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## In the spotlight

**Following the 3.5% economic growth of 2008, GDP is expected to decline (-4.0%) in real terms in 2009, for the first time since 1992, mainly as a result of increasingly strong negative impacts of the global economic and financial crisis.** Owing to declining exports and investment, Slovenia already posted negative economic growth (-0.8%) in the last quarter of 2008. With a further rapid deterioration of the situation in the international environment over the past few months, which was reflected in a dramatic decrease in global trade flows, international institutions revised their forecasts significantly downwards, which is also the key reason for the notably lower spring forecast compared with the baseline (1.1%) and alternative (0.6%) scenarios from December's Revised Autumn Forecast. Since December, the forecast for economic growth in the euro area has declined by almost 4.0 p.p. For example, the OECD expects a 4.1% real GDP drop for 2009 and recession is now projected for all of Slovenia's other trade partners. Owing to a decline in foreign demand, this year will see a remarkable decline in exports (-8.6%), particularly merchandise exports. The decline in investment will be even more pronounced (-12.0%), because, due to Slovenia's high dependency on exports, the situation in the international environment also has a great impact on the investment decisions of enterprises. In addition, sources of finance are limited and construction investment will also slow this year. Due to the tightening conditions on the labour market, lower disposable income growth and the expected higher propensity to save, private consumption is also expected to drop in real terms (-0.6%). Only government consumption will see positive growth (3.2%). In addition to expenditure related to the operation of automatic stabilisers, the largest increase will be posted for social transfers in kind supplied by market producers, as a consequence of measures adopted in the run-up to elections; growth of expenditure on medicines will also be strong.

**Value added will drop in almost all private sector activities, particularly in manufacturing (-9.0%) and construction (-10.0%).** In 2009, the key reason for the expected strong decline in value added in manufacturing is a sizeable decline in domestic and foreign demand against the background of the adopted measures which will mitigate the consequences of the economic crisis. The drop of industrial production in manufacturing deepened further in January, totalling -19.3% year-on-year. In January, a similar y-o-y drop was also recorded for the value of completed construction work (-20.0%), which increased relative to December, but remained lower than before the notable moderation at the end of last year. Infrastructure investment is not expected to increase, except energy infrastructure; construction of buildings is also set to decline. A value added contraction is also expected for market services, particularly those related to domestic industrial and construction activities. Negative prospects for Slovenia's economy are also corroborated by data on business trends, given that the business sentiment indicator dropped to a new low in March (since the beginning of measurement in 2000).

**Amid the tightened economic conditions this year, a significant deterioration is also expected on the labour market, where the number of employed persons will decline by more than 5%.** The number of registered unemployed persons increased by more than 20,000 in the six months from September, to 79,682 in March. The survey unemployment rate will increase from 4.4% to 6.0%, and the registered unemployment rate from 6.7% to 8.9%; the number of registered unemployed will thus climb to around 100,000.

**The years 2009 and 2010 will see a considerable gap between real wages rises in the private sector and in the public sector. Real growth of the gross wage per employee will increase in 2009 (2.2%).** In the private sector, wage growth will stagnate (0.1%) due to lower economic activity, while in the public sector, it will remain relatively high (6.2%) due to January's disbursement of the second quarter of funds and last year's strong growth as a result of the beginning of the process of eliminating wage disparities. In view of significantly slower labour productivity growth and accelerated growth of the compensation of employees per employee, Slovenia was in the group of EU Member States posting the greatest deterioration of cost competitiveness in 2008. Growth of the compensation of employees per employee is expected to slow and labour productivity growth to strengthen this year. The real effective exchange rate deflated by unit labour costs will thus decline.

**Due to lower prices of oil and other commodities and a decline in economic activity, inflation will be slowing this year, totalling 0.4 in the year as a whole. Y-o-y inflation will be at 1.4% at the end of the year.** Consumer prices increased by 1.0% for seasonal reasons in March. Y-o-y inflation slowed to 1.8%; in the whole euro area it dropped to its all time low (0.6%). As a result of the base effect, inflation may swing downward considerably in the first half of the year, while towards the end of the year, prices will rise due to the this factor's opposite effect.

**Assuming that the global recession will slow, positive economic growth (1.0%) can be expected again in 2010.** All consumption aggregates will gradually see stronger growth or a smaller decline. Value added growth will start to pick up, first in export-oriented activities, followed by market services. Owing to Slovenia's high dependency on exports, the economic recovery will crucially depend on the situation in the broader environment and the efficacy of economic policy measures worldwide. As in 2010 economic recovery will be reflected in employment growth with a delay, the number of persons in employment will be lower also next year and the survey unemployment rate (7.0%) and the registered unemployment rate (10.3%) will increase. Next year, real gross wage rises will be slightly higher in both sectors; as a result of the continuation of the process of eliminating wage disparities (as agreed between the government and the trade unions, the last two quarters of funds will be paid at the beginning of 2010), the gap between the private and the public sector wage rises will be even somewhat wider. Average inflation will increase to 1.6% in 2010 and y-o-y inflation to 2.2%.

**current economic trends**



## International environment

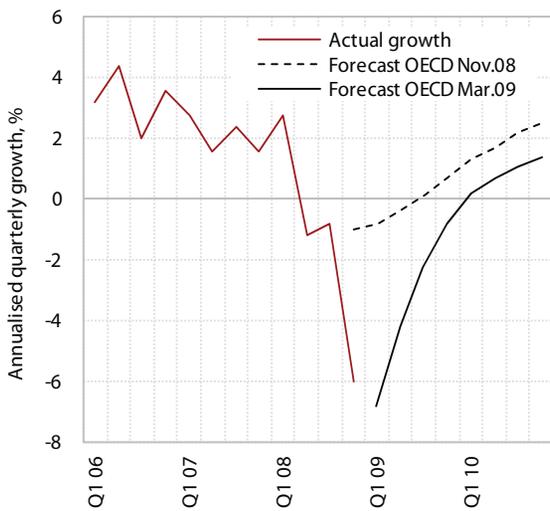
According to Eurostat's latest data, GDP in the euro area dropped by 1.6% in the last quarter relative to the previous quarter of 2008, posting 0.8% growth in the year as a whole. In quarter-on-quarter terms, GDP declined for the third quarter in a row, for the first time since data have been available year-on-year (-1.5%). In Q4, only general government consumption made a positive contribution to total GDP growth in the euro area, while the largest negative contribution came from exports. Six (nine) euro-area members fell into a technical recession in Q4, and only four of them enjoyed positive y-o-y growth. Economic growth in the euro area slowed significantly last year (0.8%), compared with that in 2007 (2.6%).

In January, economic activity in the euro area continued to slow. The volume of industrial production and the volume of construction put in place dropped by a respective

17.3% and 9.2% year-on-year. New orders in industry went down by more than a third compared with the same month last year. Turnover in retail trade also declined, by 2.1% y-o-y. The unemployment rate rose by 0.9 p.p. in the first two months of the year, totalling 9.1% in February. After a slight increase in February, inflation in the euro area dropped again y-o-y in March, totalling 0.6%, the lowest figure since data have been available (1996). The value of the business sentiment indicator fell further in March, but the decline slowed somewhat.

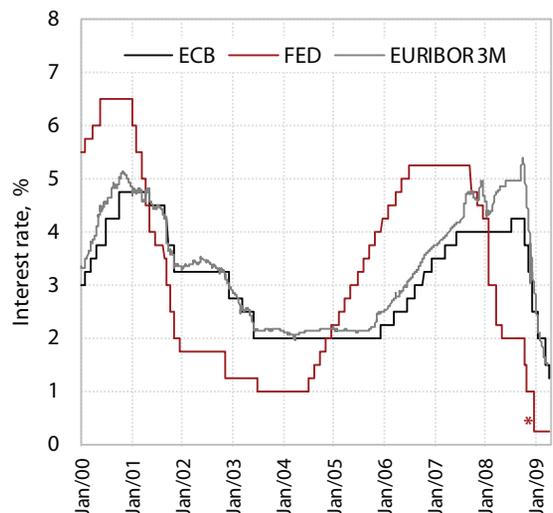
At the end of March, the OECD revised its forecasts of economic growth for this and the coming year significantly downward. It predicts that in 2009 global GDP will decline by 2.75% and the volume of international trade by 13.2%. The forecast of this year's economic growth for the euro area was scaled back by 3.5 p.p. to -4.1% relative to November. GDP is also set to shrink in 2010. The ECB also released new forecasts of economic trends for the euro area, projecting a GDP decline of 2.2% to 3.2% this

Figure 1: Actual economic growth and forecast for the euro area



Source: Eurostat, OECD Economic Outlook (December 2008, March 2009).

Figure 2: Movements of interest rates



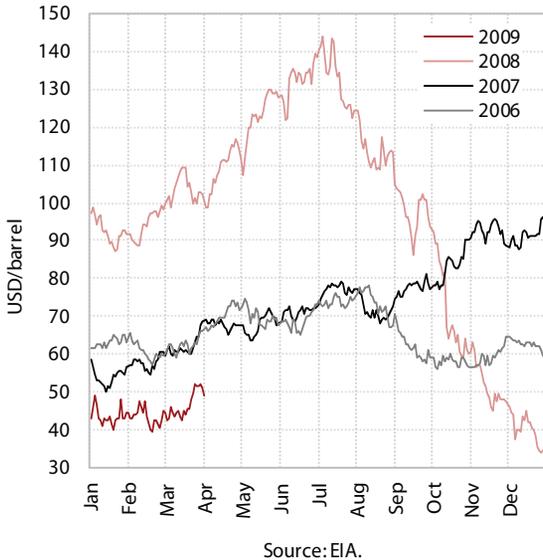
Source: ECB, FED, www.euribor.org.  
Note: \*Ranging between 0.0 and 0.25%.

Table 1: Assumptions by IMAD and forecasts of economic growth by international institutions

	2008	2009						2010					
		EC Jan 09	IMF Jan 09	CONS Feb 09	CONS Mar 09	OECD Mar 09	IMAD Apr 09	EC Jan 09	MDS Jan 09	CONS Feb 09	CONS Mar 09	OECD Mar 09	IMAD Apr 09
EU	0.9	-1.8	-1.8	-1.8	-2.4	np	-3.9	0.5	0.5	0.7	0.5	N/A	-0.3
EMU	0.8	-1.9	-2.0	-2.0	-2.6	-4.1	-4.1	0.4	0.2	0.7	0.5	-0.3	-0.3
DE	1.3	-2.3	-2.5	-2.5	-3.2	-5.3	-5.1	0.7	0.1	0.8	0.7	0.2	0.1
IT	-1.0	-2.0	-2.1	-2.3	-2.8	-4.3	-4.2	0.3	-0.1	0.3	0.3	-0.4	-0.4
AT	1.8	-1.2	N/A	-1.2	-1.6	N/A	-3.5	0.6	N/A	0.4	0.3	N/A	-0.3
FR	0.8	-1.8	-1.9	-1.4	-2.0	-3.3	-3.3	0.4	0.7	0.8	0.6	-0.1	0.0
UK	0.7	-2.8	-2.8	-2.6	-3.0	-3.7	-3.5	0.2	0.2	0.6	0.5	-0.2	-0.2
US	1.1	-1.6	-1.6	-2.1	-2.8	-4.0	-4.0	1.7	1.6	2.0	1.7	0.0	0.0

Source: Eurostat, European Commission Interim Forecast (January 2009), IMF World Economic Outlook (January 2009), Consensus Forecasts (February 2009), Consensus Forecasts (March 2009), OECD Economic Outlook (March 2009), IMAD Spring Forecast (April 2009).

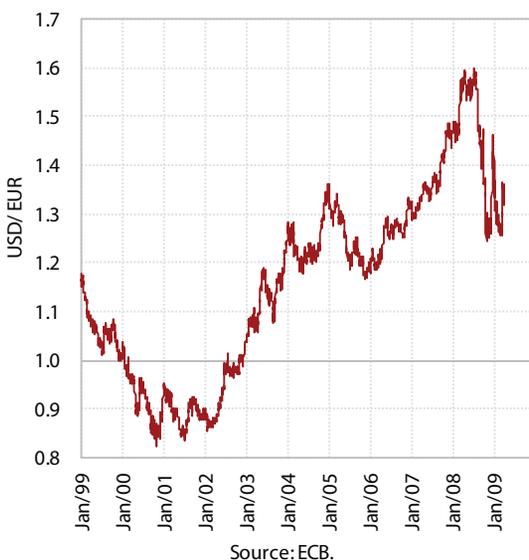
Figure 3: Movements of Brent crude prices



year. A significant recovery of the economy is not even expected for 2010, when GDP growth is forecast to be between -0.7% and 0.7%. The IMF also revised downward its forecast for the euro area, projecting GDP to decline by 3.2% in 2009, a much higher figure than anticipated in January (-2.0%). In 2010, economic growth is set to be at 0.1%. The new Consensus forecasts of quarterly y-o-y GDP growth rates for our main trading partners are also significantly worse than in December.

After the March and April cuts (0.5 p.p. and 0.25 p.p., respectively), the key ECB interest rate is now 1.25%. Further downward revisions have already been announced. The Fed left its key interest rate at the interval between 0.0% and 0.25%. The falling of interest rates on interbank

Figure 4: Movements of the USD/EUR exchange rate



markets continued in March. The value of the 3-month EURIBOR declined by 0.31 p.p. relative to February, averaging 1.6%.

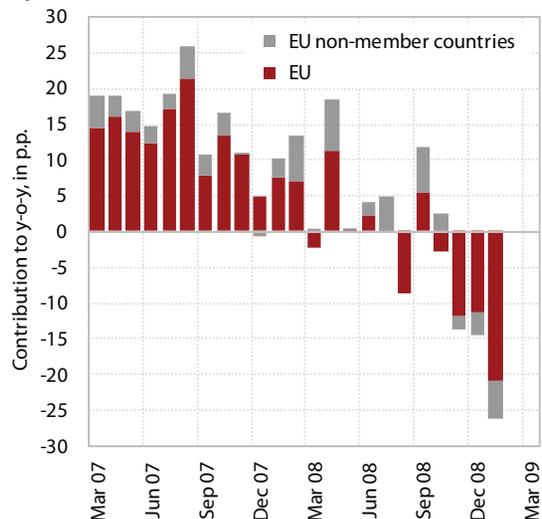
Oil prices increased and averaged USD 46.6 a barrel in March. Oil prices remained stable in the first half of the month. In the second half, they increased, hovering somewhat above USD 50 a barrel. At its meeting in March, OPEC decided to leave its oil output unchanged. This comes after OPEC's reducing its daily output of oil in three steps, by 4.2 million barrels, since last September. In March, the average Brent crude oil price increased by 7.6% relative to February, and was down 55.0% y-o-y.

In March, the euro again fluctuated relative to the main world currencies, but it remained below the value posted at the end of 2008. The value of the euro against the US dollar increased by 2.1% in March compared to February (average exchange rate of USD 1.3050 to EUR 1). The value of the euro also appreciated against the Japanese yen (average exchange rate of JPY 127.65 to EUR 1), Swiss franc (average exchange rate of CHF 1.5083 to EUR 1) and the British pound sterling (average exchange rate of GBP 0.9197 to EUR 1).

## Economic developments in Slovenia

In January, the decline in the volume of **merchandise trade** was even more pronounced than in the previous two months.<sup>1</sup> Merchandise exports declined by a nominal 26.0% y-o-y, merchandise imports by 31.5%. A significant decline was recorded for the value of external merchandise trade with both the EU and non-EU countries. The total merchandise

Figure 5: Geographic distribution of merchandise exports

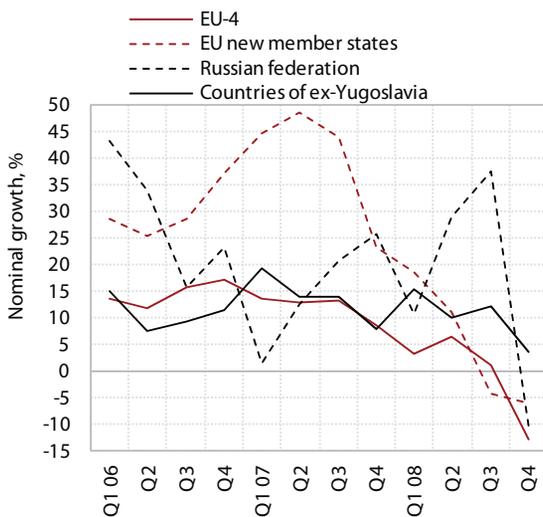


<sup>1</sup> According to the external trade statistics.

trade deficit amounted to EUR 69.7 m in January 2009, EUR 160.7 m less than in January last year.

The sizeable decline in merchandise exports in Q4 (-8.9%) was a consequence of lower merchandise exports to almost all main trading partners. The decline in merchandise exports to the EU was not much of a surprise, given that recession deepened in the EU in Q4 2008. About half of the decline in total merchandise export growth came from a decline in Slovenia's exports to Germany (-2.2 p.p.) and Italy (-2.1 p.p.). Merchandise exports to Italy had already been declining y-o-y since the first quarter of 2008, while merchandise exports to Germany dropped for the first time in Q4 2008. The lowering of exports to France and Great Britain, which had started in Q3, intensified in Q4, with their respective contributions to growth totalling between -0.9 p.p. and -0.5 p.p. Looking at Slovenia's main trading partners, positive growth rates were only recorded for exports to Slovakia and

Figure 6: Merchandise export growth by country

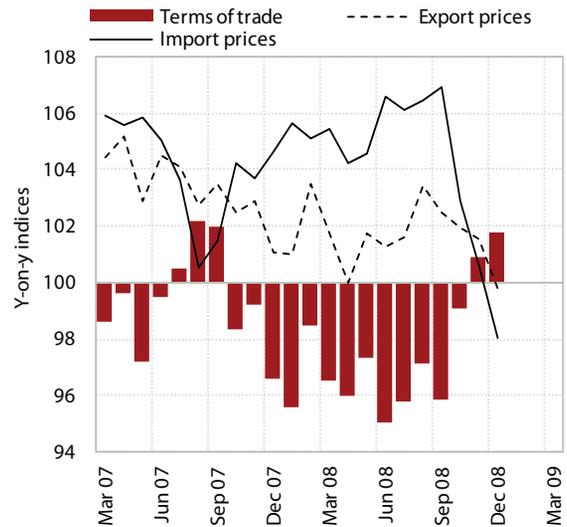


Source: SORS; calculations by IMAD.  
Note: \*EU-4: Germany, Italy, France, Austria.

Poland and to the former Yugoslav countries. Exports to the Russian Federation, which had risen by 37.6% in Q3, dropped considerably in Q4 y-o-y (-10.2%). According to the structure of exports (SITC), among the main export products only exports of medicinal and pharmaceutical products made a positive contribution to export growth in Q4 last year, while the greatest negative contribution came from exports of road vehicles.

Merchandise imports went down significantly in Q4 2008 (-6.1%), chiefly due to lower imports of intermediate goods. In Q3, growth of merchandise imports was still relatively strong (10.1%). Broken down by end-uses of product groups, amid the great decline in industrial production in manufacturing in Q4, the greatest drop was recorded for imports of intermediate goods (-7.4%), which contributed more than two-thirds to the total merchandise import

Figure 7: Terms of merchandise trade

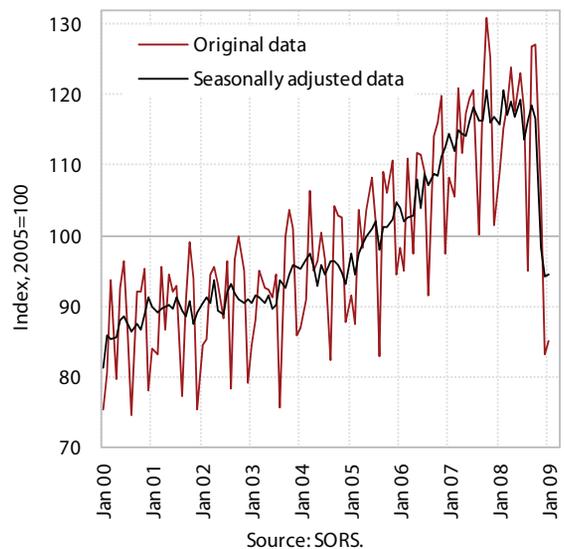


Source: SORS; calculations by IMAD.

decline. Imports of consumer goods also posted a sizeable decline (-6.0%), while imports of investment goods dropped slightly less (-1.0%). In terms of the structure of imports by product group, import growth was still mainly propelled by imports of oil and oil products, despite the slowdown, while the greatest negative contribution came from imports of road vehicles.

The terms of trade improved somewhat y-o-y in Q4 2008.<sup>2</sup> In Q4 2008, oil and non-oil primary commodity prices declined notably y-o-y (-25.0% and -18.3%, respectively). Export prices increased by 1.1% (in Q3 by 2.5%), import prices by 0.5% (in Q3 by 6.5%). The terms of trade, which had been worsening from Q4 2007 up to Q3 2008, therefore improved by 0.6% in Q4 2008.

Figure 8: Industrial production in manufacturing



Source: SORS.

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

## Box 1: Economic growth in Q4 2008

Against the background of the pronounced tightening of the global financial and economic crisis, economic activity declined in Q4 2008, for the first time since Q2 1993, as a consequence of notably lower exports and investment. Amid the global financial crisis spreading rapidly to other sectors of the economy, the GDP decline (by 0.8% y-o-y, 4.1% q-o-q, seasonally adjusted) was a result of significant lower export activity. After a notable slowdown in Q3, merchandise exports declined significantly in real terms at the end of the year (-9.4%), while exports of services maintained their relatively strong growth (9.2%); the decline in total exports was therefore somewhat smaller, but still pronounced (-6.2%). Owing to the deteriorated international situation, investment activity also slowed significantly towards the end of the year (-5.3%). Investment in buildings and construction declined, and so did investment in machinery and equipment owing to limited sources of finance and lower capacity utilisation as a result of the deteriorated economic situation. Following the high growth rates of the past three years, changes of inventories made a negative contribution to economic growth in Q4 (-1.4 p.p.). With further modest household consumption growth (1.1%) and accelerated growth of government consumption (5.0%), final consumption recorded positive growth, yet as in Q3, significantly weaker than in the first half of the year. Against the backdrop of waning export and investment activity, imports also posted a decline (-6.6%), both for merchandise (-7.3%) and services (-1.7%). Amid weakening economic activity in Q4 as a result of significantly deteriorated economic conditions in the international environment, economic growth almost halved in 2008 relative to 2007 (to 3.5% from 6.8%).

Lower export growth went hand in hand with a significant decline of activity in manufacturing; value added growth also slowed remarkably in construction and trade, but remained relatively high in financial intermediation and transport. The decline in domestic and foreign orders in particular had the greatest negative impact on manufacturing industries, where (after a marginal decline in Q3) value added declined by 10.5% in real terms in Q4. Growth of construction activity also slowed significantly in Q4 (from 14.2% to 3.1%), but construction nevertheless remained the fastest growing activity last year. With lower industrial activity and a slowdown in construction, growth rates of value added also declined in business services at the end of the year, and decelerated in trade. In transport, value added growth remained relatively strong. The slowdown of value added growth in financial intermediation was moderate (8.2%), given that growth of net interest income of banks remained fairly strong, largely thanks to the effect of high inter-bank interest rates.

Figure 9: Expenditure structure of GDP growth

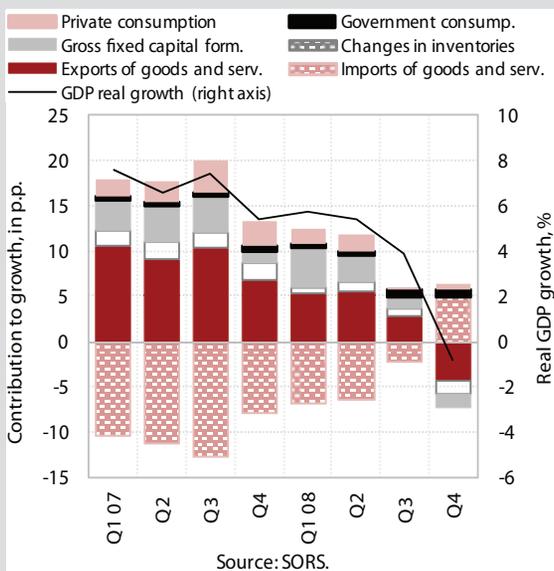
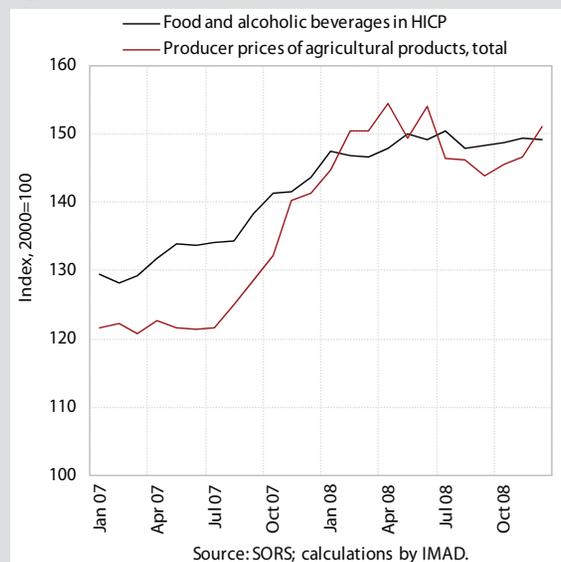


Figure 10: Production structure of GDP



In January, low production activity in **manufacturing** continued. Industrial production was 0.4% higher (seasonally adjusted) than in the month before, when the volume of production was very low, but was down by as much as 19.3% (according to the working-day adjusted data) relative to the comparable month in 2008. Among the EU countries, January's shrinkage of production was higher in new Member States (Slovakia: -32.7%; Estonia:

-29.3%; Latvia: -27.2%; the Czech Republic: -26.0%); production activity in the EU declined by 18.3% on average relative to January 2008.

The number of persons employed in manufacturing declined by 11,886 or 5.3% relative to January 2008. The largest contribution (around one-half, in total) to the decline in this number came from the manufacture of textiles

(1,409), clothing (1,072), wood-processing (1,308), other machinery and equipment (1,094) and motor vehicles (991). Last year, productivity in manufacturing dropped, largely as a result of rapid declines in production volumes over the last months of the year. In the coming months, the labour market is thus likely to be still adapting to the circumstances of lower production activity and to last year's higher growth of real wages relative to productivity growth.

*The prospects for the coming months remain grim.* In March, the current situation indicators deteriorated further,

hitting the lowest figures to date. The lowest estimates were obtained for the level of export orders, given that the share of managers estimating that export orders had dropped relative to the month before was 78 p.p. higher than the share of those assessing that export orders had increased. In contrast, indicators of expectations for the next three months (except for the indicator of expected prices) improved somewhat, but nevertheless remained exceptionally low.

**Construction activity** remained at a lower level than before the notable slowdown at the end of last year, despite

#### Box 2: Spring forecast of economic trends

*Assuming a further deterioration of the situation in the international environment in 2009 as a result of the global financial and economic crisis, the spring forecast projects negative economic growth for this year (-4.0%).* The GDP decline with regard to the positive economic growth projection in the Revised Autumn Forecast of December 2008 (1.1% according to the baseline and 0.6% according to the alternative scenario) is a result of deteriorated conditions and prospects for Slovenia's main trading partners; the forecasts for the countries outside the EU were revised more notably than those for the EU. Investment and export activities, the key engines of economic growth over the past years, are set to decline in 2009, as a result of a deeper financial crisis, which spilled over into other sectors of the economy through tightened lending conditions and a decline in confidence among business entities. Exports will decline by 8.6%, particularly merchandise exports, while investment will fall by 12.0%, especially investment in machinery and equipment as well as construction. As a result of increased downward pressure on inventories, they will make a negative contribution to economic growth this year (-2.2 p.p.), in the wake of strong increases in the previous years. Private consumption is also expected to decline in 2009 (-0.6%), due to less favourable conditions on the labour market reflected in a modest increase in disposable income and a higher propensity of households to save. Only government consumption is thus projected to increase (3.2%) relative to the year before. With weaker export activity and considerably lower domestic consumption, particularly on account of the investment drop, imports will also post a remarkable real decline (-10.3%).

*Value added will decline in most private sector activities, most notably in manufacturing and construction.* The key limiting factor in manufacturing (-9.0%) will be low demand (foreign and domestic). The decline of value added in construction (-10%) will be a result of lower investment in road infrastructure construction; construction of buildings will decline as well. Value added will also shrink in market services (-2.8%), most notably in those that are closely linked to industrial and construction activities.

*The tightened economic situation will lead to increased unemployment. The average gross wage in the private sector will remain at the level of last year, while wage rises in the public sector will be relatively high.* Employment is expected to drop by more than 5% and the number of employed persons by more than 4%. These numbers might have been even higher, if the government had not started to implement the measure of subsidising full working time at the end of the year. The survey unemployment rate will increase to 6% and the registered unemployment rate to 8.9% (close to 100,000 registered unemployment persons at the end of the year). In the private sector, growth of the real gross wage will post a significant slowdown (to 0.1%), while in the public sector it will remain strong (6.2%) due to the process of eliminating wage disparities.

*Inflation is projected to moderate further, assuming lower prices of oil and slower food price rises, as well as slower economic activity.* A considerable downward swing of inflation is projected in the first half of the year, mainly as a result of the high base (high oil price rises in the first half of 2008). The base effect is expected to work in the opposite direction towards the end of the year and inflation is set to increase, reaching 1.4% in December and 0.4% for the year as a whole.

*Owing to the fast and strong deterioration of the situation in the international environment, the risks to the forecast are significant, especially the downside risks.* The Spring Forecast is based on the assumption that economic activity will not rebound significantly before the middle of 2010. Economic growth will therefore only be slightly positive in 2010 (1.0%), but is expected to strengthen somewhat in 2011 (2.7%). In the event of a deeper and longer-lasting recession in Slovenia's trading partners, economic growth may be lower than the central forecast for the next two years. This risk is higher than the probability that the decline of economic growth in 2009 will be lower than the central forecast and the recovery in the coming years faster, which could be a result of measures adopted at the global level and in Slovenia in response to the crisis.

Box 2: Spring forecast of economic trends - continue

Figure 11: Contributions to economic growth by component, 2000-2010, in p.p.

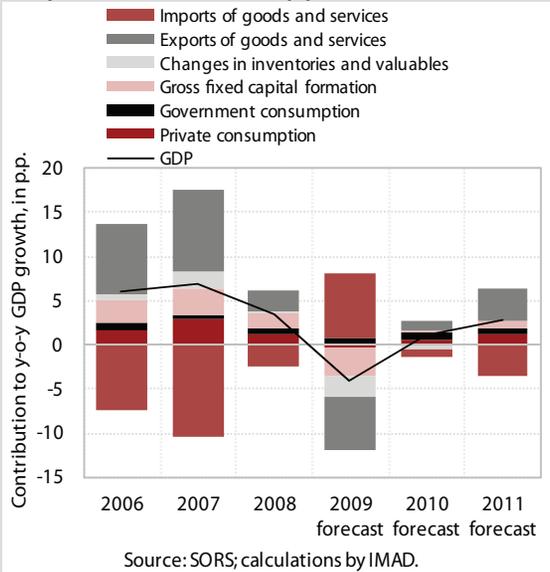
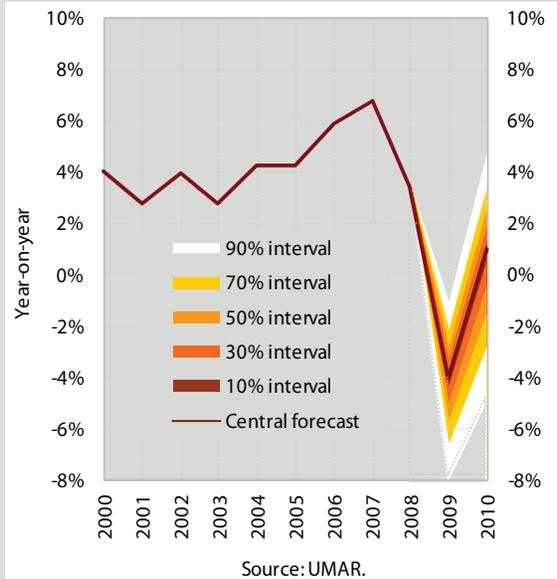


Figure 12: Central forecast and probability of expected deviations



January's increase. The value of construction put in place was up 22.4% from that in December, according to seasonally-adjusted data. Construction activity was thus at a similar level as mid-2008, yet markedly higher than in November and December, when it had posted a significant slowdown. However, it has to be noted that last year construction activity was at its highest at the beginning of the year, after which time it declined.

Data on new contracts and business trends do not suggest a further strengthening of construction activity in the coming months. According to the construction statistics, the value

of the stock of contracts was 8.5% lower in January than in the year before. In January, the value of new contracts decreased by 28.5% y-o-y. This is also corroborated by seasonally-adjusted data for business trends; the overall order-books and expected order-book indicators hit the lowest levels since data have been available (March 2002). The most important limiting factor was "insufficient demand," reaching the highest value in March.

**Electricity** production rose significantly year-on-year also in February, due to a large surplus of hydro-energy, while the decline in consumption was still to a great extent related to lower production of aluminium. Electricity output rose by 6.4% y-o-y in February, largely due to the output of

Figure 13: Value of construction put in place

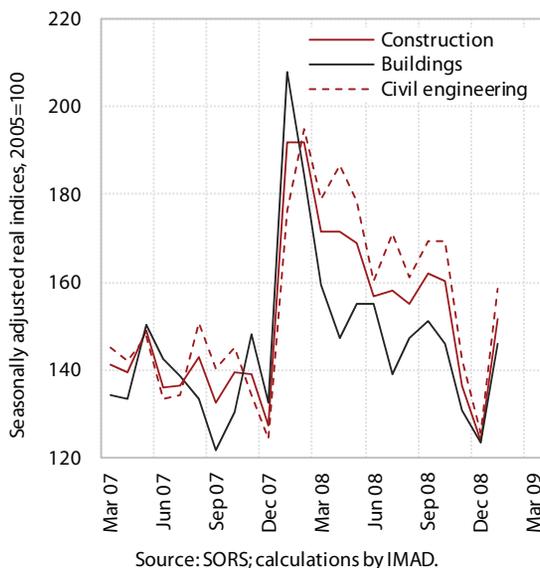


Table 2: Selected monthly indicators of economic activity in Slovenia

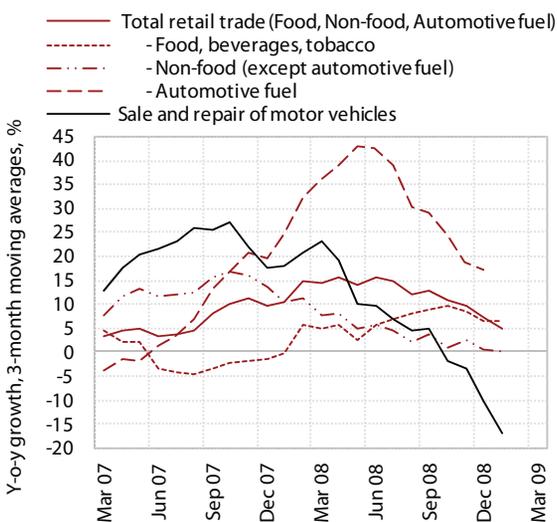
In %	2007	2008	I 09/ XII 08	I 09/ I 08
<b>Exports<sup>1</sup></b>	<b>16.9</b>	<b>4.7</b>	<b>-5.0</b>	<b>-22.4</b>
-goods	16.3	1.2	-0.8	-26.0
-services	20.1	20.8	-17.7	-5.6
<b>Imports<sup>1</sup></b>	<b>18.3</b>	<b>6.1</b>	<b>-21.3</b>	<b>-29.8</b>
-goods	18.1	5.5	-17.4	-31.6
-services	20.1	9.8	-39.5	-15.1
Industrial production	6.2	-1.2 <sup>2</sup>	0.7 <sup>3</sup>	-17.4
-manufacturing	7.5	-1.3 <sup>2</sup>	0.4 <sup>3</sup>	-19.2
Construction -value of construction put in place	18.5	15.7 <sup>2</sup>	22.4 <sup>3</sup>	-20.7

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.

hydroelectric plants, which rose by as much as two-thirds. Over the last four months, hydroelectric plant output was significantly higher than anticipated in Slovenia's electricity balance (EEB); due to the abundant amounts of snow in the mountains, the situation will be similar in the spring. Electricity consumption dropped by 11.9% y-o-y in February (by 7.5% in January, by 14.0% in December). Decreased consumption in aluminium production contributed 44% to the decline (65% in January). Electricity consumption from the distribution network dropped by 6.6%. As a result of increased electricity production and lower consumption, net electricity exports totalled 218 GWh, accounting for 19.0% of production.

In January, **retail trade**<sup>3</sup> continued to see a slowdown of activity in the durable goods sector. Real turnover in the sale and repair of motor vehicles declined y-o-y for the fourth month in a row, by as much as 27.1%, the largest decline since data have been available (January 2000). This is also a consequence of a lower number of first car registrations, which dropped by 22.7% in Q1 2009 relative to the same period last year. The sale of freight vehicles also declined, given that the number of road tractors registered in Q1 2009 was as much as 82.1% lower than in the same period last year. Real turnover also went down in the sale of non-food products (-1.8%). Only in the sale of food, beverages and tobacco did turnover growth (10.6%) not see a decline. The confidence indicator in retail trade fell to a new low again in March, suggesting that activity will also continue to decline in the coming months.

Figure 14: Real turnover in retail trade

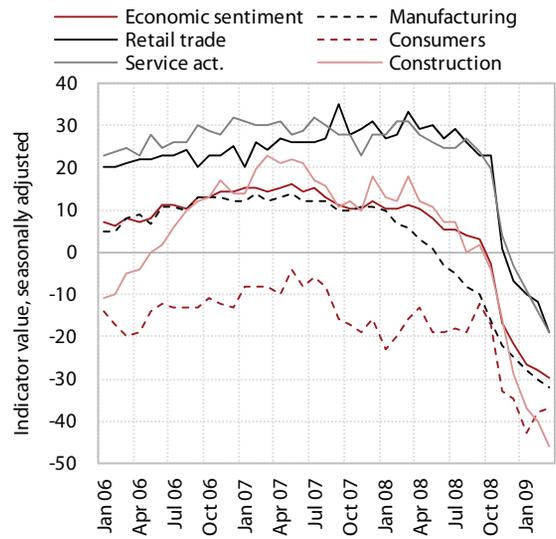


Source: SORS; calculations by IMAD.

Despite the second successive rise, the **consumer confidence indicator** was still more than one half lower in March than before the autumn fall. Consumers were more pessimistic than in February largely regarding the price movements,

<sup>3</sup> In retail trade, sale and repair of motor vehicles (47+45).

Figure 15: Business tendency



Source: SORS.

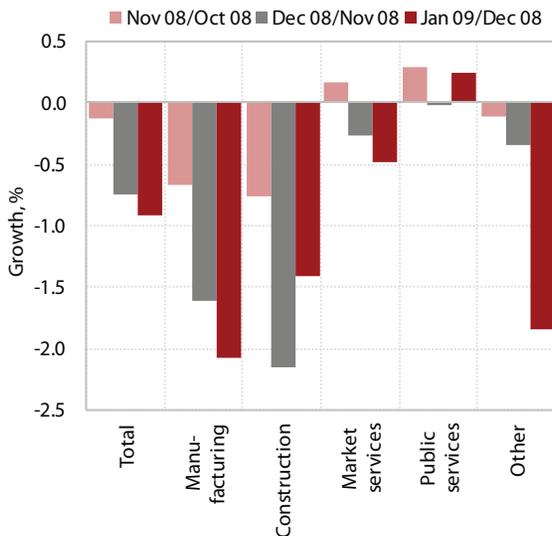
major purchases and saving. New car registrations by natural persons saw a significant decline (-24.2%) in the first three months of 2009 (also on account of last year's strong growth), and so did net flows of consumer loans. In January and February, households made net repayments of these loans (-EUR 18 m; compared with EUR 30 m borrowed by households in 2007).

**The business sentiment indicator** also dropped in March, reaching a new low. For the second month in a row, the decline in the overall indicator was mainly due to the drop in the value of the confidence indicator in service sectors. The confidence indicator values also dropped in manufacturing, retail trade and construction, while the consumer confidence indicator rose for the second consecutive month, though it is still significantly below the level of the same period in 2008.

## Labour market

After December's decline, which exceeded the usual seasonal layoffs due to the termination of fixed-term contracts, **employment** also continued to drop in January. Both the number of employed and the number of self-employed persons decreased. In January, the number of persons in formal employment was 8,000 (0.9%) lower than in December and only 0.6% higher y-o-y. Broken down by activities, the number of persons in formal employment declined the most in manufacturing (by nearly 4,500 or 2.1%) relative to December 2008, and in agriculture, construction, hotels and restaurants and other miscellaneous business services where it dropped by more than 1%. It increased in financial intermediation, public administration and education. The number of vacancies and the number of persons hired also continued to decline; the latter was already around two-fifths lower

Figure 16: Persons in employment by activity



than a year before. However, the number of work permits for foreigners remained high in January. The number of temporary personal work permits and the number of employment permits continued to increase, especially for occupations with shortages, while the number of seasonal work permits declined.

The **number of unemployed persons** also increased notably in February and March, albeit less than in January. The number of registered unemployed increased by a further 3,271 (4.4%) in February and 2,500 (3.2%) in March, to 77,182 and 79,682, respectively, and in March it was already 24.0% higher than a year before. In February, a total of 8.157 people registered anew, which

Figure 17: Unemployed who lost work and unemployed who found it

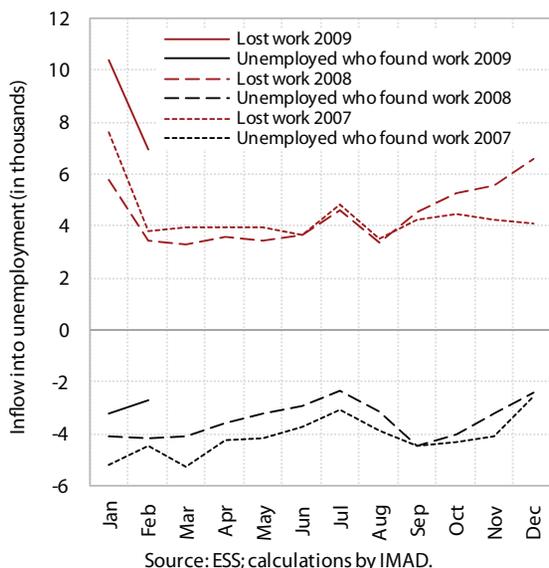


Table 3: Labour market indicators

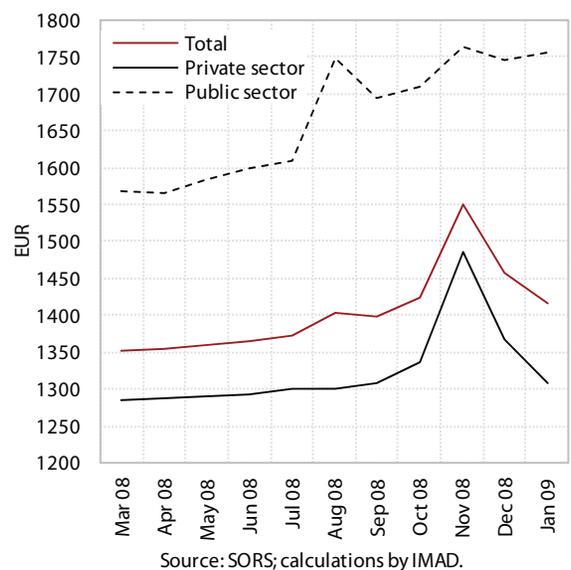
in %	2007	2008	I 09/ XII 08	I 09/ I 08
Labour force	1.6	-0.6	0.0	1.0
Persons in formal employment	3.5	3.1	-0.9	0.6
- Employed in in enterprises and organisations and by those self-employed	3.3	3.1	-0.9	0.7
Registered unemployed	-16.9	11.4	11.6	6.7
Average nominal gross wage	5.9	8.3	-2.8	6.8
- private sector	6.9 <sup>1</sup>	7.8 <sup>1</sup>	-4.3	3.5
- public sector	4.1 <sup>1</sup>	9.7 <sup>1</sup>	0.6	15.3
	<b>2008</b>	<b>I 08</b>	<b>XII 08</b>	<b>I 09</b>
Rate of registered unemployment, in %	6.7	7.4	7.0	7.8
Average nominal gross wage (in EUR)	1,391.43	1,326.19	1,457.66	1,416.40
Private sector (in EUR)	1,315.49	1,266.01	1,369.45	1,310.70
Public sector (in EUR)	1,642.58	1,523.68	1,745.65	1,756.23

Sources: ESS, SORS; calculations by IMAD. Note: <sup>1</sup>SCA2002.

is 37.0% less than in January, but almost twice as much as in February last year. Especially the number of persons who became unemployed because they lost work is increasing significantly compared with last year (6,935 in February). Only 2,728 unemployed persons landed jobs in February, 14.0% less than in January and 34.5% less than in February last year.

In January, gross **wages** were lower than in December, and their y-o-y growth also slowed again. The gross wage per employee declined by a nominal 2.8% in January compared with the month before, posting 6.8% y-o-y growth.

Figure 18: Nominal gross wage per employee



Gross wage growth in the private sector was negative in January, and also slowed again year-on-year. January's 4.3% decline of the gross wage in the private sector is attributable to the dynamics of extraordinary payments at the end of the year, one fewer working day and declining economic activity. As a result of the deteriorated economic conditions, the starting-level and the lowest basic wages were most probably not adjusted<sup>4</sup> by the agreed 1.15% in all private sector activities in January. The average gross wage in the private sector increased by 3.5% y-o-y, which is, after last November, the second lowest nominal growth since data have been available (1993).

In the public sector, wages increased at the monthly level and year-on-year as a result of disbursement of the second quarter of funds to eliminate wage disparities. The average gross wage in the public sector is usually 2.0 p.p. lower in January than in December due to higher payments at the end of the year (workload, hours worked on duty), but was 0.6% higher this year due to disbursement of the second quarter of funds to eliminate wage disparities. The exceptionally strong y-o-y growth (15.3%) is a consequence of last year's high wage rises in the second half of the year<sup>5</sup> and January's disbursement of the second quarter of funds to eliminate wage disparities. In the coming months, y-o-y growth of wages will gradually slow, as a result of February's Agreement,<sup>6</sup> stipulating a postponement of payments of the third quarter of funds to eliminate wage disparities (from September 2009 to January 2010), restriction on disbursement of regular performance-related payments (from April through November this year) and the cancellation of July's half of the adjustment of basic wages for anticipated inflation.

## Prices

In March, consumer prices increased by 1.0% (last year by 1.3%) due to seasonal factors. Y-o-y inflation nevertheless declined again after a temporary increase in February, in line with expectations, and was at 1.8%. In the first three months, prices rose by 1.0%.

Y-o-y inflation increased slightly in February (2.1%), but was 4.8 p.p. lower y-o-y. Prices also rose at the monthly level (0.5 p.p.), largely as a result of higher excise duties on liquid fuels for transport, which contributed 0.4 p.p. to inflation, together with the increase in prices of electricity

<sup>4</sup> In line with the "Collective Agreement on Extraordinary Wage Adjustment for 2007 and the Wage Adjustment Mechanism, Reimbursement of Work-Related Costs, and other Remuneration for 2008 and 2009;" due to higher-than-4.55% average inflation (5.7%) in the previous year.

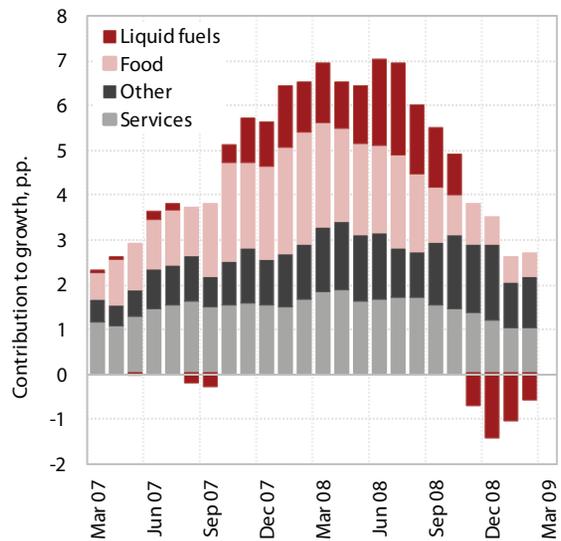
<sup>5</sup> Due to disbursement of the first quarter of funds to eliminate wage disparities with a difference accrued since May, a larger volume of payments related to promotions and other increases in payments at the end of the year.

<sup>6</sup> Agreement on measures in the area of public sector wages due to changed macroeconomic conditions for the period 2009-2010.

for households (certain distributors had already increased electricity prices in November last year). Food price rises contributed 0.5 p.p. to 2.1% y-o-y inflation in February and prices of liquid fuels for transport and heating -0.6 p.p., according to our estimate. In January, the contribution of price rises of other goods fell somewhat from a relatively high level recorded in December last year (1.7 p.p.), due to slower rises of prices of gas and district heating and prices of clothing and footwear, but remained at the achieved level in February (1 p.p.). Prices of services contributed 1.0 p.p. to y-o-y inflation (last year 1.7 p.p.).

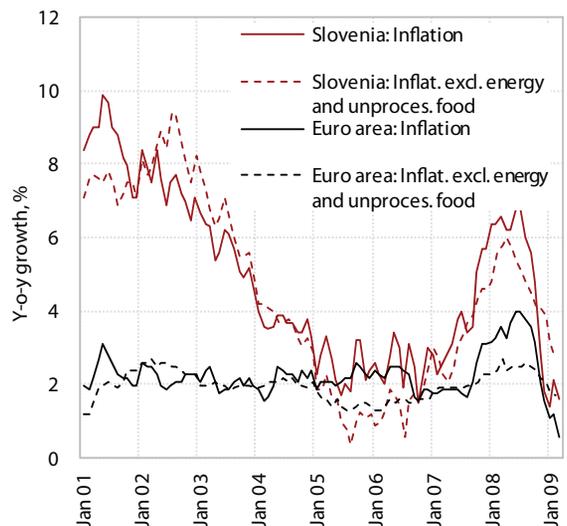
Domestic producer prices of manufactured goods on the domestic market increased somewhat again, for the first time in four months (0.2%). The largest price rises were

Figure 19: Breakdown of y-o-y inflation



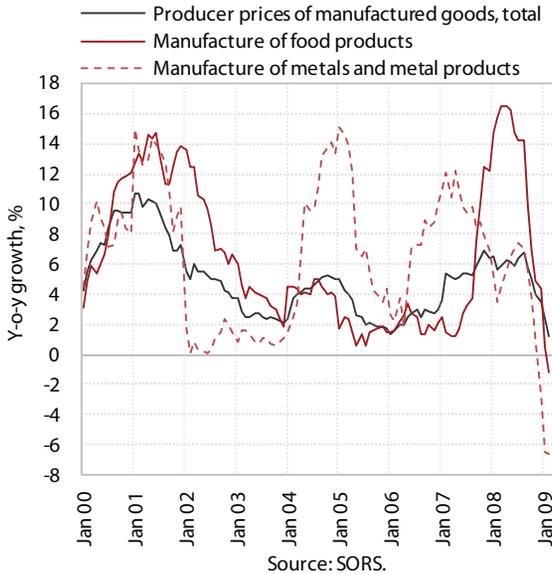
Source: SORS; calculations by IMAD.

Figure 20: Inflation in Slovenia and in the total euro area



Source: SORS, Eurostat.

Figure 21: Producer prices of manufactured goods on the domestic market



observed in the manufacture of leather and leather products (6.6%); prices in electricity supply increased as well (by 4.1%). Y-o-y growth nevertheless continues to slow (1.2%), mainly as a consequence of negative y-o-y growth rates of prices in the manufacture of food products (-1.2) and in the manufacture of metals and metal products (-6.6%).

**Price competitiveness of the Slovenian economy** continued to improve in January, after a one-month break. The real effective exchange rate deflated by relative consumer prices dropped slightly again in January (by 0.1% at the monthly level and y-o-y), after

it had strengthened at the monthly level in December and remained at the level of November year-on-year. Nominal growth of the effective exchange rate slowed at the monthly level from 1.2% to 0.1%, largely under the influence of a further depreciation of the EUR to the USD and CHF amid a concurrent slowdown against the GBP; in y-o-y terms, it continued to decline (-0.4%). The euro also appreciated against other currencies of Slovenia's main trading partners (particularly the CZK, PLN and HUF) in January. After declining at the monthly level for six months, relative consumer prices in January were only slightly higher than in the same month last year (0.3%).

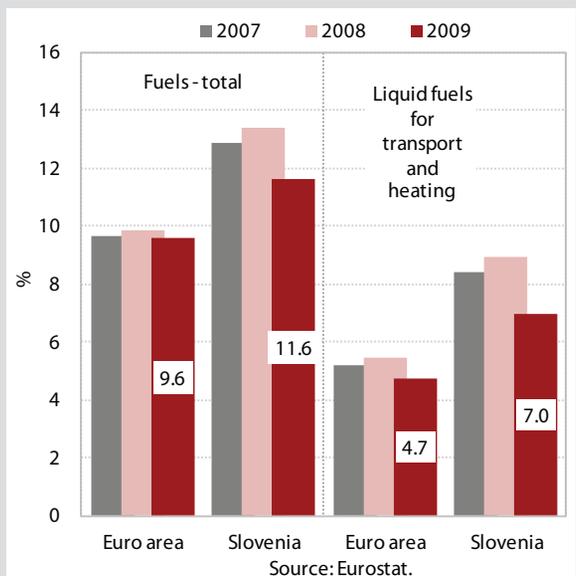
Following a pronounced deterioration at the end of 2008, **price competitiveness in manufacturing** also improved in January and its y-o-y moderation slowed somewhat. The real effective exchange rate deflated by relative producer prices in manufacturing (on the domestic market) dropped in January (-0.4%), after posting accelerated growth in the last two months of 2008. Its y-o-y growth therefore also declined (from 2.7% to 2.0%). In January, the monthly drop in producer prices in Slovenia (-1.0%) was higher than in Slovenia's main trading partners (-0.4%), which contributed to a decline of their relative y-o-y growth (2.4%, 3.1% in December), which was otherwise relatively modest in the whole period up to November 2008.

**Cost competitiveness** continued to deteriorate y-o-y in Q4 2008. Growth of the real effective exchange rate deflated by relative unit labour costs (ULC) slowed somewhat due to the concurrent depreciation of the euro, but was still very strong (5.0%, Q3: 5.4%). At the same time, real unit labour costs continued to increase at an accelerated pace (7.1%; Q3: 5.1%). Given that after several years of relatively favourable dynamics, real exchange rate

### Box 3: Weight of liquid fuels and energy in the HICP

Oil prices, which impact the price movements in Slovenia and in the total euro area through prices of liquid fuels for transport and heating, were a key driving factor of inflation dynamics in 2008 and 2009. On account of the high share of liquid fuels in the harmonised index of consumer prices (HICP), oil price movements play a more important role in inflation dynamics in Slovenia than in the total euro area. The share of these fuels accounted for 8.9% in Slovenia and 5.5% in the total euro area. Both shares have declined somewhat this year, but the share in Slovenia is nevertheless still higher. Amid further changes on global markets, oil prices will have a slightly lower impact on inflation than last year, though their impact in Slovenia will still be higher than at the level of the total euro area.

Figure 22: Share of the group in HICP



growth had already been significantly higher since Q4 2007 and growth of real unit labour costs since Q2 2008, the deterioration of cost competitiveness was also pronounced in 2008 as a whole (4.9% or 3.6%). Real unit labour costs also increased in a number of other EMU and EU countries in 2008, though in most of them less notably than in Slovenia. In Q4, Slovenia was ranked second in

terms of real unit labour cost growth, and fifth in the year as a whole, compared with the EU Member States for which quarterly data are available.

*In Q4, cost competitiveness deteriorated due to a labour productivity drop (-2.9%), amid otherwise moderate growth of compensation of employees per employee. Owing to*

#### Box 4: Market shares

*Slovenia's aggregate market share on foreign markets<sup>1</sup> dropped in 2008, after rising without interruption for seven years. Its 3.4% drop to 0.591% (from 0.612% in 2007) was a result of a decline in Slovenia's market shares in all main trading partners inside and outside the EU, particularly in the second half of the year. After a one-year break, Slovenia's market shares dropped again on the German and French markets last year, and also in Italy, in the wake of six-year growth, while the market share in Austria further declined for the second year in a row, after rising for seven years. Looking at other EU markets, Slovenia's market shares fell somewhat more significantly in Spain, Hungary and in the Czech Republic, after several years of pronounced growth. Outside the EU, Slovenia's market shares continued to fall in Croatia, Russia and in the US.*

*A detailed analysis of the dynamics of the merchandise market share in the EU<sup>2</sup> shows that its last year's decline was only partly attributable to deteriorated export competitiveness. The market share decline in the EU (-4.2%, 2007: 9.4%) was in great part underpinned by increased EU imports under the influence of high energy price rises<sup>3</sup>. The accelerated market share decline in the second half of the year, when energy prices had already fallen notably after the reversal in the middle of the year, was nevertheless also a result of waning export competitiveness. This is also corroborated by the dynamics of the market share of manufactured goods, showing a moderate increase in the first and an accelerated decline in the second half of the year. They were significantly affected by last year's drop in road vehicle exports, which had posted very strong growth in 2007 (42.3%).*

*The slight drop in the market share of manufactured goods (-0.6%, 8.8% growth in 2007) was a consequence of the decline in the market share of products classified by material<sup>4</sup>, and the decline in the market share of miscellaneous manufactured articles<sup>5</sup>, while the growth of the market shares of chemical products and machinery and transport equipment remained positive. With the decline in the market share of road vehicles (-2.2%, 2007: 27.2%), growth in the market share of machinery and transport equipment slowed notably (1.3%, 17.8%), but remained positive, given that growth in the market share of other products of this sector remained relatively strong (7.0%, 9.1%). Growth of the market share of chemical products, which was a result of the increase in the market share of medical and pharmaceutical products, declined (to 2.3% from 9.2%). The slight decline in the otherwise less important market share of agrifood products (-0.2%) was a consequence of the decline in exports of food products, while the decline of the market share of raw materials (-5.0%) came from lower exports of crude materials, except fuels.*

*While Slovenia was among the EU Member States with the highest market share growth on global and EU markets in 2007, the figures for 2008, which are only available for EU markets, show that its ranking deteriorated. Slovenia dropped from the small group of (ten) countries posting market share growth on the EU market; given that its market share decline was marginal (-0.4% according to the Community concept<sup>6</sup>), Slovenia was among the Member States posting relatively smaller deteriorations of their positions on the common market (14th place, 2007: 3rd place with 13.1% growth).*

<sup>1</sup> Slovenia's 15 main trading partners: Germany, Italy, France, Austria, Netherlands, Belgium, Spain, UK, Czech Republic, Poland, Hungary, Slovakia, Croatia, Russia, US.

<sup>2</sup> By Standard International Trade Classification (SITC) sections.

<sup>3</sup> Without oil and oil products (SITC section 33), the market share decline in the EU was by 1.3 p.p. lower (2.9% instead of 4.2%), and without mineral fuels and lubricants (SITC section 3) by as much as 2.9 p.p., given that energy products account for a very low share in the structure of Slovenian exports (oil products 1.1 %, fuels and lubricants 2.5%, according to the data for 2008) and a significantly higher share in the structure of EU imports (11.1% and 15.6%, respectively). The effects of energy price rises on Slovenia's exports were therefore smaller.

<sup>4</sup> Made from leather, rubber, paper, wood, textile and metals.

<sup>5</sup> Prefabricated buildings, furniture, clothing, footwear and other consumer goods.

<sup>6</sup> Data on merchandise exports published at the national level by SORS (national concept) were used for the calculation of market shares, and for reasons of comparability, data on merchandise exports sent by SORS to Eurostat (Community concept) for international comparisons of Slovenia's market share growth. The latter are higher than the former, as the Community concept also includes merchandise trade of business entities with foreign (non-Slovenian) tax numbers.

Figure 23: Market shares

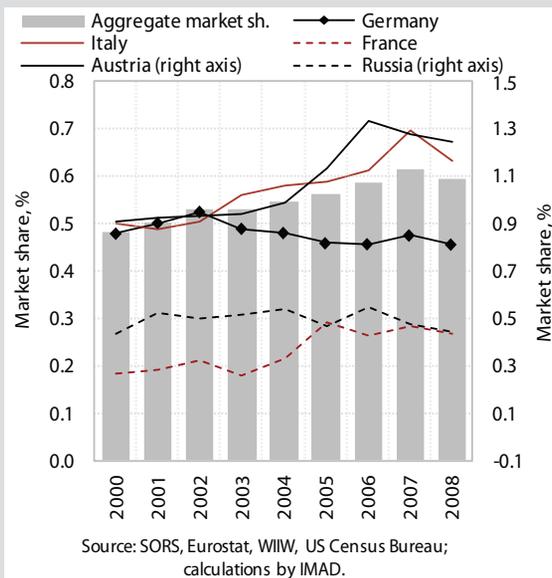
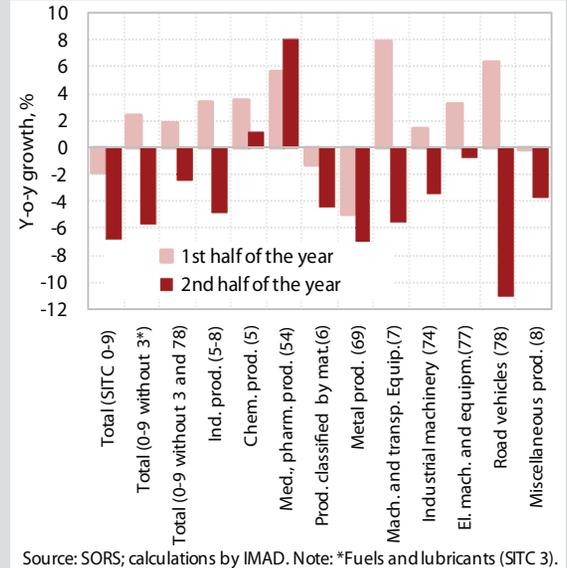


Figure 24: Market shares on EU market according to SITC



slower growth since Q4 2007, labour productivity was also modest in 2008 as a whole (0.7%), as a result of a gradual slowdown of economic activity and its Q4 drop, amid further relatively strong employment growth. The moderate growth of the compensation of employees per employee in Q4 (7.1%) was a result of slower growth of wages in the private sector. In the year as a whole, their growth was nevertheless relatively strong (8.6%), due to the adjustment of private sector wages for higher-than-anticipated past inflation and productivity in the first, and the elimination of wage disparities in the public sector in the second half of the year. After several years of favourable cost competitiveness trends,

last year's deterioration was particularly pronounced in manufacturing, which posted the most notable labour productivity decline in Q4 (-8.8%, -1.0% in the year as a whole) due to a significant deterioration of the situation in the international environment and a consequent value added drop. Growth rates of nominal and real unit labour costs therefore increased (to 15.6% and 10.6%, respectively, in Q4, and to 9.7% and 6.1%, respectively, in the year as a whole), in spite of slower growth of the compensation of employees per employee in the second half of the year.

Figure 25: Real and nominal effective exchange rates

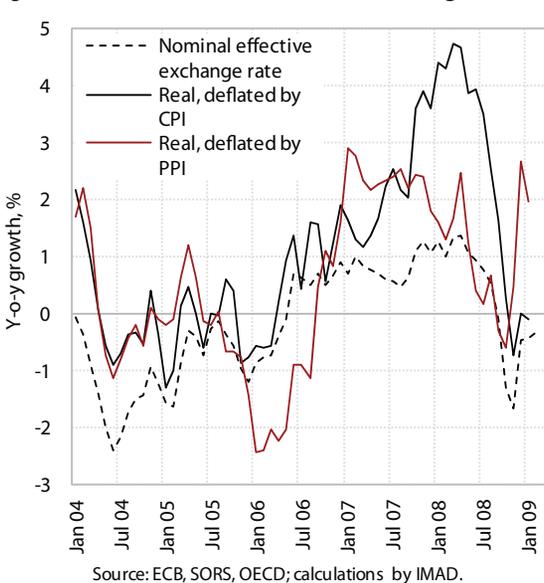


Figure 26: Cost competitiveness of the economy

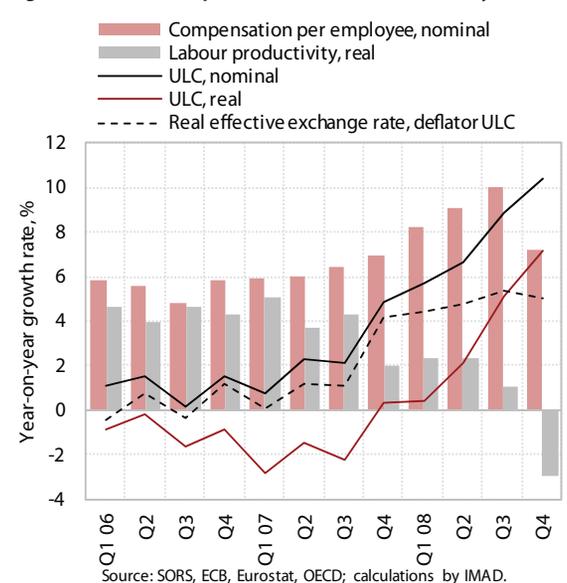
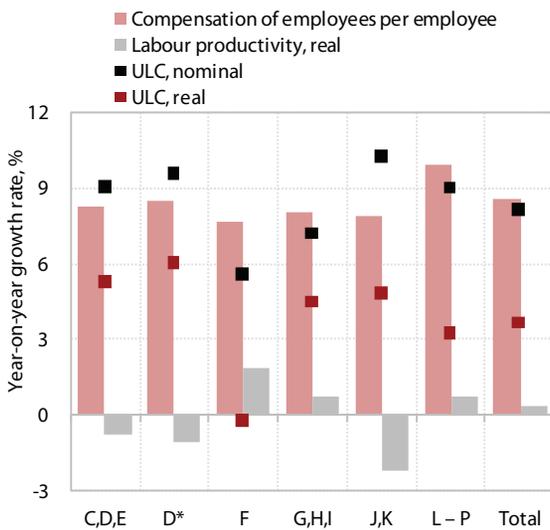


Table 4: Prices

in %	2008		2009		
	XII 2008/ XII 2007	Φ (I 08–XII 08)/ Φ (I 06–XII 07)	II 09/ I 09	II 09/ II 08	Φ (I 08–XII 08)/ Φ (I 06–XII 07)
Consumer prices (CPI)	2.1	5.7	0.5	2.1	4.9
Goods	1.3	6.0	0.6	1.6	5.0
- Fuel and energy	-7.2	10.6	3.2	-1.1	7.6
- Other	3.2	5.0	0.1	2.1	4.5
Services	3.8	5.0	0.4	3.4	4.7
Consumer prices (HICP)	1.8	5.5	0.6	2.1	4.8
Administered prices <sup>1</sup>	-7.8	9.6	2.5	1.0	6.0
- Energy	-11.9	14.4	4.3	6.2	9.9
- Other	0.4	0.1	0.0	0.7	0.1
Core inflation					
- trimmean	2.6	3.9	0.3	2.4	3.6
- excluding (fresh) food & energy	3.9	4.6	0.3	2.8	4.3
Consumer prices in the EMU	1.6	3.3	0.4	1.2	2.9
Producer prices of domestic manufacturers					
- domestic market	3.1	5.6	0.2	1.2	4.9
- EMU	-0.1	2.1	0.4	-0.3	1.9

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.

Figure 27: Cost competitiveness by sector, 2008



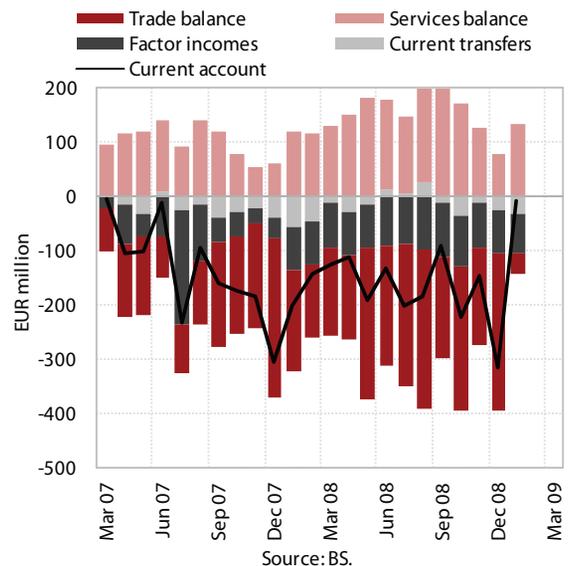
Source: SORS; calculations by IMAD. Note: \*estimate.

## Balance of payments

In January, the **current account** deficit reached EUR 7.8 m (EUR 194.1 m less than in January last year), mainly because of the lower trade deficit. The surplus in the services balance widened as well, while the deficits in current transfers and factor incomes narrowed.

The trade deficit totalled EUR 38.3 m in January this year, EUR 149.9 m less than in January last year. The narrowing was mainly due to the lower deficit in trade with the EU, which had declined for the third month in a row, and partly also to the modest surplus in trade with non-EU countries. The surplus in the services balance, which totalled EUR 135.1 m in January, was EUR 15.3 m higher y-o-y. The increase was mainly driven by higher net exports of travel, communication and other business services. The lower trade surplus in transport services

Figure 28: Components of the current account balance



Source: BS.

Table 5: Balance of payments

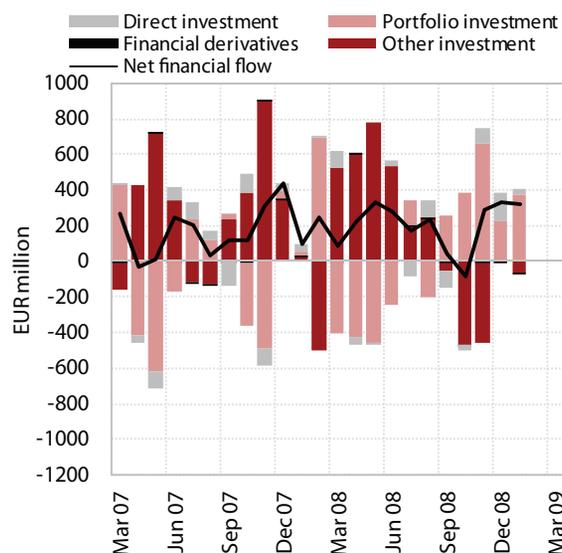
I 09, EUR m	Inflows	Outflows	Balance <sup>1</sup>	Balance, I 08
Current account	1,647.0	1,654.7	-7.8	-201.9
- Trade balance (FOB)	1,196.1	1,234.4	-38.3	-188.3
- Services	330.6	195.6	135.1	119.7
- Income	87.6	162.4	-74.7	-77.6
Current transfers	32.6	62.4	-29.7	-55.7
Capital and financial account	95.7	229.2	324.9	95.8
- Capital account	13.8	-11.4	2.4	5.0
- Capital transfers	13.5	-10.9	2.7	5.2
- Non-produced, non-financial assets	0.3	-0.5	-0.3	-0.2
- Financial account	81.9	240.6	322.6	90.8
- Direct investment	73.3	-32.3	41.0	40.5
- Portfolio investment	12.4	354.0	366.4	16.8
- Financial derivatives	-8.8	0.2	-8.6	3.1
- Other investment	5.0	-77.7	-72.7	30.3
- Assets	0.0	311.1	311.1	138.8
- Liabilities	5.0	-388.9	-383.8	-108.5
- Reserve assets	0.0	-3.6	-3.6	0.1
Net errors and omissions	0.0	-317.2	-317.2	106.1

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 mainly related to the strong decline in the value of merchandise trade. The factor income deficit narrowed chiefly on account of net interest payments on foreign loans, while the deficit in current transfers, which almost halved relative to January 2008, was mainly a consequence of the general government deficit. Interest rate cuts on international financial markets resulted in a decrease in interest receipts from loans given to the rest of the world,

and an even higher drop of interest paid on foreign loans. Net interest receipts from investment in debt securities are dropping as well.

Figure 29: Financial transactions of the balance of payments



The volume of **capital flows**, which was shrinking in the final quarter of 2008 y-o-y, strengthened in January 2009 mainly due to the sale of money market instruments. In January, international financial transactions (excluding international monetary reserves) registered a net capital inflow of EUR 326.1 m (in January last year EUR 90.7 m). The higher net capital inflow was largely generated by the net inflow of investment in securities and partly also by the net outflow from other investment. In January, the net capital inflow of direct investment remained around the same level as in January 2008 (EUR 41 m). In spite of the strengthening of equity capital, outward direct investment declined due to higher net liabilities to affiliated companies abroad. The bulk of the foreign direct investment inflow came from equity capital with reinvested profits. In January, investment in securities posted a net capital inflow of as much as EUR 366.4 m (EUR 16.8 m in January last year). Domestic commercial banks and the Bank of Slovenia were selling debt securities, mainly money market instruments. Foreign investors withdrew from investment in Slovenian equity securities, but marginally increased investment in debt securities. Other investments posted a net capital outflow of EUR 72.7 m in January (a net inflow of EUR 30.3 m in January last year). Short-term commercial credits recorded the largest decline both on the side of assets and on the side of liabilities, which is attributable to the dynamics of merchandise trade.

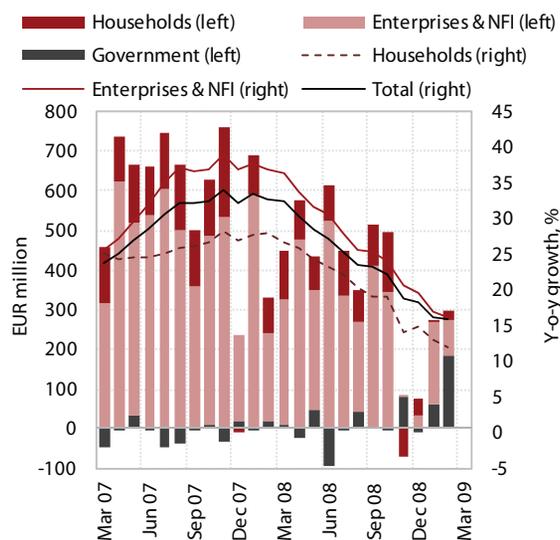
Slovenia's gross external debt totalled EUR 38.7 bn at the end of January, while gross external assets in debt instruments amounted to EUR 29.3 bn. Net external debt posted EUR 9.4 bn at the end of January and was EUR 79 m lower relative to that at the end of 2008.

## Financial markets

In the wake of stagnation in the last two months of 2008, the **lending activity** of Slovenian banks strengthened somewhat in January and February mainly due to the government loans, but nevertheless lagged behind the level recorded in the comparable period last year by almost a half. Contrary to January, when corporate and NFI borrowing accounted for a large part of net flows, more than 60% of the total net borrowing in February came from government loans. Also in the first two months of 2009, Slovenian banks mainly resorted to long-term household deposits (which still had relatively favourable interest rates) to increase liquidity and foreign sources remained fairly limited.

After falling for more than one year, in February the y-o-y growth rate of the volume of loans recorded its lowest value (15.8%) since comparable data have been available (2005). In February, growth of euro loans strengthened slightly for the second month in a row (1.2%), while the volume of foreign currency loans recorded the largest decline in the last three months (-2.3%) due to relatively high exchange rate risk. In the first two months, banks recorded net lending to domestic non-banking sectors in the amount of EUR 568.2 m, nearly one half lower than in the comparable period last year. This is a significant moderation, but other euro area members posted even

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



Source: BS; calculations by IMAD.

more notable slowdowns. Net flows of loans to non-banking sectors in the euro area reached EUR 42.4 bn in the first two months of 2009, only slightly over a quarter of the value recorded for the same period last year. The y-o-y growth rate thus dropped to its five-year low (4.3%).

While in January the volume of **net household borrowing** almost stagnated, it strengthened somewhat in February, mainly due to a lower volume of net repayment of consumer loans and loans for other purposes. Borrowing in the form of housing loans continued to slow, and was, with EUR 21.8 m, at one of its four-year lows. The decline in this type

Table 6: Financial market indicators

Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 08	29. II 08	28. II 09/ 31. I 09	28. II 09/ 31. I 09	28. II 09/ 29. II 08
Loans total	31,551.0	32,119.1	0.9	1.8	15.8
Enterprises and NFI	23,139.4	23,436.2	0.4	1.3	16.1
Government	584.6	831.1	28.5	42.2	54.7
Households	7,827.0	7,851.8	0.3	0.3	12.0
Consumer credits	2,883.9	2,866.1	0.0	-0.6	3.3
Lending for house purchase	3,395.3	3,441.2	0.6	1.4	23.0
Other lending	1,547.7	1,544.5	0.0	-0.2	7.5
Bank deposits total	13,689.1	13,994.1	1.3	2.2	10.0
Overnight deposits	5,249.4	5,204.1	0.9	-0.9	-0.9
Short-term deposits	5,644.8	5,846.2	1.4	3.6	8.5
Long-term deposits	1,957.7	2,223.5	5.6	13.6	76.1
Deposits redeemable at notice	837.2	720.3	-9.2	-14.0	-12.7
Mutual funds	1,513.4	1,421.9	-5.3	-6.0	-45.3

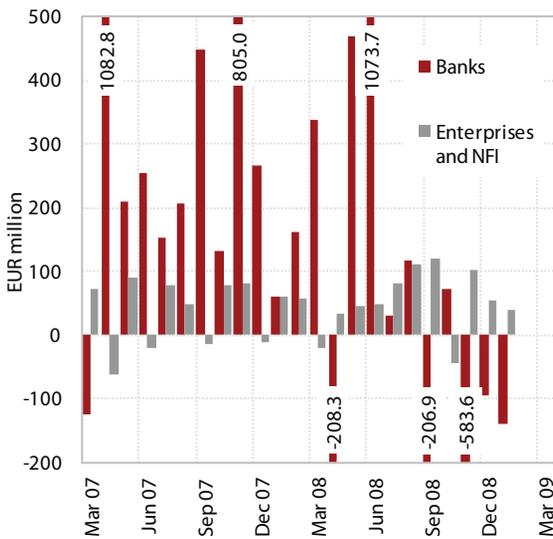
Sources: Monthly Bulletin of the BS, SMA (Securities Market Agency); calculations by IMAD.

of borrowing is in great part a consequence of the net repayment of foreign currency loans, while the volume of euro housing loans (in a net amount of EUR 28.6 m) was only a tenth below the average for 12 months.

After posting somewhat higher figures in January, **net corporate and NFI borrowing** more than halved in February, totalling EUR 89.1 m. Even though this is a notably higher figure than at the end of last year, it still does not even reach one-third of the 12-month average. For the third month in a row, almost the whole volume of borrowing was attributable to enterprises, which also in February mainly raised working capital loans. This type of borrowing is likely to be a result of lower inflows from sales as enterprises relied to a greater extent on debt financing to cover liquidity needs. In contrast, a considerable slowdown was seen in the volume of investment loans, which dropped in the first two months of the year relative to the last two months of 2008, when the money market conditions were at their worst. This decline may also be linked to the slowdown in investment activity. In January, enterprises also borrowed abroad. They raised loans in a net amount of EUR 39.2 m, a quarter less than the 12-month average; the bulk of these loans were long-term loans (EUR 34.4 m). In contrast, in January banks recorded net repayment of loans raised abroad for the third time in a row. The net outflow totalled EUR 139.2 m this time; net repayments were made for long-term and short-term loans.

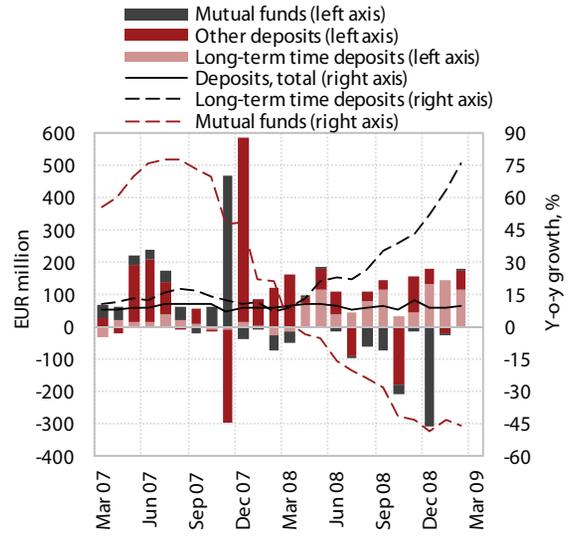
Growth of long-term **household deposits** in banks moderated somewhat in February, but at the monthly level, it was nevertheless still higher than 5%. The high growth rates in the past few months most probably reflect savers' response to the expected lowering of interest rates, given that the interest rate level dropped remarkably in March, as a result of significant key ECB interest rate cuts

Figure 31: Net flows of bank, corporate and NFI borrowing abroad



Source: BS.

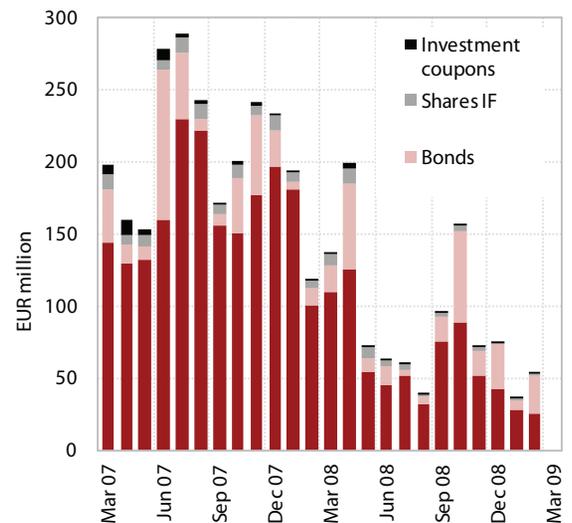
Figure 32: Net flows of household deposits into banks and mutual funds and y-o-y growth rates



Source: BS; calculations by IMAD.

and lower liquidity needs of banks due to government help. In the first two months of the year, the government increased the volume of its deposits by EUR 1.2 bn, the highest figure since comparable data have been available (2005). The total growth of household deposits in banks remains stable, hovering at 9.0%-10.0%. While outflows from mutual funds had accounted for a sizeable inflow to bank deposits in the past few months, in February mutual funds recorded a net inflow for the first time since last July, the highest in the last twelve months (EUR 5.2 m). Positive inflows are most likely related to the rising values of indices on the Ljubljana Stock Exchange at the beginning of the year, which had already begun to decline

Figure 33: Turnover on the Ljubljana Stock Exchange by type of security



Source: LSE.

gradually again in the second half of February, which was reflected in negative returns of mutual funds managed by domestic administrators at the end of the month. The volume of funds thus recorded a 5.3% monthly decline, and was down 45.3% relative to February last year.

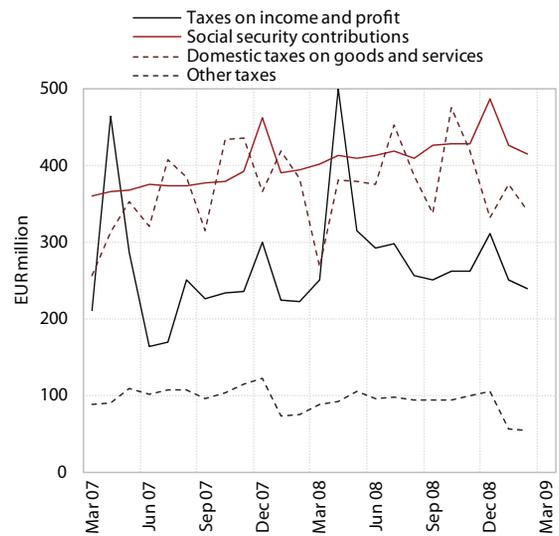
Even though turnover on the Ljubljana Stock Exchange increased by some 50% in February, Slovenian capital market liquidity remains modest. The increase is mainly a result of turnover with bonds (which more than tripled), while turnover with shares was at its three-and-a-half year low. In the first two months of 2009, turnover on the Ljubljana Stock Exchange posted EUR 89.8 m, reaching a mere 30% of the value in the comparable period last year. The market capitalisation on the Ljubljana Stock Exchange picked up by 2.6% in February, around the same figure as in January. The total growth is a result of an 11% increase in the growth of the market capitalisation of bonds, due to the listing of new bonds on the Ljubljana Stock Exchange. The market capitalisation of shares, however, posted a 4% drop, following January's rise. The main index on the Ljubljana Stock Exchange recorded a decline for the second month in a row, which was, with 1.9%, around two-thirds lower than in the month before. Indices on developed capital markets, in contrast, recorded growth rates in the interval between 2.5% (FTSE100) and 7.7% (DOW JONES), after significant February's declines.

## Public finance

In the first two months of the year, revenue from **taxes and social security contributions** dropped by 0.9% relative to the same period last year. According to the data on paid taxes and social security contributions,<sup>7</sup> the payments totalled EUR 2.2 bn. February saw a further slowdown of growth in general government revenue from all categories of taxes and contributions, which had already been pronounced in the previous three months. In the first two months of this year, the fastest y-o-y increase (16.2%) was recorded for revenue from excise duties, largely as a result of increased excise duties on liquid fuels for transport and heating in December and January. In the first two months, strong growth was also recorded for revenue from tax on wages and salaries, specifically from personal income tax (10.1%) and social security contributions (7.5%), although in February revenues from both these sources, respectively, saw slower growth. Advance payments of corporate income tax are declining from month to month, largely due to the changes in the method of their determination; in y-o-y terms, they otherwise increased by 10.1% in the first two months of the year. Revenue from value added tax continued to decline in February; in the first two months it dropped by 18.3%, which (amid the problems regarding the timing of tax payments and refunds) indicates slower economic activity.

<sup>7</sup> Based on the Report on Payments of All Public Revenues, January–February 2009, Public Payments Administration.

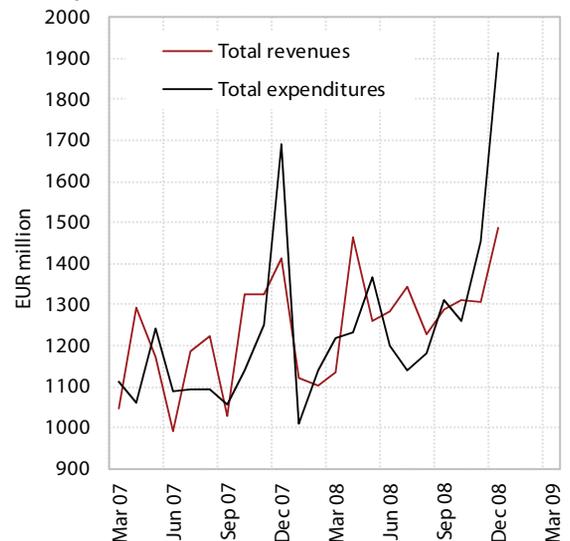
Figure 34: Taxes and social contributions



Source: Public Payments Administration; calculations by IMAD

According to the **consolidated balance**<sup>8</sup> and preliminary data of the MF, general government revenue totalled EUR 15.3 bn in 2008 and expenditure EUR 15.4 bn. General government revenue posted higher growth than in 2007 (9.5% and 8.1%, respectively), while expenditure growth even doubled (10.9% and 5.4%, respectively). In terms of the economic structure of expenditures, in 2008 the largest increase was seen in expenditure on investment transfers; payments into the EU budget also recorded a notable increase, as did expenditures on goods

Figure 35: Consolidated general government revenue and expenditure



Source: MF; calculations by IMAD.

<sup>8</sup> The consolidated balance (according to the cash flow methodology) includes revenues and expenditures of state and local government budgets, and revenues and expenditures of the pension and health funds.

**Box 5: Main general government aggregates, ESA-95**

According to the SORS data, the **general government deficit** totalled 0.9% of GDP in 2008 and narrowed by 1.4 p.p. relative to the year 2007, when the general government balance was positive (0.5% of GDP). SORS released revised data on main general government aggregates for 2005–2008 with minimum revisions for 2006 and 2007 and the first estimate of main general government aggregates for 2008. The general government deficit in 2008 is a result of the central government balance (0.5% of GDP) and local government balance (0.4% of GDP), while social security funds recorded a minimum surplus (EUR 16 m) last year. Slovenia's fiscal position deteriorated significantly relative to 2007, given that the share of total general government revenue narrowed by 0.2 p.p. of GDP and the share of total general government expenditure concurrently increased by 1.2 p.p. of GDP.

**General government revenue** is estimated to have been at EUR 15.8 bn in 2008, up 7.1% in nominal terms from the year before. Especially in the second half of 2008, general government revenue was already generated in a somewhat deteriorated macroeconomic environment. Its volume and structure were also affected by the implemented changes in tax legislation adopted in previous years. Among main revenue categories, only revenue from social security contributions posted an increase (by 0.4 p.p. of GDP), amid favourable wage bill growth, while taxes on production and imports declined (by 0.6 p.p. of GDP), largely due to slower economic activity and the phase-out of the payroll tax. Current taxes on income and property also declined (by 0.2 p.p. of GDP); revenue from personal income tax significantly increased, but revenue from the accounted corporate income tax declined. In calculating this tax, higher tax relief and a lower tax rate were taken into account on the basis of the amended Corporate Income Tax Act. Revenues from interest payments and other current transfers also increased in 2008, while revenue from capital transfers declined relative to the year before.

**General government expenditure** was estimated to have been at EUR 16.2 bn in 2008, up 10.7% relative to the year before. The shares of all main expenditure categories increased, most notably of gross fixed capital formation (by 0.5 p.p. of GDP) and social benefits in cash and in kind (by 0.3 p.p. of GDP), particularly due to the introduction of the adjustment of transfers twice a year, the indexation of pensions and disbursement of the one-off pension allowance. The share of the compensation of employees increased by 0.2 p.p. of GDP, due to the increase in the number of employees in the public sector (1.4%). Average wage growth in the public sector was higher as well (3.8%), as a result of disbursement of the first quarter of funds to eliminate wage disparities. The shares of expenditure on intermediate consumption and expenditure on other current transfers increased by the same percentage. The shares of expenditure on interest payments and expenditure on taxes declined (by 0.1 p.p. each), while the shares of all other expenditures remained unchanged relative to the year before.

**General government debt** increased to EUR 8.5 bn at the end of 2008; as a share of GDP, it declined by almost 0.6 p.p., to 22.8%, relative to 2007. The decline in general government debt as a share of GDP was due to the decline at the central level (by 0.6 p.p.) as a result of the general government surplus and thus less need for new financing. The share of debt at the local level remained below 1% of GDP. The debt of the social security funds remained at the level of 2008 and only included the HIIS debt of EUR 3 m in the form of financial leasing. The general government mainly raised long-term loans in 2008. Securities (mostly long-term securities) accounted for 90% of the total central government debt. Local government and social security funds mainly raised long-term loans.

Table 7: **General government revenue, expenditure and deficit, % of GDP**

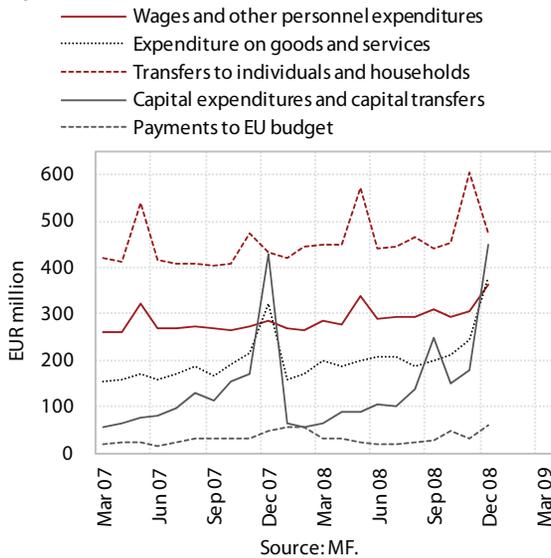
	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 2007–2008, in p.p.
Total general government revenue	43.0	43.6	43.9	43.7	43.6	43.8	43.3	42.9	42.7	-0.2
Total general government expenditure	46.7	47.6	46.3	46.4	45.8	45.4	44.6	42.4	43.6	1.2
Deficit (-) surplus (+)	-3.7	-4.0	-2.5	-2.7	-2.2	-1.4	-1.3	0.5	-0.9	-1.4
Of which:										
Central government	-3.2	-3.7	-2.1	-2.5	-2.1	-2.2	-1.2	0.4	-0.5	
Local government	0.0	0.0	-0.2	-0.1	-0.1	0.0	-0.1	-0.1	-0.4	
Social security funds	-0.5	-0.2	-0.1	-0.1	-0.1	0.8	0.1	0.2	0.0	

Source: accounts; calculations by IMAD, ESA-95 methodology.

and services and subsidies (12.5%). Last year's higher growth of expenditure on transfers to individuals and households was also due to a different indexation and high inflation; the highest increase (18.4%) was posted

for expenditure on other transfers to individuals and households, given that free meals for secondary-school students were introduced at the beginning of the school year in September and free kindergarten care for the

Figure 36: Main consolidated general government expenditure



second child in a family. Strong growth (14.5%) was also recorded for family benefits and parental allowances, with increases in the number of beneficiaries as well as in their bases (wages). Expenditure on social security transfers also increased significantly last year (13.5%), as a result of the one-off payment of the cost-of-living allowance for pensioners. Growth of expenditure on pensions was notably higher (by 9.7%) last year than in 2007, due to the pension indexation formula in force. Expenditure on transfers to the unemployed dropped by 6.1% last year; on account of the rising number of beneficiaries, the decline

in this expenditure decreases from month to month. In the wake of September's disbursement of the first quarter of funds to adjust public sector wages, expenditure on wages, contributions and other personnel expenditure increased by 9.3%. Expenditure on interest payments declined by 6.1% last year.

According to the consolidated balance for 2008, the Ministry of Finance recorded a general government deficit of EUR 99 m (-0.3% of GDP) according to the preliminary data and cash flow methodology (GFS 1986). The fiscal position

Figure 37: Planned and absorbed funds from the EU budget

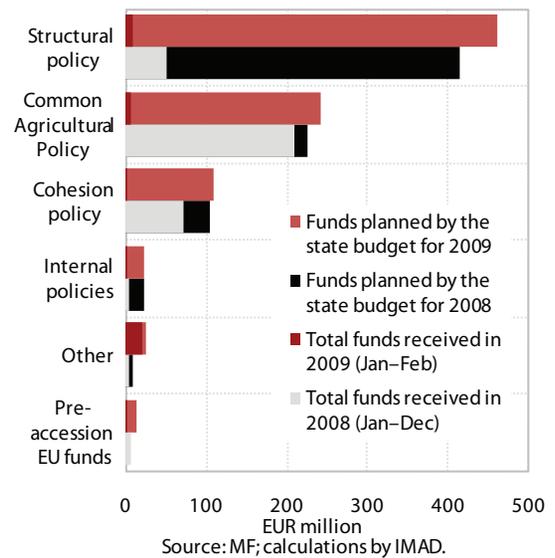


Table 8: Consolidated general government revenues and expenditure

	2007			2008		
	EUR m	% of GDP	Growth, %	I-XII 2008 in EUR m	XII 08/ XII 07	I-XII 08/ I-XII 07
Revenues - total	14,006.1	40.6	8.1	15,335.0	105.3	109.5
- Tax revenues	12,757.9	37.0	8.5	13,937.2	103.9	109.2
- Taxes on income and profit	2,917.6	8.5	6.7	3,442.1	104.0	118.0
- Social security contributions	4,597.9	13.3	8.7	5,095.0	105.4	110.8
- Domestic taxes on goods and services	4,498.6	13.1	10.3	4,805.3	109.2	106.8
- Receipts from the EU budget	347.9	1.0	-0.1	365.4	63.6	105.0
Expenditure - total	13,915.5	40.4	5.4	15,434.7	113.0	110.9
- Wages and other personnel expenditure	3,276.9	9.5	3.0	3,580.6	126.9	109.3
- Purchases of goods and services	2,212.2	6.4	6.7	2,525.9	117.6	114.2
- Transfers to individuals and households	5,093.3	14.8	4.6	5,616.2	109.6	110.3
- Capital expenditure	1,130.5	3.3	25.4	1,252.0	105.3	110.7
- Capital transfers	334.3	1.0	-17.4	458.0	104.1	137.0
- Payment to the EU budget	355.9	1.0	23.6	427.9	124.2	120.2
- Balance	90.6	0.3		-99.7		

Source: MF.

deteriorated by 0.6 p.p. of GDP relative to 2007, as in the year before, the surplus accounted for 0.3% of GDP. According to the preliminary data, the state budget closed the year 2008 with a surplus of around EUR 68 m and local budgets with a deficit of around EUR 170 m. The *pension fund* balance was in equilibrium at the end of the year, owing to the transfer of EUR 1,166.0 m from the state budget, while the *health fund* posted a small surplus (EUR 5 m).

*Slovenia's contributions to the EU budget totalled EUR 84.4 m in February, which, along with the payments made in January, accounts for around a quarter of funds Slovenia should pay into the EU budget this year.* Slovenia's obligations to the EU budget increased in the previous month, as the payments for February were already based on the adopted EU budget for 2009, while the payments for January were made on the basis of the EU budget proposal.

*In February, Slovenia received EUR 31.8 m from the EU budget, 60% of which accounted for refunds of overpayments from previous years.<sup>9</sup> Among the received funds (apart from refunds), the largest share came from funds for rural development programmes under the Common Agricultural Policy and a slightly smaller share from funds under the structural policy, specifically refunds from the European Fund for Regional Development and from the European Social Fund; close to 7% of all revenue came from the Cohesion Fund for environmental protection and transport.*

*Measures to accelerate absorption of EU funds were also adopted along with the supplementary budget.* Absorption is to be accelerated by enabling advance payments from European funds. If determined that cohesion policy funds are not used in line with the planned dynamics and set goals, the government will be able, on a proposal of the managing authority, to reallocate the rights to use not only the earmarked EU funds, but also the funds for national participation.

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<sup>9</sup> In line with the recommendation of the Court of Auditors from 2008, the MF accounts for the payments into and receipts from the EU budget on the gross basis. This means that, even though there is no actual cash flow and Slovenia remits fewer funds to the EU budget in the month when the refund is paid, this amount is shown as expenditure among Slovenia's liabilities against the EU budget and at the same time as revenue from EU budget funds. The impact on the net position is thus neutral.

**selected topics**



## (In)solvency

Due to the economic and financial crisis, the number of legal and natural persons that have difficulties discharging their matured liabilities in due time and in general increases.

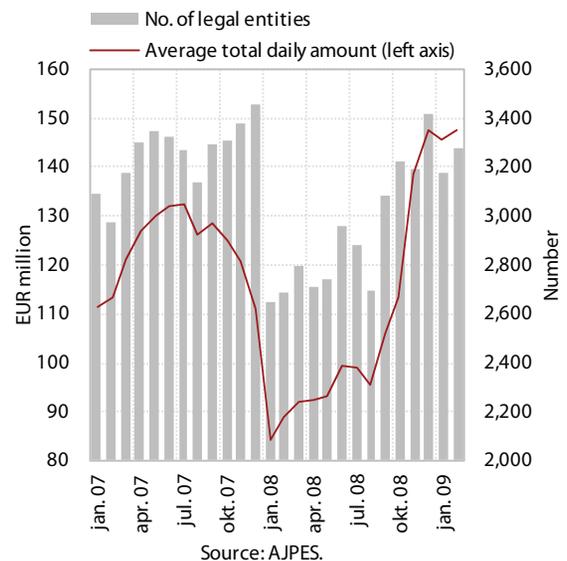
Short-term insolvency of legal entities increased in the last four months of 2008 and was at its highest in December. In the total of the first two months of 2009, 20.9% fewer legal entities had outstanding matured liabilities for more than five consecutive days in a month compared with the same period last year; the average daily amount of these liabilities was 69.0% higher.

By our estimate, 333 bankruptcy procedures were launched against legal entities with prolonged inability to pay debts in 2008, 24 (7.8%) more than in 2007. Until October 1, 2008, our estimates were based on data on initiated bankruptcy procedures published in the Official Gazette of the RS, paying special attention to the date of the commencement of the procedure. From October 1 onwards, we have obtained data on the web portal of the Agency of the Republic of Slovenia for Public Legal Records and Related Services, which provides data on insolvency proceedings before bankruptcy courts.

According to the ZFPPIPP (Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act),<sup>10</sup> insolvency is a financial status of the debtor in which i) the debtor is, during a longer period of time, not able to settle its obligations that became due during that period of time, or has become illiquid for a longer period time (unless proved otherwise, it is assumed that the debtor has become illiquid for a longer period of time if it is more than two months late with fulfilment of one or more of its obligations that together exceed 20% of all of its obligations stated in the annual report for the last business year before these obligations matured; or in which ii) the debtor becomes unable to pay its debts in the long term (unless proved otherwise, it is assumed that the debtor is not able to settle its due obligations for a longer period of time if its obligations exceed the value of its assets or, if the debtor is a corporation, its loss of the current year together with the loss brought forward reaches half of the subscribed capital and that loss cannot be covered by the profit brought forward or reserves). According to the Slovenian legislation, there are two insolvency procedures, compulsory settlement and bankruptcy.

<sup>10</sup> Since 2008, the area of financial operations of legal entities and insolvency procedures against legal and natural persons and procedures of compulsory dissolution of legal entities have been governed by the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (ZFPPIPP), which entered into force on January 15, 2008. It covers all areas that were previously regulated by the Financial Operations of Companies Act (ZFPP) and the Compulsory Settlement, Bankruptcy and Liquidation Act (ZPPSL). Most of the ZFPPIPP provisions became effective on the day of its enforcement, while the provisions pertaining to the insolvency and compulsory liquidation procedures began to apply as of October 1, 2008.

Figure 38: Legal entities with matured liabilities outstanding for more than five consecutive days in a month from January 2007 to February 2009



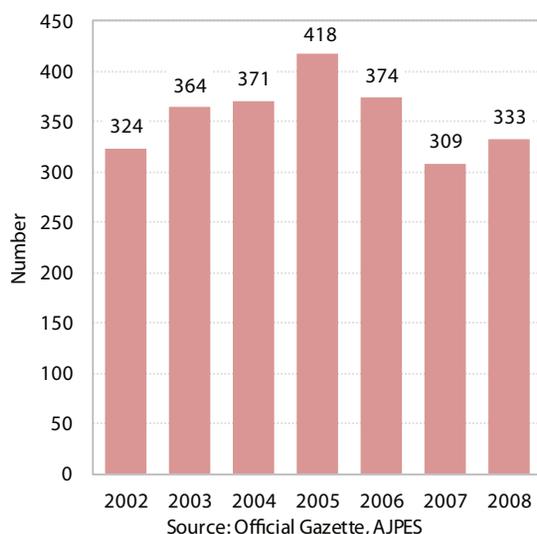
Altogether, 46 compulsory settlement procedures were filed at court in 2008, 30.3% fewer than in 2007. Within that, 38 compulsory settlement procedures were initiated against legal entities (13 or 25.5% fewer than in 2007) and eight against sole proprietors (seven or 46.7% less than in 2007). The compulsory settlement procedure may be filed against a legal entity with the status of a commercial company, co-operative or a company in some other legal form of organisation, or against a sole proprietor, who is a natural person, if not stipulated otherwise by the law. The compulsory settlement procedure is conducted to enable the financial restructuring of the insolvent debtor to help it regain short-term and long-term solvency and to ensure more favourable conditions for the payment of creditors' claims than in a bankruptcy procedure. The motion for the beginning of the procedure can be filed by the debtor and personally liable partner of the debtor.

In 2008, 333 bankruptcy procedures were filed against legal entities, 24 (7.8%) more than in 2007. The bankruptcy procedure can be launched against any legal entity if not otherwise defined by law. The application to commence the bankruptcy procedure may be filed by debtors themselves, personally liable partners, creditors or by the public guarantee and maintenance funds (Javni jamstveni in preživninski sklad Republike Slovenije). Bankruptcy procedures are conducted in order to sell the bankruptcy estate and repay the creditors. At the end of the bankruptcy procedure, the legal entity is struck off the court registers. In the case of sole proprietors, the personal bankruptcy procedure applies (and not the bankruptcy procedure for legal entities or as stipulated in the previously applicable Compulsory Settlement, Bankruptcy and Liquidation Act). When the personal bankruptcy procedure is launched, the debtor loses the status of the sole proprietor and is officially struck off from

the business register. In 2008, 207 bankruptcy procedures were initiated against sole proprietors (according to the previously applicable act) and 15 personal bankruptcy procedures against sole proprietors (compared to 224 bankruptcy proceedings filed against sole proprietors according to the previously applicable act in 2007).

*In 2008, the court issued a decision to initiate a liquidation procedure against 11.1% more legal persons than in 2007. Last year, the decision on the beginning of the liquidation procedure was issued for 30 legal entities, three more than in 2007. The procedure of a legal entity's compulsory liquidation is conducted by the court i) of its own motion if so stipulated by law or ii) on a motion of the person that is, according to the law, entitled to initiate the compulsory liquidation procedure. The parties in the procedure are partners of the legal entity against which the procedure has been launched. If the legal person is found insolvent during the procedure, the liquidation administrator has to propose to the court that the liquidation procedure be stopped and that the bankruptcy procedure should begin.*

**Figure 39: Launching of bankruptcy proceedings against legal entities in 2002–2008**



*Last year, the court examined the reasons for the deletion from the court registers without liquidation for 1,371 legal entities, which is almost 1.5 times (815) more than in 2007. The court deletes the legal entity from the court registers without liquidation of its own motion in the following cases: i) if the legal person has stopped operating, has no assets and has fulfilled all its obligations (unless the legal person proves otherwise, this reason for deletion is considered as existent if the company fails to submit to the Agency of the Republic of Slovenia for Public Records and Related Services its annual report or data from its annual report on unified forms for public notice or for national statistics for two consecutive years; or ii) if the legal entity does not receive official mail at the address entered in the business register or is unknown at that address; or if*

*the building which is at that address is owned by another person who did not give permission for business activity at that address or if the address does not exist at all.*

## Agriculture – producer prices of agricultural products

*After several years of weak growth followed by a substantial increase in 2007, producer prices of agricultural products rose even more last year, and thus made a significant contribution to faster food price rises in the consumer price index. Last year's forecasts that agricultural producer prices were not yet expected to slow more than materialised with regard to further growth, but were less accurate with regard to the reasons (see SEM 3/2008, p. 24).<sup>11</sup> While the agricultural producer prices increased by 8.2% in 2007, they went up as much as 12.8% last year.<sup>12</sup> Growth of prices of food and alcoholic beverages in the HICP lagged somewhat behind agricultural producer prices in 2008 and was at 10.1%. After opening relatively widely in the previous period, the price scissors, which had already begun to close in 2006 and 2007, thus closed even somewhat more.<sup>13</sup> A breakdown by month shows that the steep rising of producer prices of agricultural products which had started in the second half of 2007, also continued in the first six months of 2008, after which time prices dropped and remained low in the whole period to December (usually they increase seasonally at the end of the year). Growth of prices of food and non-alcoholic beverages also swung upwards, but the swing was, as usual, less significant.*

*In contrast to 2007, significant price rises were recorded both in arable crops and in livestock breeding in 2008; in the last five-year period, the prices of arable crops increased at a faster pace. In both main groups, prices increased by almost the same percentage last year: in arable crops, which represent around one third of the purchase price*

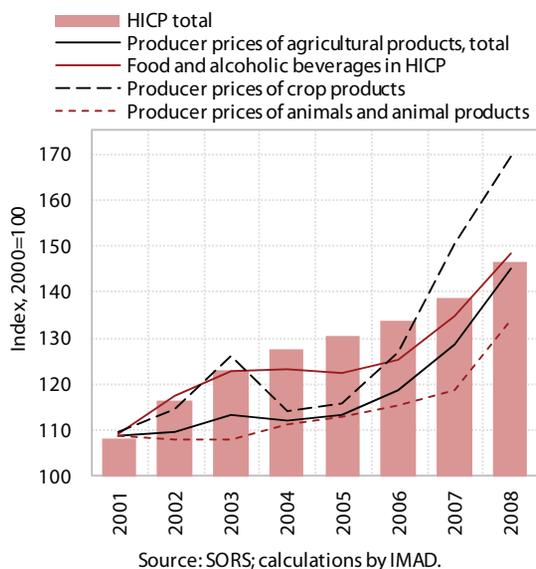
<sup>11</sup> The reasons for price rises were not a possible low cereal harvest and a low level of stocks that represented the main risk factors for growth. According to the first estimates, cereal harvests were exceptionally high last year and global stocks increased. Prices of cereals therefore did not increase significantly (in Slovenia they dropped). Strong growth of agricultural producer prices was, on average, a result of faster growth of prices in other agricultural commodity groups. For more on forecasts for last year, see SEM 3/2008, p. 24.

<sup>12</sup> These high growth rates in agricultural commodity prices nevertheless did not contribute to an increase in the total income of agricultural producers. The factor income, which also includes all subsidies on products and production, declined by 10% in real terms last year according to the Economic Accounts for Agriculture (calculated by SORS, the deflator is the implicit price index of GDP at market prices). Specifically, intermediate consumption for production increased much more than agricultural production and its prices increased by as much as 18.4% last year.

<sup>13</sup> The influence of prices of food and non-alcoholic beverages on inflation and some of its structural characteristics in 2008 were also discussed in SEM 1/2009 and SEM 2/2009.

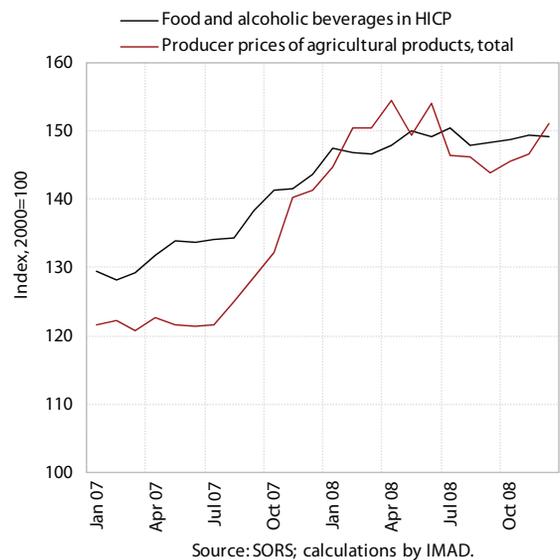
structure, by 12.7%, and in livestock breeding, which accounts for two-thirds, by 12.9%. Prices of industrial plants (mainly oilseeds and hops) soared again, as did prices of fruit (mainly apples), while grain prices already declined, after posting exceptional growth in 2007. Vegetable prices recorded only a slight increase; however, great disparities were observed within this group (extremely strong price rises for green peas, as well as beans and cabbage). In livestock breeding, higher growth was recorded both for animals (largely poultry), and even higher for animal products (especially milk). In the last five-year period, prices increased most notably in arable crops, where industrial plants recorded the fastest growth by far.

Figure 40: Comparison of agricultural producer price rises and rises in prices of food and non-alcoholic beverages in the HICP, Slovenia, 2000–2008



In 2008, agricultural producer prices in the EU-27 recorded much lower rises on average than in Slovenia, due to lower rises of arable crop prices. According to the first estimates, agricultural producer prices in the EU-27 increased by an average of 6.5% in nominal terms, exactly half of the increase of the comparable prices in Slovenia. Price rises in the EU-27 were lower in crop production, as well as in livestock breeding, but in the former group the lag behind Slovenia's prices was larger (by 9.5 p.p., in livestock breeding by 2.4 p.p.). A breakdown by structure shows great disparities. Prices of certain crops (potatoes, olive oil, wine) dropped, while some other prices recorded significant increases (industrial plants and fruit, which is similar as in Slovenia, though in Slovenia prices increased even significantly more). After posting extreme rises in recent years, grain prices increased further (while in Slovenia they had already dropped). Growth of animal prices was similar as in Slovenia, but prices of animal products (milk) in the EU-27 recorded a lower increase. In terms of agricultural producer prices, Slovenia is ranked

Figure 41: Comparison of agricultural producer price rises and rises in prices of food and non-alcoholic beverages in the HICP, Slovenia, 2007 and 2008, by month



fourth among the EU-27 member states, following Great Britain, Estonia and Bulgaria. In all other countries, including the neighbouring ones, price rises were lower (in Italy prices lagged 6.7 p.p., in Austria 3.8 p.p. and in Hungary as much as 11.8 p.p. behind Slovenian prices).

According to the forecasts by international institutions, agricultural product prices are set to come down in the future, but the concern about the movement of final food prices has increased due to global economic uncertainty. The European Commission stresses that the forecasts are rather uncertain, but we can expect the prices of basic agricultural commodities and thus also food to fall. The effect of certain short-term factors which had put an additional upward pressure on growth of agricultural commodity prices, decreased due to more favourable weather conditions last year, lower energy prices and the abolition of export restrictions. The agricultural policy responded to higher prices with the abolition of production limitations, such as the obligatory set-aside of land for arable crops and the gradual increase in milk quotas. It aims at ensuring the responsiveness of agricultural production to market signals and promotes an open trade policy to keep the balance in the global supply and demand for food. According to the European Commission, any major changes are possible in supply and demand due to the slowdown of economic growth, which can result in increased price volatility. The European Commission also points out the importance of passing the lowering of commodity prices on to consumers, which should increase the competitiveness of the agricultural, food processing and distribution sectors. This is also in line with the European Economic Recovery Plan, which highlights the need for quick action to stimulate demand and boost the confidence of consumers and enterprises.

Table 9 : Producer prices of agricultural products

Y-o-y growth rates, %	2003	2004	2005	2006	2007	2008	2008/2003
Slovenia, total agricultural products	3.3	-1.1	1.3	4.6	8.2	12.8	27.8
Crop products	10.2	-9.6	1.3	9.9	18.4	12.7	34.3
Grain	8.3	-11.6	-12.2	5.3	60.5	-4.2	25.7
Industrial plants	-0.4	11.8	-4.8	1.5	42.0	31.4	101.5
Fodder plants	30.2	-14.1	-1.6	8.7	46.4	-9.5	21.9
Vegetables	24.5	-26.0	12.7	9.5	7.8	4.8	3.2
Potatoes	50.1	-42.5	-13.4	97.3	-3.6	-0.5	-5.7
Fruit	15.7	-14.6	2.4	8.3	13.0	27.3	36.2
Wine	0.3	2.1	3.3	7.8	14.8	5.0	37.0
Animals and animal products	0.0	3.2	1.3	2.2	3.1	12.9	24.4
Animals for slaughter	-0.6	5.5	2.5	3.1	2.0	10.8	25.9
Animal products	0.8	0.1	-0.4	0.9	4.9	16.0	22.4
EU 27, total agricultural products	3.8	0.6	-1.9	5.4	9.3	6.5	21.0
Crop products	7.5	-1.5	-4.7	8.2	14.2	3.2	19.8
Grain	7.6	7.1	-16.2	13.1	54.4	5.6	65.5
Industrial plants	4.9	1.7	-6.5	-1.7	8.6	15.0	16.8
Fodder plants	2.4	7.8	-15.8	-2.6	15.0	11.4	13.4
Vegetables	6.4	-7.5	7.0	2.0	3.8	0.2	5.0
Potatoes	15.6	-3.2	-8.7	56.4	-1.6	-12.5	18.9
Fruit	12.1	-3.8	-3.2	1.6	9.7	10.2	14.4
Wine	3.7	2.0	-9.7	0.2	6.7	-2.7	-4.2
Animals and animal products	-0.3	2.9	1.2	2.3	3.9	10.5	22.1
Animals for slaughter	-0.8	6.7	2.9	4.1	-2.4	10.0	22.7
Animal products	0.4	2.7	-1.0	-0.5	13.6	10.9	27.5

Source: SORS, EUROSTAT; calculations by IMAD.

# **statistical appendix**



MAIN INDICATORS	2004	2005	2006	2007	2008	2009	2010	2011
						Spring forecast 2009		
						estimate	forecast	forecast
GDP (real growth rates, in %)	4.3	4.3	5.9	6.8	3.5	-4.0	1.0	2.7
GDP in EUR million (current prices and current exchange rate)	27,073	28,704	31,008	34,471	37,126	36,598	37,427	39,266
GDP per capita, in EUR (current prices and current exchange rate)	13,599	14,346	15,446	17,076	18,204	18,015	18,377	19,239
GDP per capita (PPS) <sup>1</sup>	18,700	19,600	20,700	22,200	23,100	-	-	-
GDP per capita (PPS EU27=100) <sup>1</sup>	86	87	88	89	92	-	-	-
Gross national income (current prices and current exchange rate)	26,760	28,460	30,640	33,792	36,299	35,736	36,314	38,074
Gross national disposable income (current prices and current exchange rate)	26,716	28,316	30,424	33,531	36,018	35,598	36,236	38,000
Rate of registered unemployment	10.3	10.2	9.4	7.7	6.7	8.9	10.3	10.2
Standardised rate of unemployment (ILO)	6.3	6.5	6.0	4.9	4.4	6.0	7.0	7.0
Labour productivity (GDP per employee)	4.0	4.5	4.3	3.7	0.6	1.5	2.8	3.1
Inflation, <sup>2</sup> year average	3.6	2.5	2.5	3.6	5.7	0.4	1.6	2.6
Inflation, <sup>2</sup> end of the year	3.2	2.3	2.8	5.6	2.1	1.4	2.2	3.0
<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	13.8	3.3	-8.6	1.7	5.4
Exports of goods	12.8	10.3	13.4	13.1	1.0	-10.2	1.0	4.9
Exports of services	10.9	12.0	8.6	17.0	13.9	-2.1	4.4	7.0
Imports of goods and services <sup>3</sup> (real growth rates, in %)	13.3	6.6	12.2	15.7	3.5	-10.3	1.6	5.2
Imports of goods	14.6	6.8	12.7	15.1	3.4	-11.5	1.1	5.0
Imports of services	5.6	5.5	8.8	19.7	4.5	-2.6	4.3	6.1
Current account balance, in EUR million	-720	-498	-771	-1,455	-2,180	-809	-1,311	-1,528
As a per cent share relative to GDP	-2.6	-1.7	-2.5	-4.2	-5.9	-2.2	-3.5	-3.9
Gross external debt, in EUR million	15,343	20,496	24,067	34,752	38,997	38,724 <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	1.46	1.27	1.27	1.27
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS</b>								
Private consumption (real growth rates, in %)	2.7	2.6	2.9	5.0	2.2	-0.6	1.0	2.0
As a % of GDP*	55.0	54.4	53.0	52.2	52.7	53.2	53.4	53.3
Government consumption (real growth rates, in %)	3.4	3.3	4.1	2.5	3.7	3.2	3.8	3.2
As a % of GDP*	18.9	19.0	18.8	17.7	17.9	19.6	20.8	21.1
Gross fixed capital formation (real growth rates, in %)	5.6	3.8	10.4	11.9	6.2	-12.0	1.0	4.0
As a % of GDP*	24.9	25.3	26.3	27.5	28.0	25.0	25.1	25.5
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 January 2009; *Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64).								

PRODUCTION	2006	2007	2008	2007				2008				2009	2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	1	2	3	4
<b>INDUSTRIAL PRODUCTION, SCA 2008, y-o-y growth rates, %</b>																
Industry B+C+D	5.7	7.2	-1.2	8.5	7.5	7.5	5.3	2.2	4.4	-0.4	-10.7	-	8.8	9.0	8.0	13.0
B Mining and quarrying	7.5	5.5	0.2	5.9	18.5	8.1	-7.3	9.2	-4.1	-1.4	-2.3	-	-22.3	5.7	40.3	28.4
C Manufacturing	6.2	8.5	-1.3	10.0	8.8	8.2	7.2	2.5	4.5	-0.2	-11.7	-	10.3	10.8	9.0	14.4
D Electricity, gas & steam supply <sup>1</sup>	-1.0	-11.1	2.1	-8.1	-14.8	-5.0	-15.9	-2.3	8.2	-1.1	4.5	-	0.2	-11.9	-13.1	-10.9
<b>CONSTRUCTION,<sup>2</sup> real indices of construction put in place, SCA 2008, y-o-y growth rates, %</b>																
Construction, total	15.7	18.5	15.7	43.8	32.6	16.2	0.2	32.5	17.0	15.7	4.2	-	43.0	42.3	45.7	38.5
Buildings	17.1	14.3	11.5	22.2	31.0	7.3	4.2	37.8	7.3	11.5	-2.0	-	28.6	12.3	26.3	24.9
Civil engineering	14.6	21.9	18.9	70.0	33.8	23.3	-2.6	28.0	24.3	18.6	8.9	-	59.0	84.0	67.7	51.3
<b>TRANSPORT, tonne-km in m, y-o-y growth rates, %</b>																
Tonne-km in road transport	9.8	13.4	-	7.0	0.1	30.2	19.1	26.7	23.5	7.7	-	-	-	-	-	-
Tonne-km in rail transport	3.9	6.8	-	14.9	12.1	5.8	-3.7	-5.3	-2.9	2.9	-	-	-	-	-	-
<b>Distributive trades, SCA 2008, y-o-y growth rates, %</b>																
Total real turnover*	6.3	9.7	10.1	6.0	8.3	12.3	11.8	15.7	13.1	10.5	2.3	-	1.9	6.0	9.5	8.9
Real turnover in retail trade	2.7	6.1	12.2	3.4	3.2	7.8	9.6	14.0	15.5	12.7	7.2	-	-0.2	2.2	7.7	3.6
Real turnover in the sale and maintenance of motor vehicles	17.8	19.2	6.2	12.8	21.3	24.8	17.9	22.0	9.6	5.6	-9.9	-	7.5	15.8	14.4	22.3
Nominal turnover in wholesale trade & commission trade	10.5	16.1	17.4	19.7	15.0	15.1	15.2	20.7	24.2	21.5	5.3	-	19.6	19.0	20.2	21.7
<b>TOURISM, y-o-y growth rates, %</b>																
Total, overnight stays	2.0	7.0	1.8	4.8	10.1	6.8	5.5	4.2	1.0	1.8	0.6	-	1.7	7.2	5.4	19.7
Domestic tourists, overnight stays	1.9	4.9	5.2	0.5	13.7	2.3	5.5	4.8	4.6	4.7	7.2	-	-8.4	5.4	2.3	23.4
Foreign tourists, overnight stays	2.0	8.4	-0.5	9.0	7.9	9.8	5.5	3.6	-1.3	0.1	-4.8	-	8.9	9.8	8.4	17.6
Turnover in hotels and restaurants	6.1	0.4	-4.1	-1.4	-0.5	2.3	0.9	-2.7	-2.8	-4.9	-5.9	-	-3.1	-2.0	0.5	-0.8
<b>AGRICULTURE, y-o-y growth rates, %</b>																
Purchase of agricultural products, SIT bn, since 2007 in EUR m	107	492	530	101	110	121	160	118	126	134	152	-	32.2	31.1	37.9	37.5
<b>BUSSINES TENDENCY (indicator values**)</b>																
Sentiment indicator	10	13	2	15	15	13	11	10	8	4	-14	-28	15	15	14	15
Confidence indicator																
- in manufacturing	10	12	-5	13	13	11	11	8	0	-8	-21	-30	12	14	12	13
- in construction	4	17	3	19	21	15	13	14	10	3	-16	-41	14	20	23	21
- in services	27	29	22	30	29	30	26	30	26	25	7	-14	31	30	30	31
- in retail trade	22	27	22	23	26	29	29	29	29	26	6	-14	20	26	24	27
Consumer confidence indicator	-14	-11	-20	-8	-7	-10	-17	-20	-17	-16	-28	-39	-8	-8	-8	-10
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.																

2007												2008												2009		
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3				
4.1	6.1	9.7	9.3	3.8	11.0	3.0	1.3	0.5	8.8	-1.9	10.4	0.0	3.0	-2.0	-5.7	5.7	-2.9	-14.6	-15.8	-19.9	-	-				
12.5	15.3	3.8	30.6	-7.2	-0.9	-5.9	-16.4	18.9	14.1	-1.1	3.8	-11.8	-4.2	22.9	-29.4	10.4	-0.8	-16.3	16.9	-3.3	-	-				
5.2	7.4	10.6	9.6	4.7	12.7	4.4	4.0	0.7	9.3	-1.9	10.9	0.2	2.8	-2.3	-5.1	6.0	-3.0	-15.7	-18.1	-21.9	-	-				
-16.1	-17.4	-5.1	-1.6	-8.2	-10.9	-14.4	-21.5	-6.3	1.2	-1.2	8.1	4.2	12.2	0.2	-5.5	1.9	1.0	4.7	7.5	-5.7	-	-				
49.7	14.9	17.3	33.5	2.3	7.3	6.2	-14.3	39.5	40.5	21.4	22.8	13.9	15.3	15.8	8.5	22.4	15.1	-2.3	-3.6	-20.7	-	-				
55.3	17.3	16.7	17.2	-8.7	0.5	18.3	-5.4	56.4	44.7	18.7	10.5	3.2	8.8	0.2	10.7	24.2	12.0	-11.5	-6.9	-29.8	-	-				
45.9	13.1	17.7	48.4	10.5	11.7	-2.3	-21.0	23.9	36.8	23.7	32.4	21.8	20.4	28.0	7.1	21.3	17.0	5.4	0.6	-10.1	-	-				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
9.5	6.5	10.6	12.9	13.4	16.8	11.7	7.0	18.1	23.8	7.2	17.4	11.8	10.3	12.6	5.8	12.8	2.8	1.0	3.1	-	-	-				
3.4	2.5	4.5	6.3	12.8	11.0	9.5	8.5	12.8	23.8	7.0	16.2	19.1	11.4	13.4	10.8	13.8	7.3	7.0	7.1	0.2	-	-				
24.6	17.2	27.3	32.7	16.0	32.7	17.7	3.4	34.7	26.3	9.4	22.0	-1.1	9.0	12.3	-7.4	10.6	-7.4	-12.5	-10.1	-27.1	-	-				
15.5	8.4	19.6	12.7	13.2	19.5	19.2	7.5	21.6	30.1	12.3	32.0	21.0	19.7	23.4	11.8	28.6	12.1	2.8	0.9	-	-	-				
7.6	6.0	6.0	9.6	3.6	4.6	8.3	4.0	2.9	9.0	0.5	-8.5	14.0	-2.4	3.6	3.2	-3.2	-2.1	-4.4	8.7	3.6	-7.0	-				
8.6	12.0	0.9	7.2	-3.7	4.2	2.6	9.6	12.1	11.7	-8.5	8.5	10.5	-2.1	1.1	8.9	3.9	6.0	4.4	11.0	9.6	-2.0	-				
7.0	2.1	9.8	11.0	7.8	4.8	13.7	-0.9	-2.6	5.6	8.9	-18.3	16.2	-2.6	5.3	-0.2	-6.8	-7.4	-11.9	6.5	-0.6	-14.0	-				
-2.0	1.2	0.5	4.7	1.7	1.3	0.1	1.1	-3.4	2.6	-6.7	-3.1	1.7	-6.6	-4.7	-5.6	-4.4	-3.2	-5.7	-8.4	-	-	-				
38.4	33.8	38.3	41.8	40.7	46.2	53.1	61.0	38.5	39.3	40.0	42.6	43.0	39.9	44.5	42.2	47.4	49.0	45.3	58.1	32.9	-	-				
16	14	15	13	11	10	10	12	10	10	11	10	8	5	5	4	3	-3	-17	-22	-27	-28	-30				
14	12	12	12	10	10	11	11	10	7	6	3	1	-3	-5	-8	-10	-16	-22	-25	-28	-30	-32				
22	21	17	16	11	12	10	18	13	12	18	12	11	7	7	0	2	-4	-16	-29	-37	-40	-46				
28	29	32	30	28	28	23	28	28	31	31	28	26	25	25	27	24	20	4	-3	-9	-14	-19				
26	26	26	27	35	28	29	31	27	28	33	29	30	27	29	26	23	23	1	-7	-10	-12	-19				
-4	-8	-6	-8	-16	-17	-19	-16	-23	-20	-16	-13	-19	-19	-18	-19	-12	-17	-33	-35	-43	-38	-37				

LABOUR MARKET	2006	2007	2008	2007				2008				2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
<b>FORMAL LABOUR FORCE (A=B+E)</b>	910.7	925.3	942.5	919.1	923.5	924.6	934.2	937.7	940.9	942.2	949.2	918.0	919.2	920.0	921.6
<b>PERSONS IN FORMAL EMPLOYMENT (B=C+D)<sup>1</sup></b>	824.8	854.0	879.3	841.8	852.7	856.1	865.4	870.8	879.4	881.7	885.1	838.0	841.5	845.8	849.0
In agriculture, forestry, fishing	37.7	40.4	39.7	41.8	40.8	39.9	39.2	40.8	39.9	39.2	38.9	41.7	41.7	41.9	40.8
In industry, construction	310.9	321.9	330.4	315.6	321.4	324.1	326.8	327.1	331.2	333.0	330.4	313.9	315.4	317.3	319.6
Of which: in manufacturing	221.7	223.6	222.4	222.8	223.9	223.4	224.2	224.0	224.0	222.3	219.1	222.2	222.8	223.3	223.6
in construction	69.5	78.4	87.9	72.9	77.5	80.6	82.5	83.2	87.1	90.5	91.1	71.9	72.8	74.1	76.1
In services	476.2	491.6	509.1	484.4	490.5	492.1	499.4	503.0	508.3	509.4	515.9	482.4	484.3	486.6	488.7
Of which: in public administration	50.4	50.3	51.0	49.9	50.3	50.4	50.6	50.8	51.0	51.1	51.0	49.9	49.9	49.9	50.1
in education, health-services, social work	108.0	108.8	111.1	118.6	118.8	116.6	119.2	119.9	120.1	118.4	121.9	108.0	108.4	108.7	108.9
<b>FORMALLY EMPLOYED (C)<sup>1</sup></b>	741.6	766.0	789.9	753.1	764.7	768.6	777.8	781.2	790.3	792.7	795.3	749.5	752.9	757.0	761.3
In enterprises and organisations	675.1	696.1	717.6	685.8	695.0	697.5	706.2	710.4	718.0	719.8	722.0	682.8	685.6	689.0	692.4
By those self-employed	66.5	69.9	72.3	67.3	69.8	71.1	71.6	70.8	72.2	73.0	73.2	66.7	67.3	68.0	68.9
<b>SELF-EMPLOYED AND FARMERS (D)</b>	83.3	87.9	89.4	88.7	87.9	87.6	87.6	89.6	89.2	88.9	89.8	88.5	88.6	88.8	87.8
<b>REGISTERED UNEMPLOYMENT (E)</b>	85.8	71.3	63.2	77.3	70.9	68.4	68.8	66.8	61.4	60.5	64.1	80.0	77.7	74.2	72.6
Female	47.0	39.1	33.4	42.0	39.3	38.0	37.3	35.6	32.8	32.1	33.0	43.2	42.1	40.7	40.2
By age: under 26	18.2	11.9	9.1	14.0	11.6	10.3	11.7	10.3	8.4	7.7	10.0	15.1	14.2	12.8	12.2
aged over 50	21.8	22.2	21.9	22.4	22.2	22.1	22.2	22.6	21.9	21.7	21.6	22.4	22.5	22.4	22.3
Unskilled	33.7	28.0	25.4	30.4	27.7	27.0	26.9	26.8	24.6	24.3	25.8	31.6	30.7	29.0	28.2
For more than 1 year	41.9	36.5	32.3	38.8	36.7	35.5	35.0	34.0	32.5	31.9	31.0	39.6	39.0	37.9	37.4
Those receiving benefits	22.7	16.6	14.4	19.1	16.8	15.8	14.7	15.0	13.6	13.9	15.1	19.9	19.1	18.3	17.2
<b>RATE OF REGISTERED UNEMPLOYMENT, E/A, in %</b>	9.4	7.7	6.7	8.4	7.7	7.4	7.4	7.1	6.5	6.4	6.8	8.7	8.4	8.1	7.9
Male	7.7	6.2	5.6	6.9	6.1	5.9	6.0	6.0	5.4	5.4	5.8	7.2	7.0	6.6	6.3
Female	11.5	9.6	8.1	10.3	9.6	9.3	9.0	8.6	7.9	7.8	7.9	10.6	10.3	10.0	9.8
<b>FLOWS OF FORMAL LABOUR FORCE</b>	5.2	21.5	13.7	8.7	5.4	0.6	6.7	5.7	4.2	1.9	1.9	6.7	1.2	0.8	1.6
New unemployed first-job seekers	18.6	14.7	12.5	2.9	2.4	2.3	7.2	2.2	1.8	1.9	6.5	1.3	0.8	0.9	1.0
Redundancies	63.8	52.5	53.0	15.4	11.6	12.6	12.9	12.5	10.7	12.5	17.4	7.6	3.8	4.0	4.0
Registered unemployed who found employment	57.4	49.1	41.7	14.8	12.1	11.3	10.9	12.4	9.7	9.9	9.6	5.1	4.4	5.2	4.2
Other outflows from unemployment (net)	39.2	28.0	26.1	7.6	6.9	6.2	7.4	6.4	6.3	5.9	7.4	2.0	2.5	3.1	2.4
Increase in number of work permits for foreigners	7.8	15.3	24.6	3.9	4.9	4.3	2.2	6.0	9.5	7.0	2.1	0.3	1.2	2.5	3.6
Retirements <sup>2</sup>	20.6	20.7	22.5	5.2	4.7	5.0	5.9	5.4	4.8	6.3	6.1	2.0	1.8	1.4	1.7
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	0.2	0.2	0.2	0.2
Others who found employment <sup>2</sup>	24.8	14.4	16.0	14.3	9.1	4.5	9.9	8.8	3.2	4.4	6.0	9.1	3.5	1.8	0.8
<b>REGISTERED VACANCIES<sup>3</sup></b>	19.0	20.2	20.0	20.5	21.0	20.4	19.1	21.6	21.1	21.5	15.9	20.0	17.8	23.6	20.6
For a fixed term, in %	75.3	76.5	74.5	76.7	77.5	77.2	74.4	73.0	74.0	76.5	74.7	77.1	75.1	77.5	76.9
<b>WORK PERMITS FOR FOREIGNERS</b>	48.3	60.2	81.1	52.6	59.3	63.0	65.8	68.7	79.0	86.3	90.5	51.0	52.2	54.7	58.3
As % of labour force	5.3	6.5	8.6	5.7	6.4	6.8	7.0	7.3	8.4	9.2	9.5	5.6	5.7	5.9	6.3
<b>NEW JOBS</b>	155.9	160.0	162.7	39.1	40.7	38.7	41.5	40.9	41.0	42.7	38.1	13.5	11.6	13.9	14.4

Sources of data: SORS, PDII, ESS. Notes: **Due to the transition to the new standard classification of activities SCA 2008 we do not publish data on wages for January 2009 by activity.** <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.

2007								2008												2009
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1
923.6	925.4	924.5	923.1	926.0	934.0	935.8	932.8	936.6	937.9	938.5	939.1	940.8	942.7	941.4	940.5	944.6	950.7	950.3	946.5	946.2
852.9	856.2	854.4	854.6	859.4	864.5	867.4	864.4	867.3	870.9	874.2	876.6	879.6	882.0	879.9	879.8	885.3	888.1	886.9	880.3	872.2
40.8	40.8	39.9	39.9	39.9	39.3	39.3	39.2	40.7	40.8	40.8	39.9	39.9	39.8	39.3	39.2	39.2	38.9	38.9	38.8	37.8
321.5	323.1	323.5	323.6	325.2	327.1	327.9	325.3	325.8	327.1	328.5	330.0	331.2	332.6	332.5	332.5	333.9	333.7	331.5	325.9	320.1
224.0	224.0	223.5	223.1	223.5	224.4	224.7	223.5	223.7	224.0	224.2	224.1	223.9	224.0	222.7	222.2	222.2	221.3	219.8	216.3	211.8
77.5	78.9	79.9	80.5	81.5	82.5	83.1	81.8	82.1	83.1	84.2	85.8	87.1	88.4	89.7	90.2	91.6	92.2	91.5	89.5	88.3
490.6	492.3	491.0	491.1	494.3	498.1	500.3	499.9	500.9	503.1	504.9	506.8	508.6	509.6	508.1	508.1	512.2	515.5	516.5	515.6	514.4
50.3	50.4	50.4	50.4	50.4	50.5	50.5	50.7	50.9	50.9	50.7	50.9	50.9	51.1	50.9	51.0	51.2	51.1	51.1	50.8	51.2
109.0	109.1	107.9	107.6	109.1	109.7	109.9	109.7	110.3	110.8	111.0	111.2	111.0	110.9	109.7	109.4	111.4	112.0	112.5	112.6	112.8
764.9	768.1	767.0	767.1	771.6	777.0	779.7	776.7	777.9	781.3	784.3	787.6	790.5	792.8	791.1	790.9	796.1	798.5	797.0	790.2	783.0
695.1	697.5	696.2	696.1	700.1	705.2	707.7	705.9	707.8	710.5	713.0	715.8	718.2	720.2	718.5	718.2	722.6	724.6	723.4	718.1	712.6
69.8	70.6	70.8	71.0	71.5	71.8	72.0	70.8	70.2	70.8	71.3	71.8	72.3	72.6	72.7	72.7	73.5	74.0	73.5	72.2	70.4
88.0	88.1	87.3	87.5	87.8	87.5	87.7	87.7	89.4	89.6	89.9	89.1	89.2	89.2	88.8	88.9	89.2	89.6	89.9	90.0	89.2
70.7	69.3	70.1	68.5	66.7	69.5	68.4	68.4	69.2	67.0	64.3	62.4	61.2	60.7	61.6	60.7	59.3	62.6	63.4	66.2	73.9
39.2	38.5	39.3	38.1	36.7	38.0	37.1	36.7	36.9	35.7	34.3	33.5	32.6	32.4	33.0	32.3	31.1	32.7	32.6	33.7	37.2
11.5	11.1	11.1	10.4	9.5	12.2	11.6	11.2	11.1	10.3	9.5	8.8	8.4	8.1	8.1	7.8	7.3	9.8	9.9	10.2	11.7
22.3	22.0	22.2	22.1	22.0	22.1	22.1	22.3	22.8	22.7	22.3	22.0	21.9	21.8	21.9	21.7	21.4	21.4	21.5	21.9	23.6
27.7	27.1	27.2	27.0	26.7	27.0	26.8	27.1	27.6	26.9	25.9	25.0	24.6	24.3	24.3	24.3	24.3	24.9	25.5	27.0	30.1
36.8	36.0	35.8	35.6	35.0	35.3	35.0	34.7	34.7	34.0	33.3	32.7	32.5	32.2	32.1	31.8	31.6	31.4	30.9	30.8	31.2
16.9	16.3	16.3	16.0	15.2	14.8	14.5	14.7	15.6	15.1	14.2	13.7	13.6	13.4	13.9	13.9	13.7	14.1	14.4	16.8	20.9
7.7	7.5	7.6	7.4	7.2	7.4	7.3	7.3	7.4	7.1	6.9	6.6	6.5	6.4	6.5	6.5	6.3	6.6	6.7	7.0	7.8
6.1	6.0	6.0	5.9	5.8	6.0	6.0	6.1	6.2	6.0	5.7	5.5	5.4	5.4	5.4	5.4	5.3	5.6	5.7	6.1	6.9
9.6	9.4	9.6	9.3	9.0	9.2	9.0	8.9	8.9	8.6	8.3	8.1	7.9	7.8	8.0	7.8	7.5	7.9	7.9	8.1	9.0
2.0	1.8	-0.9	-1.4	2.9	8.0	1.8	-3.0	3.8	1.4	0.6	0.6	1.7	2.0	-1.3	-0.9	4.1	6.1	-0.5	-3.8	-0.3
0.7	0.6	0.7	0.6	1.0	5.3	1.2	0.6	0.9	0.6	0.7	0.8	0.5	0.5	0.5	0.5	0.9	4.6	1.2	0.8	1.2
4.0	3.7	4.9	3.5	4.2	4.5	4.3	4.1	5.8	3.4	3.3	3.6	3.4	3.6	4.6	3.4	4.5	5.2	5.5	6.6	10.4
4.1	3.7	3.0	3.8	4.4	4.3	4.1	2.5	4.1	4.2	4.1	3.6	3.2	2.9	2.3	3.1	4.5	4.0	3.2	2.4	3.2
2.5	2.0	1.6	1.9	2.7	2.6	2.5	2.2	1.8	2.1	2.5	2.6	2.0	1.7	2.0	1.6	2.3	2.5	2.7	2.2	0.7
1.7	-0.5	2.2	1.6	0.5	1.7	0.3	0.2	-0.2	2.4	3.8	4.2	2.8	2.5	2.3	2.9	1.9	1.7	0.1	0.3	n.p.
1.6	1.4	1.6	1.1	2.3	2.2	2.1	1.6	2.4	1.4	1.7	1.7	1.6	1.5	1.6	2.2	2.6	2.3	2.0	1.8	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
3.3	5.0	-0.7	-0.9	6.1	5.5	4.6	-0.3	7.1	1.6	0.0	-0.4	1.7	2.0	-0.8	-0.7	6.0	4.3	2.7	-1.1	1.3
19.3	23.1	18.8	19.7	22.8	24.4	18.7	14.2	22.4	22.8	19.8	21.6	21.6	20.2	19.8	20.1	24.7	19.7	15.7	12.3	13.7
79.1	76.6	78.4	77.1	76.5	76.4	75.2	69.8	71.9	73.0	74.2	72.7	74.4	74.9	76.9	76.8	76.0	74.9	75.6	73.1	72.0
60.1	59.5	61.7	63.3	63.9	65.6	65.9	66.1	65.8	68.3	72.1	76.3	79.1	81.6	83.8	86.7	88.6	90.3	90.4	90.7	90.7
6.5	6.4	6.7	6.9	6.9	7.0	7.0	7.1	7.0	7.3	7.7	8.1	8.4	8.7	8.9	9.2	9.4	9.5	9.5	9.6	9.6
13.4	13.0	11.8	9.9	16.9	18.2	13.6	9.7	14.5	13.0	13.4	15.4	13.1	12.5	12.7	10.4	19.6	17.8	11.4	8.9	10.2

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2006	2007	2008	2007				2008				2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
<b>GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %</b>															
Total	4.8	5.9	8.3	5.4	5.6	5.8	6.7	7.8	8.6	9.6	7.1	6.4	4.8	5.0	5.9
<b>Private sector (A to K)</b>	5.4	6.9	7.8	6.3	6.3	6.7	8.1	8.3	9.4	9.3	4.9	7.7	5.8	5.5	6.9
Agriculture, fishing (A, B)	5.6	8.2	8.6	6.2	8.0	7.3	11.2	10.1	8.8	10.1	5.6	8.2	5.3	5.1	9.4
A Agriculture	5.6	8.2	8.8	6.4	8.0	7.3	11.0	10.2	8.8	10.1	5.9	8.4	5.5	5.5	9.4
B Fishing	7.9	8.0	3.7	-3.8	8.2	8.2	17.5	6.8	7.7	9.5	-4.9	3.3	-2.7	-11.4	9.9
Industry, construction (C to F)	5.5	6.5	7.5	5.7	5.8	6.3	8.1	8.0	9.5	9.2	4.0	7.5	5.1	4.5	6.7
C Mining and quarrying	4.5	7.0	13.6	3.6	4.3	6.0	13.4	10.1	14.1	16.1	14.2	4.2	3.2	3.4	3.3
D Manufacturing	5.5	6.8	7.5	5.9	5.9	6.8	8.4	8.2	9.7	9.3	3.5	7.8	5.3	4.5	7.1
E Electricity, gas & water supply	5.6	6.2	8.9	3.0	5.0	5.5	10.7	9.0	9.4	9.3	8.1	4.6	2.8	1.6	4.2
F Construction	6.2	6.5	7.5	7.1	6.7	5.6	6.6	7.5	9.5	9.1	4.5	8.4	6.4	6.6	7.5
Production services (G to I)	5.0	7.0	7.9	7.3	6.4	6.8	7.2	7.9	8.9	9.2	6.2	8.0	6.7	7.1	7.4
G Distributive trades	5.6	7.6	7.7	8.0	7.4	7.5	7.4	7.4	9.0	8.8	6.1	9.1	6.7	8.3	8.6
H Hotels & restaurants	4.4	6.0	8.7	4.0	5.3	5.4	8.7	10.1	10.3	10.1	4.8	3.9	2.7	5.4	4.4
I Transport, storage & communications	3.6	5.7	7.9	6.7	4.4	5.6	5.9	7.7	7.9	9.4	6.8	6.9	7.9	5.3	5.4
Business services (J to K)	4.7	6.8	7.6	5.7	6.2	6.8	8.3	8.8	9.4	8.9	4.1	7.0	5.2	5.0	5.4
J Financial intermediation	7.2	7.3	5.8	7.9	7.8	5.7	7.4	8.1	8.8	8.2	-0.2	8.7	9.1	6.0	6.5
K Real estate	3.9	7.2	8.9	5.3	6.1	7.8	9.4	9.5	10.1	9.6	6.7	6.8	4.0	5.1	5.6
Public services (L to O)	3.5	4.1	9.7	3.5	4.6	4.4	3.8	7.1	7.0	11.7	12.8	3.6	2.8	4.2	4.1
L Public administration	3.1	5.1	12.2	2.5	4.9	6.5	6.4	11.1	10.8	13.2	13.8	2.6	1.7	3.2	3.8
M Education	4.8	3.9	7.0	4.8	5.7	3.1	2.4	5.5	5.8	7.7	9.0	4.9	4.5	4.9	5.5
N Health & social work	2.7	3.2	12.2	2.7	3.7	4.0	2.4	6.1	4.8	16.7	20.6	3.2	1.9	3.0	3.2
O Other community, social & personal services	2.1	3.9	6.4	4.1	2.9	3.9	4.5	4.5	6.7	9.2	5.5	2.9	2.3	7.0	2.9
<b>INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %</b>															
Effective exchange rate, <sup>1</sup> nominal	0.2	0.8	0.5	0.9	0.7	0.6	1.2	1.2	1.1	0.4	-1.1	0.7	1.0	0.9	0.8
Real (relative consumer prices)	0.7	2.3	2.8	1.4	1.8	2.3	3.7	4.5	4.2	2.6	-0.1	1.6	1.3	1.2	1.4
Real (relative producer prices) <sup>2</sup>	-0.8	2.1	0.9	2.1	2.0	2.2	2.1	1.4	1.5	0.4	0.3	2.3	2.2	1.9	1.8
USD/EUR	1.256	1.371	1.471	1.311	1.348	1.374	1.449	1.500	1.562	1.504	1.317	1.300	1.307	1.324	1.352
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.															
Notes: Data on the monthly gross wage per employee for 2004 and beyond calculated according to the new methodology were published in September 2005. <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															

2007								2008												2009
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1
5.8	5.2	6.9	5.7	4.9	6.6	7.1	6.5	6.1	9.3	8.0	9.5	7.6	8.8	8.7	9.8	11.2	9.2	3.9	8.6	6.8
6.4	5.5	7.6	6.8	5.6	8.2	8.4	7.6	6.9	9.4	8.5	10.7	8.2	9.5	10.1	7.2	10.7	7.7	1.0	6.7	-
8.6	6.0	8.5	8.8	4.6	8.4	15.1	9.5	8.5	15.2	6.8	9.4	8.9	8.1	12.7	6.3	11.4	9.2	-0.9	9.7	-
8.7	5.9	8.5	8.7	4.6	7.9	15.2	9.5	8.7	15.5	6.7	9.6	8.9	7.9	12.7	6.3	11.4	9.8	-0.8	9.8	-
5.3	9.5	8.6	12.4	3.5	30.6	13.0	10.0	2.5	4.4	14.0	-1.3	10.2	14.8	12.5	5.7	10.4	-11.5	-7.2	5.7	-
5.8	5.0	7.3	6.3	5.5	7.8	8.7	7.8	6.2	9.8	8.1	11.2	8.2	9.2	10.8	6.3	10.6	8.1	-1.1	5.9	-
4.7	4.8	6.6	3.9	7.5	9.5	10.2	21.6	5.9	10.4	14.1	12.3	17.7	12.3	17.5	10.2	20.5	38.5	-5.0	14.9	-
5.7	5.1	7.5	6.9	6.0	7.9	9.2	8.0	6.1	10.2	8.5	11.2	8.4	9.5	10.8	6.5	10.7	6.8	-1.1	5.5	-
3.0	7.7	3.5	5.2	7.7	11.1	11.2	9.6	8.1	10.8	8.3	12.1	8.5	7.7	14.1	6.9	7.4	20.9	1.9	4.9	-
8.1	4.5	8.5	5.3	3.1	6.7	7.4	5.6	7.3	8.6	6.6	11.9	7.3	9.5	9.9	6.0	11.4	7.4	-0.7	7.4	-
6.0	5.9	7.5	7.1	5.9	7.2	6.7	7.7	7.3	8.2	8.1	9.7	7.8	9.1	8.9	8.4	10.3	7.6	5.1	6.2	-
6.8	6.7	7.8	7.8	7.0	7.1	8.3	6.7	6.5	8.8	7.0	10.1	8.0	8.9	9.2	7.0	10.1	7.9	4.1	6.6	-
5.1	6.5	6.5	6.0	3.8	7.6	10.5	8.0	10.6	11.0	8.7	10.9	11.1	8.9	10.5	9.1	10.8	7.7	1.9	5.3	-
4.1	3.8	6.9	5.7	4.0	6.6	2.6	9.1	7.5	5.9	9.6	8.3	6.2	9.2	7.4	10.7	10.1	6.9	7.7	5.7	-
7.4	5.8	8.2	7.2	5.1	10.1	8.7	6.3	7.4	9.3	9.8	10.4	8.0	9.9	9.3	7.0	10.5	6.2	-0.6	7.7	-
9.9	7.0	8.5	7.1	1.6	13.9	8.0	1.0	6.7	6.7	10.7	12.0	6.6	7.9	6.9	6.5	11.1	0.9	-6.6	8.0	-
6.8	5.8	8.4	7.6	7.3	8.7	9.8	9.6	8.1	10.8	9.6	10.0	9.1	11.3	10.7	7.6	10.6	8.9	3.8	7.8	-
4.7	4.9	5.8	3.5	3.8	3.3	3.9	4.1	4.5	9.6	7.2	7.0	6.7	7.5	5.8	16.5	12.8	13.1	12.2	13.2	-
5.2	5.7	8.7	4.9	5.9	5.9	6.5	6.9	6.8	14.3	12.0	12.0	10.0	10.4	7.6	18.9	13.3	12.9	16.0	12.4	-
6.4	5.1	4.3	2.6	2.4	2.3	2.6	2.2	3.1	7.8	5.6	5.7	5.6	6.0	5.0	10.8	7.3	8.0	9.4	9.6	-
3.4	4.3	5.4	3.3	3.3	2.1	2.0	3.0	3.6	8.0	6.7	3.8	4.4	6.2	4.8	24.2	21.2	20.8	20.1	21.0	-
1.9	3.9	4.5	3.1	4.0	3.0	5.1	5.3	5.0	6.9	1.8	5.9	6.7	7.3	6.0	11.1	10.5	12.1	-3.2	9.2	-
0.7	0.6	0.6	0.5	0.7	1.1	1.3	1.1	1.3	1.0	1.4	1.4	1.1	0.9	0.8	0.6	-0.1	-1.3	-1.7	-0.4	-0.4
1.7	2.3	2.5	2.2	2.0	3.6	3.9	3.6	4.4	4.3	4.7	4.7	3.9	3.9	3.5	2.6	1.6	0.3	-0.7	0.0	-0.1
2.1	2.1	2.1	2.4	2.1	2.4	2.3	1.8	1.5	1.2	1.5	2.4	1.3	0.9	0.7	0.9	-0.3	-1.0	-0.2	2.0	2.0
1.351	1.342	1.372	1.362	1.390	1.423	1.468	1.457	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

PRICES	2006	2007	2008	2007				2008				2007				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4	5
<b>CPI, y-o-y growth rates, %</b>	2.5	3.6	5.7	2.3	3.0	3.6	5.4	6.6	6.6	6.1	3.3	2.7	2.1	2.3	2.6	2.9
Food, non-alcoholic beverages	2.3	7.8	10.1	3.7	6.5	8.2	12.6	14.0	12.0	9.8	4.9	4.0	3.0	3.9	6.3	6.3
Alcoholic beverages, tobacco	3.7	6.5	3.2	5.5	6.0	8.0	6.5	5.4	5.0	0.7	2.1	5.5	5.4	5.6	5.7	6.2
Clothing and footwear	-0.5	2.1	4.4	1.8	0.9	3.3	2.5	4.9	5.2	2.1	5.2	3.6	2.6	-0.5	-0.7	1.0
Housing, water, electricity, gas	5.3	2.6	9.7	-0.2	1.0	2.2	7.6	10.5	11.4	11.5	5.3	-0.1	-0.9	0.4	1.0	0.4
Furnishings, household equipment	4.1	4.5	5.8	5.0	5.2	3.6	4.0	4.5	5.5	6.5	6.7	5.1	5.3	4.7	4.8	5.2
Medical, pharmaceutical products	-1.7	1.1	2.9	1.5	1.4	1.1	0.4	-0.5	1.7	4.9	5.8	0.9	1.4	2.3	1.4	1.1
Transport	1.3	0.3	1.9	-0.2	0.8	-0.9	1.6	2.9	2.9	4.1	-2.2	-0.4	-0.9	0.6	0.4	0.4
Communications	0.3	0.3	0.6	0.0	0.4	0.6	0.3	2.2	1.9	0.1	-1.7	1.4	-0.7	-0.6	-0.3	0.2
Recreation and culture	2.1	3.6	4.4	2.5	2.5	4.6	4.7	4.6	5.0	4.8	3.2	2.9	2.6	2.2	1.4	3.0
Education	3.1	1.9	5.2	1.1	0.6	2.2	3.6	4.7	5.4	4.8	6.1	0.5	1.5	1.1	-1.1	1.4
Catering services	4.5	7.3	9.6	6.9	6.6	7.0	8.7	9.3	10.0	10.4	8.7	6.9	7.1	6.7	6.6	6.8
Miscellaneous goods & services	4.1	3.6	3.9	4.2	3.1	3.7	3.4	3.9	4.5	3.8	3.4	5.0	4.7	3.0	2.9	3.1
HCPI	2.5	3.8	5.5	2.6	3.3	3.7	5.5	6.5	6.4	6.2	3.1	2.8	2.3	2.6	2.9	3.1
Core inflation (trim mean)	2.8	2.3	3.9	1.6	2.0	2.5	3.1	4.4	4.4	4.1	2.8	2.0	1.3	1.5	1.7	1.9
Core inflation (excluding fresh food and energy)	1.1	2.6	4.6	1.9	1.9	2.9	3.9	4.7	4.9	4.7	4.0	2.3	1.9	1.5	1.5	1.9
<b>PRODUCER PRICE INDICES, y-o-y growth rates, %</b>																
Total	2.3	4.2	3.8	4.3	4.7	4.1	3.6	3.4	3.7	5.1	3.2	3.9	4.6	4.5	4.7	4.8
Domestic market	2.4	5.5	5.6	4.7	5.1	5.5	6.5	6.0	6.1	6.2	4.2	3.6	5.3	5.1	5.0	5.1
Non-domestic market	2.1	3.0	2.2	4.0	4.3	2.9	0.7	0.9	1.5	3.9	2.3	4.1	4.0	4.0	4.4	4.4
euro area	2.4	5.1	2.2	7.0	7.4	4.8	1.5	1.4	1.7	4.2	1.5	7.0	6.8	7.4	7.7	7.7
non-euro area	1.6	-0.5	2.1	-0.7	-0.7	-0.3	-0.5	0.1	1.0	3.4	3.9	-0.4	-0.4	-1.2	-0.7	-0.8
Import price indices	5.8	4.0	1.3	7.0	6.7	2.5	0.1	-0.2	0.3	3.8	1.4	7.8	6.6	6.7	7.0	6.8
<b>PRICE CONTROL,<sup>1</sup> y-o-y growth rates, %</b>																
Energy prices	8.0	0.6	12.4	-2.0	-0.1	-1.6	6.2	13.1	16.9	21.1	-1.2	-0.4	-4.6	-0.8	-0.3	-1.0
Oil products	10.3	-0.9	11.7	-4.0	-2.2	-4.3	7.4	14.8	17.4	21.1	-5.7	-2.0	-7.5	-2.3	-2.6	-3.3
Basic utilities	-2.6	-2.3	0.6	-6.3	-6.2	-3.7	8.4	1.4	1.3	-1.3	1.1	-7.4	-5.8	-5.8	-6.5	-6.0
Transport & communications	1.5	0.6	-0.4	0.7	0.6	0.6	0.6	0.5	0.6	-1.3	-1.3	0.7	0.8	0.6	0.6	0.6
Other controlled prices	2.6	2.9	1.8	3.0	2.6	3.0	3.0	1.4	1.7	1.7	2.4	2.4	3.3	3.4	3.1	2.4
Direct control – total	7.0	3.1	8.6	1.9	3.2	1.6	5.9	9.5	11.7	13.7	-0.2	2.8	0.0	2.8	3.1	2.6

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.

2007						2008												2009		
6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2
3.6	3.8	3.5	3.5	5.1	5.7	5.6	6.4	6.5	6.9	6.5	6.4	7.0	6.9	6.0	5.5	4.9	3.1	2.1	1.6	2.1
6.9	7.6	6.9	10.0	13.3	11.7	12.9	13.9	14.6	13.5	12.3	12.1	11.6	12.2	10.1	7.2	5.3	5.6	3.8	3.5	3.1
6.0	8.1	8.5	7.6	6.5	6.6	6.6	5.7	5.5	5.1	4.8	5.0	5.1	-0.2	0.5	1.8	2.1	2.1	2.0	2.2	2.7
2.4	2.7	4.1	3.1	1.8	3.5	2.1	2.9	4.8	6.7	7.0	4.6	4.1	0.8	1.7	3.7	6.1	4.6	4.8	2.3	0.6
1.7	1.9	3.2	1.4	6.7	8.2	8.0	11.7	9.6	10.4	9.3	11.4	13.4	13.6	10.4	10.5	9.0	4.8	2.4	0.8	3.0
5.7	4.5	3.3	3.0	3.6	4.1	4.3	4.0	4.3	5.2	5.7	5.7	5.2	5.9	6.4	7.3	7.0	6.7	6.5	6.5	6.7
1.7	2.0	0.7	0.8	0.8	0.5	0.0	-0.9	-1.2	0.5	1.4	1.7	1.9	4.5	5.0	5.1	5.2	5.4	6.7	9.5	9.8
1.5	0.9	-1.6	-1.9	0.4	2.5	1.9	2.8	2.7	3.1	2.1	2.4	4.4	4.9	3.7	3.7	2.6	-3.6	-5.4	-5.1	-2.5
1.2	1.2	1.2	-0.7	-0.7	-0.2	1.9	1.0	2.8	2.9	2.8	1.5	1.5	0.7	0.5	-0.9	-0.9	0.0	-4.3	-3.7	-4.7
3.3	4.4	4.8	4.5	4.9	4.6	4.7	4.1	4.9	4.9	5.4	4.4	5.3	5.6	4.9	4.0	2.8	3.2	3.6	2.8	2.8
1.4	1.4	1.4	3.7	3.6	3.6	3.6	3.4	3.8	7.0	7.0	4.6	4.6	4.6	4.6	5.0	6.0	6.1	6.1	6.0	6.3
6.4	6.5	7.0	7.6	7.9	9.6	8.6	9.2	9.4	9.4	10.1	9.9	10.1	10.7	10.4	10.0	9.7	8.8	7.7	6.5	6.3
3.2	3.3	4.0	3.8	3.0	3.6	3.6	3.6	3.8	4.2	4.7	4.4	4.5	4.0	3.7	3.6	3.4	3.2	3.4	3.4	3.7
3.8	4.0	3.4	3.6	5.1	5.7	5.7	6.4	6.4	6.6	6.2	6.2	6.8	6.9	6.0	5.6	4.8	2.9	1.8	1.4	2.1
2.5	2.5	2.3	2.5	2.7	3.3	3.2	4.2	4.3	4.6	4.3	4.4	4.4	4.7	4.0	3.6	3.1	2.8	2.6	2.0	2.4
2.4	2.6	2.9	3.0	3.7	4.0	4.0	4.2	4.9	5.1	5.3	4.9	4.7	5.1	4.7	4.5	4.1	3.9	3.9	3.2	2.8
4.6	4.4	4.2	3.9	3.8	3.5	3.4	3.5	3.4	3.3	3.3	3.5	4.4	4.9	5.5	4.8	4.2	3.3	2.2	1.9	1.1
5.3	5.3	5.2	5.9	6.4	6.9	6.4	6.5	5.6	5.8	6.2	6.1	5.9	6.3	6.7	5.7	5.0	4.0	3.5	2.3	1.2
4.0	3.5	3.1	2.0	1.2	0.3	0.6	0.6	1.3	0.9	0.5	1.1	2.8	3.6	4.3	4.0	3.3	2.7	1.0	1.5	1.0
6.8	5.6	4.9	3.9	2.2	1.2	1.0	1.0	2.1	1.1	0.5	0.9	3.7	4.1	4.8	3.8	3.1	1.4	0.1	0.2	-0.3
-0.5	0.0	0.3	-1.1	-0.4	-1.1	0.1	-0.2	-0.1	0.5	0.4	1.3	1.1	2.5	3.3	4.3	3.9	5.1	2.7	4.2	3.5
6.2	3.0	3.6	0.8	-0.2	0.0	0.5	-0.7	-0.1	0.1	-0.3	0.5	0.8	3.5	3.3	4.7	3.7	1.6	-1.0	-2.4	-1.3
0.9	1.3	-2.6	-3.6	2.2	8.4	7.9	12.4	12.1	14.8	11.9	15.5	23.2	24.8	20.0	18.4	14.1	-4.3	-12.7	-15.0	-8.9
-0.8	-0.8	-5.5	-6.6	2.1	10.3	9.8	14.0	14.1	16.4	12.6	15.3	24.1	25.5	20.0	17.7	12.2	-9.4	-18.9	-19.5	-11.2
-6.0	-6.0	0.7	-5.7	14.3	6.5	4.8	2.8	0.7	0.7	1.3	1.3	1.3	1.3	-5.7	0.7	0.7	0.8	1.6	1.6	1.7
0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.4	0.6	0.6	0.6	0.6	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3
2.3	2.2	3.8	3.0	3.0	2.9	2.9	2.1	1.2	1.0	1.2	1.9	1.9	1.1	1.6	2.4	2.4	2.4	2.4	2.3	2.4
4.0	4.3	2.9	-2.3	3.9	7.1	6.6	9.3	8.8	10.4	8.5	10.8	15.7	16.3	12.2	12.4	9.7	-2.2	-7.8	-9.4	-5.0

BALANCE OF PAYMENTS	2006	2007	2008	2007				2008				2007				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4	5
<b>BALANCE OF PAYMENTS, in EUR m</b>																
Current account	-771	-1,455	-2,055	-96	-216	-480	-663	-468	-432	-472	-682	17	-109	-3	-105	-100
Goods <sup>1</sup>	-1,151	-1,666	-2,622	-242	-359	-401	-664	-485	-657	-744	-737	-82	-80	-80	-134	-146
Exports	17,028	19,798	20,033	4,783	5,027	4,927	5,062	5,083	5,349	5,034	4,568	1,471	1,514	1,798	1,586	1,729
Imports	18,179	21,464	22,655	5,025	5,386	5,328	5,726	5,568	6,006	5,777	5,305	1,553	1,594	1,878	1,720	1,874
Services	993	1,193	1,782	275	366	354	198	368	502	533	379	123	56	97	116	119
Exports	3,572	4,291	5,182	897	1,038	1,307	1,049	1,087	1,326	1,526	1,244	321	254	323	347	337
Imports	2,580	3,098	3,400	622	672	953	851	719	824	993	864	198	198	226	230	218
Income	-440	-708	-1,026	-52	-188	-356	-112	-239	-247	-284	-255	-16	-16	-20	-74	-43
Receipts	872	1,169	1,303	234	293	298	344	293	329	329	352	76	75	82	93	100
Expenditure	1,312	1,877	2,329	286	481	654	456	533	576	613	607	92	91	102	167	143
Current transfers	-173	-274	-188	-76	-34	-78	-86	-111	-30	22	-70	-7	-69	0	-14	-30
Receipts	785	905	804	197	237	219	252	148	193	232	230	51	59	87	75	65
Expenditure	958	1,178	992	273	271	296	338	259	223	210	300	58	128	87	89	95
Capital and financial account	1,092	1,713	2,221	281	177	339	915	419	823	441	537	-187	220	249	22	-66
Capital account	-131	-52	-84	15	-27	-32	-8	-1	-22	-39	-23	18	6	-9	0	-7
Financial account	1,223	1,765	2,305	266	204	371	923	420	845	480	560	-205	214	258	22	-59
Direct investment	-174	-269	256	-248	-64	-4	47	148	-22	-86	216	-114	-135	2	-43	-100
Domestic abroad	-687	-1,319	-983	-326	-296	-439	-257	-159	-324	-332	-168	-107	-157	-62	-148	-116
Foreign in Slovenia	513	1,050	1,239	79	232	435	304	306	302	246	384	-8	22	64	104	17
Portfolio investment	-1,442	-2,264	606	-624	-1,204	377	-814	301	-1,127	180	1,252	-902	-152	430	-414	-620
Financial derivatives	-13	-21	6	2	-2	-12	-10	2	1	3	0	6	-4	1	0	0
Other investment	1,571	4,179	1,416	1,080	1,484	-22	1,636	50	1,914	382	-930	620	628	-168	425	726
Assets	-1,939	-4,877	-772	-2,413	-455	-1,405	-605	-997	-207	350	82	-734	-836	-843	-847	481
Commercial credits	-442	-394	-212	-385	-180	32	139	-508	-166	-7	470	-27	-164	-194	-97	-10
Loans	-733	-1,890	-540	-372	-456	-435	-627	53	-441	162	-313	-21	-90	-261	-48	-213
Currency and deposits	-743	-2,601	-38	-1,675	182	-990	-118	-533	358	214	-77	-754	-575	-345	-685	701
Other assets	-21	7	17	18	0	-12	1	-9	42	-19	3	68	-7	-43	-16	3
Liabilities	3,510	9,057	2,189	3,493	1,939	1,383	2,241	1,047	2,121	32	-1,012	1,355	1,464	675	1,272	245
Commercial credits	479	503	167	269	55	-88	268	177	301	69	-380	-172	218	223	-19	89
Loans	2,064	3,840	1,848	32	1,554	910	1,345	640	1,467	234	-492	146	-52	-62	1,021	301
Deposits	998	4,727	190	3,208	338	567	613	253	346	-272	-137	1,406	1,282	521	279	-140
Other liabilities	-30	-14	-17	-16	-7	-6	16	-22	7	2	-3	-25	16	-6	-9	-5
International reserves <sup>2</sup>	1,281	140	21	55	-11	32	64	-81	80	1	21	185	-123	-7	55	-65
Statistical error	-321	-258	-167	-185	39	141	-252	48	-391	31	145	170	-110	-245	84	166

**EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m**

Export of investment goods	1,680	1,933	2,229	456	508	466	504	523	577	595	534	136	134	185	159	176
Intermediate goods	9,368	10,438	10,755	2,609	2,670	2,560	2,593	2,751	2,892	2,729	2,383	811	835	963	854	921
Consumer goods	5,709	7,014	6,809	1,647	1,746	1,790	1,858	1,753	1,816	1,647	1,592	503	521	623	545	592
Import of investment goods	2,565	3,004	3,433	658	736	740	870	772	928	860	873	198	211	249	229	265
Intermediate goods	11,319	12,874	13,718	3,152	3,212	3,162	3,344	3,415	3,662	3,541	3,099	1,006	987	1,159	1,016	1,119
Consumer goods	4,456	5,609	5,852	1,238	1,446	1,413	1,508	1,456	1,514	1,467	1,415	359	402	477	478	494

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.

2007							2008												2009
6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1
-10	-230	-93	-158	-173	-184	-306	-202	-140	-126	-110	-190	-132	-201	-183	-89	-221	-146	-315	-8
-79	-89	-117	-195	-180	-191	-293	-188	-132	-164	-156	-281	-220	-261	-296	-186	-268	-180	-289	-38
1,712	1,741	1,478	1,708	1,855	1,781	1,426	1,617	1,709	1,756	1,866	1,716	1,767	1,807	1,338	1,889	1,837	1,526	1,205	1,196
1,791	1,830	1,595	1,903	2,035	1,973	1,719	1,806	1,841	1,921	2,022	1,997	1,987	2,069	1,634	2,075	2,104	1,706	1,494	1,234
130	94	141	119	79	56	63	120	117	131	153	183	166	140	183	210	174	127	79	135
354	443	465	399	382	307	360	350	346	391	422	446	457	532	503	491	459	383	402	331
224	349	324	280	303	251	297	230	229	260	270	263	291	391	320	281	285	256	323	196
-71	-210	-102	-44	-45	-28	-39	-78	-80	-82	-78	-79	-91	-88	-96	-100	-91	-83	-80	-75
100	97	91	110	112	112	120	97	96	100	109	110	110	113	107	108	119	116	117	88
171	307	193	154	157	139	159	175	176	182	187	189	200	201	203	208	211	199	197	162
10	-25	-15	-38	-27	-22	-37	-56	-45	-10	-30	-14	14	7	27	-12	-36	-10	-24	-30
96	70	89	59	74	85	93	33	55	59	40	59	95	65	108	60	57	83	90	33
87	96	104	97	101	106	130	89	100	70	69	73	81	58	81	72	93	93	114	62
221	323	19	-2	139	286	491	96	240	84	221	329	273	166	232	43	-91	293	335	325
-20	-11	3	-24	7	5	-20	5	3	-9	7	-6	-23	-10	0	-29	-1	28	-49	2
240	334	16	21	132	281	511	91	236	93	214	335	296	176	232	73	-89	265	385	323
79	96	45	-145	99	-103	50	41	11	96	-50	-2	29	-90	96	-92	-32	86	162	41
-32	-154	-61	-224	6	-159	-104	-43	-40	-76	-155	-132	-37	-210	-26	-96	-90	-18	-61	-32
111	250	107	79	93	56	154	83	51	173	105	130	67	120	122	5	57	104	223	73
-169	234	119	24	-360	-490	36	17	688	-404	-426	-457	-244	134	-207	253	379	657	216	366
-2	-7	-5	-1	-11	0	1	3	3	-3	1	0	0	2	0	1	0	0	0	-9
333	-121	-136	235	384	901	351	30	-503	522	605	777	531	202	239	-59	-469	-461	1	-73
-89	-605	-360	-439	-302	-372	70	139	-964	-172	388	182	-778	99	-97	348	-453	-3	538	311
-73	31	155	-154	-233	-18	390	-76	-224	-208	-23	-96	-46	16	144	-168	-40	128	382	162
-194	-214	-148	-74	-131	-136	-359	174	-41	-80	17	-205	-253	257	-377	282	-286	73	-100	25
165	-408	-371	-211	53	-217	45	27	-694	134	346	493	-481	-179	138	255	-136	-209	268	115
13	-14	3	-1	8	-1	-6	14	-5	-18	48	-9	3	5	-2	-22	9	5	-12	9
423	484	225	674	686	1,273	282	-108	461	695	217	595	1,309	103	336	-407	-17	-458	-537	-384
-15	59	-303	156	163	97	8	-78	106	150	94	214	-8	29	-95	135	-3	-130	-246	-285
232	231	254	425	209	881	254	116	215	309	-175	511	1,131	108	225	-100	37	-485	-44	-103
199	188	281	98	328	299	-14	-134	150	236	294	-128	180	-40	206	-438	-51	159	-244	5
6	7	-8	-6	-14	-4	34	-13	-10	0	4	-2	5	6	0	-5	0	-2	-2	0
-1	132	-8	-91	20	-28	72	0	37	-118	85	16	-21	-73	104	-30	33	-17	5	-4
-211	-93	74	160	34	-101	-185	106	-99	42	-111	-139	-142	36	-50	45	312	-146	-20	-317
174	166	140	160	180	165	159	147	178	199	194	192	191	202	151	241	198	181	156	N/A
895	918	778	864	959	927	707	891	934	926	1,015	925	953	976	755	998	980	815	589	N/A
610	619	520	651	679	653	526	561	580	612	635	577	603	607	411	629	638	510	444	N/A
242	246	199	295	303	299	268	247	251	273	316	312	300	293	225	342	288	278	307	N/A
1,077	1,105	955	1,102	1,161	1,185	998	1,116	1,143	1,156	1,224	1,219	1,219	1,291	1,028	1,222	1,307	1,015	777	N/A
475	478	424	511	576	492	440	466	473	517	515	501	498	519	402	546	543	439	433	N/A

MONETARY INDICATORS AND INTEREST RATES	2006	2007	2008	2007									
				1	2	3	4	5	6	7	8	9	10
<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	69	69	69	68	68	68	68	68	67	67
Central government (S. 1311)	776.6	2,367	2,162	3,184	3,219	2,944	2,748	2,574	2,465	2,408	2,342	2,345	2,348
Other government (S. 1312, 1313, 1314)	24.9	118	212	108	106	107	105	107	107	107	110	111	114
Households (S. 14, 15)	1289.4	6,818	7,827	5,428	5,488	5,633	5,748	5,892	6,015	6,157	6,323	6,468	6,607
Non-financial corporations (S. 11)	3236.0	18,105	21,150	14,086	14,250	14,660	15,142	15,426	15,788	16,274	16,720	17,004	17,269
Non-monetary financial institutions (S. 123, 124, 125)	368.1	2,305	2,815	1,554	1,563	1,574	1,761	1,747	1,911	2,034	2,083	2,205	2,367
Monetary financial institutions (S. 121, 122)	1158.7	2,401	3,663	3,505	2,770	2,267	2,033	2,257	2,211	2,218	2,439	2,448	2,460
<b>Claims on domestic sectors, TOTAL</b>													
In domestic currency	2298.2	26,555	32,115	21,761	21,634	21,726	22,297	23,089	23,558	24,146	24,892	25,310	25,864
In foreign currency	3149.0	1,990	2,370	1,048	1,100	1,160	1,248	1,335	1,456	1,560	1,638	1,699	1,789
Securities, total	1286.8	3,570	3,344	5,055	4,662	4,299	3,992	3,577	3,484	3,492	3,488	3,573	3,511
<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	17,823	17,912	17,914	18,066	18,367	18,446	18,880	19,299	19,386	19,579
Overnight	1,178.6	6,887	6,605	6,645	6,598	6,648	6,676	6,849	6,953	7,047	6,881	6,907	6,695
With agreed maturity – short-term	1,251.2	8,913	10,971	7,673	7,837	7,639	7,758	7,777	7,592	7,867	8,331	8,247	8,689
With agreed maturity – long-term	292.4	2,857	4,157	2,486	2,492	2,560	2,569	2,573	2,693	2,728	2,790	2,874	2,820
Short-term deposits redeemable at notice	181.2	1,372	1,396	1,019	985	1,067	1,063	1,168	1,208	1,238	1,297	1,358	1,375
Deposits in foreign currency, total	1,454.5	559	490	634	614	607	597	615	610	605	628	608	589
Overnight	552.7	218	215	311	293	285	264	280	274	270	278	269	255
With agreed maturity – short-term	545.5	248	198	240	239	237	251	248	249	242	258	248	241
With agreed maturity – long-term	318.3	56	41	64	64	62	60	61	60	61	62	60	60
Short-term deposits redeemable at notice	38.0	37	36	19	18	23	22	26	27	32	30	31	33
<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	0.33	0.33	0.33	0.34	0.34	0.34	0.35	0.35	0.37	0.42
Time deposits with maturity of up to one year	2.96	3.36	4.45	2.83	2.91	3.01	3.07	3.15	3.26	3.36	3.41	3.61	3.89
<b>New loans to households in domestic currency</b>													
Housing loans, 5-10 year fixed interest rate	4.56	5.80	6.88	5.16	5.44	5.50	5.35	5.37	5.36	5.79	5.98	6.16	6.45
<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	5.49	6.53	..	..	4.86	5.12	6.49	..	5.76	5.59
<b>INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %</b>													
Main refinancing operations	2.78	3.85	3.85	3.50	3.50	3.75	3.75	3.75	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	3.75	3.82	3.89	3.98	4.07	4.15	4.22	4.54	4.74	4.69
6-month rates	3.58	4.35	4.72	3.89	3.94	4.00	4.10	4.20	4.28	4.36	4.59	4.75	4.66
<b>LIBOR CHF</b>													
3-month rates	1.51	2.55	2.58	2.15	2.21	2.26	2.32	2.41	2.55	2.72	2.80	2.82	2.79
6-month rates	1.65	2.65	2.69	2.26	2.32	2.36	2.44	2.54	2.70	2.85	2.86	2.90	2.89

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

2007		2008												2009	
11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2
67	67	67	67	66	66	66	65	66	66	67	69	69	68	69	87
2,374	2,367	2,412	2,397	2,392	2,123	2,162	2,052	2,030	2,069	2,046	2,058	2,176	2,162	2,702	2,868
112	118	123	124	124	128	129	133	136	143	178	184	181	212	223	229
6,830	6,818	6,918	7,009	7,133	7,235	7,318	7,409	7,521	7,603	7,705	7,857	7,785	7,827	7,831	7,852
17,748	18,105	18,570	18,754	18,938	19,351	19,616	20,064	20,404	20,619	20,872	21,134	21,092	21,150	21,349	21,437
2,396	2,305	2,390	2,411	2,494	2,558	2,568	2,736	2,726	2,729	2,798	2,815	2,845	2,815	2,815	2,814
2,580	2,401	2,455	2,432	2,444	2,624	2,375	2,386	2,403	2,400	2,737	2,965	2,963	3,663	3,887	3,827
26,596	26,555	27,164	27,406	27,768	28,503	28,871	29,380	29,805	30,108	30,888	31,444	31,594	32,115	32,392	32,672
1,900	1,990	2,117	2,192	2,280	2,276	2,259	2,263	2,228	2,271	2,344	2,512	2,371	2,370	2,372	2,315
3,544	3,570	3,586	3,529	3,477	3,239	3,038	3,137	3,188	3,184	3,104	3,059	3,077	3,344	4,043	4,040
19,558	20,029	20,088	20,674	20,779	20,774	20,613	21,144	21,341	21,465	21,992	22,177	22,385	23,129	23,565	24,487
6,573	6,887	6,924	6,557	6,787	6,711	6,841	7,071	6,744	6,703	6,918	6,666	6,577	6,605	6,415	6,421
8,723	8,913	8,899	9,862	9,745	9,734	9,292	9,439	9,936	9,929	10,038	10,530	10,659	10,971	11,247	12,053
2,817	2,857	2,845	2,803	2,814	2,926	3,046	3,170	3,241	3,378	3,519	3,555	3,727	4,157	4,543	4,729
1,445	1,372	1,420	1,452	1,433	1,403	1,434	1,464	1,420	1,455	1,517	1,426	1,422	1,396	1,360	1,284
585	559	571	560	520	529	527	488	491	502	493	537	551	490	504	502
260	218	248	240	226	222	225	218	220	228	218	244	247	215	242	230
226	248	229	237	220	224	224	196	192	190	196	213	227	198	181	195
57	56	55	48	45	45	42	42	43	42	43	44	42	41	42	43
42	37	39	35	29	38	36	32	36	42	36	36	35	36	39	34
0.40	0.40	0.44	0.41	0.41	0.43	0.46	0.46	0.48	0.48	0.48	0.51	0.52	0.43	0.48	0.40
3.83	4.04	4.08	3.95	4.03	4.14	4.20	4.30	4.40	4.39	4.53	4.65	4.56	4.45	4.08	3.40
6.44	6.58	6.75	6.40	6.61	6.53	6.53	6.63	6.71	6.95	6.99	7.10	7.17	6.88	7.05	6.63
..	6.25	..	..	5.63	6.32	5.47	6.63	6.91	6.53	6.94	6.76	7.24	7.74	6.61	6.35
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	3.75	3.25	2.50	2.00	2.00
4.64	4.85	4.48	4.36	4.60	4.78	4.86	4.94	4.96	4.97	5.02	5.11	4.24	3.29	2.46	1.94
4.63	4.82	4.50	4.36	4.59	4.80	4.90	5.09	5.15	5.16	5.22	5.18	4.29	3.37	2.54	2.03
2.75	2.77	2.70	2.74	2.83	2.85	2.78	2.84	2.79	2.75	2.78	3.00	1.97	0.91	0.57	0.51
2.85	2.84	2.77	2.77	2.87	2.93	2.89	2.98	2.94	2.89	2.92	3.09	2.16	1.08	0.71	0.65

PUBLIC FINANCE	2006	2007	2008	2007				2008				2007				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4	5
<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	15,335.0	3,063.2	3,454.0	3,429.1	4,059.8	3,369.3	4,005.7	3,857.5	4,102.4	1,060.6	958.7	1,043.9	1,293.0	1,172.5
Current revenues	12,395.3	13,467.2	14,790.4	2,955.0	3,374.9	3,332.1	3,805.1	3,274.0	3,881.0	3,733.8	3,901.6	1,034.4	926.2	994.4	1,272.6	1,158.0
Tax revenues	11,762.0	12,757.9	13,937.2	2,828.7	3,199.7	3,123.6	3,606.0	3,110.0	3,702.0	3,472.0	3,653.2	994.5	883.2	951.0	1,219.0	1,094.2
Taxes on income and profit	2,735.3	2,917.7	3,442.2	587.7	914.3	646.3	769.4	694.4	1,106.5	806.5	834.7	188.2	189.9	209.7	462.9	288.3
Social security contributions	4,231.2	4,598.0	5,095.0	1,083.4	1,123.7	1,139.1	1,251.8	1,203.1	1,254.2	1,272.9	1,364.8	358.4	360.5	364.6	371.1	371.9
Taxes on payroll and workforce	472.9	418.1	258.0	96.1	99.7	101.5	120.9	59.4	62.2	63.5	72.9	32.8	32.1	31.1	32.8	32.4
Taxes on property	189.1	206.4	214.8	22.2	58.0	67.3	59.0	27.5	62.6	69.6	55.1	6.2	7.9	8.1	10.7	27.2
Domestic taxes on goods and services	4,077.3	4,498.6	4,805.3	1,017.6	973.0	1,135.5	1,372.5	1,099.4	1,181.7	1,227.8	1,296.4	403.2	286.9	327.6	332.5	363.3
Taxes on international trade & transactions	50.7	117.1	120.1	21.5	30.7	33.2	31.7	25.6	33.7	31.0	29.8	5.5	6.3	9.7	8.9	11.0
Other taxes	5.4	2.1	1.8	0.3	0.4	0.7	0.7	0.6	1.0	0.7	-0.6	0.3	-0.3	0.3	0.1	0.2
Non-tax revenues	633.3	709.2	853.2	126.3	175.2	208.6	199.1	164.0	179.0	261.8	248.4	39.9	43.0	43.4	53.6	63.8
Capital revenues	166.8	136.6	114.9	19.7	15.2	39.6	62.1	28.0	26.9	28.8	31.2	7.5	6.1	6.1	6.0	4.1
Grants	5.4	11.9	10.1	2.1	2.8	2.0	5.0	2.0	2.1	3.1	2.8	0.7	0.4	1.0	0.7	0.7
Transferred revenues	42.8	42.5	54.2	0.2	1.4	0.4	40.5	1.2	0.9	0.6	51.6	0.1	0.0	0.0	0.3	1.0
Receipts from the EU budget	348.4	348.0	365.4	86.2	59.6	55.1	147.1	64.0	94.8	91.3	115.3	17.9	26.0	42.3	13.4	8.7
<b>GENERAL GOVERNMENT EXPENDITURES</b>																
TOTAL EXPENDITURES	13,208.7	13,915.5	15,434.7	3,201.2	3,392.6	3,240.0	4,081.8	3,388.6	3,792.9	3,628.8	4,624.4	983.7	1,108.8	1,108.7	1,061.8	1,242.4
Current expenditures	5,689.0	5,950.9	6,555.7	1,482.0	1,448.5	1,362.2	1,658.2	1,575.9	1,581.7	1,513.7	1,884.4	489.3	473.2	519.5	506.4	506.3
Wages, salaries and other personnel expenditures	3,180.3	3,276.9	3,580.6	785.8	851.7	814.4	825.0	819.7	906.8	892.5	961.5	262.1	262.1	261.6	261.8	321.9
Expenditures on goods and services	2,073.2	2,212.2	2,525.9	490.3	482.6	518.0	721.3	523.1	589.3	586.1	827.4	192.1	146.0	152.2	155.1	169.3
Interest payments	376.4	357.0	335.1	197.5	105.3	17.5	36.7	221.0	69.8	12.9	31.4	32.4	62.4	102.7	87.1	12.0
Reserves	59.0	104.8	114.1	8.3	8.9	12.3	75.2	12.1	15.8	22.2	64.0	2.6	2.7	3.0	2.4	3.1
Current transfers	5,925.8	6,143.9	6,741.1	1,457.2	1,665.6	1,456.0	1,565.1	1,489.9	1,856.8	1,567.3	1,827.1	434.9	507.9	514.4	468.2	639.5
Subsidies	402.9	423.4	476.4	104.4	137.9	88.3	92.8	60.5	243.0	57.7	115.2	6.7	54.8	42.8	10.0	39.7
Current transfers to individuals and households	4,871.5	5,093.3	5,616.2	1,219.0	1,359.2	1,211.1	1,304.0	1,303.5	1,448.9	1,344.8	1,519.0	388.1	415.5	415.5	409.2	537.7
Current transfers to non-profit institutions, other current domestic transfers	624.1	595.3	600.3	130.9	158.4	145.3	160.8	118.7	151.2	153.2	177.2	39.7	35.5	55.6	48.5	54.7
Current transfers abroad	27.4	32.0	48.2	2.9	10.2	11.3	7.6	7.2	13.6	11.6	15.7	0.3	2.1	0.5	0.6	7.3
Capital expenditures	901.4	1,130.5	1,252.0	133.4	162.9	266.9	567.3	149.0	215.9	350.0	537.0	44.7	46.3	42.4	46.6	55.6
Capital transfers	404.6	334.3	458.0	28.6	55.0	69.3	181.4	30.6	62.3	130.8	234.3	6.5	9.4	12.7	16.5	19.3
Payments to the EU budget	287.9	355.9	427.9	100.0	60.6	85.6	109.8	143.2	76.2	67.0	141.5	8.3	71.9	19.7	24.1	21.6
<b>SURPLUS / DEFICIT</b>	-250.0	90.6	-99.7	-	-	-	-	-	-	-	-	-	-	-	-	-

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, **CAPS** – Collective Agreement for Public Sector **CPI** – consumer price index, **ECB** – European Central Bank, **EC** – European Commission, **EEB** – Electricity Balance, **ESS** – Employment Service of Slovenia, **ESA** – European system of accounts, **FED** – Federal Reserve System, **GDP** – Gross domestic product, **GNI** – gross national income, **VAT** – value added tax, **HICP** – harmonised index of consumer prices, **APP** – Administration for Public Payments, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **NFI** – non-monetary financial institutions, **OECD** – Organization for Economic Cooperation and Development, **SCA** – Standard classification of activities, **SITC** – Standard International Trade Classification, **SORS** – Statistical Office of the Republic of Slovenia, **ULC** – Unit Labour Costs, **ZFPP** – Financial Operations of Companies Act, **ZFPPIP** – Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act, **ZPPSL** – Compulsory Settlement, Bankruptcy and Liquidation Act

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

**A**-Agriculture, hunting, forestry, **B**-Fishing, **C**-Mining and quarrying, **D**-Manufacturing, **DA**-Food, beverages and tobacco, **DB**-Textiles and textile products, **DC**-Leather and leather products, **DD**-Wood and wood products, **DE**-Paper, publishing, printing, **DF**-Coke, petroleum products and nuclear fuel, **DG**-Chemicals, **DH**-Rubber and plastic products, **DI**-Non-metal mineral products, **DJ**-Metals and metal products, **DK**-Machinery and equipment, **DL**-Electrical and optical equipment, **DM**-Transport equipment, **DN**-Furniture and NEC, **E**-Electricity, gas and water supply, **F**-Construction, **G**-Wholesale, retail, trade, repair, **H**-Hotels and restaurants, **I**-Transport, storage, communications, **J**-Financial intermediation, **K**-Real estate, renting and business activities, **L**-Public administ. & defence; comp. soc. sec., **M**-Education, **N**-Health and social work, **O**-Other social and personal services.

### Acronyms of Countries

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

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