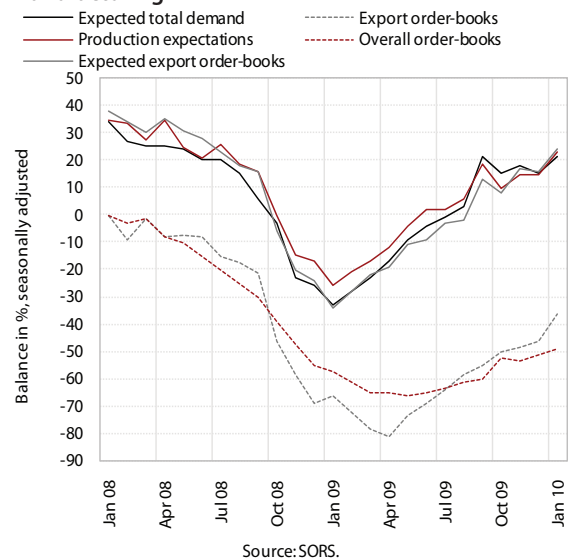


Source: SORS; calculations by IMAD.

<sup>5</sup> Industries that are mainly oriented to the domestic market are classified among low- and medium-low technology industries in terms of technology intensity.

Looking at business trends in manufacturing, the situation indicators and most indicators of expectations improved further in January. The highest increase was recorded for business optimism regarding future exports, which also had a positive impact on the indicators of the expected total demand and production. Business optimism regarding future exports was somewhat higher than that regarding expected total demand, which could indicate that unfavourable conditions on the domestic market will soften at a slower pace than on foreign markets. The less favourable situation on the domestic market (in comparison to foreign markets) is otherwise suggested by the current figures on new orders, which were higher on the foreign markets in November for the second month in a row, as well as by indicators of export and total orders. Specifically, the indicator of export orders, which had been declining at a faster and stronger pace at the end of 2008 and in the first months of 2009, is improving more rapidly than the indicator of total orders.

Figure 8: Selected indicators of business trends in manufacturing



Source: SORS.

**Construction activity declined further in November.** According to seasonally adjusted data, the value of construction put in place dropped by 4.5%, to the level of mid-2006. Construction activity fell by 18.1% y-o-y, a similar figure as in the first eleven months as a whole. Residential construction strengthened considerably for the second successive month; however, given that this construction sector is subject to fluctuations, it is premature to speak about a long-term rebound.<sup>6</sup> Moreover, in the first eleven months of 2009, the value of new contracts for residential construction declined by 39.0% relative to the year before; a similar picture is also shown by data on building permits issued in the first three quarters last year. Other construction sectors show no

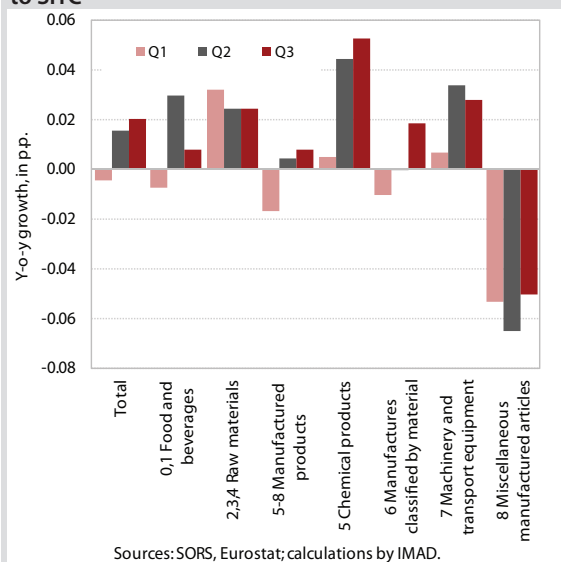
<sup>6</sup> In interpreting the figure on the value of residential construction put in place, it should be noted that it excludes the activity of smaller enterprises, where, by our estimate, the main activity is the construction of buildings.

**Box 1: Market shares**

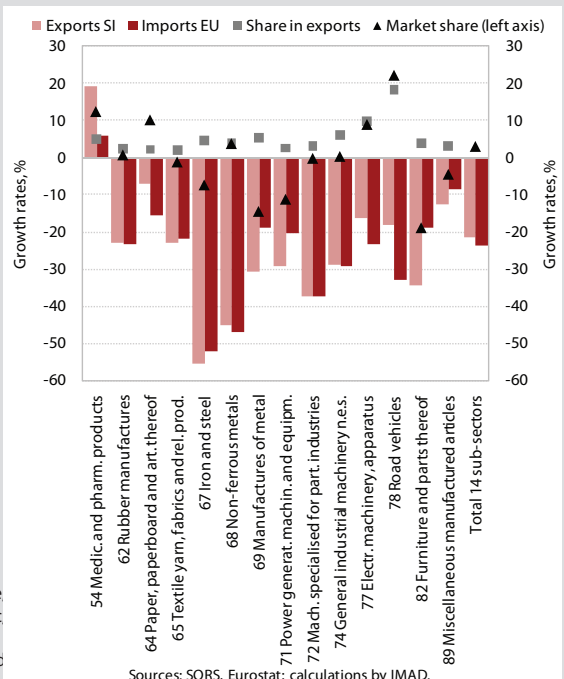
After posting a moderate decline in the first and renewed growth in the second quarter of 2009, Slovenia's aggregate merchandise market share continued to rise<sup>7</sup> especially due to higher market shares in France, Germany and Croatia. Before the 2008 decline (-2.9%), which was especially pronounced in the second half of the year, Slovenia's market share had increased for seven years. With significantly lower import demand<sup>8</sup> in the first nine months of 2009, the aggregate market share mainly increased (2.4%) as a result of growing market shares in France, Germany and Croatia. The market share in Austria continued to decline at a moderate rate, as it did in Italy, though Italy posted a slight increase in the third quarter of the year. Among the most important markets, where Slovenia saw its market shares decline in all key trading partners in 2008, it was only in Russia that Slovenia's market share continued to drop rapidly in the first nine months of 2009. Looking at relatively less important markets, market shares also increased in Hungary, the Czech Republic, Slovakia and Belgium in the first nine months of 2009.

In the third quarter, all SITC sectors posted higher market shares in the EU, with the exception of miscellaneous manufactured articles, which mainly include labour-intensive products. The market share of chemical products has continued to grow since the last quarter of 2008, mainly under the impact of strong growth in exports of medicinal and pharmaceutical products, which unlike most other SITC subsectors did not face shrinking demand in the EU during the international economic crisis. The market share of other chemical products has been increasing since the second quarter with a slower decline in their exports. Since the first quarter of 2009, the increase of the share of machinery and transport equipment was mainly driven by higher exports of road vehicles under the impact of measures to stimulate car purchases in certain countries of the EU, which we estimate is also reflected in higher market shares on the French and German markets. Except for electrical machinery and appliances, which also recorded a considerable increase, the market shares of other important products in this sector<sup>9</sup> declined or stagnated at a level of one year before. The market share of manufactured goods classified chiefly by material<sup>10</sup> also increased in the third quarter, after falling in 2008 and in the first half of 2009. In the first nine months of 2009, its slight growth was mainly attributable to exports of paper and pulp products and non-ferrous metals. The decline in foreign demand for the latter, as well as for iron and steel products, was otherwise one of the greatest in the first nine months of 2009; however, as Slovenian exports of non-ferrous metals dropped somewhat less than EU imports, Slovenia's market share increased. The decline in the market share of miscellaneous manufactured articles,<sup>11</sup> which mainly includes labour-intensive products, was pronounced in all three quarters of 2009. It deepened compared with previous years, particularly under the impact of dropping exports of furniture, as well as clothing and prefabricated buildings. This shows the weight of this sector's internal weaknesses, which were only aggravated by the international economic crisis. Among other relatively less important sectors that account for less than a tenth in the structure of merchandise exports, the market shares of food, beverages and raw materials also increased in 2009, after declining in 2008, the former largely due to exports of feeding stuff for animals and the latter under the influence of exports of electricity, petroleum and petroleum products.

**Figure 9: Slovenia's market shares in the EU according to SITC**



**Figure 10: Market shares in the EU by main SITC<sup>12</sup> subsectors in the first nine months of 2009**



<sup>7</sup> On the markets of Slovenia's 15 major trading partners: Germany, Italy, France, the Netherlands, Belgium, Spain, Austria, United Kingdom, the Czech Republic, Hungary, Slovakia, Poland, the US, Croatia and Russia.

<sup>8</sup> In the first nine months of 2009, imports of Slovenia's 15 trading partners dropped more than one third y-o-y, imports of the EU by nearly one quarter.

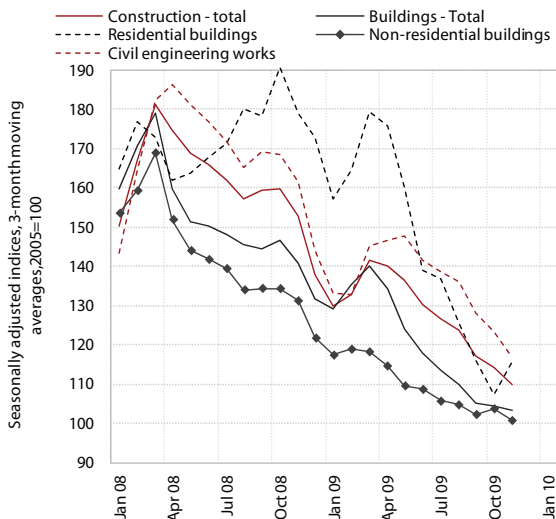
<sup>9</sup> Products with 2% or higher shares in Slovenia's exports to the EU in 2008.

<sup>10</sup> Sector 6 according to SITC: leather, rubber, paper, wood, textile and metals.

<sup>11</sup> Sector 8 according to SITC: prefabricated buildings, furniture, clothing, footwear, other miscellaneous manufactured articles.

<sup>12</sup> Subsectors posting 2% or higher shares in Slovenia's merchandise exports to the EU in 2008. Their total share in merchandise exports totalled as much as 74.2%.

Figure 11: Value of construction put in place



Source: SORS; calculations by IMAD.

signs of recovery. The smallest decline was recorded for civil-engineering works, where the value of new contracts dropped by 14.6% compared with a year before.

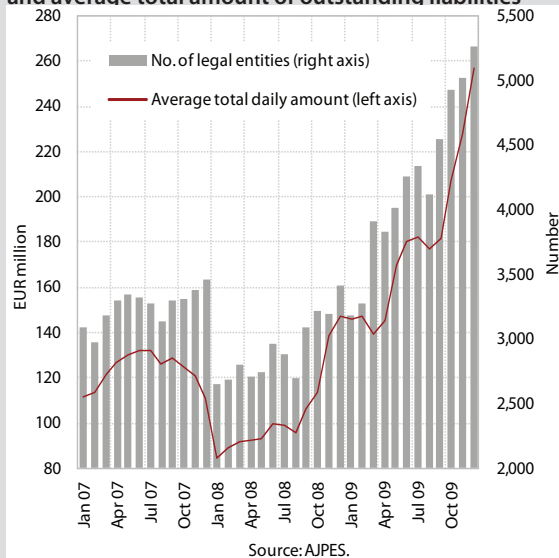
At the y-o-y level, 2009 saw higher output in hydroelectric power plants and lower output in the nuclear power plant, while electricity consumption dropped, most notably in the metal industry. Electricity output was 2.1% higher y-o-y in December, increasing by 0.7% in 2009 as a whole. Electricity production in hydroelectric power plants dropped by 11.6% y-o-y in December, while it posted the greatest increase in 2009 as a whole (21.7%), owing to the high water levels of rivers. Electricity output in the nuclear power plant dropped by 3.8% y-o-y in December; due to the regular overhaul, it also declined in the year as a whole (-8.7%). Production in thermal power plants increased significantly in December (26.2%), but was 2.9% lower, compared with 2008 in the year as a whole. Electricity consumption had already dropped by 5.4% in 2008, largely as a consequence of transition to a less energy-

## Box 2: (In)solvency

*Insolvency of legal entities increased significantly in 2009.* According to data collected by the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), 5,252 legal entities had outstanding matured liabilities<sup>13</sup> for more than five consecutive days in a month in an average daily amount of EUR 257 m in December 2009. In 2009 (December 2009 in comparison with December 2008), the number of these enterprises increased by 53.8%, and the average daily amount of their outstanding matured liabilities by 74.3%. The bulk (nearly one half) of the increase in the amount of liabilities came from legal entities in construction, where outstanding liabilities almost doubled. One fifth of the total increase in the amount came from legal entities from the financial and insurance sector, where outstanding liabilities are highly concentrated in a relatively small number of legal entities. In this sector, in December last year the average amount of outstanding matured liabilities per legal entity was approximately 17 times higher than the average for all activities. Looking at the structure of total outstanding liabilities, an important share was also recorded for trade, maintenance and repair of motor vehicles, and professional, scientific and technical activities (with »only« an 18% increase in 2009), and in manufacturing, where the increase was more than 50%. All other activities together only accounted for a 17% share in the total average daily amount of outstanding matured liabilities in December 2009, which does not necessarily mean that these activities did not have difficulties discharging matured liabilities.

*The financial burden of outstanding matured liabilities in individual sectors is shown by the relationship between outstanding liabilities and all cash receipts.* The calculation shows that besides in construction, this burden is highest in hotels and restaurants, professional, scientific and technical activities, agriculture and real estate activities. Enterprises are not only in arrears with the above-mentioned payments; the share of enterprises falling behind in fulfilling their obligations to banks has also been rising in recent months. According to the Bank of Slovenia data<sup>14</sup> by sector on non-financial enterprises' arrears in fulfilling obligations to banks, the share of enterprises that fall behind on payments to banks is highest in hotels and restaurants, while it is also above average in transport and storage, agriculture, real estate activities, distributive trades and in manufacturing.

Figure 12: Legal entities with outstanding matured liabilities for more than five consecutive days in a month and average total amount of outstanding liabilities



Source: AJPES.

<sup>13</sup>AJPES does not monitor all outstanding matured liabilities; it only registers outstanding matured liabilities that have priority according to the Tax Procedure Act and Execution of Judgments in Civil Matters and Insurance of Claims Act. These are: i) mandatory maintenance allowance, compensation for losses due to impaired health, compensation for loss of earning capacity or compensation for death of a supporter, ii) tax debt and costs of forcible collection, iii) court decision on enforcement.

<sup>14</sup>Banking operations in the current year, developments on the capital markets and interest rates, December 2009

Table 3: Number of legal entities with outstanding matured liabilities for more than five consecutive days in a month and average total amount of outstanding liabilities by sector

	Number of legal entities with outstanding matured liabilities	Growth Dec. 09/ Dec. 08	Average daily amount of outstanding matured liabilities in EUR	Growth Dec. 09/ Dec. 08	Average daily amount per legal entity in EUR
Construction	1,288	76.0	78,228,424	189.3	60,736
Financial and insurance activities	55	34.1	46,186,267	91.9	839,750
Trade	1,083	34.4	38,116,193	18.5	35,195
Manufacturing	662	53.6	28,933,708	56.3	43,707
Professional, scientific and technical activities	537	51.7	20,805,377	18.4	38,744
Other	1,627	55.0	44,456,295	59.1	27,324
Total	5,252	53.8	256,726,264	74.3	48,882

Source: AJPES.

Table 4: Relationship between outstanding liabilities at the end of 2009 and cash receipts in 2009

F Construction	8.6
I Accommodation and food service activities	5.5
A Agriculture, forestry and fishing	2.4
M Professional, scientific and technical activities	2.4
L Real estate activities	2.3
N Administrative and support service activities	1.6
H Transportation and storage	1.4
S Other service activities	1.3
R Arts, entertainment and recreation	1.2
C Manufacturing	0.9
G Wholesale and retail trade, repair of motor vehicles and motorcycles	0.9
TOTAL	0.7
J Information and communication	0.6
E Water supply sewerage, waste management and remediation activities	0.5
P Education	0.3
K Financial and insurance activities	0.2
Q Human health and social work activities	0.2
B Mining	0.0
D Electricity, gas, steam and air conditioning supply	0.0
O Public administration and defence, compulsory social security	0.0

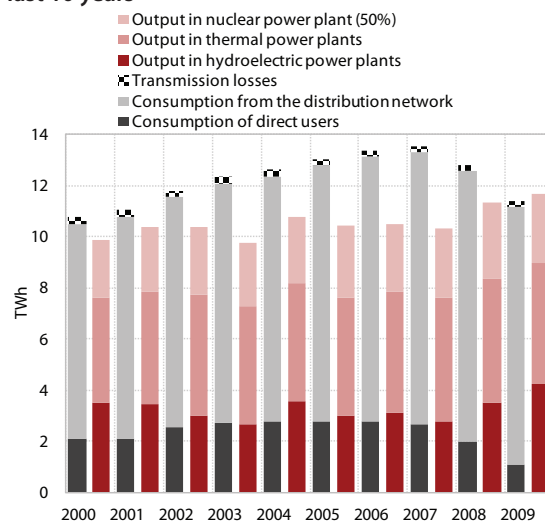
Source: AJPES, calculations by IMAD.

intense aluminium production and the bankruptcy of a large company in the metal industry (contributing more than nine tenths). The 10.7% consumption decline in 2009 was a consequence of the economic crisis. More than two thirds of the total decline were again attributable to the metal industry (direct consumers from the transmission network). In December, electricity consumption recorded its first y-o-y increase in 2009 (1.8%), mainly as a result of the low base effect (consumption was 14.0% lower y-o-y already in December 2008). In 2009, electricity

consumption dropped below the level of 2002. With slightly higher production, Slovenia thus recorded net electricity exports equalling 2.3% of consumption, even if the Croatian part of nuclear power plant production is excluded from the calculation.

The volume of road freight **transport** declined y-o-y also in the third quarter of 2009 and was in line with expectations, but the deterioration of rail transport was higher. Road freight transport<sup>15</sup> dropped by 12.3% y-o-y in the third quarter of 2009, after declining by 12.7% and 7.6% y-o-y, respectively, in the first two quarters of the year. In the third quarter, domestic transport still dropped, but only by 2.3%, while international transport recorded a higher decline (-14.5%); the drop of domestic transport was, however, greater in the first nine months as a whole. Based on data on trucks passing through toll stations (which otherwise also include foreign trucks), Slovenian

Figure 13: Electricity output and consumption over the last 10 years



Source: ELES.

<sup>15</sup> Goods motor vehicles registered in Slovenia..



freight transport is expected to see a smaller y-o-y drop in the last quarter of 2009. Rail freight transport declined much more notably than road freight transport and was 24.1%, 26.0% and 30.7% lower y-o-y in the first three quarters of 2009. In the third quarter of the year, domestic transport dropped by 19.3% and international transport by 33.6%. Even if most train routes were allocated to Slovenia's main rail carrier in 2009, two Austrian carriers also operated on the Slovenian market, which, besides the economic crisis, also contributed to a lower volume of Slovenian rail transport services. In addition to the impact of the global crisis and the new competition, Slovenia's main rail carrier posted poor performance also as a result of an unsuccessful restructuring conducted in 2004 and its balance sheet indicators deteriorated further by the end of 2009 (initial capital: EUR 95 m, debt: EUR 350 m, loss EUR 80 m).

Figure 14: Road and rail freight transport



After increasing in October, total real turnover in **retail trade**<sup>16</sup> declined in November (seasonally adjusted), reaching the level of the summer months again, while at the y-o-y level, the real turnover decline slowed further.<sup>17</sup> Looking at total retail trade, the real turnover decline deepened y-o-y in retail trade and slowed in the sale and repair of motor vehicles. The deepening of the decline of turnover in retail trade was largely due to a higher drop in turnover in specialised stores selling automotive fuels<sup>18</sup> and in the sale of food, beverages and tobacco, while the decline in real turnover in the sale of non-food products remained at the level of October. The decline slowed most notably in the sale and repair of motor vehicles, where turnover was (after lagging by a quarter for several months and by 16% in October) "only" slightly over 7% lower than in November 2008, which was, however, also due to the

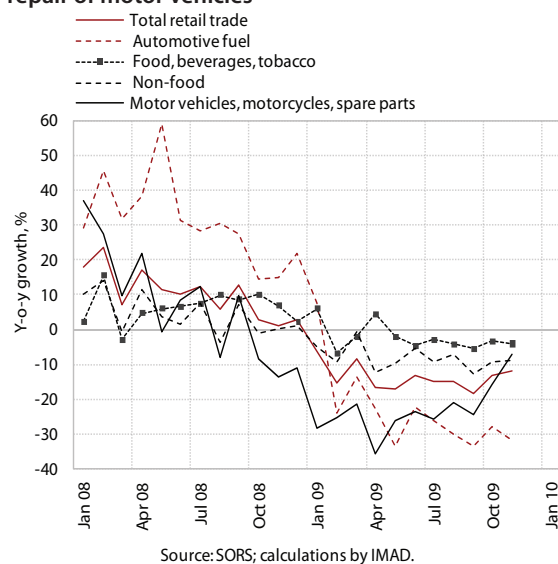
<sup>16</sup> In total retail trade, sale and repair of motor vehicles (47+45).

<sup>17</sup> For more on the base effect see Box 1, SEM, December 2009.

<sup>18</sup> In November, turnover was almost one third lower in real terms than in November 2008.

fact that it had been declining since October 2008. This sector saw more than 7% lower turnover in the sale of motor vehicles, motorcycles, parts and accessories, even though the number of new passenger car registrations was approximately the same as in November 2008. The turnover decline was also due to changes in the car sales structure, given that sales of light commercial vehicle and luxury, sports, prestige and other more expensive passenger cars declined in favour of sales of medium-low price cars.<sup>19</sup> In the first eleven months of 2009, total turnover dropped by 13.8% y-o-y (in retail trade by 11.2% and in the sale and repair of motor vehicles by 23.4%).

Figure 15: Turnover in retail trade and in the sale and repair of motor vehicles



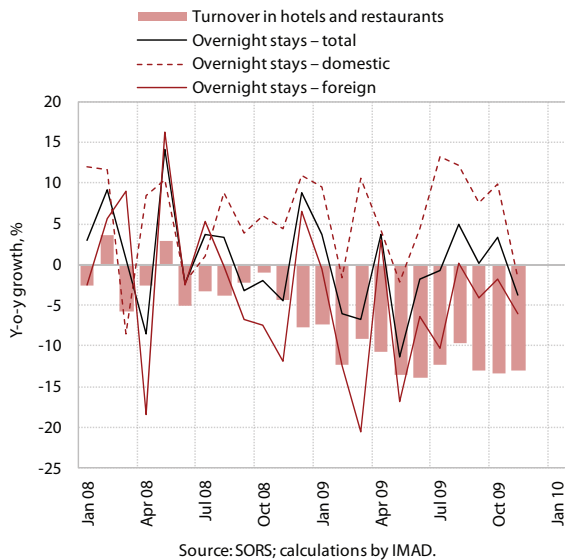
Nominal turnover in **wholesale trade** declined again in November (seasonally adjusted), after two months of growth; at the y-o-y level, turnover decline continued to slow, but remained substantial. The decline in nominal turnover in wholesale trade slowed y-o-y in November, but turnover was still almost one fifth lower than in November 2008. In the first eleven months of 2009 as a whole, nominal turnover was more than a fifth lower than in the same period of 2008.

Real turnover in **hotels and restaurants** continued to drop (seasonally adjusted) in November, while its y-o-y decline remained notable. After growing for three months, the number of overnight stays declined by 3.8% y-o-y in November; within that, domestic stays by 1.5% and non-residents' stays by just over 6%. In the first eleven months as a whole, total real turnover was down 11.7% from the same period of 2008, while the number of total overnight stays remained roughly unchanged.

At the end of 2009, **consumption** had still been modest, while January saw higher consumer optimism regarding major

<sup>19</sup> According to the data from the Motor Vehicles Section at the Chamber of Commerce obtained at <http://www.ads-slo.org/statistika/>.

Figure 16: Tourist overnight stays and turnover in hotels and restaurants



*purchases.* Despite the relatively normal disbursement of Christmas bonuses, the y-o-y decline in the net wage bill was still slightly higher in December than in November, which was also due to the y-o-y decline in public sector wages (the first since February 2008). At the end of the year, turnover in retail trade was still more than a tenth lower than a year earlier. Consumer loans also recorded a modest net flow in December (EUR 2 m; in 2009 as a whole, loans raised by households accounted for just over one tenth of the value recorded in 2008). In January, consumer optimism remained at approximately the same level as a month earlier; a visible improvement was recorded for the indicator showing the mood of consumers regarding the right time for major purchases. New car registrations by natural persons thus increased for the third consecutive month, this time by as much as 38%, given that they dropped by one third in January 2009. In 2009, the number of car registrations by natural persons dropped by 15% relative to 2008. According to the data from the Slovenia's Motor Vehicles Section at the Chamber of Commerce, this number was higher for cars in the medium-low price level group, particularly towards the end of the year, which is also indicated by a slower recovery of turnover in the retail sale of motor vehicles (in comparison with the increase in the number of vehicles), which dropped by 7.2% in November.

The value of the **sentiment indicator** increased by 4 p.p. in January relative to December, as a result of a visible improvement in the value of confidence indicators in manufacturing and services sectors. The consumer confidence indicator and the confidence indicator in retail trade were somewhat lower than in December. The confidence indicator in the construction sector recorded a significant decline, dropping again to the lowest level so far, which had already been posted at the beginning of 2009.

Figure 17: Household consumption indicators

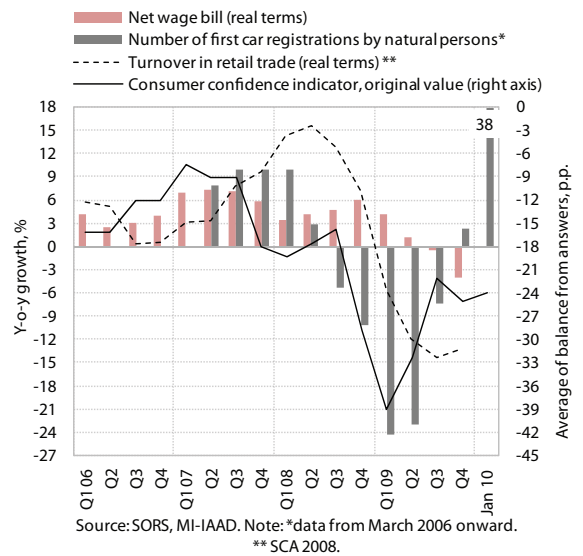
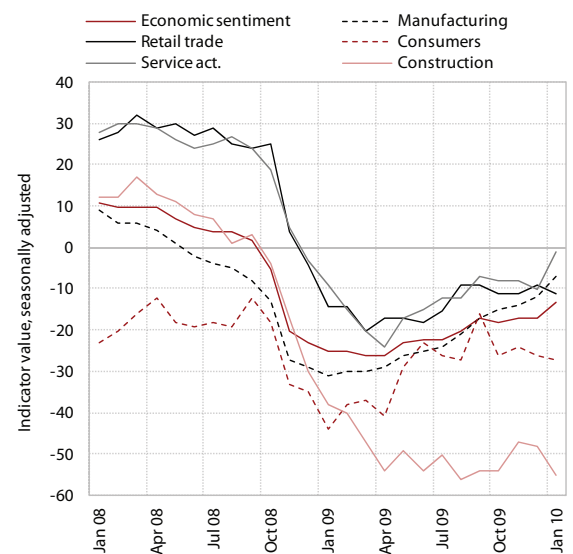


Figure 18: Business trends



## Labour market

**Employment declined further in November.** The number of employed persons declined by 406 (seasonally adjusted by 0.1%); the y-o-y rate remains the same as in October, (-4.2%). Compared with October, the number of employed persons continued to increase in most service activities (except in transport and hotels and restaurants), while the steepest declines were again recorded in construction and manufacturing. In December, the number of vacancies was almost the same as in November, but not more than 5.1% lower than a year earlier, while the number of persons hired is declining and was 15.2% lower than in December 2008. In 2009, the number of vacancies and

Table 5: Persons in formal employment by activity

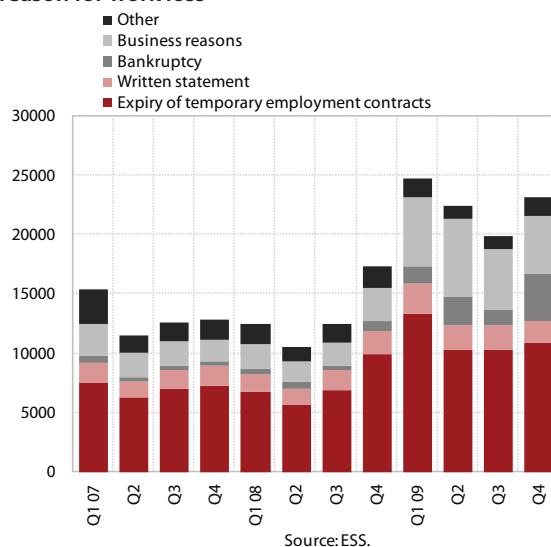
	Number in 1,000				Y-o-y growth rates, %			
	2008	XI 08	X 09	Xi 09	2008/ 2007	XI 09/ X 09	XI 09/ XI 08	I-XI 09/ I-XI 08
A Agriculture, forestry and fishing	38.0	38.9	37.9	37.8	-1.8	-0.2	-2.7	-4.7
B Mining and quarrying	3.4	3.5	3.3	3.2	-5.2	-1.2	-7.5	-7.2
C Manufacturing	199.2	219.8	192.5	192.1	-0.5	-0.2	-12.6	-10.0
D Electricity, gas, steam and air conditioning supply	7.9	7.7	8.0	8.0	-1.1	0.5	3.6	2.9
E Water supply sewerage, waste management and remediation activities	9.1	9.0	9.1	9.1	4.7	0.0	1.2	2.4
F Construction	87.5	91.5	86.0	85.2	12.2	-0.9	-6.9	-0.8
G Wholesale and retail trade, repair of motor vehicles and motorcycles	114.5	117.3	113.7	113.9	3.5	0.1	-2.9	-0.8
H Transportation and storage	49.9	51.8	49.2	49.2	5.4	-0.1	-5.0	-2.6
I Accommodation and food service activities	34.4	34.3	34.0	33.9	1.7	-0.2	-1.2	0.8
J Information and communication	22.5	22.4	22.5	22.5	4.8	0.1	0.6	3.0
K Financial and insurance activities	24.8	24.7	24.2	24.2	4.2	0.0	-1.9	1.2
L Real estate activities	4.4	4.3	4.4	4.4	9.6	0.0	1.6	5.1
M Professional, scientific and technical activities	44.5	44.2	45.7	45.8	7.1	0.2	3.6	4.8
N Administrative and support service activities	25.4	26.5	25.8	26.1	5.2	1.0	-1.6	-1.8
O Public administration and defence, compulsory social security	51.6	51.1	51.6	51.7	1.3	0.2	1.3	1.1
P Education	61.7	61.1	62.4	62.7	1.5	0.4	2.6	2.8
Q Human health and social work activities	52.4	51.5	52.1	52.2	2.7	0.2	1.5	2.2
R Arts, entertainment and recreation	14.1	14.0	14.1	14.1	6.5	0.0	1.2	1.9
S Other service activities	13.3	13.1	13.4	13.4	1.3	0.3	2.2	3.9
T Activities of households as employers, undifferentiated goods - and services - producing activities of households for own use	0.6	0.5	0.6	0.5	6.4	-5.5	-0.2	7.7

Source: SORS, calculations by IMAD.

persons hired was, on average, nearly a third lower than a year before. The number of work permits for foreigners is also on the decline and was by an average of 6.7% lower in 2009 than in 2008. It totalled 78,387 in December, 12,306 persons or 13.7% less than in December 2008. The government of the RS adopted the Decree Laying down the Work Permit Quota for 2010, foreseeing 12,000 work permits for foreigners, which is half of the work permit quota for 2009.

**The number of unemployed persons also increased in December and January.** It totalled 96,672 in December (seasonally adjusted, 0.5% more than in the previous month and 45.9% more than in December 2008) and 99,591 in January (seasonally adjusted, 0.1% more than in the previous month and 34.7% more than in January 2009). December's increase was smaller than in previous months, according to seasonally adjusted data. The number of persons who lost work in December was otherwise still high (6,785; 182 more than in December 2008), but nevertheless lower than in November (by 1,115). As usual, most of these persons lost work due to the termination of temporary employment contracts (55%) or for business reasons (25%). However, the number of the unemployed who found work (3,939) was also lower in December than in November, which is otherwise typical for this season. As in all months since April 2009, also in December more people found jobs (1,568) than

Figure 19: Inflow into registered unemployment by reason for work loss



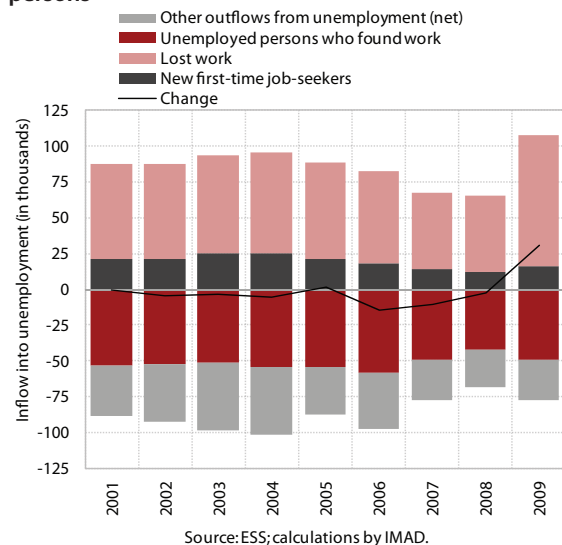
in the same month of 2008. In December, the inflow of first-time job seekers into unemployment also did not exceed the typical seasonal figure, while the outflow from unemployment for reasons other than employment was, if lower than in October and November for seasonal reasons, still high (fewer deletions from unemployment



registers due to education and training, while the number of persons struck off the unemployment register for failing to fulfil their duties as unemployed persons remains high). The registered unemployment rate climbed to 10.1% in November.

The number of registered unemployed persons totalled 86,354 in 2009 as a whole, 23,139 (36.6%) more than in 2008. In 2009, the number of the unemployed increased largely due to a higher number of persons who lost work, totalling 90,528, which is 37,484 (70.7%) more than a year before. Within that, one half lost work due to the expiry of temporary employment contracts, while a significant increase was also posted for the shares of persons who were dismissed for business reasons or because their employers went bankrupt. Altogether 16,994 first-job seekers registered as unemployed in 2009 (35.8% more than a year before). On the other hand, the number of unemployed persons who found work was also higher than a year before (48,553 or 16.5%); the decline in the number of persons who became unemployed for other reasons was also greater (28,536 or 9.5% more). The share of women among the unemployed also declined in 2009 (to 49.1%, which is 3.7 p.p. less than a year before). As a result of the high inflow of newly registered unemployed persons, the year 2009 also saw declines in the share of the long-term unemployed (to 36.5%, 14.7 p.p. less than a year before) and the share of unemployed persons older than 50 (30.3%, 4.4 p.p. less than a year before).

Figure 20: Movements of registered unemployed persons



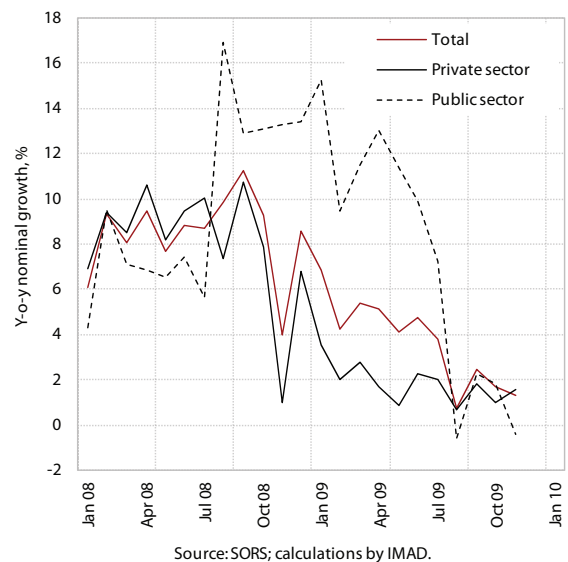
In November, wage growth increased owing to extraordinary year-end payments. The gross wage per employee increased by 8.5% in nominal terms in November relative to October, which is, due to the economic crisis and low price rises, the lowest November increase in the last five years. Wage growth in the private sector was nonetheless surprisingly high. The y-o-y growth of the total gross wage slowed further (1.3%), as did the average annual growth,

Table 6: Labour market indicators

in %	2008	XI 09/ X 08	XI 09/ XI 08	I-XI 09/ I-XI 08
Labour force	-0.6	0.0	-0.5	0.3
Persons in formal employment	3.1	0.0	-4.2	-2.2
- Employed in in enterprises and organisations and by those self-employed	3.1	-0.1	-4.9	-2.7
Registered unemployed	11.4	0.9	50.6	35.7
Average nominal gross wage	8.3	8.5	1.3	3.5
- private sector	7.8	11.6	1.6	1.8
- public sector	9.8	0.9	-0.4	7.1
	2008	XI 09	X 09	XI 09
Rate of registered unemployment, in %	6.7	7.0	10.0	10.1
Average nominal gross wage (in EUR)	1,391.43	1,550.29	1,448.13	1,570.53
Private sector (in EUR)	1,315.49	1,485.66	1,351.77	1,509.03
Public sector (in EUR)	1,642.58	1,764.82	1,741.05	1,757.25

Sources: ESS, SORS; calculations by IMAD.

Figure 21: Nominal gross wage per employee



which posted a nominal 3.5% in the first eleven months of 2009 (8.3% in 2008), while the real gross wage increase (2.7%) exceeded that from the comparable period of 2008 (2.2%).

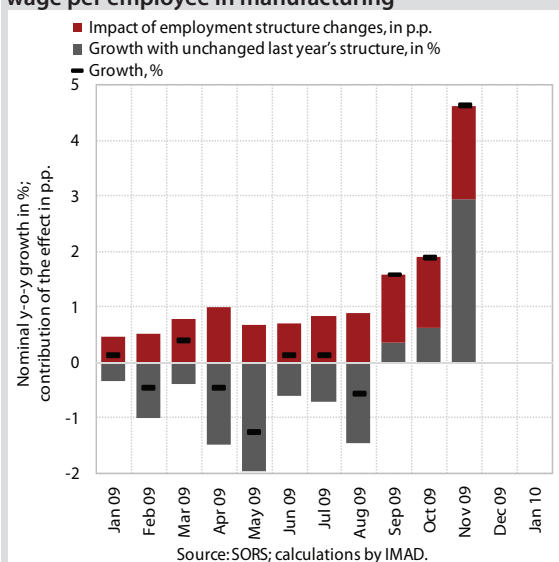
November saw high wage rises in the private sector due to the disbursement of 13<sup>th</sup> month payments and Christmas bonuses. November's increase of the gross wage in the private sector (11.6%) was marked by the disbursement of 13<sup>th</sup> month payments and Christmas bonuses, which were only slightly lower than in 2008. The share of employees who received these payments in the average amount of EUR 683 (EUR 698 a year earlier) was similar to 2008 (18.1%; in 2008: 19.9%). Wage growth was exceptionally high (29% on average) in four activities (water supply,

**Box 3: Impact of changes in the structure of the employed on the increase in the gross wage per employee**

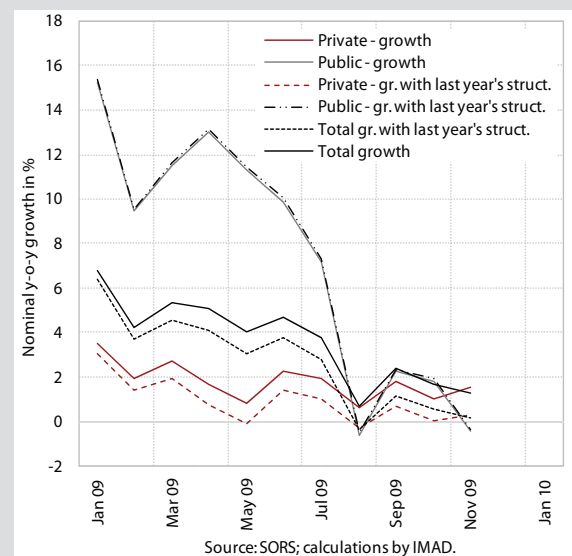
Part of the y-o-y increase in the gross wage per employee in the private sector and, consequently, in the total gross wage is attributable to the impact of changes in employment structure as a result of the crisis and dismissals. In manufacturing alone, more than 30,000 persons have lost their jobs since April 2008, when the number of persons in paid employment started to gradually decline, to November 2009, while increased dismissals were also recorded in other private sector activities. More than 38,000 persons were thus left jobless in the twelve months from November 2008. This has, purely technically, impacted the average level of the gross wage in manufacturing, in the private sector, as well as the total gross wage per employee. According to the calculation of the average gross wage per employee obtained as a weighted average of wages and employees at the level of activities, the proportion of low-wage employees was declining due to dismissals, which increased the levels of the average gross wage of the rest of the employed.

In the first eleven months of last year, the impact<sup>20</sup> of changes in employment structure on average wage growth was most pronounced in manufacturing, where these changes were most notable, and consequently, also in the industry and in the private sector. In the first eight months of 2009, y-o-y growth in the gross wage per employee in manufacturing was largely a result of changes in employment structure and dismissals of low-wage employees (not including the latter, it would be negative throughout this period). In the first eleven months of the year, the gross wage in manufacturing increased by 0.5% y-o-y (actual calculation), while taking into account the effect of employment structure changes, this figure would be 0.9 p.p. lower (-0.4%). The same effect or contribution to growth (0.9 p.p.) was calculated for the gross wage in the industry (B-F), in the private sector, and for the total gross wage per employee. Taking into account the structural effect, in the first eleven months of 2009, the average annual increase in the gross wage per employee would thus total a mere 0.2% in the industry and 0.9% in the private sector, while the total gross wage would increase by 2.6% (and not 1.1%, 1.8% or 3.5%, respectively, as actually published/calculated). Breakdown by activity group further indicates a positive, if somewhat lower, structural effect in business services (J-N; S; 0.5 p.p.), while the structural changes had a reverse effect (negative) in production services (G-I; -0.3 p.p.) and in the public sector (-0.1 p.p.). Looking at the public sector, this means that the (calculated) 7.1% average annual increase in the gross wage per employee was even slightly underestimated (taking into account the structural changes in employment, it would be even somewhat higher, at 7.2%), which indicates even higher disparities between last year's wage rises in the private and public sectors.

**Figure 22: Breakdown of the y-o-y increase in the gross wage per employee in manufacturing**



**Figure 23: Disparities in y-o-y gross wage rises per employee due to the effect of changes in employment structure**



<sup>20</sup> How changes in employment structure affect the growth in the gross wage per employee is calculated at the level of activities (according to SKD 2008) as a difference between the actual or actually published y-o-y wage growth (calculated from the weighted average of wages per employee and current employment structure) and what is called a y-o-y wage growth amid unchanged (last year's) employment structure (calculated from the weighted average of wages per employee and employment structure from a year before).

**Box 4: Minimum wage**

*The government passed a new act regulating the minimum wage with a broader definition of how the minimum wage is set. While retaining the right to the minimum wage for full-time employment, the act provides a new definition of the components determining the minimum wage (consumer goods growth, wage movements, economic situation/ economic growth and movements of employment) and changes to the adjustment mechanism. The minimum wage is now to be adjusted each January at a rate no less than the published y-o-y growth of consumer goods in the previous year. The amount of the minimum wage shall be released by the end of January after being negotiated with the social partners. The new amount of the minimum wage has also been fixed, at EUR 734.15, which is 22.9% higher than what it was before. Owing to this increase in the gross amount and the increase in general tax relief for the lowest wages, the net minimum wage totals EUR 562, which is the estimate of minimum costs of consumer goods per person.<sup>21</sup> In view of the high percentage of the minimum gross wage increase, the act includes transitional provisions allowing for adjustment to the above-mentioned gross wage level by the end of 2011.*

*The mandatory minimum wage amount entails a significant increase in the number of recipients. Data on persons in paid employment by amount of gross earnings in 2008 show that about 87,000 employees received wages in the amount of EUR 734, according to our estimate. The proportion of minimum-wage recipients in total employed persons would thus increase from 3% to more than 10%, by our estimate; according to Eurostat, Slovenia would thus be ranked among the EU countries with the greatest shares of minimum-wage recipients, along with France, Bulgaria, Latvia, Luxembourg and Lithuania. We estimate that the act will also result in a higher concentration of employees with low wages, as well as a levelling of wages for low-wage employees. This concentration will be most pronounced in activities with high shares of employees with a low education, where the distribution of employees by the gross wage level was highly concentrated in the area of low wages, according to data from 2008. These are particularly accommodation and food service activities, construction, administrative and support service activities and, within manufacturing, labour-intensive industries. A large increase in the number of minimum-wage recipients will also put additional upward pressure on other wages, along with the pressure for dismissals. These pressures are supposed to be eased by transitional provisions provided by the act, allowing enterprises with business difficulties a gradual introduction of the mandatory amount, but not later than by the end of 2011.*

*We analysed the pressure of the minimum-wage increase on unemployment, based on estimated short-term and long-term elasticity of employment to labour costs. Elasticity was estimated by means of a dynamic labour demand function<sup>22</sup> based on business data for 1995–2007. Assuming immediate adjustment of the minimum wage, approximately 5,000 persons could be affected by the short-term effects of job loss according to this model, while this number might also climb to around 20,000 throughout the process of adjustment.*

*The new minimum wage is expected to accelerate restructuring in certain sectors, which could also potentially increase unemployment. The business sector will have to pay even more attention to raising value added in the future. The government will have to provide appropriate policies (in the area of labour market, taxes) allowing enterprises to adjust to new demands for higher technology intensity and, of course, to transform the structure of employees by improving the education structure.*

<sup>21</sup> This amount is a calculation of the Institute for Economic Research in Ljubljana.

<sup>22</sup> The model assumes that enterprises are primarily focused on maximising profits. Given that they face limitations according to the Cobb-Douglas production function, maximisation of profits means minimisation of costs. The model also assumes a long-term equilibrium, to which enterprises adjust with quadratic adjustment costs. The source of data is the balance sheets and income statements by AJPEs.

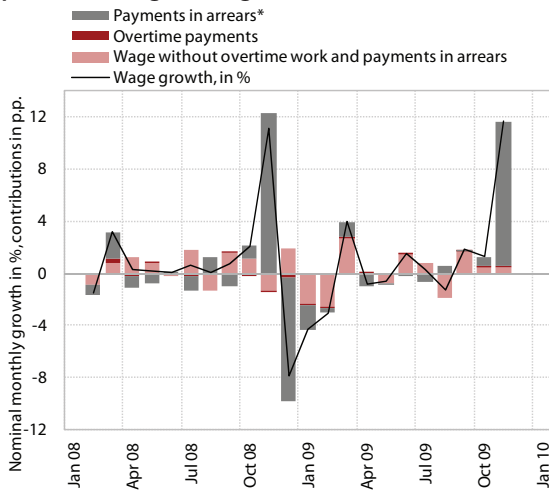
electricity and gas supply, financial and insurance activities and mining). Such divergence from the private sector average is problematic, given that these activities (with the exception of financial activities), which have a specific monopoly position on the market and high levels of state-ownership, recorded high 13<sup>th</sup> month payments despite the deteriorated economic situation; in financial institutions, performance-related payments are also not what one would expect in a time of crisis, when they are receiving ample financial support from the government. In y-o-y terms, this sector's gross wage recorded even stronger growth<sup>23</sup> (1.6%), albeit much lower in the first eleven months (1.8%) than in the same period of 2008 (8.0%).

<sup>23</sup> Particularly in the industry group (B-F; 3.9%), while it dropped in market services (-0.9%)

*The average gross wage in the public sector continued to grow at a modest pace in November, but it was smaller than a year before. As in the private sector, the bulk of November's gross wage increase<sup>24</sup> (0.9%) came from payments in arrears, but their contribution and growth were substantially lower than in the private sector. For the second time last year, this sector's gross wage was even lower y-o-y (-0.4%), while in the first eleven months as a whole, the y-o-y increase was slower than in the comparable period of 2008 (7.1%; in 2008: 9.4%), yet still notably higher than in the private sector.*

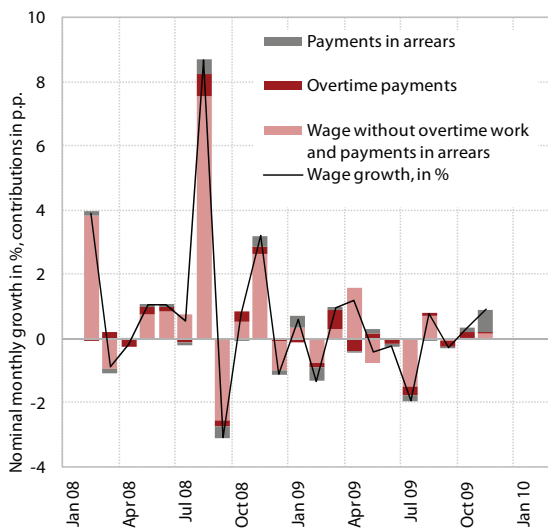
<sup>24</sup> The greatest increases were recorded for gross wages in arts, entertainment and recreation (1.3%), where the majority of the employed persons work in the private sector and also received year-end payments, followed by health and social work (1.0%) and public administration (0.6%).

Figure 24: Breakdown of the monthly increase in the private sector gross wage



Source: SORS, calculations by IMAD. Note: \*Within that, Christmas bonuses, 13th month payments and performance-related payments account for a significant share.

Figure 25: Breakdown of the monthly increase of the gross wage in the public sector



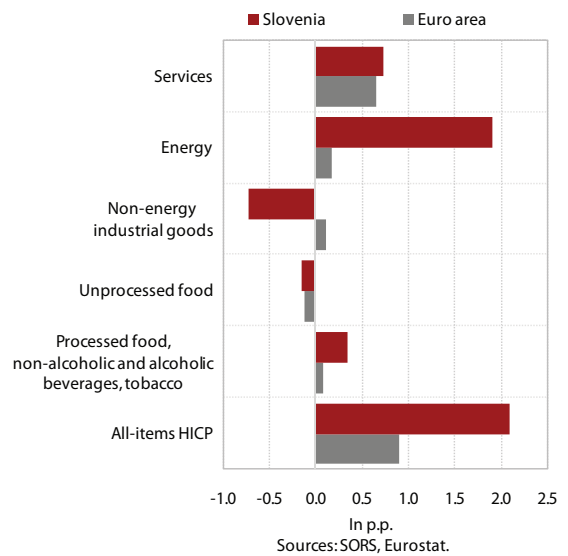
Source: SORS, calculations by IMAD.

## Prices

In 2009, Slovenia's **inflation** was among the highest in the euro area. In Slovenia, consumer prices increased by 0.9% in the euro area as a whole and by 2.1%<sup>25</sup> in Slovenia, which was, despite the relatively low level, the third highest price increase in the euro area. Only Greece and Luxembourg posted higher price rises than Slovenia, while the greatest price decline was recorded in Ireland (2.6%).

<sup>25</sup> HICP data.

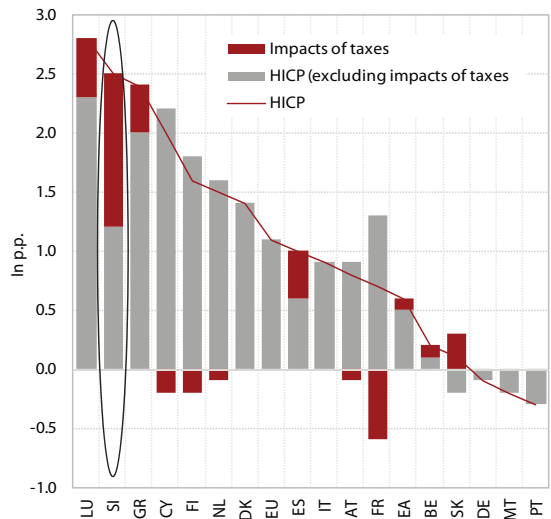
Figure 26: Contributions of individual price groups to inflation in 2009 in Slovenia and at the level of the total euro area



Sources: SORS, Eurostat.

Y-o-y inflation in the total euro area, which had been declining in the first half of 2009 and was negative in the summer and autumn month, was, amid moderate economic activity, mainly affected by base effects related to the past changes in prices of oil and food. The movement of prices of non-energy industrial goods, which largely follows the movement of prices of passenger cars and clothing and footwear, purchases of which can be postponed for a while, was moderate in 2009 as a result of weak demand. These goods posted negligible price rises in the euro area as a whole, while in some countries (including Slovenia) their prices even declined. Growth in service prices also slowed down in the entire euro area last year as a consequence of weak demand.

Figure 27: Contribution of fiscal changes to inflation in the euro area in 2009



Sources: Eurostat.

Table 7: Prices

in %	2008		2009		
	XII 2008/ XII 2007	Φ (I 08–XII 08)/ Φ (I 07–XII 07)	XII 09/ XI 09	XII 09/ XII 08	Φ (I 09–XII 09)/ Φ (I 08–XII 08)
Consumer prices (CPI)	2.1	5.7	-0.5	1.8	0.9
Goods	1.3	6	-0.6	1.9	0.0
- Fuel and energy	-7.2	10.6	-0.1	14.6	-3.5
- Other	3.2	5	-0.7	-0.4	0.6
Services	3.8	5	0.0	1.6	2.6
Consumer prices (HICP)	1.8	5.5	-0.4	2.1	0.9
Administered prices <sup>1</sup>	-7.8	9.6	-0.5	12.6	-4.7
- Energy	-11.9	14.4	-0.8	14.7	-9.6
- Other	0.4	0.1	0.0	4.0	2.5
Core inflation					
- excluding (fresh) food & energy	3.9	4.6	-0.5	0.3	1.9
Consumer prices in the EMU	1.6	3.3	0.3	0.9	0.3
Producer prices of domestic manufacturers					
- domestic market	3.1	5.6	0.0	-0.7	-0.4
- EMU	-0.1	2.1	-0.5	-2.3	-3.5

Sources: SORS, Eurostat, calculations by IMAD. Note: <sup>1</sup> due to annual changes of the administered price index, figures are not directly comparable across years. Municipal services are included in the calculation throughout 2009.

Fiscal changes were an important inflationary factor in certain euro area countries. According to Eurostat data, Slovenia posted the greatest fiscal contribution to inflation, with excise duty rises contributing 1.3 p.p.<sup>26</sup> to inflation in the first eleven months last year, 0.8 p.p. more than in Luxembourg, the country following Slovenia according to this criterion. In the euro area as a whole, fiscal changes contributed 0.1 p.p. to total inflation. In some countries taxes declined, most notably in France, where inflation dropped by 0.6 p.p. on account of lower taxes.

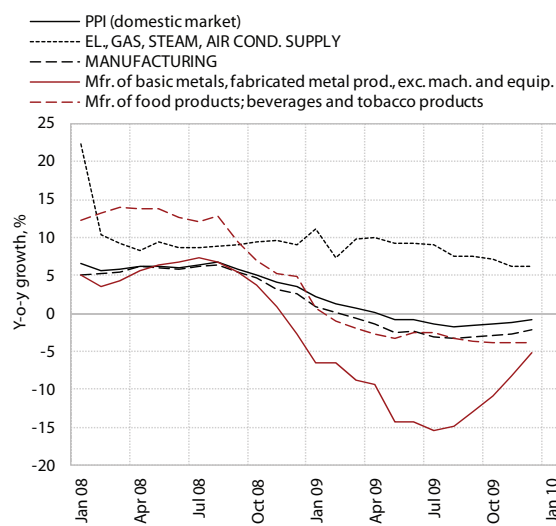
**Producer prices of manufactured goods on the domestic market** dropped by 0.7% in 2009. The total price decline was due to lower prices in manufacturing (-2.2%). Prices in electricity and water supply increased (6.1% and 12.1%, respectively). Prices in mining were left unchanged last year. The dynamics of manufacturing prices were mainly affected by the movement of prices of metals and metal products, which dropped by 4.2% last year and in the manufacture of food products (-3.7%). Prices in the manufacture of furniture increased last year (6.8%).

With November's deterioration, although among the lowest in the euro area, the **price competitiveness of the economy** posted one of the highest y-o-y deteriorations in the euro area in the first eleven months of last year. Growth in the real effective exchange rate as measured by relative<sup>27</sup> consumer prices strengthened at the monthly and y-o-y levels in November (0.7% and 3.3%, respectively). Monthly growth was boosted by higher relative prices, which had

<sup>26</sup> The latest available data.

<sup>27</sup> In Slovenia, compared with its trading partners.

Figure 28: Domestic producer prices of manufactured goods



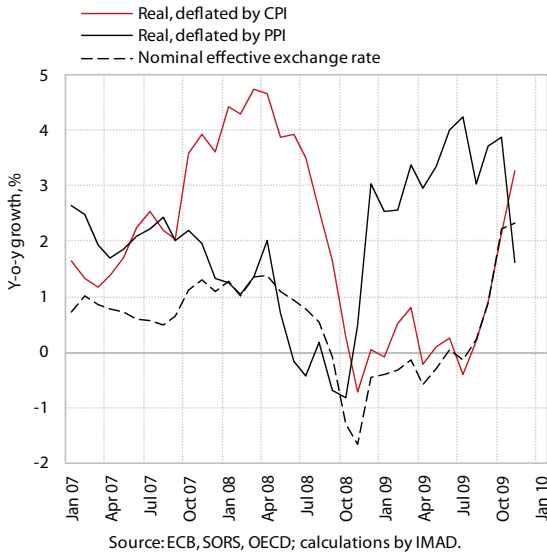
Source: SORS.

not contributed decisively to the deterioration of price competitiveness<sup>28</sup> since mid-2009. Stronger y-o-y growth of the real effective exchange rate was largely influenced by a higher exchange rate of the euro, which otherwise dropped slightly at the monthly level, after it had been mainly strengthening slightly since December 2008. In October and November, the euro also appreciated more notably against the US dollar y-o-y, after increasing

<sup>28</sup> Before that time, the substantially higher consumer price growth in Slovenia than in its trading partners had been pivotal for the deterioration of Slovenia's price competitiveness for a year and a half.

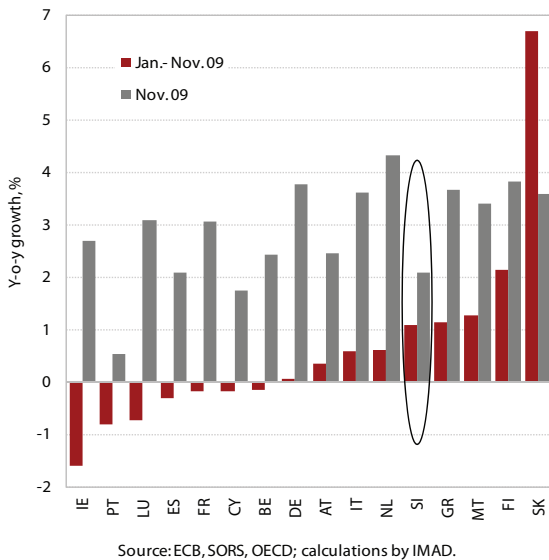


Figure 29: Real effective exchange rate deflated by CPI and PPI



for several months; the y-o-y deterioration of price competitiveness was therefore higher, after a year of relatively stable movements. Given the structure of Slovenia's foreign trade with a relatively small USD share, the y-o-y deterioration in Slovenia was smaller than in most other euro area countries. In the first eleven months of 2009 as a whole, Slovenia was still among the countries with relatively more unfavourable price competitiveness movements, given that until September its price competitiveness had also been less impacted by the y-o-y drop of the euro against the US dollar.

Figure 30: Real effective exchange rates of euro area members deflated by HICP

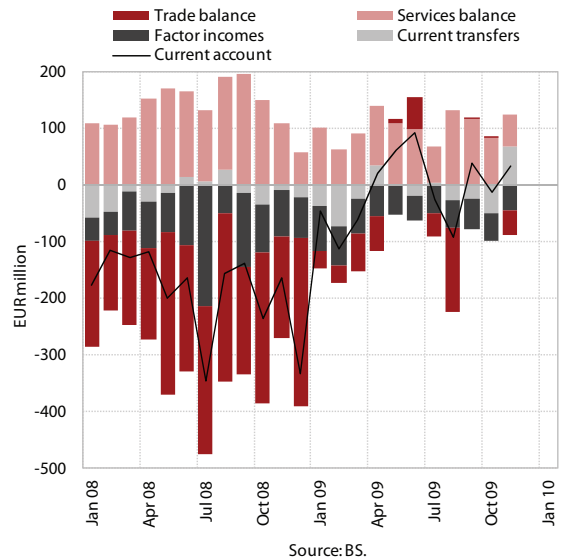


The **price competitiveness of manufacturing** continued to improve in November, after a two-month break, deteriorating y-o-y at a much slower pace. The real effective exchange rate deflated by relative producer prices in manufacturing dropped in November (-1.0%). Its y-o-y growth, which had until October 2009 mainly resulted from high y-o-y growth of relative prices due to the base effect, also recorded a noticeable slowdown (from 3.9% to 1.6%). At the monthly level, relative producer prices were mainly falling in 2009. In November 2009, they were down 2.0%, compared with the end of 2008.

### Balance of payments

The deficit in the **current account of the balance of payments** totalled EUR 114.2 m in the first eleven months of 2009 (compared with EUR 1,952.8 m in the same period of 2008). The current account of the balance of payments recorded a slight surplus (EUR 33.3 m) in November, largely as a result of the surplus in current transactions due to a higher net absorption of funds from the EU budget. Merchandise trade, on the other hand, posted a deficit after two months of modest surplus, while the surplus in the services balance that had been declining since September continued to do so in November.

Figure 31: Components of the current account balance



In November, the merchandise trade deficit was much lower y-o-y, as was the surplus in the services balance. Given a higher nominal drop of imports than exports, the merchandise trade deficit was lower y-o-y in November. In the first eleven months last year, it dropped to EUR 360.3 m (totalling EUR 2,353.4 m in the same period of 2008), which was almost entirely due to the shrinking deficit in trade with EU Member States. As much as 85.0% of the y-o-y decline of the deficit in merchandise trade

Table 8: Balance of payments

I-XI 09, EUR m	Inflows	Outflows	Balance <sup>1</sup>	Balance, I-XI 08
Current account	20,527.7	20,641.9	-114.2	-1,952.8
- Trade balance (FOB)	14,967.9	15,328.1	-360.3	-2,353.4
- Services	3,933.1	2,919.5	1,013.6	1,551.5
- Income	913.1	1,522.7	-609.6	-968.3
Current transfers	713.7	871.7	-158.0	-182.6
Capital and financial account	1,614.5	-1,611.8	2.7	1,956.0
- Capital account	217.9	-163.4	54.5	29.9
- Capital transfers	216.5	-156.7	59.8	28.9
- Non-produced, non-financial assets	1.4	-6.7	-5.3	1.0
- Financial account	1,396.6	-1,448.4	-51.7	1,926.0
- Direct investment	-62.0	-548.3	-610.3	146.0
- Portfolio investment	4,360.1	-122.8	4,237.3	363.0
- Financial derivatives	-28.9	29.7	0.8	44.0
- Other investment	-3,038.8	-807.0	-3,845.8	1,357.2
- Assets	205.1	-807.0	-601.8	-1,194.0
- Liabilities	-3,244.0	0.0	-3,244.0	2,551.2
- Reserve assets	166.2	0.0	166.2	15.9
Net errors and omissions	111.5	0.0	111.5	-3.1

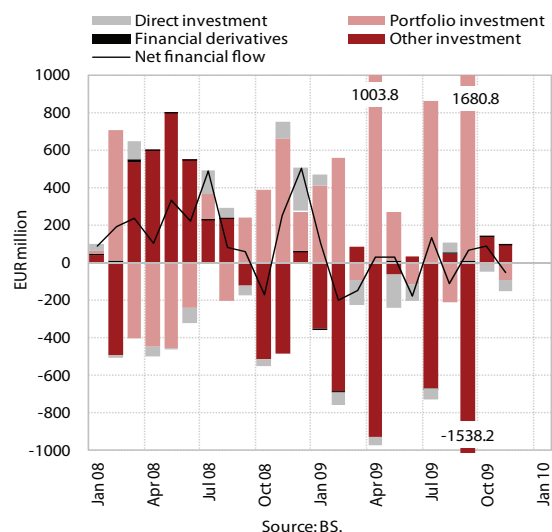
Sources: BS. Note: <sup>1</sup>a minus sign (-) in the balance indicates a surplus of imports over exports in the current account and a rise in assets in the capital and financial account and the central bank's international reserves.

was attributable to improved terms of trade. Specifically, in the first ten months of 2009, average import prices declined significantly more (-9.4%) than export prices (-4.0%), while the terms of trade improved by 6.2% y-o-y. The surplus of the services balance continued to narrow y-o-y in November, mainly due to a smaller surplus in the trade of construction services. In the first eleven months, the highest decline was recorded for the surplus in trade of travel and road transport services. The cumulative surplus in the services balance totalled EUR 1,013.6 m, EUR 537.9 m less than in the same period of 2008.

The deficit in factor incomes continues to narrow, while the balance of current transfers recorded a surplus after several months of deficit. Amid the falling interest rates and with banks repaying their debts, the balance of factor incomes posted the greatest decline for net interest payments by banks on loans taken out abroad. The surplus in labour income was higher, largely due to lower expenditure on the compensation of employees abroad. The surplus in the balance of current transfers was almost entirely due to the general government surplus. The utilisation of resources from the Structural Funds, the Cohesion Fund and resources for the implementation of the Common Agricultural Policy increased notably compared with previous months. Slovenia's net budgetary position relative to the EU budget recorded a surplus of EUR 62.0 m in the first eleven months of 2009.

**Capital flows remained weak also in November.** In November, international financial transactions posted a slight net capital outflow after two months of modest net inflows. The net capital outflow totalled EUR 53.3 m (a net inflow of EUR 256.4 m in November 2008). In the first eleven months of 2009, financial transactions posted a net capital outflow of EUR 218.0 m (in the same period of 2008, there was a net inflow of EUR 1,910.2 m).

Figure 32: Financial transactions of the balance of payments by instrument



Source: BS.

*Direct investment* posted a net outflow of EUR 56.9 m in November. Net repayments of loans between affiliated enterprises prevailed in domestic direct investment abroad as well as foreign direct investment in Slovenia. *Portfolio investment* posted net outflows of EUR 95.4 m. The banking sector was selling money market instruments while increasing investment in capital market instruments. Other sectors invested capital in equity securities of the euro area, which reflects their expectations for business profit growth. *Other investment* posted a net inflow in November, in the amount of EUR 98.3 m. On the side of assets, the greatest increase was posted for deposits of domestic banks abroad. After three months of high outflows, non-resident saving picked up (especially saving by banks) in Slovenia in November, when non-resident deposits increased by as much as EUR 356.6 m.

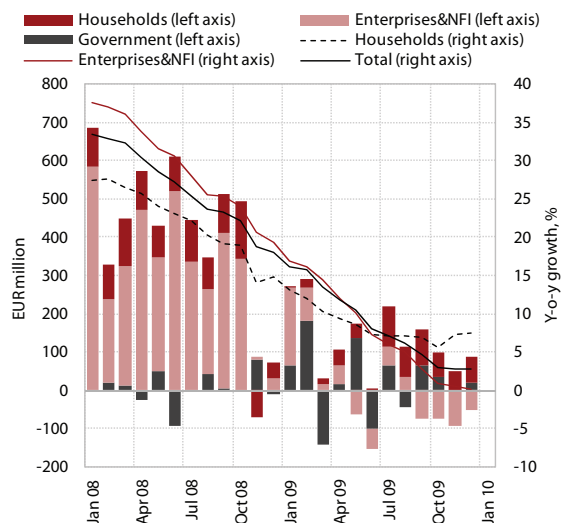
*Gross external debt* totalled EUR 40.5 bn at the end of November last year and *gross external claims in debt instruments* EUR 30.1 bn. By the end of November, Slovenia's total gross external debt increased by EUR 1.2 bn y-o-y. At the end of November, net external debt totalled EUR 10.4 bn (28.9% of estimated GDP), increasing by EUR 0.5 bn (by 2.3 p.p.) from the end of 2008. Public and publicly-guaranteed debt rose significantly in the first eleven months last year, by EUR 4.7 bn to EUR 13.8 bn (by 10.9 p.p. to 34.2% of estimated GDP). Private non-guaranteed debt declined by EUR 3.5 bn in the same period, mainly due to repayment of domestic bank loans (EUR 2.8 bn), and recorded EUR 26.6 bn at the end of November last year (65.8% of estimated GDP).

## Financial markets

*The situation on Slovenia's financial markets tightened further in the last quarter of 2009.* Also in that period, borrowing was only recorded for households, while enterprises and NFI net repaid their loans for the fourth month in a row. Net flows of loans to non-banking sectors were thus at EUR 36.0 m in the last month of 2009. Looking at the sources of finance, banks recorded a relatively high net inflow of foreign deposits as well as slightly higher net inflows of household deposits, while government deposits recorded a net outflow of just over EUR 400 m, which we estimate was also due to seasonal factors.

*The slowdown of lending activity was most pronounced in the last quarter of the previous year.* Bank net lending to domestic non-banking sectors amounted to a mere EUR 18.1 m in that period. In 2009 as a whole, net flows totalled EUR 896.7 m, less than a fifth of what they were in 2008, with household net borrowing accounting for nearly two thirds of it. This significant decline mainly came from notably lower corporate and NFI borrowing. The falling of the y-o-y growth rate of loans to domestic non-banking sectors slowed significantly at the end of the year; growth

Figure 33: Net flows and growth of domestic bank loans to domestic non-banking sectors



Source: BS; calculations by IMAD.

was at 2.8%.<sup>29</sup> Due to the tightening situation in the economy, the share of non-performing loans<sup>30</sup> increased in 2009, to 2.3%,<sup>31</sup> a 0.5 p.p. higher figure than at the end of 2008. The deteriorating quality of bank investment is also reflected in increased impairments, which reached EUR 481.5 m at the level of the banking system as a whole in 2009, the highest value so far (EUR 296.8 m in 2008).

*In December, lending activity was also modest in other euro area members.* The volume of loans was practically stagnant, recording a 0.1% y-o-y decline. Last year, non-banking sectors repaid loans in a net amount of EUR 12.2 bn. This movement was mostly due to corporate and NFI net repayment of slightly more than EUR 100 bn in loans (the y-o-y decline totalled 1.7%). Household borrowing, on the other hand, was relatively high also at the end of the year, with 0.3% monthly growth. Housing loans strengthened significantly (by 0.5%) and their net flows reached the highest value since September 2008 (EUR 19.1 bn). Total net household borrowing recorded EUR 54.5 bn in 2009, which is only around 30% below the level of 2008.

*Also in December, domestic bank lending activities were mainly oriented to households.* As in other euro area members, households are still mainly obtaining housing loans. Housing loans (EUR 63.0 m) recorded the highest net flows in 2009, which were nevertheless not much different from the average monthly levels in the second half of the year. Consumer loans and loans for other purposes remained fairly low also in December. Net household borrowing recorded EUR 585.9 m in 2009, which is more than 40% less than a year earlier.

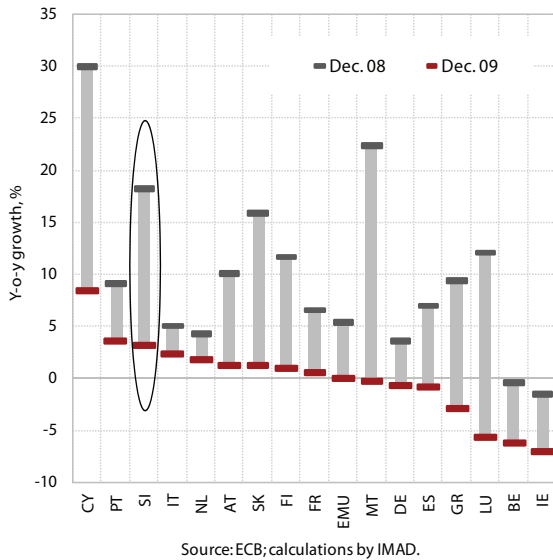
<sup>29</sup> For more on the base effect see Box 1, SEM, December 2009.

<sup>30</sup> Credit ratings of D and E.

<sup>31</sup> Data for November 2009.



Figure 34: Loan volumes in euro-area countries



**Enterprises and NFI net repaid loans at domestic banks for the fourth successive month in December; net repayments recorded almost EUR 300 m in that period.** Unlike in previous months, repayments were solely recorded for NFI, while non-financial corporations posted net borrowing from domestic banks. Regarding the latter, the structure by purpose stands out significantly, as net flows of investment loans recorded EUR 206.6 m in December, almost three times the value of the previous eleven months as a whole and the highest figure since June 2008. Enterprises, however, net repaid working capital loans in December, in the amount of EUR 167.5 m. This high increase of investment loans is thus highly related to the reprogramming of short-term loans into long-term loans, which, to a certain extent, eased liquidity pressures on enterprises. Only a minor portion of new loans was actually intended to finance investment. Enterprises and NFI recorded net borrowing of EUR 24.6 m in 2009, which does not even account for 1% of the 2008 amount.

In November, enterprises and NFI recorded net **borrowing abroad** for the third month in a row, while net flows (EUR 43.9 m) did not diverge significantly from those in the previous two months. Long-term loans also predominated in November, while short-term loans were repaid in a net amount of EUR 6.5 m. In the first eleven months of 2009, enterprises and NFI recorded net borrowing of EUR 388.0 m, which is more than a third less than in the comparable period of 2008. This decline is the sole consequence of net repayment of short-term loans in the amount of more than EUR 90 m, while net flows of long-term loans were almost 5% higher y-o-y. Net flows of foreign loans thus accounted for more than 80% of total net corporate borrowing (13.6% in the same period of 2008). In November, banks net repaid foreign loans for the sixth month in a row, yet this time only in the amount of EUR 22.8 m. Unlike enterprises and NFI, banks recorded net repayment of long-term and net borrowing of short-term

Figure 35: Net bank borrowing abroad and net inflows of foreign deposits

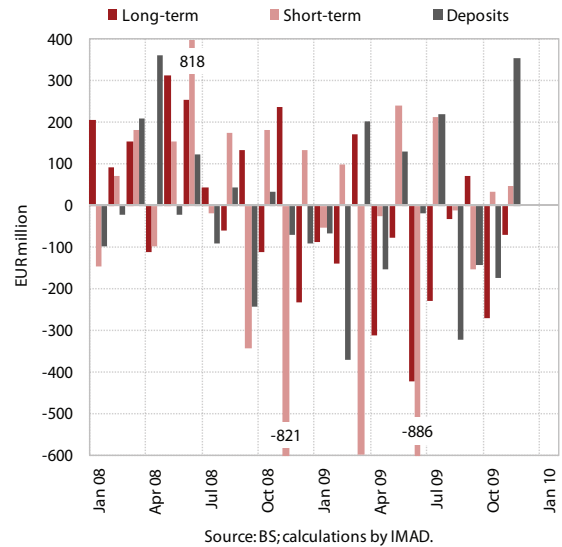
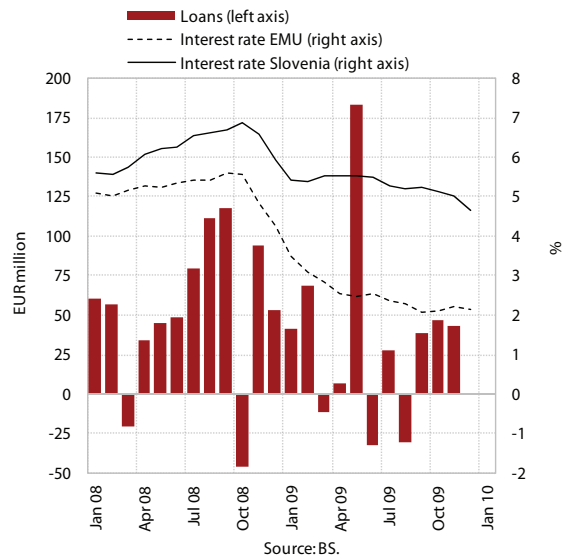


Figure 36: Net corporate borrowing abroad and movement of lending interest rates



loans. After recording net outflows of foreign deposits in the amount of EUR 0.6 bn in the previous three months, banks saw a net inflow of EUR 356.6 m for these deposits in November, which is the highest value since April 2008. In the first eleven months of 2009, banks recorded a net outflow of foreign loans and deposits in a high amount of EUR 2.8 bn.

The differences in the lending interest rates for enterprises and deposits in Slovenia and in the euro area as a whole remain high, according to the latest available data. The differences in the lending interest rates<sup>32</sup> for enterprises

<sup>32</sup> Interest rates for loans above EUR 1 m with a variable or up to 1 year with a fixed interest rate.

and NFI narrowed somewhat more at the end of the year, to 249 basis points, which is the lowest level in the last ten months. Deposit interest rates, on the other hand, were around 45 basis points higher than the average value for short-term deposits in the euro area as a whole. A somewhat higher difference was recorded for

interest rates for new long-term deposits, which were, on average, at a level of just below 130 basis points, which is significantly less than the differences in lending interest rates for enterprises and NFI.

*Christmas bonuses and 13<sup>th</sup> month payments, which were*

#### Box 5: Net inflows of government deposits to banks and international financial transactions of the banking sector

The Republic of Slovenia Guarantee Scheme Act<sup>33</sup> regulates the system of state guarantees for loans of enterprises with credit ratings from A to C, while the Act on Natural Persons Guarantee Scheme of the Republic of Slovenia<sup>34</sup> governs state guarantees for four population categories: individuals on fixed-term contracts, those who are buying homes for the first time, young families and the unemployed. SID bank, which is authorised to administer and apply the schemes as stipulated by the Acts, carried out eight auctions under the guarantee scheme for legal persons in the period from mid-June 2009 to mid-January 2010 (the analysis in this chapter covers the first six), and two auctions for natural persons at the end of September 2009.

Since the government started to implement the guarantee scheme for enterprises at the end of the first half of 2009, eight auctions have already been carried out and slightly less than one half of the total guarantee quota of EUR 1.2 bn has been used. EUR 459.1 m worth of guarantees were offered, according to the latest available data from the Report on the Implementation of the Guarantee Scheme for the first six auctions, but only slightly over 40% of the quota was used. The relatively low utilisation is attributable to the first three auctions, in particular, when the guarantee scheme had yet to be fully established and the volume of offered guarantees did not match the situation on the market, by our estimate. This may be attributed to several reasons. The first is that banks were reluctant to finance the economy to such a high extent. The second reason might be lower demand for loans, insufficient to exploit the entire available quotas. At the following auctions, the utilisation was significantly higher, exceeding 80% at the last (sixth) auction for which data are available.

Figure 37: Guarantee quotas for companies according to auctions and their utilisation

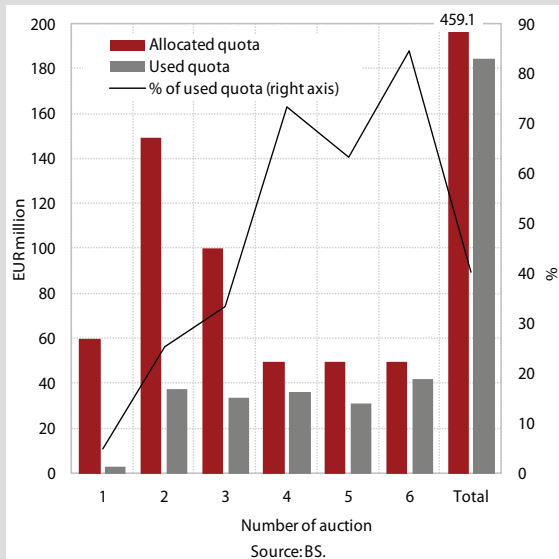
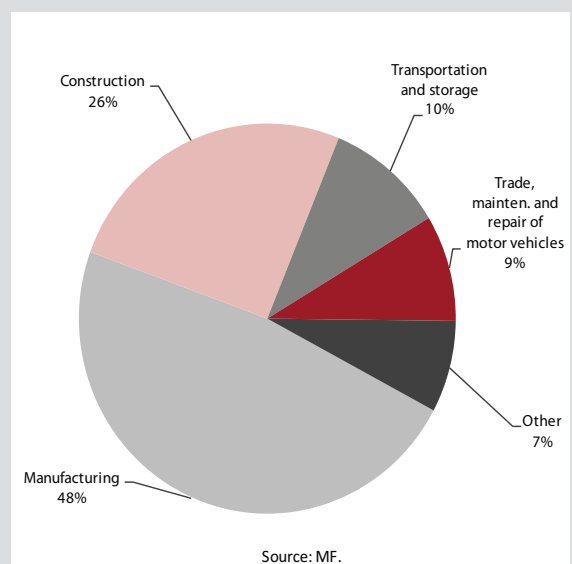


Figure 38: Loan volumes by activity



Banks thus approved EUR 534.6 m in loans based on guarantees from the first six auctions, while the loan potential exceeded EUR 1.3 bn by our estimate. We estimate that the guarantee scheme prevented a more notable decline in the volume of corporate and NFI loans. Based on the guarantees, banks also extended loans to somewhat riskier clients, given that loans to enterprises with a credit rating of B accounted for more than 40% and loans to clients with a credit rating of C for more than one sixth of loans. Banks mainly extended loans to sectors that were more vulnerable to the economic crisis. According to the breakdown by purpose, enterprises mainly raised working capital loans, which accounted for more than two thirds of the total loan volume; this is, by our estimate, largely due to the fact that enterprises are trying to compensate for lower inflows of liquid assets as a result of lower orders and less financial discipline. More than one fifth of all loans were allocated for the reprogramming of existing loans, while investment loans only accounted for just over one tenth of the total volume of loans.

<sup>33</sup> OG RS 33/09 and OG RS 44/09.

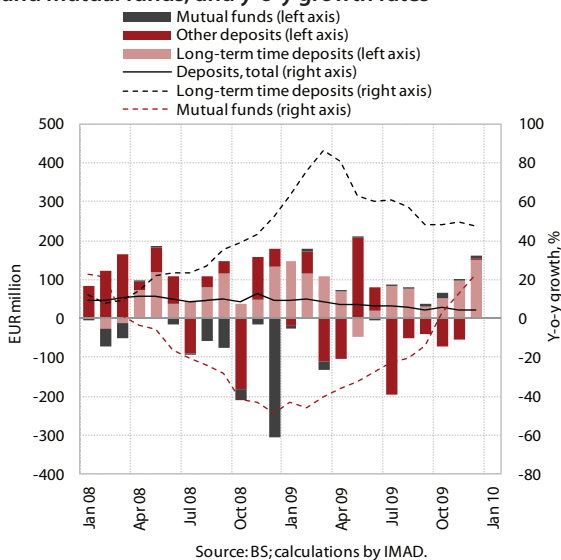
<sup>34</sup> OG RS 59/09.

**Box 5: Net inflows of government deposits to banks and international financial transactions of the banking sector - continue**

Altogether, EUR 4.3 m of guarantees was realised under the guarantee scheme for natural persons, which is only 11.2% of the guarantee quota. Banks approved loans in the total amount of EUR 7.7 m. This is a relatively modest figure, only around 16% of last year's average one-month flow of household loans. Among the four groups of beneficiaries, almost one half of loans were granted to the unemployed. These loans averaged EUR 7,201 and had the average maturity of 82 months. The average value of loans to the other three population groups (which, as judged from the volume and maturity of loans, was mainly raising housing loans) was higher, EUR 54,059, while the average maturity was 245 months. Housing loans thus constituted more than three quarters of the total of EUR 7.7 m of raised loans; the rest of the amount was used for consumer loans.

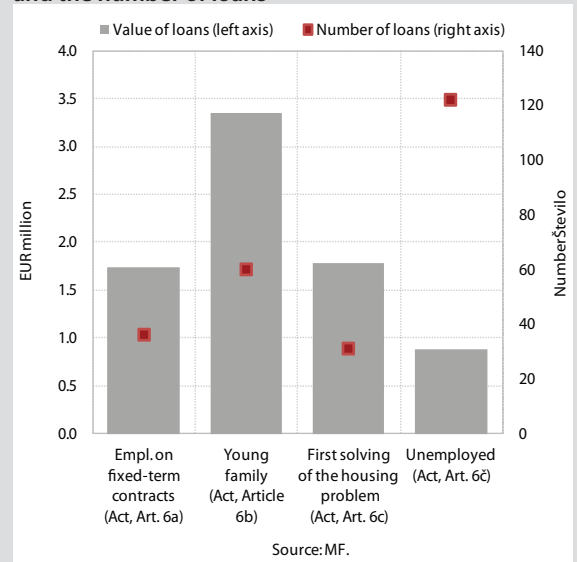
not much lower in 2009 y-o-y, contributed to a higher increase in the volume of **household deposits** in banks. December's net inflows totalled EUR 157.9 m, which was one of the higher values in the previous year. The increased net inflows were also partly transferred to long-term deposits, which enjoyed the highest net inflows (EUR 155.2 m) since comparable data have been available.<sup>35</sup> The high net inflows were, by our estimate, mainly due to the intensive restructuring of the maturity of household bank deposits, which has been underway since the second half of 2008 and is a result of higher interest rates on long-term deposits and unlimited guarantee for all deposits by

**Figure 40: Net inflows of household deposits in banks and mutual funds, and y-o-y growth rates**



<sup>35</sup> Since 2005.

**Figure 39: Total value of loans under the guarantee scheme for natural persons by group of beneficiaries and the number of loans**



households and small enterprises until the end of 2010. Net inflows of household bank deposits totalled EUR 624.0 m in 2009, which is more than 45% less than a year earlier. This steep decline might be partly attributable to unfavourable labour market movements, and especially to the high base of 2008, when a significant portion of net inflows also came from inflows from capital markets.

**Mutual flows managed by domestic administrators** recorded positive monthly net inflows in the second half of last year. December's net inflows totalled EUR 5.3 m, which was one of the higher values in the previous year. Within that, more than EUR 5 m came from more risky stock mutual funds, which we estimate is a consequence

**Figure 41: Movement of the SBI20 and other main indices**

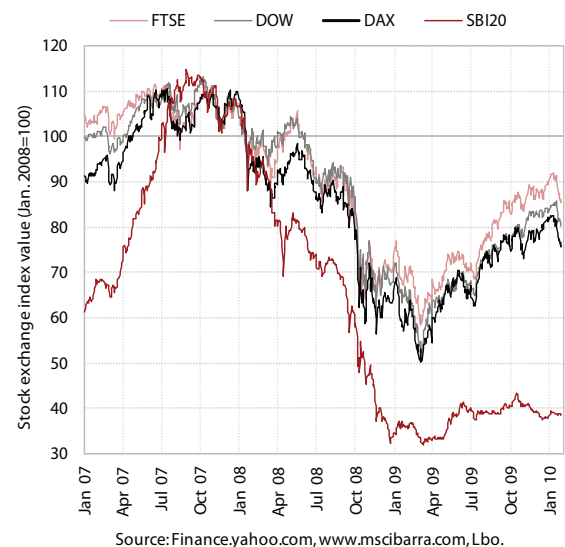


Table 9: Financial market indicators

Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 08	31. XII 09	31. XII 09/ 30. XI 09	31. XII 09/ 31. XII 08	31. XII 08/ 31. XII 07
Loans total	31,549.10	32,445.79	0.1	2.8	18.1
Enterprises and NFI	23,137.53	23,161.95	-0.2	0.1	19.4
Government	584.61	870.95	2.4	49.0	12.6
Households	7,826.96	8,412.89	0.8	7.5	14.8
Consumer credits	2,883.95	2,899.88	0.1	0.6	5.2
Lending for house purchase	3,395.30	3,927.22	1.6	15.7	27.3
Other lending	1,547.71	1,585.79	0.2	2.5	10.0
Bank deposits total	13,689.07	14,313.06	1.1	4.6	9.1
Overnight deposits	5,249.44	5,654.83	1.3	7.7	-2.6
Short-term deposits	5,644.79	5,102.84	-2.0	-9.6	10.4
Long-term deposits	1,957.65	2,888.54	5.7	47.6	52.2
Deposits redeemable at notice	837.19	666.84	5.7	-20.3	10.8
Mutual funds	1,513.38	1,856.30	2.6	22.7	-48.2

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

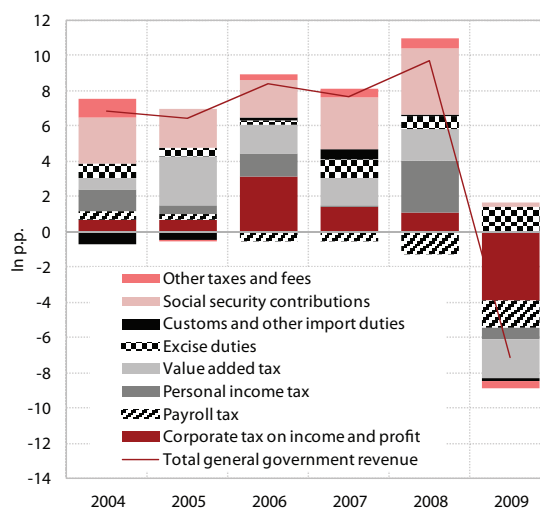
of higher net inflows to mutual funds oriented to foreign capital markets, most of which reported solid growth rates at the end of the year. Investment restructuring increased somewhat for the third month in a row, with more conservative investors moving assets from mixed to bond mutual funds. After net outflows of more than EUR 300 m in 2008, total net inflows were positive again in 2009, totalling EUR 19.0 m, but their contribution to the total 22.7% y-o-y growth was nonetheless low. More than 90% of growth is actually a result of relatively high returns on investment of mutual funds.

## Public finance

In 2009, revenue from **taxes and social security contributions** dropped by 7.1% relative to the previous year. According to the data on paid taxes and social security contributions,<sup>36</sup> payments totalled EUR 13.2 bn. After a decline in November, revenue increased by 3.7% in December, but was 4.7% lower than in December 2008.<sup>37</sup> Relative to November, December saw higher revenues from social security contributions and personal income tax, which followed the wage bill dynamics in November, and higher revenue from corporate income tax. Inflows from other main tax categories declined in December (value added tax, excise duties). Only revenues from excise duties and social security contributions increased y-o-y in 2009 (16.6% and 0.8%, respectively), while revenues from all other taxes declined. Last year, the government increased duties on almost all excise products (alcohol and alcohol beverages, tobacco products, energy), which increased revenue from excise duties. Social

security contributions followed the wage bill dynamics. If declining from month to month towards the end of the year, their growth was still positive in the year as a whole. Revenue from personal income tax declined by 4.2% y-o-y in 2009, largely due to higher tax refunds based on personal income tax assessments for 2008, which reached slightly more than EUR 81.2 m last year (EUR 59 m in 2008), also due to additional tax reliefs in lower income brackets. Significantly lower than a year before were also inflows from taxes on income from entrepreneurial profits (-22.3%), income from capital gains (-64.1%) and tax on occasional earnings (-10.5%). Revenue from corporate income tax dropped by as much as 43.3% in 2009, as a result of the fact that taxpayers can request a prepayment

Figure 42: Structure of growth of revenue from taxes and social security contributions, 2004–2009



Source: PPA, Report on Payments of All Public Revenues

<sup>36</sup> Based on the Report on Payments of All Public Revenues, January–December 2009, Public Payments Administration.

<sup>37</sup> For more on the base effect see Box 1, SEM, December 2009.

reduction as a result of deteriorated business performance in the current year and a lower statutory tax rate (21.0%). After the assessment of business results for 2008, revenue from this tax declined by more than EUR 100 bn. Revenue from value added tax dropped by 9.7% in 2009. Growth in total revenue from taxes and contributions also declined relative to 2009 as a result of the full abolition of the payroll tax.

**According to the consolidated balance of the MF<sup>38</sup>, general government revenue totalled EUR 11.6 bn and general government expenditure EUR 13.1 bn in the first ten months of 2009.** Revenue was 7.3% lower y-o-y in the first ten months, having been 11.3% higher in the same period of 2008. Y-o-y expenditure growth slowed somewhat relative to previous months, totalling 8.6% in the first ten months as a whole, which is less than in the same period of 2008 (10.0%). Diminishing general government revenue as a consequence of fiscal reform from previous years and the effects of automatic stabilisers amid a concurrent significant increase in general government expenditure indicates a substantial fiscal imbalance; the gap increased by a further EUR 161 m in October alone. In terms of the *economic structure of expenditures*, in the first ten months, the greatest increase was recorded for wages and other personnel expenditures (11.5%), as a result of wage reform implementation and a higher number of employees. Transfers to individuals and households also recorded above-average growth (10.4%), with expenditure on transfers to the unemployed (87.1%) increasing from month to month due to the deteriorating situation on the labour market. After February's valorisation of pensions, expenditure on pensions increased by 9.3% in the first ten months of the year. Expenditure on goods and services

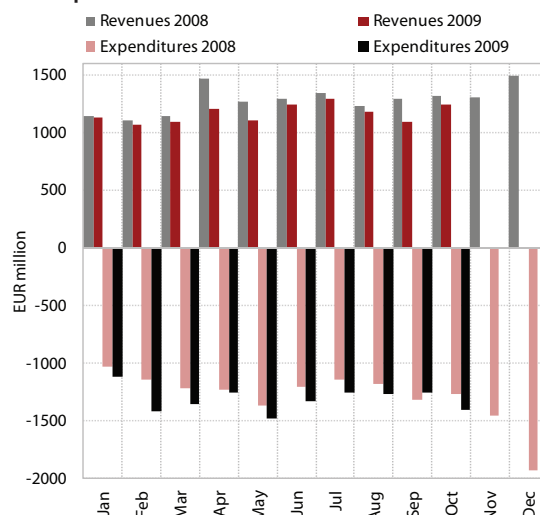
<sup>38</sup> The consolidated balance (according to the cash flow methodology) includes revenues and expenditures of state and local government budgets, as well as revenues and expenditures of the pension and health funds.

Table 10: Consolidated general government revenue and expenditure

	2008			2009		
	EUR m	% of GDP	Growth, %	I-X 2009 in EUR m	X 09/ X 08	I-X 09/ I-X 08
Revenues - total	15,335.00	41.3	9.5	11,625.4	-5.2	-7.3
- Tax revenues	13,937.20	37.5	9.2	10,666.6	-5.7	-7.4
- Taxes on income and profit	3,442.10	9.3	18.0	2,294.5	-10.3	-20.0
- Social security contributions	5,095.00	13.7	10.8	4,255.5	-1.4	2.2
- Domestic taxes on goods and services	4,805.30	12.9	6.8	3,851.1	-3.4	-3.7
- Receipts from the EU budget	365.4	1.0	5.0	329.1	88.0	27.6
Expenditure - total	15,434.70	41.6	10.9	13,109.6	11.3	8.6
- Wages and other personnel expenditure	3,580.60	9.6	9.3	3,246.1	10.9	11.5
- Purchases of goods and services	2,525.90	6.8	14.2	1,980.2	-0.5	3.9
- Transfers to individuals and households	5,616.20	15.1	10.3	5,018.5	9.5	10.4
- Capital expenditure	1,252.00	3.4	10.7	829.0	26.1	2.4
- Capital transfers	458	1.2	37.0	317.3	55.5	14.7
- Payment to the EU budget	427.9	1.2	20.2	365.6	8.1	9.2

Source: MF.

Figure 43: Consolidated general government revenue and expenditure



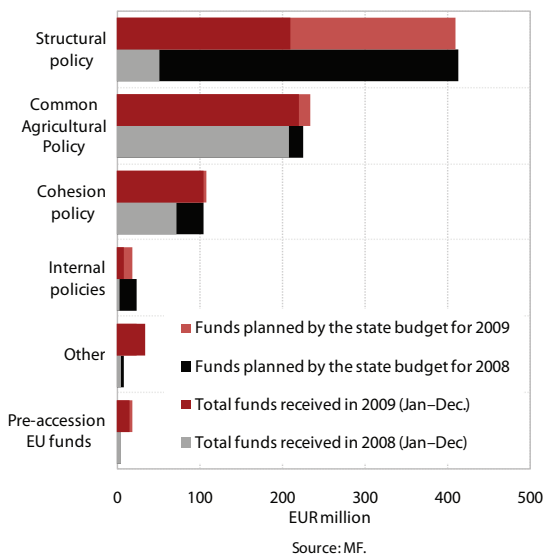
Source: MF; calculations by IMAD.

increased in October relative to September, but posted 3.9% growth for the first ten months, which is a somewhat lower figure than in the first nine months (4.4%).

The consolidated balance of public financing reported a deficit of EUR 1,484 m at the end of the first ten months of 2009. The state budget deficit climbed to EUR 1,317 m in the first ten months. The health fund recorded a deficit as well (EUR 82 m). The pension fund was roughly balanced, thanks to the transfer from the state budget that totalled EUR 1,160 m in the first ten months as a whole, a 25.8% higher figure than in the same period of 2008. The deficit of the total balance of local government budgets is increasing from month to month, posting EUR 86.4 m in the first ten months of 2009.

Slovenia's net budgetary position to the EU was again positive in 2009 (EUR 155.7 m); the successful utilisation that accounted for 73% of planned funds can be compared with 2006, which was the most favourable year for Slovenia thus far, as Slovenia utilised as much as 77% of all planned funds. After being already high in November, the absorption of funds from the EU budget even increased somewhat in December. The utilisation of funds under the Common Agricultural Policy reached almost 94% of planned funds, which is approximately the same level as in previous years. The utilisation of funds under the Cohesion Policy totalled nearly 97% of planned funds, which is the highest figure so far. The highest absorption was planned for funds according to the operational programme of environment and transport infrastructure, which posted 90% absorption, while some funds were also drawn according to the transport and environment programmes from the previous financial perspective. The utilisation of funds under the Structural Policy was less successful than in 2006; despite the high absorption in November and December, in the year as a whole, the total absorption reached 52% of what was planned, which is nevertheless still much more than in the previous two years. The highest percentage was recorded for the absorption from the European Regional Development Fund according to the operational programme for strengthening regional infrastructure development potential. The absorption from the European Social Fund was less than 35% of what was foreseen.

Figure 44: Planned and absorbed EU funds



In 2009, Slovenia paid EUR 439.3 m to the EU budget, which was EUR 13 m less than envisaged in the second supplementary budget. GNI-based payments were somewhat higher, while payments from VAT and traditional own resources were somewhat lower.

**selected topics**





## Environmental taxes and implicit tax rate on energy consumption (2007)

The renewed EU Sustainable Development Strategy (2006) emphasises the impact of market-based instruments in achieving prices; it also factors in damage to human health and environment. Environmentally-related taxes are one of the most important market-based environmental policy instruments and comprise taxes on energy consumption, transportation, pollution and the use of natural resources. Taxes on energy consumption constitute the largest share (approx. three quarters) of all general government revenues from environmental taxes.

In 2007, inflows from these taxes accounted for 2.5% of GDP in the EU as a whole and 3.0% of GDP in Slovenia. In the EU-15, this share was rising particularly in the early 1990s; in the new Member States, the increase occurred later and was related to the process of joining the EU. In 2007, the greatest share of environmental taxes relative to GDP was recorded by Denmark (5.9%), which had by far the greatest proportion of taxes on transport and pollution and use of natural resources. The latter two accounted for almost two thirds of all environmental taxes in Denmark, while in the EU average, the share of taxes on pollution and the use of natural resources stood at 25%. Given that these taxes are mainly calculated on the basis of quantity (specific taxes), their share of GDP declines if the level of taxes does not increase with the rise of prices.

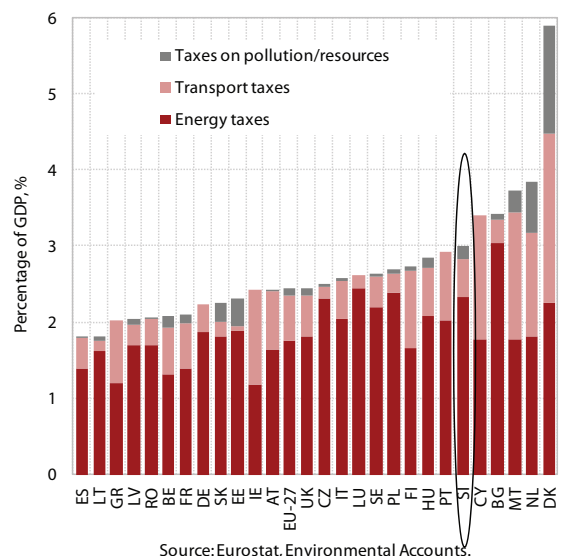
The share of environmental taxes in Slovenia has been dropping in recent years, amounting to 2.8% of GDP in 2008, according to our estimate. In Slovenia, the share of environmental taxes increased from 3.0% to 3.3% of GDP in the period from 2000 to 2004. In 2004, it began to drop, falling in 2008 to the lowest level since 1996 (2.8% of GDP), according to our estimate. The decline was mainly attributable to low taxation rates for automotive fuels in that period, when before Slovenia's entry to the euro area, the upward pressure of rising global prices of oil on inflation was buffered by lowering taxes on automotive fuels. The share of environmental taxes in Slovenia is otherwise relatively high in comparison with other countries in the EU. In 2007, higher shares were only recorded by Cyprus, Bulgaria, Malta, the Netherlands and Denmark. With regard to the structure of environmental taxes as a share of GDP, Slovenia has relatively large shares of taxes on energy and pollution and use of natural resources, and a somewhat lower share of taxes on transport. With regard to the latter, as many as 14 Member States, including Slovenia, have already linked their taxes on passenger cars to their CO<sub>2</sub> emissions. The share of environmental taxes is estimated to reach around 3.0% of GDP again in 2009, with lower GDP and significantly higher taxes on automotive fuels.

The movement of the indicator of revenue from environmental taxes as a share of GDP does not necessarily reflect the level of environmental policy ambitiousness of a country. The share of revenue from environmental

taxes relative to GDP does not by itself reflect the implementation of environmental objectives, as it may be increasing due to greater use of natural resources and energy, which implies unfavourable structural changes in the economy. Revenues may decline due to more efficient use of energy and natural resources, or as a result of environmentally-oriented fiscal policy introducing tax relief for more environmentally friendly products. Similarly, the share of revenue from environmental taxes relative to GDP may also drop as a consequence of lower registration fees on motor vehicles on account of higher tolls that are not regarded as tax revenue, or due to new environmental policy instruments, such as emission trading, which substitutes the tax on energy of entities participating in emission-trading schemes. An indicator eliminating the shortfalls of the indicator of the share of revenue from environmental taxes is the implicit environmental tax rate.

Among the implicit environmental tax rates, the implicit tax rate on energy is an internationally comparable indicator,<sup>39</sup> according to which Slovenia is ranked close to the EU average.<sup>40</sup> In 2007, taxation per unit of energy in Slovenia was higher than in all new EU countries, except Malta; in the EU-15, taxes on energy were lower than in Slovenia in Greece, Finland, Belgium and Spain. In 2008, the implicit taxation of energy declined, by our estimate, given that excise duties on automotive fuels, which account for almost all inflows from energy taxes in Slovenia, were at the minimum rate to the end of December. The decline in the implicit taxation of energy was also due to higher energy consumption in 2008 as a whole compared with 2007 and the deteriorated energy intensity of the economy. The implicit tax rate thus declined to EUR

Figure 45: Revenue from environmental taxes, 2007



Source: Eurostat, Environmental Accounts.

<sup>39</sup> The implicit tax rate on energy consumption shows taxation in euros (deflated) in EUR 1,000 per unit of final energy consumption, in tonnes of oil equivalent (toe).

<sup>40</sup> Implicit taxation totalled 123.8 (EUR/toe) in Slovenia and 134.1 in the EU.

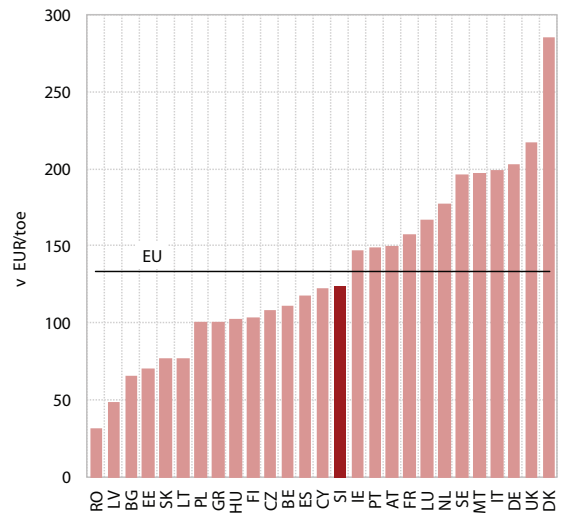
120/toe in 2008, according to our estimate. In 2009, the indicator was expected to increase again, amid lower total energy consumption, particularly due to lower economic activity, and a concurrent significant increase in the level of excise duties on automotive fuels. In the year as a whole, it was at EUR 0.43/l for gas oil (EUR 0.31/l in 2008) and EUR 0.48/l for gasoline (EUR 0.36/l in 2008); in Slovenia, these two fuels were therefore 3.6% and 3.4% (respectively) higher than in Austria and 5.4% and 5.0% (respectively) higher than in Hungary.

Table 11: Revenue from environmental taxes, in % of GDP

	1996	2000	2005	2006	2007
<b>EU-27</b>	N/A	2.73	2.60	2.55	2.45
Austria	2.15	2.43	2.63	2.48	2.44
Belgium	2.49	2.27	2.35	2.16	2.09
Bulgaria	N/A	2.46	3.06	3.09	3.43
Cyprus	2.79	2.67	3.52	3.29	3.42
Czech Republic	2.71	2.56	2.69	2.59	2.51
Denmark	4.82	5.29	5.98	6.17	5.91
Estonia	1.47	1.71	2.30	2.23	2.31
Finland	3.10	3.12	3.07	2.96	2.75
France	2.77	2.41	2.27	2.26	2.11
Greece	2.20	2.38	2.46	2.40	2.24
Ireland	3.08	2.34	2.06	1.97	2.03
Italy	2.94	2.94	2.73	2.81	2.86
Latvia	3.11	2.87	2.50	2.47	2.43
Lithuania	3.42	3.10	2.73	2.71	2.58
Luxembourg	1.69	2.40	2.66	2.40	2.06
Hungary	1.92	2.43	2.31	1.81	1.82
Malta	2.92	2.78	2.95	2.63	2.63
Germany	3.06	3.68	3.30	3.37	3.74
Netherlands	3.85	3.90	3.95	4.05	3.86
Poland	1.93	2.09	2.65	2.76	2.71
Portugal	3.54	2.73	3.06	2.96	2.93
Romania	N/A	3.46	2.01	1.94	2.07
Slovakia	2.12	2.21	2.57	2.44	2.28
<b>Slovenia</b>	<b>4.38</b>	<b>2.95</b>	<b>3.20</b>	<b>3.01</b>	<b>3.01</b>
Spain	2.19	2.19	1.94	1.87	1.82
Sweden	3.09	2.74	2.83	2.72	2.64
United Kingdom	2.91	2.99	2.50	2.41	2.45

Source: Eurostat..

Figure 46: Implicit tax rate on energy consumption, in EUR/toe



Vir: Eurostat, Sustainable Development Indicators.

# statistical appendix



MAIN INDICATORS	2004	2005	2006	2007	2008	2009	2010	2011
						Autumn forecast 2009		
						estimate	forecast	forecast
GDP (real growth rates, in %)	4.3	4.5	5.8	6.8	3.5	-7.3	0.9	2.5
GDP in EUR million (current prices and current exchange rate)	27,162	28,750	31,055	34,568	37,135	35,870	36,386	38,058
GDP per capita, in EUR (current prices and current exchange rate)	13,599	14,369	15,467	17,123	18,367	17,657	17,866	18,647
GDP per capita (PPS) <sup>1</sup>	18,700	19,700	20,700	22,100	22,800	-	-	-
GDP per capita (PPS EU27=100) <sup>1</sup>	86.0	88.0	88.0	89.0	91.0	-	-	-
Gross national income (current prices and current fiksni exchange rate)	26,760	28,506	30,683	33,854	36,278	35,244	35,527	37,004
Gross national disposable income (current prices and current fiksni exchange rate)	26,716	28,362	30,467	33,627	35,993	35,065	35,441	36,783
Rate of registered unemployment	10.3	10.2	9.4	7.7	6.7	9.1	10.6	10.9
Standardised rate of unemployment (ILO)	6.3	6.5	6.0	4.9	4.4	5.7	6.7	7.3
Labour productivity (GDP per employee)	4.0	4.7	4.2	3.7	0.7	-5.0	2.5	3.4
Inflation, <sup>2</sup> year average	3.6	2.5	2.5	3.6	5.7	1.0	1.5	2.5
Inflation, <sup>2</sup> end of the year	3.2	2.3	2.8	5.6	2.1	1.9	2.0	2.7
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>								
Exports of goods and services <sup>3</sup> (real growth rates, in %)	12.4	10.6	12.5	13.7	2.9	-17.9	4.1	6.8
Exports of goods	12.8	10.3	13.4	13.8	0.0	-19.0	3.6	6.5
Exports of services	10.9	12.0	8.6	13.2	16.2	-13.5	6.1	7.8
Imports of goods and services <sup>3</sup> (real growth rates, in %)	13.3	6.6	12.2	16.3	2.9	-19.8	1.8	4.9
Imports of goods	14.6	6.8	12.7	15.8	2.6	-21.9	1.3	4.8
Imports of services	5.6	5.5	8.8	19.7	4.9	-6.1	4.4	5.6
Current account balance, in EUR million	-720	-498	-771	-1,646	-2,287	-82	10	29
As a per cent share relative to GDP	-2.6	-1.7	-2.5	-4.8	-6.2	-0.2	0.0	0.1
Gross external debt, in EUR million	15,343	20,496	24,067	34,752	38,997	40,129 <sup>4</sup>	-	-
As a per cent share relative to GDP	56.7	71.4	77.6	100.8	105.0	-	-	-
Ratio of USD to EUR	1.242	1.244	1.254	1.371	1.471	1.38	1.43	1.43
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS</b>								
Private consumption (real growth rates, in %)	2.7	2.6	2.9	6.7	2.0	-2.0	0.0	1.0
As a % of GDP*	55.0	54.2	52.8	52.7	52.7	53.7	53.8	53.2
Government consumption (real growth rates, in %)	3.4	3.4	4.0	0.7	6.2	3.2	-1.5	0.0
As a % of GDP*	18.9	19.0	18.8	17.3	18.1	20.1	19.7	19.4
Gross fixed capital formation (real growth rates, in %)	5.6	3.7	9.9	11.7	7.7	-21.0	-2.0	3.0
As a % of GDP*	24.9	25.5	26.5	27.7	28.9	23.7	23.2	23.3
Sources of data: SORS, BS, Eurostat-New Cronos, estimate, calculations and forecasts by IMAD. Notes: <sup>1</sup> Measured in purchasing power standard; <sup>2</sup> Consumer price index; <sup>3</sup> 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; <sup>4</sup> End October 2009; *Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64).								

PRODUCTION	2007	2008	2009	2007	2008				2009				2007		2008		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	11	12	1	2	3
<b>INDUSTRIAL PRODUCTION, y-o-y growth rates, %</b>																	
Industry B+C+D	7.2	2.5	-	5.3	6.4	8.4	3.3	-7.7	-18.7	-24.2	-17.8	-	3.0	1.3	5.2	12.9	1.7
B Mining and quarrying	5.5	5.5	-	-7.3	13.8	3.5	7.1	-1.2	-6.1	-13.8	5.7	-	-5.9	-16.4	23.1	18.8	3.6
C Manufacturing	8.5	2.6	-	7.2	6.9	8.7	3.7	-8.4	-20.3	-25.5	-18.8	-	4.4	4.0	5.8	13.6	2.0
D Electricity, gas & steam supply <sup>1</sup>	-11.1	2.1	-	-15.9	-2.3	8.2	-1.1	4.5	-3.6	-9.1	-10.2	-	-14.4	-21.5	-6.3	1.2	-1.2
<b>CONSTRUCTION,<sup>2</sup> real indices of construction put in place, y-o-y growth rates, %</b>																	
Construction, total	18.5	15.7	-	0.2	32.5	17.0	15.7	4.2	-19.2	-19.0	-24.5	-	6.2	-14.3	39.4	40.5	21.4
Buildings	14.3	11.5	-	4.2	37.8	7.3	11.5	-2.0	-20.8	-21.8	-27.4	-	18.4	-5.4	56.3	44.8	18.6
Civil engineering	21.9	18.9	-	-2.6	28.0	24.3	18.6	8.9	-17.6	-17.2	-22.6	-	-2.3	-21.0	23.9	36.8	23.8
<b>TRANSPORT, tonne-km in m, y-o-y growth rates, %</b>																	
Tonne-km in road transport	13.4	18.4	-	19.1	26.7	23.5	7.7	17.2	-12.7	-7.6	-7.6	-	-	-	-	-	-
Tonne-km in rail transport	6.8	-2.3	-	-3.7	-5.3	-2.9	2.9	-3.6	-24.1	-26.0	-26.0	-	-	-	-	-	-
<b>Distributive trades, y-o-y growth rates, %</b>																	
Total real turnover*	9.7	10.1	-	11.8	15.7	13.1	10.5	2.3	-10.1	-15.7	-16.2	-	11.8	7.0	18.2	23.8	7.1
Real turnover in retail trade	6.1	12.2	-11.4	9.6	14.0	15.5	12.7	7.2	-5.5	-11.8	-14.3	-13.1	9.5	8.4	12.8	23.8	7.0
Real turnover in the sale and maintenance of motor vehicles	19.2	6.2	-21.5	17.9	22.0	9.6	5.6	-9.9	-24.0	-28.0	-23.8	-8.1	17.7	3.4	34.7	26.4	9.4
Nominal turnover in wholesale trade & commission trade	16.1	17.1	-	15.2	20.7	23.9	20.9	4.8	-16.4	-23.9	-27.0	-	19.2	7.5	21.7	30.1	12.3
<b>TOURISM, y-o-y growth rates, %</b>																	
Total, overnight stays	7.0	1.8	-1.5	5.5	4.2	1.0	1.8	0.6	-3.3	-3.8	1.7	-	8.3	4.0	2.9	9.0	0.5
Domestic tourists, overnight stays	4.9	5.2	5.6	5.5	4.8	4.6	4.7	7.2	5.2	2.3	11.7	-1.6	2.6	9.6	12.1	11.7	-8.5
Foreign tourists, overnight stays	8.4	-0.5	-6.6	5.5	3.6	-1.3	0.1	-4.8	-11.0	-7.9	-4.7	-5.4	13.7	-0.9	-2.6	5.6	8.9
Turnover in hotels and restaurants	2.3	-2.8	-	2.9	-1.8	-1.6	-3.1	-4.4	-9.6	-12.8	-11.6	-	2.6	3.2	-2.5	3.6	-5.7
<b>AGRICULTURE, y-o-y growth rates, %</b>																	
Purchase of agricultural products, SIT bn, since 2007 in EUR m	492.2	529.9	-	160.3	117.9	125.6	134.1	152.3	105.4	105.9	109.0	-	53.1	61.0	38.5	39.3	40.0
<b>BUSSINES TENDENCY (indicator values**)</b>																	
Sentiment indicator	13	1	-22	11	10	7	3	-16	-25	-24	-20	-17	10	11	11	10	10
Confidence indicator																	
- in manufacturing	12	-5	-23	10	7	1	-6	-23	-30	-27	-21	-14	9	10	9	6	6
- in construction	17	3	-49	13	14	11	4	-17	-42	-52	-53	-50	9	17	12	12	17
- in services	29	22	-13	26	29	26	25	7	-15	-19	-10	-9	24	28	28	30	30
- in retail trade	27	23	-14	30	29	29	26	8	-16	-17	-11	-10	31	31	26	28	32
Consumer confidence indicator	-11	-20	-30	-18	-20	-16	-16	-29	-40	-31	-23	-25	-19	-17	-23	-20	-16
Source of data: SORS. Notes: <sup>1</sup> Only companies with activity of electricity supply are included. <sup>2</sup> 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.																	

2008												2009												2010	
4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1				
14.8	3.8	6.8	2.0	-2.0	9.3	0.5	-11.7	-13.2	-17.9	-21.7	-16.5	-29.3	-22.0	-21.3	-20.1	-16.9	-16.4	-18.8	-0.3	-	-				
9.5	-4.4	5.6	34.4	-19.2	14.4	-1.0	-14.7	18.8	-6.0	-3.1	-8.9	-21.7	-10.3	-8.1	4.2	12.9	1.5	-4.5	32.2	-	-				
15.6	4.2	6.7	1.7	-1.2	9.8	0.8	-12.5	-15.4	-19.4	-23.8	-17.7	-30.8	-23.3	-22.1	-21.3	-18.3	-16.7	-19.9	-0.7	-	-				
8.1	4.2	12.2	0.2	-5.5	1.9	1.0	4.7	7.5	-5.6	-1.9	-3.2	-9.9	-5.3	-11.8	-10.1	-8.0	-12.5	-6.6	-5.5	-	-				
22.8	13.8	15.4	15.9	8.6	22.4	15.1	-2.3	-3.6	-26.9	-22.7	-9.7	-20.4	-20.8	-15.9	-20.8	-19.5	-32	-28.3	-18.1	-	-				
10.5	3.1	8.9	0.2	10.7	24.2	12.0	-11.5	-6.9	-32.7	-17.3	-12.7	-18.0	-23.5	-23.4	-23.2	-26.8	-31.4	-28.2	-19.8	-	-				
32.4	21.7	20.4	28.0	7.0	21.3	17.0	5.4	-0.6	-20.3	-27.5	-7.3	-22.0	-19.1	-10.7	-19.4	-14.1	-32.3	-28.4	-16.9	-	-				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
17.4	11.8	10.3	12.6	5.8	12.8	2.8	1.0	3.1	-6.2	-15.4	-8.6	-16.8	-17.3	-13.0	-15.0	-15.0	-18.4	-13.2	-11.8	-	-				
16.2	19.1	11.3	13.4	10.9	13.9	7.3	7.0	7.2	2.3	-13.3	-5.2	-9.8	-15.3	-10.2	-12.0	-13.6	-17.1	-13.3	-14.5	-11.5	-				
22.0	-1.1	9.0	12.3	-7.4	10.6	-7.4	-12.5	-10.1	-27.6	-24.5	-20.5	-34.7	-25.6	-23.1	-25.6	-20.5	-24.5	-16.1	-7.2	1.2	-				
31.9	20.7	19.2	22.9	11.2	28.0	11.6	2.1	0.4	-16.9	-19.2	-13.3	-25.0	-25.4	-21.1	-27.5	-25.3	-27.9	-23.5	-19.3	-	-				
-8.5	14.0	-2.4	3.6	3.2	-3.2	-2.1	-4.4	8.7	3.6	-6.1	-6.9	3.6	-11.4	-1.8	-0.8	4.9	0.2	3.3	-3.9	-11.1	-				
8.5	10.5	-2.1	1.1	8.9	3.9	6.0	4.4	11.0	9.6	-1.5	10.7	4.3	-2.2	4.4	13.3	12.3	7.7	9.9	-1.5	-12.8	-				
-18.3	16.2	-2.6	5.3	-0.2	-6.8	-7.4	-11.9	6.5	-0.6	-12.5	-20.5	3.0	-16.9	-6.3	-10.3	0.1	-4.1	-1.8	-6.4	-9.3	-				
-2.5	2.9	-5.0	-3.3	-3.8	-2.1	-1.1	-4.3	-7.6	-7.4	-12.3	-9.1	-10.6	-13.6	-13.9	-12.2	-9.7	-13.0	-13.3	-13.1	-	-				
42.6	43.0	39.9	44.5	42.2	47.4	49.0	45.3	58.1	32.9	32.6	39.9	36.3	35.5	34.1	35.9	33.8	39.2	43.4	38.4	-	-				
10	7	5	4	4	2	-5	-20	-23	-25	-25	-26	-26	-23	-22	-22	-20	-17	-18	-17	-17	-13				
4	1	-2	-4	-5	-8	-13	-27	-29	-31	-30	-30	-29	-26	-25	-24	-21	-17	-15	-14	-12	-7				
13	11	8	7	1	3	-4	-17	-30	-38	-40	-47	-54	-49	-54	-50	-56	-54	-54	-47	-48	-55				
29	26	24	25	27	24	19	5	-3	-9	-15	-20	-24	-17	-15	-12	-12	-7	-8	-8	-10	-1				
29	30	27	29	25	24	25	4	-4	-14	-14	-20	-17	-17	-18	-15	-9	-9	-11	-11	-9	-11				
-12	-18	-19	-18	-19	-12	-18	-33	-35	-44	-38	-37	-41	-29	-23	-26	-27	-16	-26	-24	-26	-27				

LABOUR MARKET	2006	2007	2008	2007		2008				2009			2007		2008	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	11	12	1	2
<b>FORMAL LABOUR FORCE (A=B+E)</b>	910.7	925.3	942.5	924.6	934.2	937.7	940.9	942.2	949.2	945.9	945.6	942.6	935.8	932.8	936.6	937.9
<b>PERSONS IN FORMAL EMPLOYMENT (B=C+D)<sup>1</sup></b>	824.8	854.0	879.3	856.1	865.4	870.8	879.4	881.7	885.1	869.0	861.0	854.3	867.4	864.4	867.3	870.9
In agriculture, forestry, fishing	37.7	40.4	39.7	39.9	39.2	40.8	39.9	39.2	38.9	37.8	38.0	37.9	39.3	39.2	40.7	40.8
In industry, construction	310.9	321.9	330.4	324.1	326.8	327.1	331.2	333.0	330.4	317.4	309.3	304.0	327.9	325.3	325.8	327.1
Of which: in manufacturing	221.7	223.6	222.4	223.4	224.2	224.0	224.0	222.3	219.1	209.5	201.4	196.7	224.7	223.5	223.7	224.0
in construction	69.5	78.4	87.9	80.6	82.5	83.2	87.1	90.5	91.1	87.8	87.6	86.9	83.1	81.8	82.1	83.1
In services	476.2	491.6	509.1	492.1	499.4	503.0	508.3	509.4	515.9	513.8	513.7	512.4	500.3	499.9	500.9	503.1
Of which: in public administration	50.4	50.3	51.0	50.4	50.6	50.8	51.0	51.1	51.0	51.1	51.5	51.7	50.5	50.7	50.9	50.9
in education, health-services, social work	108.0	108.8	111.1	108.2	109.8	110.7	111.0	110.1	112.4	113.2	114.1	113.3	109.9	109.7	110.3	110.8
<b>FORMALLY EMPLOYED (C)<sup>1</sup></b>	741.6	766.0	789.9	768.6	777.8	781.2	790.3	792.7	795.3	779.7	770.8	762.9	779.7	776.7	777.9	781.3
In enterprises and organisations	675.1	696.1	717.6	697.5	706.2	710.4	718.0	719.8	722.0	709.9	701.9	695.5	707.7	705.9	707.8	710.5
By those self-employed	66.5	69.9	72.3	71.1	71.6	70.8	72.2	73.0	73.2	69.8	68.8	67.4	72.0	70.8	70.2	70.8
<b>SELF-EMPLOYED AND FARMERS (D)</b>	83.3	87.9	89.4	87.6	87.6	89.6	89.2	88.9	89.8	89.3	90.3	91.4	87.7	87.7	89.4	89.6
<b>REGISTERED UNEMPLOYMENT (E)</b>	85.8	71.3	63.2	68.4	68.8	66.8	61.4	60.5	64.1	76.9	84.6	88.3	68.4	68.4	69.2	67.0
Female	47.0	39.1	33.4	38.0	37.3	35.6	32.8	32.1	33.0	38.4	41.6	43.2	37.1	36.7	36.9	35.7
By age: under 26	18.2	11.9	9.1	10.3	11.7	10.3	8.4	7.7	10.0	12.2	13.1	12.8	11.6	11.2	11.1	10.3
aged over 50	21.8	22.2	21.9	22.1	22.2	22.6	21.9	21.7	21.6	24.1	25.6	26.9	22.1	22.3	22.8	22.7
Unskilled	33.7	28.0	25.4	27.0	26.9	26.8	24.6	24.3	25.8	31.2	33.6	34.8	26.8	27.1	27.6	26.9
For more than 1 year	41.9	36.5	32.3	35.5	35.0	34.0	32.5	31.9	31.0	31.0	30.4	31.1	35.0	34.7	34.7	34.0
Those receiving benefits	22.7	16.6	14.4	15.8	14.7	15.0	13.6	13.9	15.1	22.8	27.4	28.6	14.5	14.7	15.6	15.1
<b>RATE OF REGISTERED UNEMPLOYMENT, E/A, in %</b>	9.4	7.7	6.7	7.4	7.4	7.1	6.5	6.4	6.8	8.1	8.9	9.4	7.3	7.3	7.4	7.1
Male	7.7	6.2	5.6	5.9	6.0	6.0	5.4	5.4	5.8	7.3	8.1	8.5	6.0	6.1	6.2	6.0
Female	11.5	9.6	8.1	9.3	9.0	8.6	7.9	7.8	7.9	9.2	10.0	10.4	9.0	8.9	8.9	8.6
<b>FLOWS OF FORMAL LABOUR FORCE</b>	5.2	21.5	13.7	0.6	6.7	5.7	4.2	1.9	1.9	-0.8	-0.1	-0.1	1.8	-3.0	3.8	1.4
New unemployed first-job seekers	18.6	14.7	12.5	2.3	7.2	2.2	1.8	1.9	6.5	3.2	2.6	3.0	1.2	0.6	0.9	0.6
Redundancies	63.8	52.5	53.0	12.6	12.9	12.5	10.7	12.5	17.4	24.8	22.5	19.9	4.3	4.1	5.8	3.4
Registered unemployed who found employment	57.4	49.1	41.7	11.3	10.9	12.4	9.7	9.9	9.6	9.5	11.8	14.2	4.1	2.5	4.1	4.2
Other outflows from unemployment (net)	39.2	28.0	26.1	6.2	7.4	6.4	6.3	5.9	7.4	5.2	6.5	3.2	2.5	2.2	1.8	2.1
Increase in number of work permits for foreigners	7.8	15.3	24.6	4.3	2.2	6.0	9.5	7.0	2.1	1.9	-4.8	-5.5	0.3	0.2	-0.2	2.4
Retirements <sup>2</sup>	20.6	20.7	22.5	5.0	5.9	5.4	4.8	6.3	6.1	5.4	5.3	4.8	2.1	1.6	2.4	1.4
Deaths <sup>2</sup>	2.4	2.4	2.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2
Others who found employment <sup>2</sup>	37.4	39.0	24.1	4.5	9.9	8.8	3.2	4.4	6.0	4.0	13.1	7.5	4.6	-0.3	7.1	1.6
<b>REGISTERED VACANCIES<sup>3</sup></b>	19.0	20.2	20.0	20.4	19.1	21.6	21.1	21.5	15.9	13.4	13.4	14.0	18.7	14.2	22.4	22.8
For a fixed term, in %	75.3	76.5	74.5	77.2	74.4	73.0	74.0	76.5	74.7	74.9	77.9	80.8	75.2	69.8	71.9	73.0
<b>WORK PERMITS FOR FOREIGNERS</b>	48.3	60.2	81.1	63.0	65.8	68.7	79.0	86.3	90.5	91.5	90.2	84.9	65.9	66.1	65.8	68.3
As % of labour force	5.3	6.5	8.6	6.8	7.0	7.3	8.4	9.2	9.5	9.7	9.5	9.0	7.0	7.1	7.0	7.3
<b>NEW JOBS</b>	155.9	160.0	162.7	38.7	41.5	40.9	41.0	42.7	38.1	27.5	27.3	28.2	13.6	9.7	14.5	13.0

Sources of data: SORS, PDII, ESS. Notes: <sup>1</sup>In January 2005, the SORS adopted new methodology of obtaining data on persons in paid employment. The new source of data for employed and self-employed persons excluding farmers is the Statistical Register of Employment (SRE), while data on farmers are forecast using the ARIMA model based on quarterly figures for farmers from the Labour Force Survey. Data for previous years dating back to January 2000 have also been calculated according to the new methodology. <sup>2</sup>Estimated by IMAD, based on data by PDII and ESS; <sup>3</sup>according to ESS.



2008											2009										
3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	
938.5	939.1	940.8	942.7	941.4	940.5	944.6	950.7	950.3	946.5	946.2	945.9	945.7	946.1	945.3	945.6	944.1	941.6	942.1	945.0	945.5	
874.2	876.6	879.6	882.0	879.9	879.8	885.3	888.1	886.9	880.3	872.2	868.7	866.0	863.2	860.8	859.1	855.6	853.5	853.8	850.4	850.0	
40.8	39.9	39.9	39.8	39.3	39.2	39.2	38.9	38.9	38.8	37.8	37.8	37.8	38.0	38.0	38.0	37.9	37.9	37.9	37.9	37.8	
328.5	330.0	331.2	332.6	332.5	332.5	333.9	333.7	331.5	325.9	320.1	317.4	314.7	311.8	309.1	307.1	305.3	303.9	302.8	298.8	297.6	
224.2	224.1	223.9	224.0	222.7	222.2	222.2	221.3	219.8	216.3	211.8	209.6	207.0	203.6	201.2	199.2	197.8	196.5	195.9	192.5	192.1	
84.2	85.8	87.1	88.4	89.7	90.2	91.6	92.2	91.5	89.5	88.3	87.7	87.5	87.8	87.5	87.5	87.2	86.9	86.5	86.0	85.2	
504.9	506.8	508.6	509.6	508.1	508.1	512.2	515.5	516.5	515.6	514.4	513.6	513.5	513.5	513.7	514.0	512.4	511.7	513.1	513.7	514.6	
50.7	50.9	50.9	51.1	50.9	51.0	51.2	51.1	51.1	50.8	51.2	51.0	51.3	51.4	51.5	51.6	51.7	51.7	51.8	51.6	51.7	
111.0	111.2	111.0	110.9	109.7	109.4	111.4	112.0	112.5	112.6	112.8	113.2	113.7	114.0	114.2	114.1	113.0	112.6	114.2	114.6	114.9	
784.3	787.6	790.5	792.8	791.1	790.9	796.1	798.5	797.0	790.2	783.0	779.5	776.6	773.3	770.5	768.5	764.5	762.1	762.1	758.3	757.7	
713.0	715.8	718.2	720.2	718.5	718.2	722.6	724.6	723.4	718.1	712.6	709.7	707.3	704.3	701.7	699.8	696.5	694.6	695.2	691.8	691.8	
71.3	71.8	72.3	72.6	72.7	72.7	73.5	74.0	73.5	72.2	70.4	69.7	69.3	69.0	68.8	68.7	68.0	67.5	66.8	66.5	65.9	
89.9	89.1	89.2	89.2	88.8	88.9	89.2	89.6	89.9	90.0	89.2	89.3	89.5	90.0	90.3	90.6	91.1	91.4	91.7	92.1	92.3	
64.3	62.4	61.2	60.7	61.6	60.7	59.3	62.6	63.4	66.2	73.9	77.2	79.7	82.8	84.5	86.5	88.5	88.1	88.4	94.6	95.4	
34.3	33.5	32.6	32.4	33.0	32.3	31.1	32.7	32.6	33.7	37.2	38.5	39.5	40.8	41.5	42.5	43.5	43.2	43.0	46.3	46.5	
9.5	8.8	8.4	8.1	8.1	7.8	7.3	9.8	9.9	10.2	11.7	12.3	12.7	13.2	13.1	13.0	13.0	13.0	12.2	15.5	15.1	
22.3	22.0	21.9	21.8	21.9	21.7	21.4	21.4	21.5	21.9	23.6	24.1	24.5	25.1	25.7	26.1	26.6	26.8	27.1	27.8	28.3	
25.9	25.0	24.6	24.3	24.3	24.3	24.3	24.9	25.5	27.0	30.1	31.4	32.2	33.0	33.5	34.2	34.7	34.7	35.0	36.1	36.4	
33.3	32.7	32.5	32.2	32.1	31.8	31.6	31.4	30.9	30.8	31.2	31.0	30.7	30.4	30.3	30.5	30.7	31.0	31.7	32.5	33.3	
14.2	13.7	13.6	13.4	13.9	13.9	13.7	14.1	14.4	16.8	20.9	22.8	24.5	25.9	27.6	28.7	28.9	28.5	28.3	30.8	30.3	
6.9	6.6	6.5	6.4	6.5	6.5	6.3	6.6	6.7	7.0	7.8	8.2	8.4	8.8	8.9	9.1	9.4	9.4	9.4	10.0	10.1	
5.7	5.5	5.4	5.4	5.4	5.4	5.3	5.6	5.7	6.1	6.9	7.3	7.6	7.9	8.1	8.3	8.5	8.5	8.6	9.1	9.3	
8.3	8.1	7.9	7.8	8.0	7.8	7.5	7.9	7.9	8.1	9.0	9.3	9.5	9.8	10.0	10.2	10.5	10.4	10.4	11.1	11.2	
0.6	0.6	1.7	2.0	-1.3	-0.9	4.1	6.1	-0.5	-3.8	-0.3	-0.2	-0.2	0.3	-0.7	0.3	-1.5	-2.5	0.6	2.9	0.4	
0.7	0.8	0.5	0.5	0.5	0.5	0.9	4.6	1.2	0.8	1.2	1.0	1.1	1.1	0.8	0.8	0.8	0.7	1.5	5.9	1.3	
3.3	3.6	3.4	3.6	4.6	3.4	4.5	5.2	5.5	6.6	10.4	6.9	7.5	8.2	7.4	7.0	7.3	5.5	7.2	8.5	7.9	
4.1	3.6	3.2	2.9	2.3	3.1	4.5	4.0	3.2	2.4	3.2	2.7	3.6	3.7	4.3	3.9	4.0	4.6	5.5	4.4	4.8	
2.5	2.6	2.0	1.7	2.0	1.6	2.3	2.5	2.7	2.2	0.7	1.9	2.5	2.4	2.2	1.9	2.1	1.9	2.8	3.8	3.6	
3.8	4.2	2.8	2.5	2.3	2.9	1.9	1.7	0.1	0.3	0.0	0.5	1.4	-0.6	-1.5	-2.7	-1.2	-1.9	-1.3	-2.3	-1.5	
1.7	1.7	1.6	1.5	1.6	2.2	2.6	2.3	2.0	1.8	2.3	1.6	1.5	1.9	1.7	1.7	1.4	2.4	2.9	2.9	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	0.2	0.2	0.2	
0.0	-0.4	1.7	2.0	-0.8	-0.7	6.0	4.3	2.7	-1.1	1.3	1.7	1.1	3.9	3.7	5.5	2.1	2.7	5.8	5.7	6.1	
19.8	21.6	21.6	20.2	19.8	20.1	24.7	19.7	15.7	12.3	13.7	12.2	14.2	12.0	13.9	14.5	14.7	12.3	14.9	15.7	11.7	
74.2	72.7	74.4	74.9	76.9	76.8	76.0	74.9	75.6	73.1	72.0	75.0	77.5	77.2	77.8	78.7	80.0	82.0	80.7	78.2	80.1	
72.1	76.3	79.1	81.6	83.8	86.7	88.6	90.3	90.4	90.7	90.7	91.2	92.6	92.1	90.6	87.8	86.6	84.7	83.4	81.1	79.6	
7.7	8.1	8.4	8.7	8.9	9.2	9.4	9.5	9.5	9.6	9.6	9.6	9.8	9.7	9.6	9.3	9.2	9.0	8.9	8.6	8.4	
13.4	15.4	13.1	12.5	12.7	10.4	19.6	17.8	11.4	8.9	10.2	8.1	9.3	10.0	8.8	8.5	8.7	6.8	12.6	11.9	8.9	

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2006	2007	2008	2007		2008				2009			2007				
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	8	9	10	11	12
<b>GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %</b>																	
Activity - Total	4.8	5.9	8.3	5.8	6.7	7.8	8.6	9.9	7.1	5.5	4.6	2.3	5.7	4.9	6.6	7.1	6.5
A Agriculture, forestry and fishing	5.6	8.3	9.1	7.0	11.4	10.3	9.3	10.8	6.7	1.2	1.6	-0.5	9.0	3.6	7.4	16.1	10.2
B Mining and quarrying	4.5	6.4	13.4	5.3	12.6	9.4	13.8	16.0	14.8	5.6	2.4	1.6	3.3	6.6	8.8	9.4	20.6
C Manufacturing	5.6	7.0	7.5	7.0	8.6	8.2	9.7	9.3	3.4	0.0	-0.5	0.4	7.1	6.2	8.1	9.4	8.2
D Electricity, gas, steam and air conditioning supply	5.5	6.2	9.5	5.2	11.1	9.3	10.1	9.8	8.8	7.9	7.8	5.1	5.0	8.5	12.1	9.9	11.8
E Water supply sewerage, waste management and remediation activities	3.7	7.1	7.8	6.8	10.0	8.3	9.1	9.0	5.2	4.2	3.2	1.2	6.1	6.8	8.2	12.6	8.5
F Construction	6.4	6.6	7.5	5.7	6.7	7.7	9.6	9.1	4.3	1.2	1.0	1.6	5.4	3.3	6.7	7.7	5.5
G Wholesale and retail trade, repair of motor vehicles and motorcycles	5.3	7.6	7.7	7.5	7.5	7.5	9.0	8.8	6.1	4.4	2.3	1.2	7.8	6.9	7.1	8.5	6.9
H Transportation and storage	3.6	6.0	8.4	5.7	7.7	8.7	8.5	10.4	6.6	2.3	2.1	0.5	5.3	5.4	6.2	8.6	8.2
I Accommodation and food service activities	4.1	5.3	8.3	4.6	7.8	9.3	9.6	10.0	4.9	3.4	1.7	0.6	4.9	3.2	7.0	8.8	7.5
J Information and communication	3.9	5.7	7.3	5.7	4.6	6.8	7.8	8.7	6.2	3.7	3.1	0.8	6.3	3.2	8.1	-2.6	10.1
K Financial and insurance activities	8.6	7.4	6.0	6.2	7.6	8.6	8.8	8.2	0.0	2.0	-3.8	0.3	7.7	2.2	13.8	8.0	1.8
L Real estate activities	4.6	7.0	6.0	7.4	5.6	6.8	8.6	5.3	3.6	1.6	0.0	1.8	7.7	5.9	5.0	7.6	3.9
M Professional, scientific and technical activities	4.9	7.0	8.4	7.1	8.9	9.7	8.6	9.1	6.4	4.0	3.3	1.5	6.7	6.6	8.3	10.0	8.3
N Administrative and support service activities	2.5	7.5	9.6	9.4	9.8	8.6	11.4	10.2	8.0	6.6	2.1	-0.2	9.7	9.5	9.7	10.2	9.6
O Public administration and defence, compulsory social security	2.9	5.1	12.2	6.5	6.4	11.1	10.8	13.2	13.7	11.5	9.8	2.5	4.9	5.9	5.9	6.5	6.9
P Education	4.8	3.9	7.0	3.1	2.4	5.5	5.8	7.7	9.0	6.9	6.1	1.2	2.6	2.4	2.3	2.6	2.2
Q Human health and social work activities	2.4	3.1	12.0	4.0	2.1	5.5	4.3	16.8	21.0	21.4	22.6	5.5	3.4	3.2	1.8	1.8	2.6
R Arts, entertainment and recreation	1.3	3.6	5.3	4.0	3.0	2.4	5.8	8.3	5.1	7.0	5.7	2.2	3.2	3.7	1.7	3.3	3.8
S Other service activities	1.5	3.3	8.2	3.0	5.1	6.6	8.6	8.5	8.8	4.1	1.0	0.7	2.2	2.9	2.9	7.4	4.9
<b>INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %</b>																	
Effective exchange rate, <sup>1</sup> nominal	0.2	0.8	0.5	0.6	1.2	1.2	1.1	0.4	-1.1	-0.3	-0.3	0.3	0.5	0.7	1.1	1.3	1.1
Real (relative consumer prices)	0.7	2.3	2.8	2.3	3.7	4.5	4.2	2.6	-0.1	0.4	0.0	0.2	2.2	2.0	3.6	3.9	3.6
Real (relative producer prices) <sup>2</sup>	-0.6	2.4	1.0	2.2	1.8	1.2	0.8	-0.3	0.9	2.8	3.4	3.7	2.4	2.0	2.2	2.0	1.3
USD/EUR	1.256	1.371	1.471	1.374	1.449	1.500	1.562	1.504	1.317	1.302	1.362	1.431	1.362	1.390	1.423	1.468	1.457
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.																	
Notes: <sup>1</sup> 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. <sup>2</sup> Producer prices in manufacturing activities																	

2008												2009										
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
6.1	9.3	8.0	9.5	7.6	8.8	8.7	9.8	11.2	9.2	3.9	8.6	6.8	4.2	5.3	5.1	4.1	4.7	3.8	0.7	2.4	1.7	1.3
8.3	16.1	6.7	10.3	9.7	7.9	13.5	6.3	12.9	11.3	-0.1	10.2	1.1	-3.3	6.1	2.0	-1.8	4.7	-0.4	-0.3	-0.7	-5.5	-0.9
5.2	9.7	13.3	11.8	17.0	12.5	17.3	10.0	20.7	39.0	-4.7	16.0	10.1	5.3	1.7	4.3	-5.9	9.4	2.3	6.2	-3.5	-20.3	16.1
6.0	10.2	8.5	11.3	8.4	9.6	11.0	6.4	10.8	6.7	-1.4	5.7	0.1	-0.5	0.4	-0.4	-1.3	0.1	0.1	-0.6	1.6	1.9	4.6
8.4	10.2	9.3	13.2	9.6	7.8	15.3	8.3	6.2	25.2	2.2	3.2	9.4	6.1	8.1	7.6	5.5	10.3	5.6	2.9	6.7	-10.4	-8.6
7.2	9.8	8.1	10.7	6.8	9.8	10.5	5.5	11.3	14.0	-1.0	4.8	4.4	3.6	4.6	3.5	1.0	5.2	1.6	1.2	0.9	-3.3	2.1
7.5	8.8	6.7	11.9	7.5	9.5	10.0	6.0	11.3	7.3	-1.0	7.2	1.7	-0.6	2.5	0.5	-0.9	3.4	2.9	0.6	1.4	-1.4	1.1
6.5	8.8	7.1	10.0	8.0	8.9	9.1	7.0	10.2	8.0	3.9	6.6	6.1	3.5	3.6	1.5	2.9	2.4	1.6	1.5	0.6	0.4	-0.8
8.9	8.5	8.6	8.3	7.0	10.2	7.8	13.1	10.2	7.1	7.5	5.2	3.9	2.4	0.6	2.9	2.2	1.1	2.0	-4.8	4.4	-1.0	-3.3
9.8	10.4	7.9	9.5	10.3	8.9	10.3	9.0	10.7	7.5	2.0	5.4	3.9	3.0	3.2	3.4	0.4	1.3	1.4	0.6	-0.2	-0.3	3.2
3.3	6.4	10.5	8.9	6.1	8.3	7.9	8.1	10.3	7.8	5.5	5.4	6.9	1.8	2.5	3.4	2.5	3.4	2.5	0.0	0.0	0.7	-3.6
7.4	7.9	10.6	11.8	6.4	8.5	7.1	6.3	11.4	1.2	-6.3	8.1	3.8	0.6	1.7	-4.2	-5.4	-1.6	2.0	0.5	-1.7	6.3	-1.8
6.3	8.3	5.8	10.1	8.3	7.5	4.7	4.6	6.7	4.5	1.5	5.0	2.9	1.4	0.6	1.3	-0.6	-0.5	1.9	1.4	2.0	4.2	5.3
9.2	10.5	9.3	8.7	7.9	9.2	9.9	7.3	10.3	9.3	1.8	8.8	3.1	4.3	4.7	4.6	2.2	3.3	2.0	1.1	1.3	0.4	0.6
8.7	9.5	7.7	10.8	11.2	12.2	11.1	8.3	11.2	8.4	8.6	7.1	9.1	5.1	5.5	3.2	1.6	1.4	0.0	-0.1	-0.4	-1.0	-1.8
6.8	14.3	12.0	12.0	10.0	10.4	7.6	18.8	13.3	12.9	16.0	12.3	15.2	8.8	10.7	11.0	10.0	8.4	5.3	-0.3	2.6	1.1	-2.0
3.1	7.8	5.6	5.7	5.7	6.1	5.0	10.9	7.3	8.0	9.4	9.6	9.3	4.2	7.3	6.6	6.0	5.7	2.9	-1.7	2.6	1.8	0.0
3.1	7.2	6.1	3.2	3.8	6.0	4.6	24.5	21.5	21.3	20.5	21.4	25.5	18.9	20.0	26.5	22.2	19.3	16.0	0.4	1.7	2.4	0.8
4.5	5.9	-2.8	3.9	6.9	6.6	4.1	11.3	9.4	10.7	-3.2	9.1	8.2	6.4	6.3	7.2	6.0	4.0	5.8	0.1	1.1	3.2	-0.5
6.6	6.2	6.9	10.3	8.8	6.7	9.0	8.0	8.3	9.0	6.3	11.3	2.6	5.3	4.3	0.8	1.0	1.2	0.9	0.8	0.3	-0.4	-0.4
1.3	1.0	1.4	1.4	1.1	0.9	0.8	0.6	-0.1	-1.3	-1.7	-0.4	-0.4	-0.3	-0.1	-0.6	-0.3	0.1	-0.1	0.2	0.9	2.2	2.3
4.4	4.3	4.7	4.7	3.9	3.9	3.5	2.6	1.6	0.3	-0.7	0.0	-0.1	0.5	0.8	-0.2	0.1	0.3	-0.4	0.2	0.9	2.1	3.3
1.3	1.0	1.4	2.0	0.7	-0.2	-0.4	0.2	-0.7	-0.8	0.5	3.0	2.5	2.6	3.4	3.0	3.3	4.0	4.2	3.0	3.7	3.9	1.6
1.472	1.475	1.553	1.575	1.556	1.555	1.577	1.498	1.437	1.332	1.273	1.345	1.324	1.279	1.305	1.319	1.365	1.402	1.409	1.427	1.456	1.482	1.491

PRICES	2007	2008	2009	2007					2008				2009				2007			2008	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	10	11	12	1	2			
<b>CPI, y-o-y growth rates, %</b>	3.6	5.7	0.9	5.4	6.6	6.6	6.1	3.3	1.8	0.7	-0.2	1.1	5.1	5.7	5.6	6.4	6.5				
Food, non-alcoholic beverages	7.8	10.1	0.6	12.6	14.0	12.0	9.8	4.9	3.2	0.9	-0.7	-1.0	13.3	11.7	12.9	13.9	14.6				
Alcoholic beverages, tobacco	6.5	3.2	6.7	6.5	5.4	5.0	0.7	2.1	3.0	7.2	8.5	7.9	6.5	6.6	6.6	5.7	5.5				
Clothing and footwear	2.1	4.4	-0.6	2.5	4.9	5.2	2.1	5.2	1.8	1.2	-2.2	-3.0	1.8	3.5	2.1	2.9	4.8				
Housing, water, electricity, gas	2.6	9.7	-0.3	7.6	10.5	11.4	11.5	5.3	1.7	-2.1	-3.5	3.0	6.7	8.2	8.0	11.7	9.6				
Furnishings, household equipment	4.5	5.8	4.0	4.0	4.5	5.5	6.5	6.7	6.1	4.5	3.5	1.9	3.6	4.1	4.3	4.0	4.3				
Medical, pharmaceutical products	1.1	2.9	4.0	0.4	-0.5	1.7	4.9	5.8	8.7	5.3	1.4	0.7	0.8	0.5	0.0	-0.9	-1.2				
Transport	0.3	1.9	-3.0	1.6	2.9	2.9	4.1	-2.2	-3.7	-4.5	-4.1	0.6	0.4	2.5	1.9	2.8	2.7				
Communications	0.3	0.6	-4.1	0.3	2.2	1.9	0.1	-1.7	-4.3	-4.7	-4.3	-3.2	-0.7	-0.2	1.9	1.0	2.8				
Recreation and culture	3.6	4.4	3.0	4.7	4.6	5.0	4.8	3.2	3.0	3.6	2.8	2.5	4.9	4.6	4.7	4.1	4.9				
Education	1.9	5.2	3.4	3.6	4.7	5.4	4.8	6.1	5.1	3.0	2.7	2.7	3.6	3.6	3.6	3.4	3.8				
Catering services	7.3	9.6	4.4	8.7	9.3	10.0	10.4	8.7	6.3	4.9	4.0	2.7	7.9	9.6	8.6	9.2	9.4				
Miscellaneous goods & services	3.6	3.9	3.8	3.4	3.9	4.5	3.8	3.4	3.8	3.3	4.4	3.9	3.0	3.6	3.6	3.6	3.8				
HCPI	3.8	5.5	0.9	5.5	6.5	6.4	6.2	3.1	1.7	0.6	-0.2	1.4	5.1	5.7	5.7	6.4	6.4				
Core inflation (excluding fresh food and energy)	2.6	4.6	1.9	3.9	4.7	4.9	4.7	4.0	3.1	2.6	1.2	0.7	3.7	4.0	4.0	4.2	4.9				
<b>PRODUCER PRICE INDICES, y-o-y growth rates, %</b>																					
Total	4.2	3.8	-1.3	3.6	3.4	3.7	5.1	3.2	1.1	-1.5	-3.1	-1.8	3.8	3.5	3.4	3.5	3.4				
Domestic market	5.5	5.6	-0.4	6.5	6.0	6.1	6.2	4.2	1.5	-0.4	-1.5	-1.1	6.4	6.9	6.4	6.5	5.6				
Non-domestic market	3.0	2.2	-2.2	0.7	0.9	1.5	3.9	2.3	0.8	-2.6	-4.5	-2.5	1.2	0.3	0.6	0.6	1.3				
euro area	5.1	2.2	-3.5	1.5	1.4	1.7	4.2	1.5	-0.6	-4.5	-6.0	-3.0	2.2	1.2	1.0	1.0	2.1				
non-euro area	-0.5	2.1	0.3	-0.5	0.1	1.0	3.4	3.9	3.5	1.1	-1.7	-1.6	-0.4	-1.1	0.1	-0.2	-0.1				
Import price indices	4.0	1.3	-3.3	0.1	-0.2	0.3	3.8	1.4	-2.1	-4.6	-4.7	-1.8	-0.2	0.0	0.5	-0.7	-0.1				
<b>PRICE CONTROL,<sup>1</sup> y-o-y growth rates, %</b>																					
Energy prices	0.6	12.4	-12.3	6.2	13.1	16.9	21.1	-1.2	-12.9	-17.7	-17.3	0.4	2.2	8.4	7.9	12.4	12.1				
Oil products	-0.9	11.7	-12.0	7.4	14.8	17.4	21.1	-5.7	-16.3	-18.9	-15.9	6.2	2.1	10.3	9.8	14.0	14.1				
Basic utilities	-2.3	0.6	3.6	8.4	1.4	1.3	-1.3	1.1	1.7	0.9	0.8	10.8	14.3	6.5	4.8	2.8	0.7				
Transport & communications	0.6	-0.4	0.6	0.6	0.5	0.6	-1.3	-1.3	-1.2	-1.1	2.5	2.5	0.6	0.6	0.6	0.5	0.4				
Other controlled prices	2.9	1.8	4.9	3.0	1.4	1.7	1.7	2.4	2.4	6.8	5.6	4.9	3.0	2.9	2.9	2.1	1.2				
Direct control – total	3.1	8.6	-6.9	5.9	9.5	11.7	13.7	-0.2	-7.8	-10.9	-10.9	2.9	3.9	7.1	6.6	9.3	8.8				
Source of data: SORS, calculations and estimates IMAD. Note: <sup>1</sup> the structure of groups varies, data published are not directly comparable to those published previously. The electricity market was liberalized on 1 July 2007. Data from July 2007 onwards are not comparable. Since July 2009, formation of prices for utility services is no longer under government control.																					

2008												2009											
3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12		
6.9	6.5	6.4	7.0	6.9	6.0	5.5	4.9	3.1	2.1	1.6	2.1	1.8	1.1	0.7	0.3	-0.6	0.0	-0.1	0.0	1.6	1.8		
13.5	12.3	12.1	11.6	12.2	10.1	7.2	5.3	5.6	3.8	3.5	3.1	3.0	2.0	0.6	0.0	-1.3	-0.4	-0.4	-1.2	-0.8	-1.1		
5.1	4.8	5.0	5.1	-0.2	0.5	1.8	2.1	2.1	2.0	2.2	2.7	4.0	4.3	8.4	9.0	9.1	8.6	7.7	7.7	8.1	8		
6.7	7.0	4.6	4.1	0.8	1.7	3.7	6.1	4.6	4.8	2.3	0.6	2.3	0.5	1.9	1.1	-1.3	-1.7	-3.6	-2.7	-2.8	-3.4		
10.4	9.3	11.4	13.4	13.6	10.4	10.5	9.0	4.8	2.4	0.8	3.0	1.2	0.1	-2.3	-4.0	-4.9	-3.5	-2.2	-1.7	4.5	6.3		
5.2	5.7	5.7	5.2	5.9	6.4	7.3	7.0	6.7	6.5	6.5	6.7	5.1	4.7	4.2	4.5	4.0	4.0	2.5	2.1	2.2	1.5		
0.5	1.4	1.7	1.9	4.5	5.0	5.1	5.2	5.4	6.7	9.5	9.8	6.9	5.4	5.5	5.1	1.9	1.6	0.7	0.6	1.3	0.3		
3.1	2.1	2.4	4.4	4.9	3.7	3.7	2.6	-3.6	-5.4	-5.1	-2.5	-3.6	-3.5	-4.7	-5.2	-5.6	-3.5	-3.1	-2.8	1.9	2.9		
2.9	2.8	1.5	1.5	0.7	0.5	-0.9	-0.9	0.0	-4.3	-3.7	-4.7	-4.6	-5.2	-4.4	-4.4	-4.1	-4.2	-4.6	-3.7	-4.0	-1.9		
4.9	5.4	4.4	5.3	5.6	4.9	4.0	2.8	3.2	3.6	2.8	2.8	3.4	3.3	3.6	4.1	3.0	2.7	2.7	3.1	2.7	1.7		
7.0	7.0	4.6	4.6	4.6	4.6	5.0	6.0	6.1	6.1	6.0	6.3	3.2	3.2	3.0	3.0	3.0	3.0	2.2	2.7	2.6	2.6		
9.4	10.1	9.9	10.1	10.7	10.4	10.0	9.7	8.8	7.7	6.5	6.3	6.0	5.1	4.8	4.7	4.4	4.2	3.3	3.1	2.3	2.6		
4.2	4.7	4.4	4.5	4.0	3.7	3.6	3.4	3.2	3.4	3.4	3.7	4.2	3.3	3.1	3.5	4.5	4.4	4.3	4.2	4.1	3.6		
6.6	6.2	6.2	6.8	6.9	6.0	5.6	4.8	2.9	1.8	1.4	2.1	1.6	1.1	0.5	0.2	-0.6	0.1	0.0	0.2	1.8	2.1		
5.1	5.3	4.9	4.7	5.1	4.7	4.5	4.1	3.9	3.9	3.2	2.8	3.1	2.6	2.6	2.6	1.4	1.3	0.9	0.7	1.0	0.3		
3.3	3.3	3.5	4.4	4.9	5.5	4.8	4.2	3.3	2.2	1.9	1.1	0.3	-0.5	-1.6	-2.4	-3.0	-3.3	-2.8	-2.4	-1.9	-1.2		
5.7	6.1	6.1	5.9	6.3	6.7	5.7	5.0	4.0	3.5	2.3	1.2	0.8	0.2	-0.7	-0.7	-1.3	-1.7	-1.6	-1.4	-1.1	-0.7		
0.9	0.5	1.1	2.8	3.6	4.3	4.0	3.3	2.7	1.0	1.6	1.0	-0.1	-1.2	-2.5	-4.0	-4.7	-4.9	-4.0	-3.2	-2.6	-1.7		
1.1	0.5	0.9	3.7	4.1	4.8	3.8	3.1	1.4	0.1	0.2	-0.3	-1.7	-3.1	-4.1	-6.2	-6.7	-6.4	-4.8	-3.9	-2.8	-2.3		
0.5	0.4	1.3	1.1	2.5	3.3	4.3	3.9	5.1	2.7	4.2	3.5	2.9	2.5	0.5	0.2	-0.6	-2.0	-2.4	-1.9	-2.2	-0.6		
0.1	-0.3	0.5	0.8	3.5	3.3	4.7	3.7	1.6	-1.0	-2.4	-1.3	-2.7	-3.8	-4.8	-5.2	-4.7	-5.0	-4.5	-3.7	-2.1	0.4		
14.8	11.9	15.5	23.2	24.8	20.0	18.4	14.1	-4.3	-12.7	-15.0	-8.9	-14.6	-14.5	-18.0	-20.1	-21.5	-16.3	-13.9	-12.6	3.8	13.0		
16.4	12.6	15.3	24.1	25.5	20.0	17.7	12.2	-9.4	-18.9	-19.5	-11.2	-17.9	-15.6	-19.4	-21.2	-20.9	-14.8	-11.5	-9.4	10.3	21.9		
0.7	1.3	1.3	1.3	1.3	-5.7	0.7	0.7	0.8	1.6	1.6	1.7	1.9	1.0	0.7	0.8	0.8	0.8	0.8	0.8	16.3	15.4		
0.6	0.6	0.6	0.6	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.1	-1.1	-1.1	-1.1	2.5	2.5	2.5	2.5	2.5	2.5		
1.0	1.2	1.9	1.9	1.1	1.6	2.4	2.4	2.4	2.4	2.3	2.4	2.4	6.2	7.1	7.1	7.1	4.9	4.9	4.9	4.9	4.9		
10.4	8.5	10.8	15.7	16.3	12.2	12.4	9.7	-2.2	-7.8	-9.4	-5.0	-9.0	-8.6	-11.2	-12.9	-13.7	-10.2	-8.6	-7.6	6.0	11.8		

BALANCE OF PAYMENTS	2006	2007	2008	2007		2008				2009			2007		2008	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	11	12	1	2
<b>BALANCE OF PAYMENTS, in EUR m</b>																
Current account	-771	-1,646	-2,287	-538	-692	-425	-486	-642	-733	-223	173	-83	-197	-335	-178	-117
Goods <sup>1</sup>	-1,151	-1,666	-2,650	-401	-664	-489	-668	-751	-743	-128	1	-190	-191	-293	-188	-134
Exports	17,028	19,798	20,048	4,927	5,062	5,084	5,349	5,038	4,577	3,946	4,079	3,970	1,781	1,426	1,618	1,710
Imports	18,179	21,464	22,698	5,328	5,726	5,573	6,017	5,789	5,320	4,073	4,078	4,161	1,973	1,719	1,806	1,844
Services	993	1,047	1,609	306	167	334	475	487	314	252	310	310	46	53	109	106
Exports	3,572	4,145	5,040	1,259	1,018	1,053	1,299	1,480	1,209	927	1,052	1,279	297	350	339	335
Imports	2,580	3,098	3,431	953	851	719	824	993	895	674	741	969	251	297	230	229
Income	-440	-789	-1,039	-376	-135	-150	-259	-394	-236	-212	-150	-153	-35	-48	-41	-41
Receipts	872	1,169	1,264	298	343	266	326	335	336	252	249	244	111	120	88	88
Expenditure	1,312	1,957	2,303	674	478	416	585	729	572	464	399	397	146	167	128	129
Current transfers	-173	-239	-206	-67	-60	-120	-33	16	-69	-136	11	-50	-17	-48	-59	-48
Receipts	785	941	783	230	278	144	190	229	220	119	247	152	89	83	32	54
Expenditure	958	1,180	989	296	338	264	223	213	289	255	235	202	106	130	91	102
Capital and financial account	1,092	1,920	2,395	384	982	435	741	632	588	-128	-25	78	311	500	86	228
Capital account	-131	-52	-43	-32	-8	-8	3	-8	-30	-5	41	-4	5	-20	-9	0
Financial account	1,223	1,972	2,438	416	990	443	738	640	618	-123	-66	82	305	521	95	228
Direct investment	-174	-210	381	9	56	114	-142	128	281	-134	-304	-81	-100	53	32	-13
Domestic abroad	-687	-1,317	-932	-438	-256	-125	-450	-236	-122	-129	-322	-71	-162	-102	-32	-25
Foreign in Slovenia	513	1,106	1,313	447	312	239	308	364	402	-6	19	-10	62	155	65	11
Portfolio investment	-1,442	-2,255	575	378	-806	305	-1,152	165	1,257	873	1,149	2,326	-483	36	16	692
Financial derivatives	-13	-15	46	-20	12	30	4	5	6	-23	12	12	4	4	10	10
Other investment	1,571	4,313	1,415	17	1,665	75	1,947	340	-947	-953	-968	-2,162	912	356	36	-497
Assets	-1,939	-4,741	-562	-1,365	-574	-978	-187	388	215	806	-268	-1,076	-360	76	147	-960
Commercial credits	-442	-400	-143	29	136	-518	-170	-9	554	51	11	-50	-17	386	-79	-226
Loans	-733	-1,895	-541	-441	-627	51	-442	158	-308	277	-73	-39	-137	-359	175	-44
Currency and deposits	-743	-2,454	117	-942	-85	-502	385	258	-23	472	-208	-999	-207	56	37	-684
Other assets	-21	7	5	-12	1	-9	40	-19	-7	7	2	12	-1	-6	14	-5
Liabilities	3,510	9,054	1,977	1,382	2,239	1,054	2,134	-48	-1,162	-1,759	-701	-1,086	1,273	279	-111	463
Commercial credits	479	499	-67	-89	266	179	309	-19	-537	-379	-87	28	97	6	-81	105
Loans	2,064	3,841	1,868	910	1,345	644	1,472	242	-490	-517	-1,320	-102	881	254	117	217
Deposits	998	4,727	190	567	613	253	346	-272	-137	-858	700	-983	299	-14	-134	150
Other liabilities	-30	-13	-13	-6	16	-22	7	2	1	-5	6	-28	-4	34	-13	-10
International reserves <sup>2</sup>	1,281	140	21	32	64	-81	80	1	21	114	46	-13	-28	72	0	37
Statistical error	-321	-273	-108	154	-290	-10	-255	10	146	351	-148	5	-113	-165	92	-111
<b>EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m</b>																
Export of investment goods	1,680	1,936	2,241	466	505	523	576	598	544	444	462	408	166	159	147	178
Intermediate goods	9,368	10,436	10,760	2,559	2,597	2,752	2,893	2,730	2,385	1,984	2,007	2,038	928	710	891	934
Consumer goods	5,709	7,035	6,808	1,791	1,850	1,753	1,817	1,648	1,590	1,477	1,572	1,488	651	522	561	580
Import of investment goods	2,565	3,031	3,441	755	882	773	928	862	878	581	549	516	302	276	248	252
Intermediate goods	11,319	12,875	13,735	3,163	3,348	3,417	3,668	3,543	3,107	2,365	2,330	2,452	1,186	998	1,116	1,145
Consumer goods	4,456	5,601	5,870	1,412	1,506	1,459	1,520	1,475	1,416	1,193	1,252	1,247	490	441	466	474

Sources of data: BS, SORS. Notes: <sup>1</sup> exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports; <sup>2</sup> reserve assets of the BS.

2008											2009										
3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	
-130	-120	-201	-165	-347	-157	-138	-236	-164	-334	-47	-114	-62	20	61	91	-26	-95	37	-14	33	
-166	-160	-285	-223	-263	-298	-190	-266	-180	-297	-32	-31	-65	-62	6	56	-43	-150	2	1	-45	
1,757	1,866	1,716	1,767	1,809	1,339	1,891	1,841	1,532	1,204	1,218	1,297	1,431	1,308	1,337	1,433	1,406	1,071	1,494	1,504	1,469	
1,923	2,026	2,002	1,990	2,071	1,637	2,080	2,107	1,711	1,501	1,249	1,328	1,496	1,370	1,331	1,377	1,448	1,221	1,492	1,503	1,514	
118	152	170	152	124	166	196	149	107	58	101	61	91	104	108	98	64	131	115	84	57	
378	422	433	444	516	487	478	446	372	392	310	281	336	347	345	359	439	449	390	363	313	
260	270	263	291	391	320	281	296	264	334	209	220	245	243	237	262	375	318	275	279	256	
-69	-82	-70	-107	-214	-50	-130	-83	-82	-71	-77	-71	-63	-56	-52	-43	-50	-49	-54	-49	-45	
90	111	106	108	111	115	109	108	105	124	88	83	81	80	83	86	82	81	81	84	84	
159	193	177	215	325	165	239	191	187	195	166	154	145	136	135	128	132	129	136	133	130	
-13	-31	-15	12	5	25	-14	-36	-9	-24	-39	-73	-24	33	-2	-20	3	-27	-25	-50	67	
58	38	58	93	64	106	58	54	80	86	29	40	49	112	75	60	70	45	38	55	140	
71	69	73	81	59	82	73	90	89	110	68	113	73	78	76	81	67	72	64	105	73	
121	192	346	202	411	187	34	-130	279	439	93	-114	-107	26	92	-143	78	-85	85	97	-20	
2	5	-3	1	-6	-1	-1	4	39	-73	-8	-2	5	-2	-2	45	-3	-2	1	0	22	
120	188	349	201	417	188	35	-134	239	512	101	-112	-112	28	93	-187	81	-83	84	97	-42	
95	-49	-9	-84	125	51	-48	-40	85	235	56	-61	-129	-42	-175	-87	-55	52	-78	-34	-57	
-68	-160	-128	-163	-116	-34	-86	-81	-9	-32	-24	-51	-53	-95	-207	-20	7	-12	-65	-50	23	
163	111	119	78	241	85	38	41	94	267	80	-9	-76	53	32	-67	-62	64	-12	15	-80	
-403	-452	-457	-243	134	-207	238	387	658	212	410	559	-96	1,004	263	-118	861	-216	1,681	-15	-95	
10	1	1	1	2	2	2	2	2	2	-10	-13	0	4	8	-1	-2	6	8	0	1	
536	602	797	548	229	238	-127	-516	-489	58	-352	-684	83	-933	-65	30	-670	46	-1,538	138	98	
-165	384	194	-766	112	-79	355	-435	19	632	124	595	88	-209	-813	755	-651	696	-1,121	268	-332	
-212	-25	-98	-47	16	147	-172	-43	132	465	146	-45	-50	26	46	-60	-3	76	-122	-39	-13	
-80	17	-205	-254	255	-377	280	-286	73	-95	34	218	25	35	-49	-59	-57	59	-41	-13	29	
145	346	506	-468	-164	153	269	-115	-191	283	-67	412	127	-270	-808	870	-590	555	-964	318	-350	
-18	46	-9	3	5	-2	-22	9	5	-22	11	10	-15	-1	-2	5	0	6	6	3	2	
702	218	603	1,314	117	317	-482	-81	-508	-574	-475	-1,279	-5	-723	748	-726	-19	-650	-417	-130	431	
155	93	220	-4	38	-116	59	-67	-182	-287	-376	-5	2	-35	-33	-20	7	-92	113	80	61	
311	-173	512	1,133	112	228	-98	37	-483	-44	-101	28	-444	-329	348	-1,339	14	-69	-47	-176	19	
236	294	-128	180	-40	206	-438	-51	159	-244	5	-1,303	441	-361	434	627	-10	-491	-482	-36	358	
0	4	-2	5	6	0	-5	0	-2	2	-3	2	-4	2	-1	5	-30	3	-2	2	-8	
-118	85	16	-21	-73	104	-30	33	-17	5	-4	86	31	-5	62	-11	-53	29	12	8	11	
9	-72	-145	-37	-64	-30	104	366	-115	-105	-46	228	169	-46	-153	52	-52	179	-122	-83	-14	
199	193	192	191	203	152	243	201	185	158	128	152	163	171	141	149	148	110	150	167	N/A	
927	1015	925	953	976	756	998	981	816	589	647	640	697	648	656	703	725	556	757	784	N/A	
612	635	578	603	607	411	629	638	511	441	429	491	556	479	525	568	518	394	575	543	N/A	
274	316	312	300	294	226	342	289	279	310	172	161	248	189	186	174	169	153	194	202	N/A	
1156	1225	1222	1221	1291	1029	1222	1309	1017	782	745	801	819	761	758	811	860	709	884	898	N/A	
519	518	503	500	520	404	551	544	441	431	353	388	452	437	409	406	433	378	436	429	N/A	

MONETARY INDICATORS AND INTEREST RATES	2006	2007	2008	2007					2008					
				8	9	10	11	12	1	2	3	4	5	6
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m</b>														
Claims of the BS on central government	16.6	67	68	68	67	67	67	67	67	67	66	66	66	65
Central government (S. 1311)	776.6	2,367	2,162	2,342	2,345	2,348	2,374	2,367	2,412	2,397	2,392	2,123	2,162	2,052
Other government (S. 1312, 1313, 1314)	24.9	118	212	110	111	114	112	118	123	124	124	128	129	133
Households (S. 14, 15)	1289.4	6,818	7,827	6,323	6,468	6,607	6,830	6,818	6,918	7,009	7,133	7,235	7,318	7,409
Non-financial corporations (S. 11)	3236.0	18,105	21,149	16,720	17,004	17,269	17,748	18,105	18,570	18,754	18,938	19,351	19,616	20,064
Non-monetary financial institutions (S. 123, 124, 125)	368.1	2,305	2,815	2,083	2,205	2,367	2,396	2,305	2,390	2,411	2,494	2,558	2,568	2,736
Monetary financial institutions (S. 121, 122)	1158.7	2,401	3,666	2,439	2,448	2,460	2,580	2,401	2,455	2,432	2,444	2,624	2,375	2,386
<b>Claims on domestic sectors, TOTAL</b>														
In domestic currency	2298.2	26,555	32,113	24,892	25,310	25,864	26,596	26,555	27,164	27,406	27,768	28,503	28,871	29,380
In foreign currency	3149.0	1,990	2,370	1,638	1,699	1,789	1,900	1,990	2,117	2,192	2,280	2,276	2,259	2,263
Securities, total	1286.8	3,570	3,346	3,488	3,573	3,511	3,544	3,570	3,586	3,529	3,477	3,239	3,038	3,137
<b>SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m</b>														
Deposits in domestic currency, total	2,903.4	20,029	23,129	19,299	19,386	19,579	19,558	20,029	20,088	20,674	20,779	20,774	20,613	21,144
Overnight	1,178.6	6,887	6,605	6,881	6,907	6,695	6,573	6,887	6,924	6,557	6,787	6,711	6,841	7,071
With agreed maturity – short-term	1,251.2	8,913	10,971	8,331	8,247	8,689	8,723	8,913	8,899	9,862	9,745	9,734	9,292	9,439
With agreed maturity – long-term	292.4	2,857	4,157	2,790	2,874	2,820	2,817	2,857	2,845	2,803	2,814	2,926	3,046	3,170
Short-term deposits redeemable at notice	181.2	1,372	1,396	1,297	1,358	1,375	1,445	1,372	1,420	1,452	1,433	1,403	1,434	1,464
Deposits in foreign currency, total	1,454.5	559	490	628	608	589	585	559	571	560	520	529	527	488
Overnight	552.7	218	215	278	269	255	260	218	248	240	226	222	225	218
With agreed maturity – short-term	545.5	248	198	258	248	241	226	248	229	237	220	224	224	196
With agreed maturity – long-term	318.3	56	41	62	60	60	57	56	55	48	45	45	42	42
Short-term deposits redeemable at notice	38.0	37	36	30	31	33	42	37	39	35	29	38	36	32
<b>INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %</b>														
<b>New deposits in domestic currency</b>														
<b>Households</b>														
Overnight deposits	0.32	0.36	0.43	0.35	0.37	0.42	0.40	0.40	0.44	0.41	0.41	0.43	0.46	0.46
Time deposits with maturity of up to one year	2.96	3.36	4.45	3.41	3.61	3.89	3.83	4.04	4.08	3.95	4.03	4.14	4.20	4.30
<b>New loans to households in domestic currency</b>														
Housing loans, 5-10 year fixed interest rate	4.56	5.80	6.88	5.98	6.16	6.45	6.44	6.58	6.75	6.40	6.61	6.53	6.53	6.63
<b>New loans to non-financial corporations in domestic currency</b>														
Loan over EUR 1 million, 1-5 year fixed interest rate	4.64	5.76	6.03	-	5.76	5.59	-	6.25	-	-	5.63	6.32	5.47	6.63
<b>INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %</b>														
Main refinancing operations	2.78	3.85	3.85	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>INTERBANK INTEREST RATES</b>														
<b>EURIBOR</b>														
3-month rates	3.58	4.28	4.63	4.54	4.74	4.69	4.64	4.85	4.48	4.36	4.60	4.78	4.86	4.94
6-month rates	3.58	4.35	4.72	4.59	4.75	4.66	4.63	4.82	4.50	4.36	4.59	4.80	4.90	5.09
<b>LIBOR CHF</b>														
3-month rates	1.51	2.55	2.58	2.80	2.82	2.79	2.75	2.77	2.70	2.74	2.83	2.85	2.78	2.84
6-month rates	1.65	2.65	2.69	2.86	2.90	2.89	2.85	2.84	2.77	2.77	2.87	2.93	2.89	2.98

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



2008						2009											
7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	9	10	11
66	66	67	69	69	68	69	87	103	121	140	142	151	167	166	161	161	160
2,030	2,069	2,046	2,058	2,176	2,162	2,704	2,867	3,134	3,288	3,542	3,472	3,456	3,427	3,610	3,625	3,581	3,497
136	143	178	184	181	212	223	229	233	243	254	251	257	262	281	305	336	376
7,521	7,603	7,705	7,857	7,785	7,827	7,831	7,852	7,868	7,910	7,946	7,951	8,055	8,135	8,231	8,295	8,345	8,413
20,404	20,619	20,872	21,134	21,092	21,149	21,346	21,429	21,469	21,509	21,516	21,517	21,557	21,671	21,704	21,688	21,645	21,682
2,726	2,729	2,798	2,815	2,845	2,815	2,815	2,814	2,851	2,869	2,838	2,835	2,838	2,868	2,846	2,846	2,772	2,703
2,403	2,400	2,737	2,965	2,963	3,666	3,887	3,826	3,786	3,829	4,008	4,365	4,382	4,334	4,723	4,563	4,589	5,301
29,805	30,108	30,888	31,444	31,594	32,113	32,388	32,663	32,648	32,790	33,140	33,353	33,601	33,628	34,045	33,922	33,962	34,730
2,228	2,271	2,344	2,512	2,371	2,370	2,372	2,315	2,190	2,172	2,122	2,059	2,017	2,003	1,969	1,939	1,919	1,895
3,188	3,184	3,104	3,059	3,077	3,346	4,046	4,040	4,504	4,686	4,843	4,979	4,925	5,067	5,380	5,460	5,386	5,348
21,341	21,465	21,992	22,177	22,385	23,129	23,563	24,487	24,334	25,649	26,020	26,576	26,206	25,956	26,950	26,860	26,930	27,967
6,744	6,703	6,918	6,666	6,577	6,605	6,415	6,421	6,609	6,610	6,876	7,163	6,862	7,011	7,079	6,940	7,028	7,200
9,936	9,929	10,038	10,530	10,659	10,971	11,246	12,053	11,705	12,951	13,053	12,015	10,560	10,067	10,720	10,487	10,283	9,766
3,241	3,378	3,519	3,555	3,727	4,157	4,542	4,729	4,827	4,876	4,868	6,182	7,600	7,712	7,952	8,190	8,315	9,703
1,420	1,455	1,517	1,426	1,422	1,396	1,360	1,284	1,193	1,212	1,223	1,216	1,184	1,166	1,199	1,243	1,304	1,298
491	502	493	537	551	490	504	502	491	489	495	492	480	462	462	457	454	433
220	228	218	244	247	215	242	230	233	231	251	249	239	240	244	242	261	237
192	190	196	213	227	198	181	195	177	180	166	170	166	150	144	141	122	123
43	42	43	44	42	41	42	43	42	42	41	39	39	38	43	42	43	45
36	42	36	36	35	36	39	34	39	36	37	34	36	34	31	32	28	27
0.48	0.48	0.48	0.51	0.52	0.43	0.48	0.40	0.34	0.28	0.25	0.23	0.23	0.23	0.23	0.23	0.23	-
4.40	4.39	4.53	4.65	4.56	4.45	4.08	3.40	2.82	2.44	2.28	2.40	2.35	2.27	2.14	2.04	1.97	-
6.71	6.95	6.99	7.10	7.17	6.88	7.05	6.63	5.75	6.75	6.37	6.59	6.74	6.57	6.64	6.74	5.00	-
6.91	6.53	6.94	6.76	7.24	7.74	6.61	6.35	6.34	6.05	6.10	6.19	6.36	6.20	6.66	6.47	5.94	-
4.25	4.25	4.25	3.75	3.25	2.50	2.00	2.00	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4.96	4.97	5.02	5.11	4.24	3.29	2.46	1.94	1.64	1.42	1.28	1.23	0.98	0.86	0.77	0.74	0.72	0.71
5.15	5.16	5.22	5.18	4.29	3.37	2.54	2.03	1.78	1.61	1.48	1.44	1.21	1.12	1.04	1.02	0.99	1.00
2.79	2.75	2.78	3.00	1.97	0.91	0.57	0.51	0.44	0.40	0.40	0.40	0.37	0.34	0.30	0.27	0.25	-
2.94	2.89	2.92	3.09	2.16	1.08	0.71	0.65	0.58	0.54	0.54	0.52	0.49	0.45	0.41	0.39	0.36	-

PUBLIC FINANCE	2006	2007	2008	2007		2008				2009			2007		2008	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	11	12	1	2
<b>CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m</b>																
<b>GENERAL GOVERNMENT REVENUES</b>																
TOTAL REVENUES	12,958.7	14,006.1	15,339.2	3,429.1	4,059.8	3,369.3	4,005.7	3,857.5	4,106.6	3,283.0	3,542.8	3,558.8	1,323.1	1,413.0	1,134.1	1,100.1
Current revenues	12,395.3	13,467.2	14,792.3	3,332.1	3,805.1	3,274.0	3,881.0	3,733.8	3,903.4	3,204.0	3,322.8	3,470.4	1,236.3	1,309.4	1,104.1	1,073.5
Tax revenues	11,762.0	12,757.9	13,937.4	3,123.6	3,606.0	3,110.0	3,702.0	3,472.0	3,653.3	3,058.9	3,164.5	3,279.0	1,168.1	1,243.8	1,057.4	1,015.6
Taxes on income and profit	2,735.3	2,917.7	3,442.2	646.3	769.4	694.4	1,106.5	806.5	834.7	707.3	617.5	735.5	235.7	300.3	223.0	221.2
Social security contributions	4,231.2	4,598.0	5,095.0	1,139.1	1,251.8	1,203.1	1,254.2	1,272.9	1,364.8	1,285.3	1,280.9	1,260.6	397.3	469.4	394.7	400.0
Taxes on payroll and workforce	472.9	418.1	258.0	101.5	120.9	59.4	62.2	63.5	72.9	7.4	7.2	6.2	36.5	50.3	20.0	19.5
Taxes on property	189.1	206.4	214.9	67.3	59.0	27.5	62.6	69.6	55.2	20.6	51.5	74.6	29.3	13.3	8.7	10.5
Domestic taxes on goods and services	4,077.3	4,498.6	4,805.3	1,135.5	1,372.5	1,099.4	1,181.7	1,227.8	1,296.4	1,015.4	1,177.5	1,184.2	459.9	398.0	404.6	354.7
Taxes on international trade & transactions	50.7	117.1	120.1	33.2	31.7	25.6	33.7	31.0	29.8	22.5	29.2	17.2	9.1	12.2	6.3	9.3
Other taxes	5.4	2.1	1.8	0.7	0.7	0.6	1.0	0.7	-0.6	0.5	0.7	0.7	0.3	0.2	0.2	0.2
Non-tax revenues	633.3	709.2	854.9	208.6	199.1	164.0	179.0	261.8	250.1	145.1	158.3	191.4	68.1	65.7	46.6	58.0
Capital revenues	166.8	136.6	117.3	39.6	62.1	28.0	26.9	28.8	33.6	14.1	29.7	19.3	15.7	31.9	11.1	9.6
Grants	5.4	11.9	10.4	2.0	5.0	2.0	2.1	3.1	3.1	2.9	1.7	1.9	0.8	2.8	0.8	0.7
Transferred revenues	42.8	42.5	53.9	0.4	40.5	1.2	0.9	0.6	51.3	0.2	1.5	1.1	39.7	-0.1	0.4	0.1
Receipts from the EU budget	348.4	348.0	365.4	55.1	147.1	64.0	94.8	91.3	115.3	61.8	186.9	66.2	30.6	69.0	17.7	16.1
<b>GENERAL GOVERNMENT EXPENDITURES</b>																
TOTAL EXPENDITURES	13,208.7	13,915.5	15,441.7	3,240.0	4,081.8	3,388.6	3,792.9	3,628.8	4,631.4	3,877.1	4,064.6	3,767.1	1,249.6	1,691.7	1,030.3	1,140.4
Current expenditures	5,689.0	5,950.9	6,557.5	1,362.2	1,658.2	1,575.9	1,581.7	1,513.7	1,886.2	1,768.8	1,682.7	1,578.1	500.7	673.7	451.0	512.3
Wages, salaries and other personnel expenditures	3,180.3	3,276.9	3,578.9	814.4	825.0	819.7	906.8	892.5	959.8	963.3	1,004.1	953.9	273.5	285.3	268.6	266.0
Expenditures on goods and services	2,073.2	2,212.2	2,527.5	518.0	721.3	523.1	589.3	586.1	829.0	548.8	619.4	605.4	212.1	321.9	155.0	168.6
Interest payments	376.4	357.0	335.2	17.5	36.7	221.0	69.8	12.9	31.5	246.7	48.4	12.0	4.9	5.2	22.9	74.2
Reserves	59.0	104.8	116.0	12.3	75.2	12.1	15.8	22.2	65.9	10.0	10.9	6.8	10.3	61.3	4.4	3.5
Current transfers	5,925.8	6,143.9	6,742.2	1,456.0	1,565.1	1,489.9	1,856.8	1,567.3	1,828.2	1,748.2	1,936.1	1,736.9	547.1	544.3	460.5	517.3
Subsidies	402.9	423.4	476.5	88.3	92.8	60.5	243.0	57.7	115.3	165.0	126.9	86.5	25.6	49.2	5.0	35.0
Current transfers to individuals and households	4,871.5	5,093.3	5,619.2	1,211.1	1,304.0	1,303.5	1,448.9	1,344.8	1,522.0	1,436.2	1,614.8	1,475.9	470.5	428.5	418.1	441.1
Current transfers to non-profit institutions, other current domestic transfers	624.1	595.3	598.3	145.3	160.8	118.7	151.2	153.2	175.2	140.0	178.5	164.5	48.9	62.3	35.7	37.7
Current transfers abroad	27.4	32.0	48.2	11.3	7.6	7.2	13.6	11.6	15.7	7.0	15.9	9.9	2.2	4.3	1.8	3.5
Capital expenditures	901.4	1,130.5	1,255.5	266.9	567.3	149.0	215.9	350.0	540.6	175.3	237.1	297.3	121.0	329.0	53.7	44.8
Capital transfers	404.6	334.3	458.6	69.3	181.4	30.6	62.3	130.8	234.9	35.9	112.9	86.1	49.4	96.3	9.0	10.7
Payments to the EU budget	287.9	355.9	427.9	85.6	109.8	143.2	76.2	67.0	141.5	148.9	95.6	68.7	31.3	48.4	56.1	55.3
<b>SURPLUS / DEFICIT</b>	-250.0	90.6	-102.5	-	-	-	-	-	-	-	-	-	-	-	-	-

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

**AJPES** – Agency of the Republic of Slovenia for Public Legal Records and Related Services, **ATVP**– Securities Market Agency, **BS** – Bank of Slovenia, **EC** – European Commission, **ECB** – European Central Bank, **EIA** – Energy Information Administration, **ELES** – Electro Slovenia, **ESS** – Employment Service of Slovenia, **EU** – European union, **FED** – Federal Reserve System, **GDP** – Gross domestic product, **IAADP** – Internal Administrative Affairs Directorate, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **MI** – Ministry of the Interior, **NFI** – Non-monetary Financial Institutions, **OECD** – Organization for Economic Cooperation and Development, **PPA** – Public Payments Administration of the Republic of Slovenia, **RS** – Republic of Slovenia, **SCA** – Standard Classification of Activities, **SITC** – Standard International Trade Classification, **SORS** – Statistical Office of the Republic of Slovenia.

### Acronyms of Standard Classification of Activities (SCA)

**A-** Agriculture, forestry and fishing, **B-** Mining and quarrying, **C-** Manufacturing, **10-** Manufacture of food products, **11-** Manufacture of beverages, **12-** Manufacture of tobacco products, **13-** Manufacture of textiles, **14-** Manufacture of wearing apparel, **15-** Manufacture of leather and related products, **16-** Manufacture of wood and of products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials, **17-** Manufacture of paper and paper products, **18-** Printing and reproduction of recorded media, **19-** Manufacture of coke and refined petroleum products, **20-** Manufacture of chemicals and chemical products, **21-** Manufacture of basic pharmaceutical products and pharmaceutical preparations, **22-** Manufacture of rubber and plastic products, **23-** Manufacture of other non-metallic mineral products, **24-** Manufacture of basic metals, **25-** Manufacture of fabricated metal products, except machinery and equipment, **26-** Manufacture of computer, electronic and optical products, **27-** Manufacture of electrical equipment, **28-** Manufacture of machinery and equipment n.e.c., **29-** Manufacture of motor vehicles, trailers and semi-trailers, **30-** Manufacture of other transport equipment, **31-** Manufacture of furniture, **32-** Other manufacturing, **33-** Repair and installation of machinery and equipment, **D-** Electricity, gas, steam and air conditioning supply, **E-** Water supply sewerage, waste management and remediation activities, **F-** Construction, **G-** Wholesale and retail trade, repair of motor vehicles and motorcycles, **H-** Transportation and storage, **I-** Accommodation and food service activities, **J-** Information and communication, **K-** Financial and insurance activities, **L-** Real estate activities, **M-** Professional, scientific and technical activities, **N-** Administrative and support service activities, **O-** Public administration and defence, compulsory social security, **P-** Education, **Q-** Human health and social work activities, **R-** Arts, entertainment and recreation, **S-** Other service activities, **T-** Activities of households as employers, undifferentiated goods - and services - reducing activities of households for own use, **U-** Activities of extraterritorial organizations and bodies.

### Acronyms of Countries

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