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# Contents

In the spotlight.....	3
Current economic trends .....	5
International environment.....	7
Economic activity in Slovenia .....	9
Labour market .....	15
Prices .....	17
Balance of payments .....	21
Financial markets .....	22
Public finance.....	27
Boxes	
Box 1: Forecast of public finance deficit and debt in EU Member States until 2012.....	7
Box 2: Measures to stimulate new car purchases in EU countries and production of motor vehicles in Slovenia.....	12
Box 3: Real estate market in Slovenia.....	13
Box 4: Non-performing assets of the banking sector .....	24
Box 5: Sources of finance in the Slovenian banking system.....	26
Box 6: Financing borrowing requirements in 2010 .....	28
Selected topics.....	31
Revised state budgets for 2011 and 2012 .....	33
Absorption of EU funds from 2004 to 2009 .....	35
Statistical appendix .....	39

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

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

## In the spotlight

**Growth in merchandise exports and industrial production in manufacturing slowed as expected in the autumn months and construction activity continued to decline.** Growth in merchandise exports and industrial production in manufacturing eased in the autumn months. The recovery of production and exports of high- and medium-high-technology industries, which tend to be more export-oriented, is faster than the recovery of low-technology industries, which are more dependent on domestic demand. Exports of goods and industrial production in manufacturing were higher than in the same period of 2009, yet still significantly below the average of the pre-crisis year 2008. Construction activity continues to decline. After plummeting in September, it also fell in October and was 48.5% lower relative to its September 2008 peak.

**The number of persons in formal employment declined further in October and growth in the number of registered unemployed persons even accelerated in November and December.** Employment shrank by 0.3% in October, seasonally adjusted. Broken down by activities, employment dropped most notably in construction, agriculture and hotels and restaurants, while it increased the most in manufacturing, education and other business activities. Growth in the number of registered unemployed persons accelerated in November and December, according to seasonally adjusted data, reaching 110,021 by the end of December, which is 13.8% more than in December 2009.

**In 2010, consumer price growth was relatively low (1.9%) under the impact of weak economic activity.** Core inflation was also relatively low and moderate in 2010. Particularly in the first eight months of 2010, inflation was significantly impacted by tax changes. Higher taxes contributed between 0.7 p.p. and 0.8 p.p. to 1.9% inflation at the end of the year. As a result of higher food prices in the international environment, upward pressures on domestic food prices strengthened somewhat, especially in the last months of 2010. At the level of the euro area as a whole, prices increased by 2.2% in 2010 (HICP).

**After two years of deterioration, the cost competitiveness of Slovenia's economy improved slightly in the second and third quarters of 2010, but less than in most other countries of the euro area and EU due to relatively high wage growth in the private sector.** Cost competitiveness improved in the second and third quarters of 2010 because productivity increased more than the compensation per employee, even though the latter saw relatively high growth due to high wage rises in the private sector. After Slovenia was among the countries with the greatest deterioration in cost competitiveness in 2009, due to a greater fall in productivity, the improvement in 2010 was among the smallest in the EU due to faster wage growth. The relatively worse competitive position of Slovenia's economy in the first nine months of 2010 mainly reflected the pronounced deterioration in the construction sector, where productivity dropped further and the compensation per employee increased due to higher minimum wage. Price competitiveness improved in the first ten months of 2010, but much less than in other euro area countries.

**Bank lending activity remained modest in November and the decline in the net flow of loans to enterprises and NFls in the last four months was the largest since the beginning of the crisis.** One of the primary reasons for low credit activity was the deterioration of the quality of banks' total assets, because of which banks created additional impairments and provisions in 2010. In the first eleven months of 2010, banks created additional impairments and provisions in the amount of EUR 600 m, which is nearly two thirds more than in the same period of the previous year. Non-performing claims increased by more than a third in that period, to nearly EUR 1.5 bn, and their share climbed to 3%. Limited sources of finance are another reason why lending activity remains low. While the government represented a significant source of bank assets in 2009, it mainly withdrew its deposits in the first eleven months of 2010, so that banks had to seek other sources of finance to discharge matured liabilities. With weak growth in household deposits and outflows of government deposits, banks will remain highly dependent on foreign sources, which may prove problematic given the relatively low tier 1 capital ratio, particularly as the capital adequacy of banks is set to decline further with the rapid acceleration of the quality of banks assets.

**The revised state budget for 2011 and the state budget for 2012 anticipate a slower consolidation of public finances than planned in the Stability Programme.** In the Stability Programme the government undertook to cut the general government deficit to 1.6% of GDP, implementing the fiscal consolidation particularly on the expenditure side. The government also set a ceiling for state budget expenditures when preparing the current state budgets, but the deficit is still high compared to the available budgetary sources. The adopted revisions of the state budget for 2011 and the state budget for 2012 will therefore not suffice to meet the Stability Programme objectives. According

*to the supplementary budget, the state budget deficit even increased somewhat in 2010 relative to 2009. According to the revised budget, it is only set to decline by EUR 79 m in 2011 with regard to the supplementary budget for 2010, and by a further EUR 265 in 2012. The reduction in both years combined is smaller than it should be in one year alone according to the Stability Programme consolidation plans.*

**current economic trends**





## International environment

In their latest forecasts, the ECB and EC expect a slow recovery of the European economy in the next two years. In its forecast released in December, the ECB estimates that economic growth was in a range of 1.6% to 1.8% in the euro area in 2010 and predicts 0.7%–2.1% growth for 2011 and 0.6%–2.8% growth for 2012. According to the ECB, exports will still play a crucial role in the recovery in 2011, but domestic demand is also expected to increase gradually. The forecast by the ECB is thus fairly similar to the autumn forecast by the EC. Both of them expect lower economic growth for 2011 compared with 2010, mainly as a result of lower growth of the global economy and the expected fiscal consolidation in most euro area countries. The EC revised downwards its forecast for 2011 relative to the spring forecast for all demand components except investments. Given the tight labour market conditions, private consumption is set to increase

by a mere 0.9% in 2011 and is not expected to become a major factor of economic recovery before 2012. Labour market conditions will also remain tight in 2011, largely due to further structural adjustments in a number of sectors, fiscal consolidation and a consequent decline in public sector employment. Investments are expected to rise by 2.2%, most notably investment in machinery and equipment, while growth will continue to be negatively impacted by corporate deleveraging. The forecast for government consumption is also lower than in the spring. Government consumption is expected to decrease by 0.1% next year, chiefly as a consequence of the announced fiscal consolidation. Global trade volume increased by 16.7% y-o-y in the first ten months of 2010, but its growth has slowed in recent months. Slower growth in global trade will impact euro area exports, which are forecast to increase by 6.1% in 2011, after enjoying strong growth in 2010 (10.7%).

### Box 1: Forecast of public finance deficit and debt in EU Member States until 2012

After a significant deterioration in 2009 and, in certain EU countries, also in 2010, the EC expects public finances to improve slightly in 2011 and 2012. According to EC estimates, more than half of EU countries recorded higher public finance deficits in 2010 compared with 2009, with Ireland standing out in particular. Fiscal incentives in the form of anti-crisis measures mainly expired in 2010 (amounting to approximately 1% of GDP, on average), and the year 2011 will be marked by saving, which may, particularly in the short term, unfavourably impact demand and hence economic growth. Most of the countries have adopted fiscal consolidation programmes in recent months, which is reflected in improved expectations for the public finance deficit in the EU as a whole. The deficit is projected to narrow by more than 1.5 p.p. in 2011 relative to 2010, to 5.1% of GDP (EMU: 4.6% of GDP), and to 4.2% of GDP in 2012 (EMU: 3.9% of GDP). This will, however, still be a more than 2 p.p. higher figure than in 2008. In the same period, general government debt widened by more than 17 p.p. in the EU as a whole, to nearly 80% of GDP. It is expected to increase further until 2012, to 83.3% of GDP, according to estimations, and will exceed the ceiling of 60% of GDP in more than half of EU countries. The EC and OECD emphasise that a credible fiscal consolidation supported by structural reforms is the main driver of economic growth and a key to maintaining a sustainable level of debt. Additional pressure on debt growth is associated with financial implications of population ageing, which jeopardise the long-term sustainability of public finances in most countries of the EU. The structural reforms in countries with great public finance problems will, however, have to be even deeper and more painful.

Figure 1: General government balance in EU countries

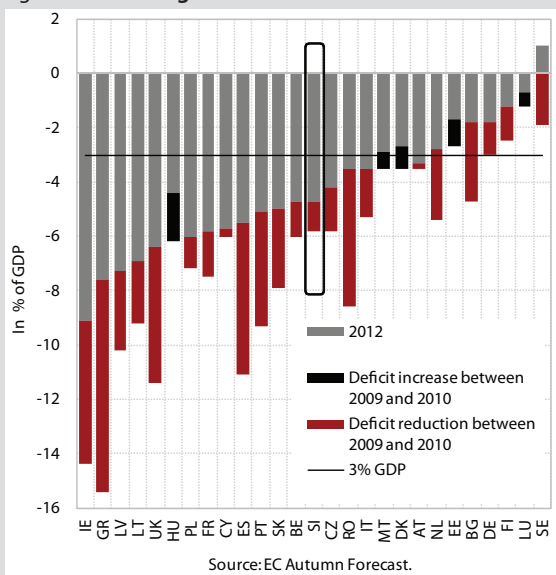


Figure 2: Public debt in EU countries

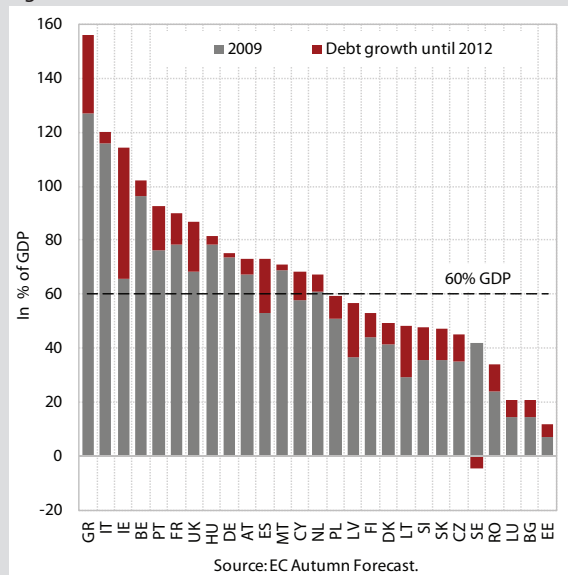
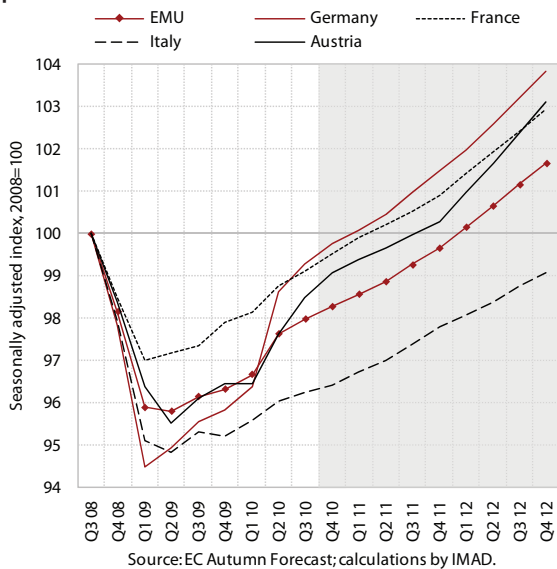
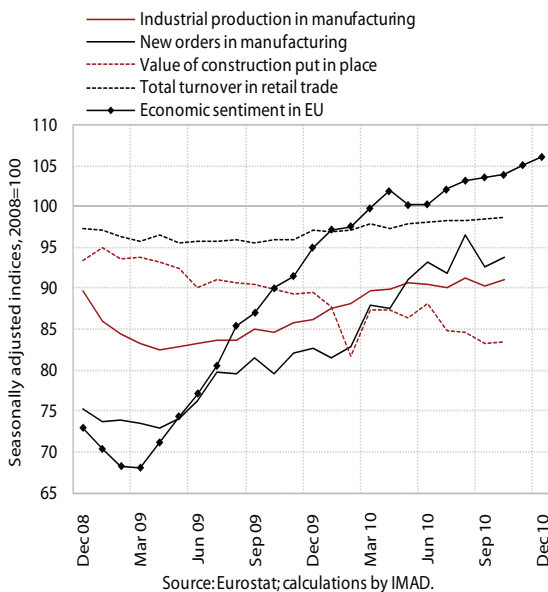


Figure 3: Forecast of economic growth in main trading partners



The available data on short-term indicators for October confirm the expectations about a further gradual economic recovery in the euro area. According to seasonally adjusted data, the volume of industrial production in manufacturing and turnover in retail trade in the euro area increased slightly in October. The value of construction put in place also increased somewhat after several months of decline, but all three indicators still post lower values than they did in 2008 as a whole. The unemployment rate in the euro area rose marginally in October, to 10.1%, which is 2.3 p.p. more than at the beginning of the crisis in October 2008. The economic sentiment indicator (ESI) continued to improve in the euro area in December.

Figure 4: Short-term indicators of economic activity in the euro area



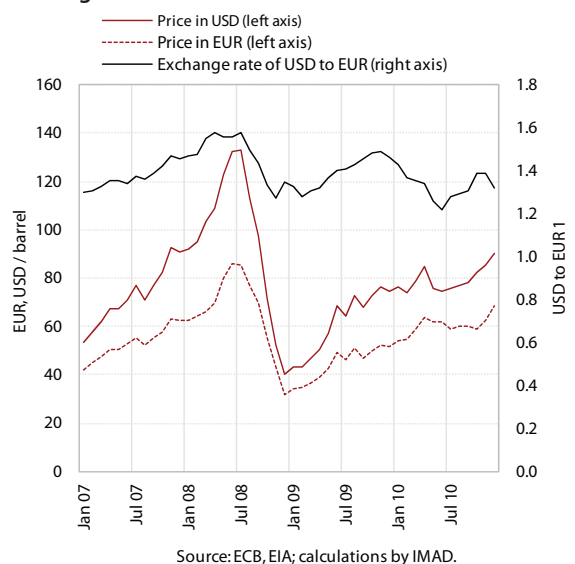
The situation on financial markets also remained tight in December. Yield spreads between the 10-year government bonds of certain euro area countries (Greece, Ireland, Portugal and Spain) and Germany declined, but remained high. Ireland, which had applied for EU assistance in solving fiscal problems in November, was granted EUR 85 bn under the European Financial Stability Facility (EFSF) in December. Continuing to buy government bonds, the ECB also tried to improve financial market conditions, but the credit ratings of the most exposed countries in the euro area (Ireland, Portugal) nevertheless deteriorated significantly in December.

Interbank interest rates did not change much in December. The value of the three-month EURIBOR averaged 1.023%, 34 basis points more than in January. The value of the three-month LIBOR remained approximately the same as in November. The key interest rates of main central banks also remained unchanged in December, as they had in all other months of 2010.

The euro depreciated against the main world currencies in December and in 2010 as a whole. The average exchange rate of the dollar against the euro strengthened by 3.3% in December, reaching USD 1.3220 to EUR 1. The Swiss franc also gained value against the euro (4.7%, to CHF 1.2811 to EUR 1), as did the Japanese yen (2.3%, to JPY 110.11 to EUR 1) and the British pound sterling (0.8%, to GBP 0.8481 to EUR 1). In 2010, the exchange rate of the US dollar against the euro totalled USD 1.3257 to EUR 1, meaning that the dollar appreciated by 5.0% against the euro in 2010. The Japanese yen and the Swiss franc appreciated the most against the euro in 2010 (by 10.8% and 8.6%, respectively).

The price of Brent crude oil surged in December, exceeding an average of USD 90 a barrel for the first time since September 2008. The average price of Brent crude oil rose by 7.1%

Figure 5: Prices of Brent crude oil and the USD/EUR exchange rate

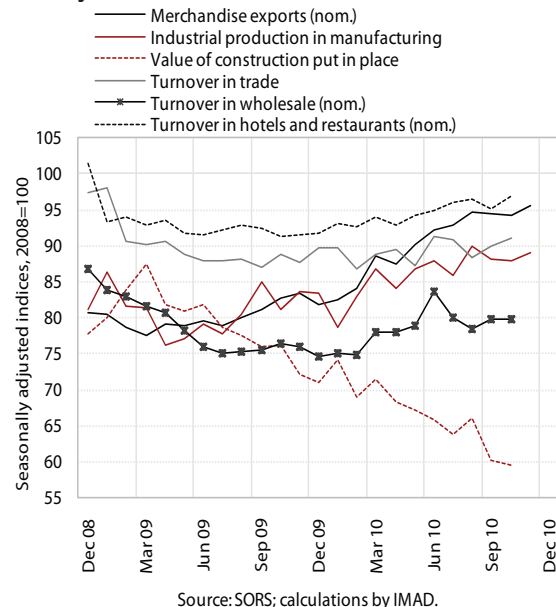


to USD 91.3 a barrel (in EUR, by 10.3%, to EUR 69.6 a barrel). According to analysts, this increase has to do with higher oil demand by China and an early and cold winter in North America and Europe. The average price of Brent crude totalled USD 79.6 a barrel in 2010, which is a 28.7% higher figure than in 2009, and EUR 60.6 a barrel, which is an increase of 35.9%. Despite the significant increase, the average oil price fluctuations in 2010 were lower than in 2009.

## Economic activity in Slovenia

The growth of **short-term indicators of economic activity** slowed in autumn months as expected, whereas the continuing decline in construction activity exceeds expectations. After being substantial in the first half of the year, growth in merchandise exports (in nominal terms) and growth in industrial production (in real terms), which mainly rely on foreign demand, slowed in autumn months, seasonally adjusted. In the first eleven months of 2010, they were 14.5% and 6.5% higher y-o-y, respectively, though still below the average of the pre-crisis year 2008. Turnover in retail trade, which had been fairly volatile in the first half of the year, was somewhat above the 2009 level after September's and October's growth. After growing relatively strongly in the first half of the year and declining in the summer, turnover in wholesale trade remained at the previous month's level in October, while accommodation and food service activities still enjoyed turnover growth that had started in late 2009. The value of construction put in place is still dropping. After plummeting in September, it also fell in October, being 16.4% lower y-o-y in the first ten months of 2010.

Figure 6: Values of short-term indicators of economic activity



**Merchandise exports<sup>1</sup>** increased in November, after two months of stagnation. Seasonally adjusted, merchandise exports rose by 1.5% in November. Data on exports indicate slower growth in the second half of 2010 compared with the first six months, which is expected in view of the forecast that global economic growth will slow in the second half of the year.

The y-o-y growth rate of exports had remained high in the third quarter and similar to that in the second, but it declined in September and October. In the third quarter, exports increased 17.4% y-o-y, even slightly more than in the second (15.9%), due to higher growth in exports to non-EU markets (a rise from 7.5% to 13.3%). Y-o-y

Figure 7: Exports of goods to main trading partners in the EU

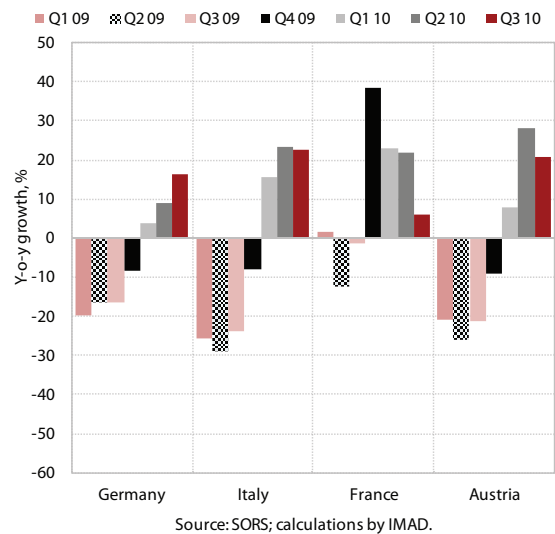
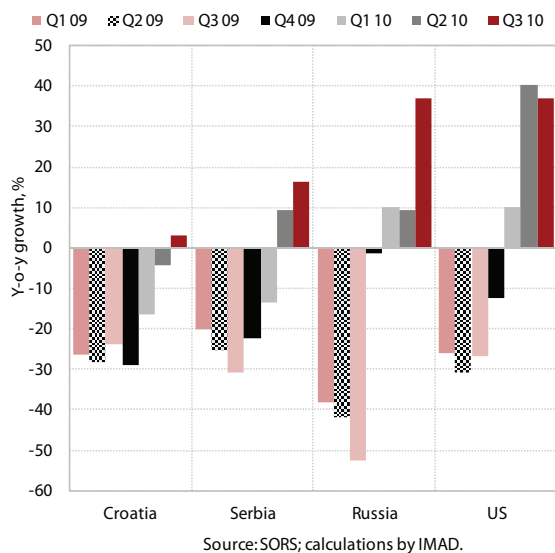


Figure 8: Exports of goods to main trading partners outside the EU

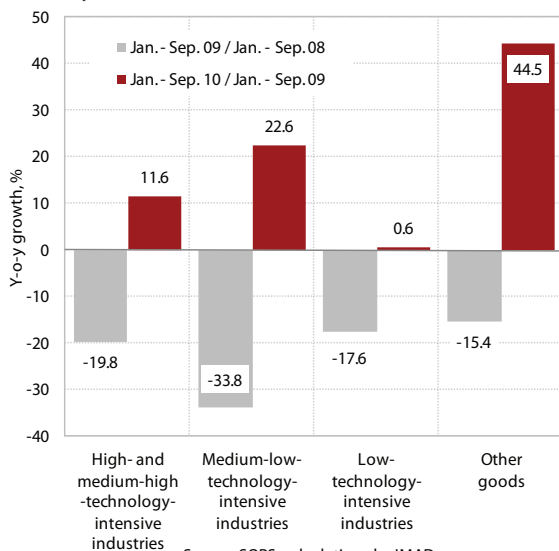


<sup>1</sup> According to the external trade statistics.

growth in exports to the EU remained high (a drop from 19.6% to 19.3%). Broken down by Slovenia's main trading partners in the EU, in the third quarter, only exports to Germany enjoyed higher y-o-y growth than in the second. Growth in exports to Italy maintained a similar level. Exports to Austria recorded lower growth, as did, even more so, exports to France, due to the base effect. Y-o-y growth in exports to Germany increased by quarters, but was nevertheless the lowest compared with what was recorded for the other three main partners in the EU in the first nine months. Among exports to Slovenia's main trading partners outside the EU, the third quarter saw much higher y-o-y growth in exports to the Russian Federation (36.8%) than the second, partly as a consequence of a low base. Growth in exports to the US remained high (36.8%). Slovenia also increased its exports to the former Yugoslavia, also to Croatia after a decline of more than one year.

*Export growth relies on high-technology industries.* Broken down by activities, among highly export-oriented industries, the manufacture of metals and the manufacture of pharmaceutical raw materials and preparations increased once again their contributions to y-o-y export growth in the third quarter of 2010. Growth in exports of motor vehicles, trailers and semi-trailers, which had been highest in the first quarter of 2010, declined substantially in the second and in the third, which is related to the expiry of incentives for motor vehicle purchases in certain main trading partners (see Box 1). Among moderately export-oriented industries, in the third quarter as well as throughout the year, the greatest contribution to total y-o-y growth in exports came from chemicals and chemical products, even though this contribution declined somewhat in the third quarter. Among moderately export-oriented industries, exports of the manufacture of wood products rose y-o-y in the third quarter for the first time since the beginning

Figure 9: Merchandise exports according to technological intensity



of the crisis. Exports of low-technology goods remained at the 2009 level in the first nine months.

*Merchandise imports<sup>2</sup> remained at the previous month's level in November, after several months of growth.* Seasonally adjusted, merchandise imports increased once again in October (1.6%) and maintained that level in November. Unlike exports, which saw lower growth in the second half of 2010 than in the first, imports stagnated in the middle of the year, while recording similar growth in the first and last months of the year.

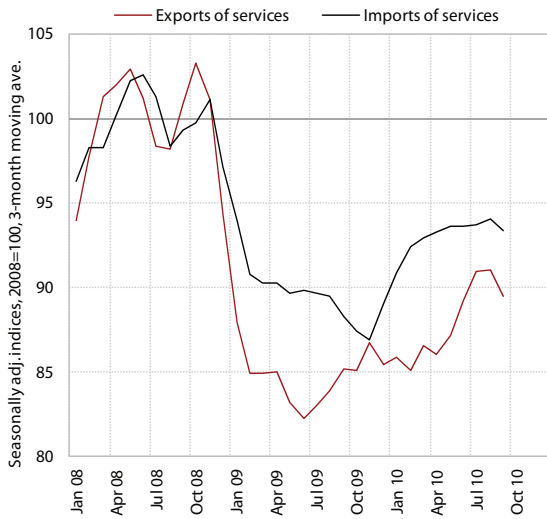
*In the third quarter of 2010, y-o-y growth in imports was lower than in the second.* Imports increased 14.4% y-o-y in the third quarter (19.3% in the second), mainly due to lower y-o-y growth in imports of goods for intermediate consumption, which reflects lower energy price rises on the global market and a more modest increase in production volume in manufacturing. Higher imports of intermediate goods made the greatest contribution to the total growth of imports in the first nine months. In the first ten months of 2010, imports of investment goods remained below the level recorded in the same period of 2009, which indicates weak investment activity. Among main consumer goods, only gasoline recorded significantly higher imports than in 2009, while imports of personal cars were significantly below the 2009 level.

*Exports of services declined in October, according to seasonally adjusted data.* After growing for several months, exports of services thus declined for the third month in a row (1.6%, seasonally adjusted). They were at the same level as in October 2009. In the first ten months they increased by 4.7% y-o-y. Exports of transport services were 6.5% higher y-o-y in the first ten months and recorded the highest growth within services exports. Exports of road and railway transport services exceeded their 2009 levels also in October and recorded the highest y-o-y growth in exports of transport services in the first ten months. Exports of air transport services remained below the 2009 level. Exports of travel services increased 3.6% y-o-y in October, and 5.7% in the first ten months. After September's growth, exports of the group of other services declined y-o-y in October, with revenues from construction and assembly services and investment works performed by Slovenian companies abroad continuing to plunge. In the first ten months, exports of the group of other services increased 2.2% y-o-y.

*After increasing in September, imports of services declined in October (3.1%, seasonally adjusted).* Data for the last few months indicate a standstill of growth. Imports increased by 3.0% compared with October 2009 and by 4.5% in the first ten months. Similar to exports, imports of transport services exceeded the 2009 level the most and were 10.2% higher y-o-y in the first ten months. In addition to further y-o-y growth in imports of road transport services, October saw significantly higher imports of maritime transport services y-o-y. Imports of travel services

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

Figure 10: Trade in services



increased by a mere 1.8% y-o-y in the first ten months. After growing in the previous months, imports of the group of other services dropped y-o-y in October, mainly due to lower imports of construction services. Imports of the group of other services increased 3.9% y-o-y in the first ten months.

After the volume of production in **manufacturing** increased strongly in August, its growth came to a halt during the autumn months. After contracting in September, production remained similar in October, seasonally adjusted, and was 8.5% higher y-o-y (working-day adjusted). In the group of low-technology industries, production remained at a similar level y-o-y. In medium-low-, medium-high- and high-technology industries, it increased once again y-o-y in October. The manufacture of transport equipment recorded the most modest growth,

Table 1: Selected monthly indicators of economic activity in Slovenia

in %	2009	X 10/ IX 10	X 10/ X 09	I-X 10/ I-X 09
<b>Exports<sup>1</sup></b>	<b>-18.4</b>	<b>-5.8</b>	<b>8.1</b>	<b>11.2</b>
-goods	-19.4	-4.1	10.1	13.0
-services	-14.7	-12.5	0.0	4.7
<b>Imports<sup>1</sup></b>	<b>-23.6</b>	<b>-0.6</b>	<b>13.0</b>	<b>12.0</b>
-goods	-25.7	1.3	14.6	13.4
-services	-10.2	-12.0	3.0	4.5
Industrial production	-17.4	-0.7 <sup>2</sup>	8.4 <sup>3</sup>	6.2 <sup>3</sup>
-manufacturing	-18.7	-0.5 <sup>2</sup>	8.5 <sup>3</sup>	6.6 <sup>3</sup>
Construction -value of construction put in place	-21.0	-1.3 <sup>2</sup>	-17.6 <sup>3</sup>	-17.3 <sup>3</sup>
Real turnover in retail trade	-10.5	1.4 <sup>2</sup>	2.8 <sup>3</sup>	-0.4 <sup>3</sup>
Nominal turnover in hotels and restaurants	-7.8	1.8 <sup>2</sup>	6.4 <sup>3</sup>	2.3 <sup>3</sup>

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

as expected (see Box 1). In low-technology industries, production is not picking up and their weak recovery is, according to our estimation, related to their predominant orientation towards the domestic market. The more export-oriented medium-low-, medium-high- and high-technology manufacturing industries came closer to the production volume of the pre-crisis year 2008, given that the 2010 recovery was propelled by foreign demand. In the first ten months of 2010, turnover on the foreign market increased by one tenth y-o-y, while turnover on the domestic market still lagged behind that in the same period of 2009. In the first ten months, new orders in industry also recorded much higher y-o-y growth on the foreign (17.1%) than on the domestic market (4.1%).

Figure 11: Production in manufacturing according to technology intensity

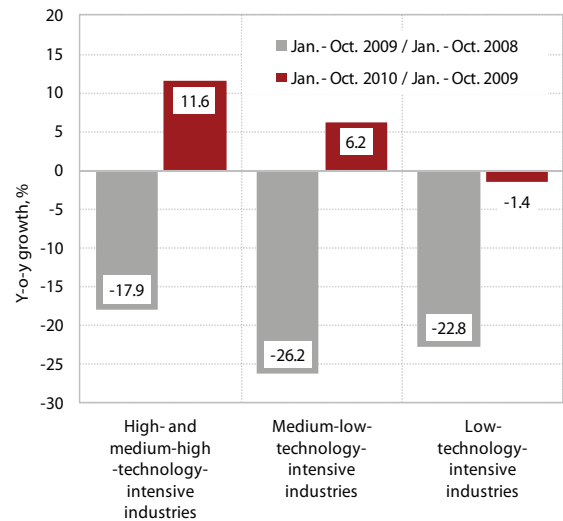
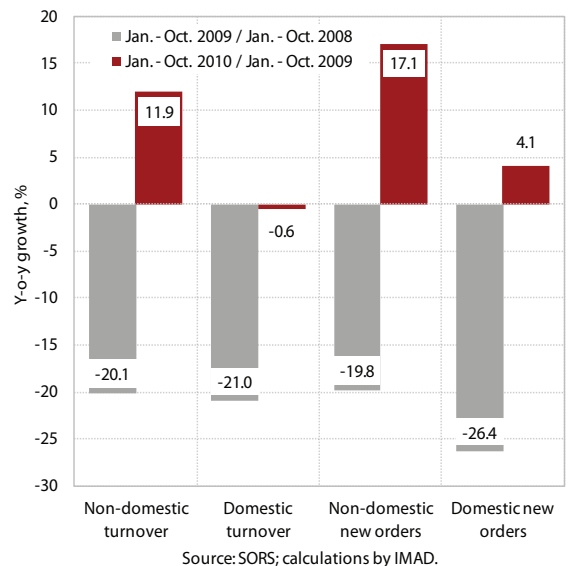


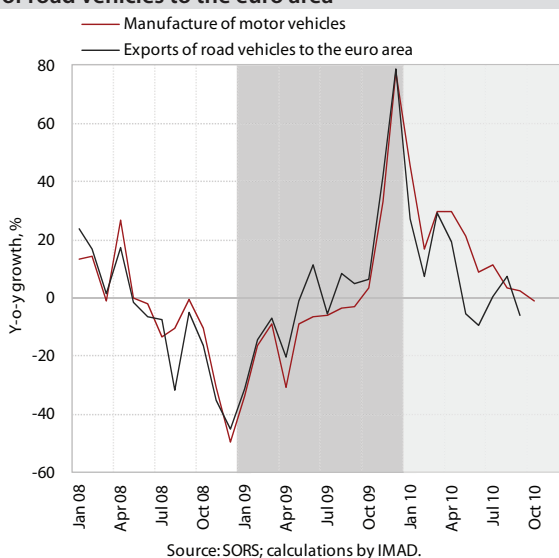
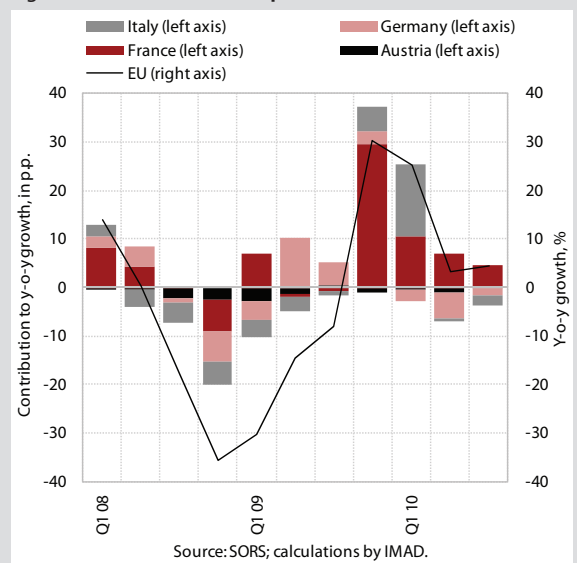
Figure 12: Turnover and new orders



**Box 2: Measures to stimulate new car purchases in EU countries and production of motor vehicles in Slovenia**

Measures adopted by some EU countries in early 2009 to support the car industry were reflected in the recovery of Slovenia's production of motor vehicles, trailers and semi-trailers.<sup>1</sup> After a significant y-o-y decline in the last quarter of 2008 (by 32.0%), the production of motor vehicles, trailers and semi-trailers recovered at a faster pace than that of most other high-technology industries. This was a result of measures introduced by certain EU countries in 2009 to boost the purchase of new passenger and light commercial vehicles, which mainly encouraged the sale of small and environmentally friendly vehicles.<sup>2</sup> The volume of motor vehicle production was otherwise still 5% lower y-o-y in 2009, but production volume in other high-technology industries was on average more than a tenth lower. At the end of the first ten months of this year, the manufacture of motor vehicles recorded 15.8% higher production than in the same period of 2009, and was, besides the manufacture of electrical appliances, the only industry to exceed the production level of 2008.

Amid weaker foreign demand (particularly from the euro area) in the second half of 2010, the manufacture of motor vehicles and exports of road vehicles declined significantly.<sup>3</sup> Modest growth is a result of weaker demand due to the phase-out of measures in most countries. In Germany and Austria, the measures expired by the end of 2009. Italy extended them to new vehicles registered up to and including March 2010, while France decided for a gradual withdrawal (up to the end of 2010).<sup>4</sup> The measures contributed to a y-o-y increase in Slovenia's road vehicle exports to Germany and France in 2009. Road vehicle exports to Italy and Austria were lower y-o-y in 2009. After increasing strongly in the last quarter of 2009 (due to strong demand before the expiry of measures and a low base) and in the first quarter of 2010 (largely due to demand from Italy and France), y-o-y growth rates in the production of motor vehicles and road vehicle exports started to slow. In the period from July to October, the manufacture of motor vehicles was 3.9% higher y-o-y, on average. In the third quarter, road vehicle exports to the euro area were at the level of the same period in 2009. Looking at Slovenia's main trading partners, exports to France increased y-o-y.<sup>5</sup>

**Figure 13: Manufacture of motor vehicles and exports of road vehicles to the euro area****Figure 14: Road vehicle exports**

<sup>1</sup> In addition to the manufacture of motor vehicles, trailers and semi-trailers, the car industry also comprises other manufacturing industries (e.g. from the textile, leather, metal, chemical, rubber industries, the manufacture of ICT and electrical equipment) and is related to certain services (e.g. trade and transport services). Measures to boost new car purchases thus also helped indirectly to mitigate the impact of the crisis in certain other sectors.

<sup>2</sup> In 2009, financial assistance for new car purchases was introduced by France, Italy, the Netherlands, Portugal, Romania, Spain, Luxembourg, Cyprus, the United Kingdom (all of which also extended it to part of 2010), and Austria, Germany, Slovakia and Greece. The assistance was conditional on CO<sub>2</sub> emissions. (ACEA, 2010).

<sup>3</sup> According to the companies' annual accounts, in 2009, the manufacture of motor vehicles, trailers and semi-trailers generated 86.9% of turnover on foreign markets, 94.6% of which in the EU. More than half of this activity's revenues from sales on foreign markets were generated by the manufacture of motor vehicles (one third of value added in the activity) and around one third by the manufacture of parts and equipment for motor vehicles (half of value added in the activity). Since 2007, 70% of total road vehicle exports (motor vehicles, trailers, semi-trailers and equipment for motor vehicles), on average, have gone to the EU market (one third of total exports to France, one fifth to Germany and one tenth to each, Italy and Austria).

<sup>4</sup> In 2009, the subsidy totalled EUR 1,000 in France; EUR 700 in the first half of the year and EUR 500 in the second.

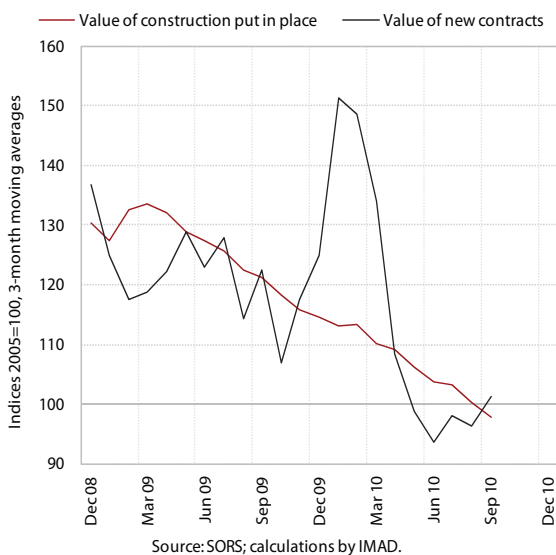
<sup>5</sup> Data by SICT are available through September.

Data on business trends in manufacturing show that business optimism regarding the expected future exports and total demand declined slightly at the end of the year. Lower expectations regarding demand contributed to poorer prospects for production in the next three months. Even though production volume is expected to strengthen, most of the surveyed enterprises expect further cuts in the number of employees. The first ten months of 2010, employment dropped most notably in the group of low-technology industries (-10.3%). The average decline in manufacturing industries was 6.2% (9.7% in the same period last year).

After a significant decline in September, **construction activity** also dropped in October. According to seasonally adjusted data, the value of construction put in place declined by 1.3% in October and reached the lowest value since the beginning of the crisis. Construction activity practically dropped by half (a decline of 48.5%) from its peak recorded in September 2008 (SORS). The decline was greatest in residential construction<sup>3</sup> (65.3%, peak value in October 2008), somewhat lower in civil engineering (51.1%, peak value in September 2008), and lowest in non-residential construction (40.7%, peak value January 2008). Residential construction has otherwise declined the most in recent years. After increasing at the beginning of the year, non-residential construction activity is abating as well. It was civil engineering that recorded relatively the most stable activity in 2010, though it also saw a decline in the last two months. October thus recorded the lowest activity this year.

The considerable increase in the value of new contracts in construction recorded at the beginning of 2010 did not

Figure 15: Values of construction put in place and new contracts

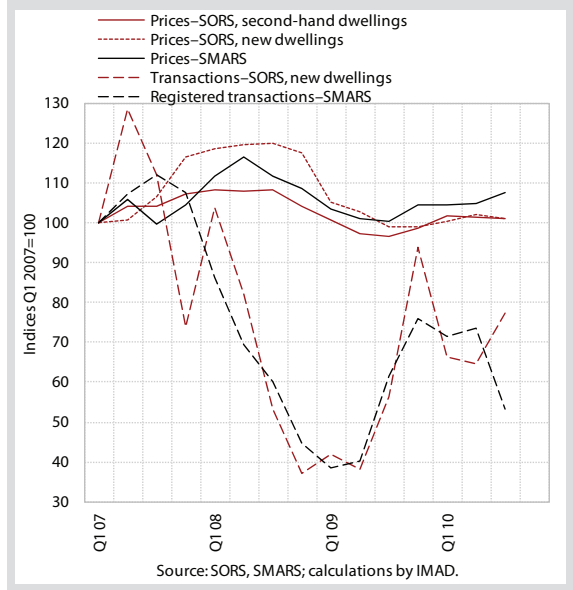


<sup>3</sup> In interpreting the figure on the value of residential construction put in place, it should be noted that it does not include smaller enterprises, which are mainly engaged in construction of residential buildings, by our estimates.

Box 3: Real estate market in Slovenia

According to data by the Surveying and Mapping Authority of the RS (SMARS), the number of reported market transactions declined notably in the third quarter of 2010, but the prices of both second-hand and new flats remained relatively stable. It is still premature to conclude that the decline in market transactions according to SMARS, which pertain almost exclusively to second-hand flats, indicates a new deepening of the real-estate crisis, as it may be attributable to the time lag in reporting data. A decline, even if somewhat smaller, was otherwise also recorded for transactions in houses and commercial real estate. A decline of over 25% interrupted the relatively steady level of transactions hovering in the middle between the bottom of the crisis and the pre-crisis peak for three quarters in a row. Transactions in new flats according to data by SORS, however, increased by 20% in comparison with those in the previous quarter. Prices of both pre-owned and new flats are fairly stable and persist at the pre-crisis level, only that house price indices are somewhat lower than indices for other real estate categories. The crisis has not yet translated into adjustments, which would lead to a decline in the stock of unsold flats.

Figure 16: Movements of prices of second-hand and new flats and transactions in flats

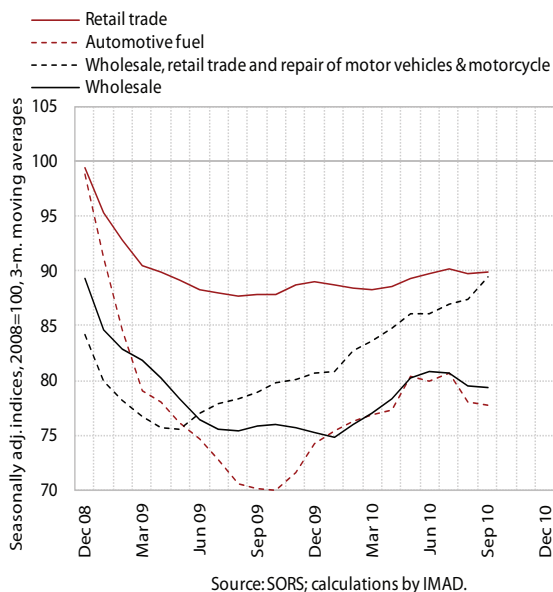


translate into higher construction activity. The value of new contracts strengthened significantly in the first quarter of the year and was almost one quarter above the 2009 average. Construction activity nevertheless continues to drop and has not even become stagnant let alone pick up, which could be explained by the fact that if, in evaluating construction put in place, companies report revenue received, the gap may be due to non-payment to sub-contractors. Data on non-payment to sub-contractors are, unfortunately, not available and the lack of payment discipline is only indicated by AJPES data on outstanding

matured liabilities according to writs of execution and tax debt, which show that the amount of outstanding matured liabilities is highest (and continues to increase) in the construction sector.

October saw further turnover growth in the **sale of motor vehicles and retail trade**, while **wholesale trade** remained similar to that in the previous month (seasonally adjusted). In October, further growth was reported in the sale and repair of motor vehicles, with turnover increasing since mid-2009. After a relatively strong increase in the first half of 2010 and a decline in the summer months, nominal turnover in wholesale trade remained at the previous month's level in October. After growing in previous months, turnover in retail trade rose just above the level recorded since mid-2009. Looking at turnover in retail trade, there were no major changes in the sale of food products, beverages and tobacco products, which had remained close to the 2005 average since mid-2009. Turnover in the sale of automotive fuels is more volatile. It started to increase at the end of 2009 with renewed growth in the volume of road freight transport. In the third quarter of 2010 it had declined, but increased once again in October. Turnover in the sale of non-food products has persisted at the lowest level thus far for more than a year, but with very different dynamics by activities. Turnover in stores selling furniture, household appliances and construction material, which had peaked in February 2008, had thus declined steeply until the end of 2009, stabilised at an otherwise fairly low level in the first half of 2010 and declined further in recent months. Turnover in stores selling computer and telecommunication equipment increased gradually in 2010, particularly from the spring onwards. Turnover in medicinal and cosmetic products and turnover in stores selling clothing and footwear, on the other hand, did not even decline in the time of the greatest crisis.

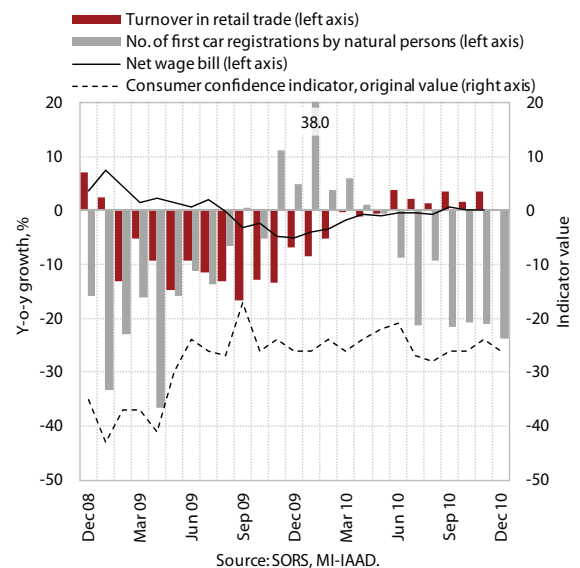
Figure 17: Turnover in trade sectors



Nominal turnover growth in **accommodation and food services activities**, having started at the end of 2009, continued in August. After declining since the end of 2008 and in 2009, turnover in accommodation and food service activities increased in 2010, though it still lags behind that in the pre-crisis year 2008. Its growth (1.8%, seasonally adjusted) was related to a higher number of foreign tourists visiting Slovenia, according to our estimate. The number of their overnight stays was 7.0% higher y-o-y in October and turnover in accommodation and food service activities increased by 7.2% in nominal terms.

Short-term indicators at the end of the year show even lower **private consumption** than in the same period of the previous year, which is most noticeable in new car registrations by natural persons, which were once again significantly lower y-o-y in December, by nearly one quarter. Consumer confidence data show that households are still postponing major purchases, as the indicator of the right time for people to make major purchases (climate for major purchases) dropped by as much as 14 points. This reflects unfavourable news of increased unemployment and new bankruptcies, with the wage bill remaining at its 2009 level in real terms.

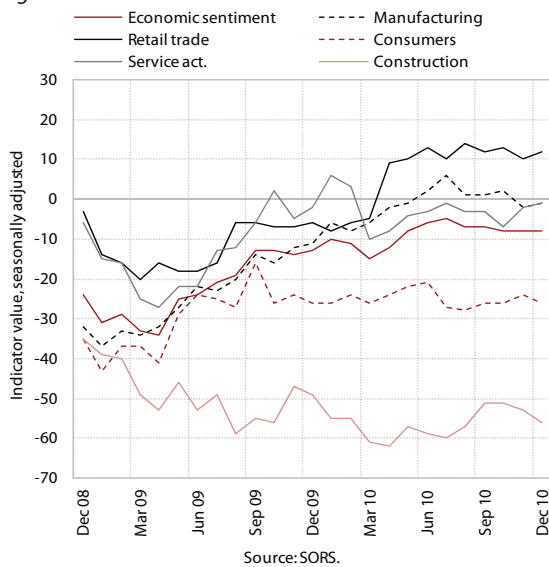
Figure 18: Household consumption indicators



The **sentiment indicator** remained unchanged in December, seasonally adjusted. The consumer confidence indicator and the confidence indicator in construction declined slightly, while the confidence indicators in manufacturing, retail trade and services increased marginally. The value of the sentiment indicator improved visibly between March and July, but declined once again between August and October and remained unchanged in the last three months of the year. At the end of the year it was thus only slightly higher than in December 2009.



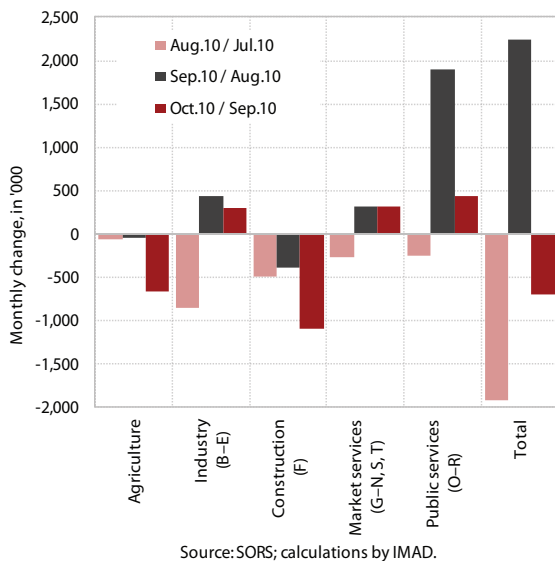
Figure 19: Business trends



## Labour market

The number of persons in **formal employment** continued to decline in October. It dropped by 687 persons from September and was 14,897 persons lower y-o-y (-1.8%). Seasonally adjusted, employment has declined almost without interruption since November 2008, by a further 0.3% in October 2010. Broken down by activity, the greatest declines relative to September were recorded in construction, agriculture<sup>4</sup> and hotels and restaurants, and the greatest increases in manufacturing, education and other business activities. Vacancies and new hires also declined in November, for seasonal reasons, most notably in distributive trades and in manufacturing, professional, scientific and technical activities.

Figure 20: Persons in formal employment by activity



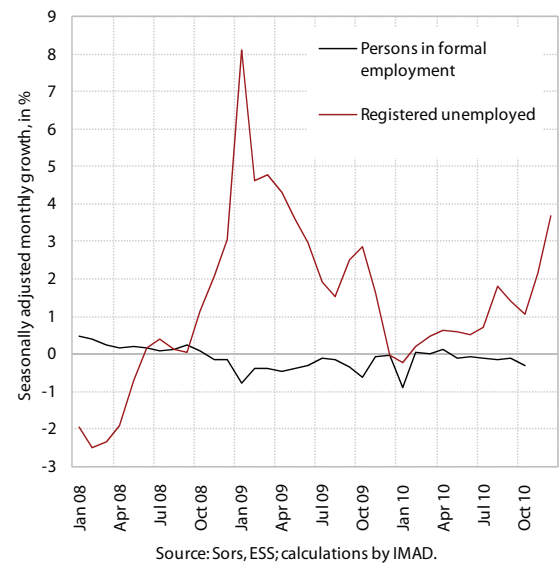
<sup>4</sup>The number of employed persons in agriculture also declined due to the new estimate of the number of farmers based on the latest labour force survey.

Table 2: Labour market indicators

in %	2009/ 2008	X 10/ IX 10	X 10/ X 09	I-X 10/ I-X 09
Labour force	0.2	0.4	-0.7	-0.9
Persons in formal employment	-2.4	-0.1	-1.8	-2.7
- Employed in enterprises and organisations and by those self-employed	-2.8	-0.1	-1.5	-2.7
Registered unemployed	36.6	4.9	8.6	17.5
Average nominal gross wage (in EUR)	3.4	0.2	2.7	3.9
- private sector	1.8	0.1	3.4	5.2
- public sector	6.5	0.3	0.5	0.0
	<b>2009</b>	<b>X 09</b>	<b>IX 10</b>	<b>X 10</b>
Rate of registered unemployment, in %	9,1	10,0	10,5	10,9
Average nominal gross wage (in EUR)	1,438.96	1,448.13	1,485.58	1,487.86
Private sector (in EUR)	1,338.77	1,351.77	1,396.49	1,397.67
Public sector (in EUR)	1,749.82	1,741.05	1,745.49	1,750.61

Sources: ESS, SORS; calculations by IMAD.

Figure 21: Seasonally adjusted growth in formal employment and registered unemployed persons



Growth in the number of **registered unemployed** persons accelerated in November and December. At the end of November, it amounted to 103,831. It rose by 1,148 relative to October (2.2%, seasonally adjusted) and was 8,385 higher y-o-y (8.8%). Altogether 10,329 persons registered as unemployed, 3,742 fewer than in the previous month. The number of first-time job-seekers declined for seasonal reasons (-4,903). There was a significant increase in the number of people who lost jobs (8,229), mainly because of bankruptcies (1,114 persons) and for business reasons, i.e., compulsory settlements (1,971 persons). The outflow from the unemployment register amounted to 9,181 persons, which is slightly less than in October. Overall 4,927 persons landed work, while among the outflows from unemployment for reasons other than employment, outflows due to retirement

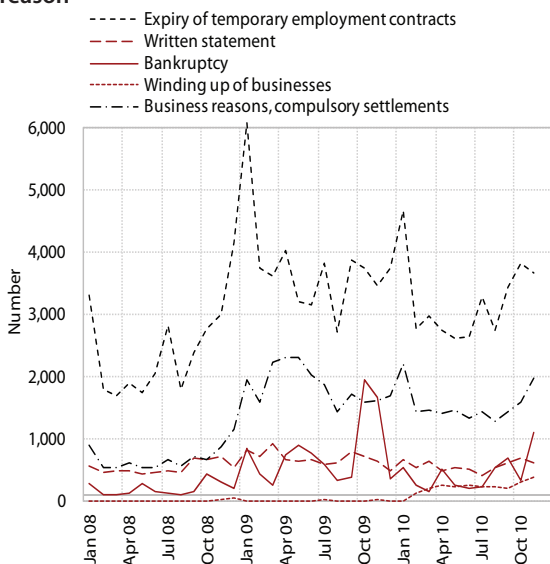
Table 3: Persons in employment by activity

	Number in '000				Change in number		
	2009	X 09	IX 10	X10	2009/ 2008	X 10/ IX 10	X 10/ X 09
A Agriculture, forestry and fishing	37.9	37.9	34.0	33.3	-1,802	-666	-4,620
B Mining and quarrying	3.3	3.3	3.0	3.0	-269	-8	-277
C Manufacturing	199.8	192.5	188.1	188.4	-22,539	296	-4,025
D Electricity, gas, steam and air conditioning supply	7.9	8.0	8.0	8.0	226	11	-6
E Water supply sewerage, waste management and remediation activities	9.0	9.1	9.3	9.3	200	11	195
F Construction	86.8	86.0	78.2	77.1	-1,169	-1,094	-8,854
G Wholesale and retail trade, repair of motor vehicles and motorcycles	114.6	113.7	111.3	111.2	-1,161	-95	-2,556
H Transportation and storage	49.8	49.2	47.8	47.7	-1,417	-29	-1,464
I Accommodation and food service activities	34.0	34.0	33.1	32.9	210	-278	-1,114
J Information and communication	22.5	22.5	22.6	22.8	609	186	323
K Financial and insurance activities	24.5	24.2	24.5	24.5	236	5	257
L Real estate activities	4.4	4.4	4.4	4.4	195	-2	-2
M Professional, scientific and technical activities	44.8	45.7	47.4	47.6	1,960	222	1,992
N Administrative and support service activities	25.6	25.8	26.7	27.0	-444	282	1,208
O Public administration and defence, compulsory social security	51.5	51.6	52.1	52.0	555	-36	399
P Education	61.7	62.4	64.1	64.4	1,679	285	1,924
Q Human health and social work activities	52.1	52.1	53.4	53.6	1,087	177	1,447
R Arts, entertainment and recreation	14.1	14.1	14.2	14.2	249	13	102
S Other service activities	13.3	13.4	13.5	13.6	474	42	170
T Activities of households as employers, undifferentiated goods - and services - producing activities of households for own use	0.5	0.6	0.6	0.6	35	-9	4

Source: SORS; calculations by IMAD.

continued to increase whereas the number of persons included in education declined for seasonal reasons (the participation of unemployed persons in formal education otherwise remains high, though lower than in 2009). The number of registered unemployed persons continued to increase in December, totalling 110,021 at the end of the month. According to seasonally adjusted data, its growth even accelerated in December (3.7%).

Figure 22: Inflow into unemployment due to job loss, by reason



Source: ESS.

In October, the **unemployment rate** rose by 0.4 p.p. compared with September, to 10.9%, largely as the result of a seasonal increase in the number of first-time job-seekers who had finished school. Further unemployment growth in November and December indicates that the unemployment rate, which has not been as high as in October since February 2004, is even likely to increase further.

The average gross **wage** per employee in October remained practically unchanged for the third month in a row. In the first ten months it recorded similar y-o-y growth (3.9%) as in 2009, exclusively as a result of wage growth in the private sector. In both sectors the average gross wage increased only marginally in October. Nominal growth in the private sector (0.1%) was favourably impacted by increased payments for overtime work and payments in arrears, such as 13<sup>th</sup> month payments and Christmas bonuses, which are usually to a smaller extent already disbursed in that month. Wage growth in the public sector (0.3%) was mainly due to higher payments for overtime work<sup>5</sup> so that the average gross wage rose more noticeably only in health and social work. Only private sector wages rose in the first ten months of the year (by 5.2% y-o-y), substantially more than in the same period of 2009, largely as a result of the increase in minimum wage in March. Growth was thus mainly underpinned by the outstanding wage rises in manufacturing, 9.2%,

<sup>5</sup> After in September the medical personnel withdrew their consent to work beyond the scope of overtime work prescribed by law, they resumed extra overtime work in October.

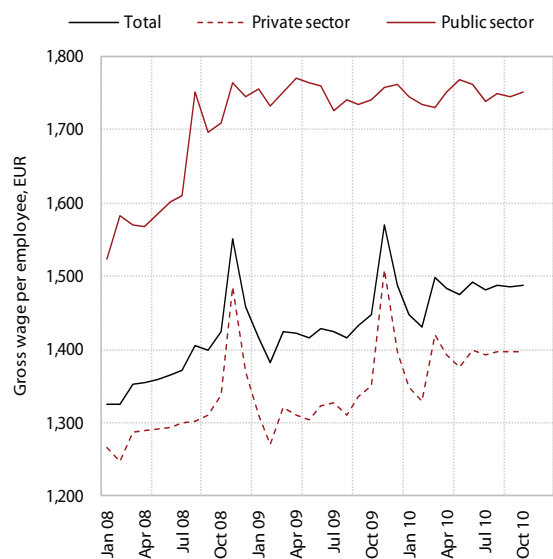
Table 4: Wages by activities

	Gross wage per employee, in EUR		Growth rates, %			
	2009	X 2010	2009/ 2008	X 10/ IX 10	X 10/ X 09	I-X 10/ I-X 09
A Agriculture, forestry and fishing	1,198.03	1,270.19	-0.2	-0.8	5.6	5.4
B Mining and quarrying	1,831.20	1,779.85	0.9	-3.4	-0.4	2.9
C Manufacturing	1,203.38	1,301.23	0.8	0.2	5.1	9.2
D Electricity, gas, steam and air conditioning supply	2,020.95	1,978.23	3.8	-0.5	-3.4	2.8
E Water supply sewerage, waste management and remediation activities	1,413.04	1,394.22	2.0	-0.5	-1.2	2.2
F Construction	1,160.16	1,228.42	1.0	0.1	5.6	4.3
G Wholesale and retail trade, repair of motor vehicles and motorcycles	1,277.51	1,331.92	1.9	0.7	4.2	3.7
H Transportation and storage	1,393.16	1,407.38	0.7	-4.2	2.6	1.7
I Accommodation and food service activities	1,032.97	1,079.66	1.6	1.1	5.1	4.0
J Information and communication	2,038.65	2,044.80	1.4	-0.3	1.1	2.2
K Financial and insurance activities	2,122.72	2,067.27	-0.7	0.6	-4.1	1.7
L Real estate activities	1,435.09	1,457.55	1.9	1.7	0.8	3.3
M Professional, scientific and technical activities	1,737.98	1,738.62	2.1	0.3	-0.2	1.7
N Administrative and support service activities	914.93	962.48	1.8	1.9	5.5	4.0
O Public administration and defence, compulsory social security	1,788.30	1,792.83	5.9	0.0	1.3	-0.6
P Education	1,719.27	1,725.82	3.6	-0.4	0.6	0.6
Q Human health and social work activities	1,752.78	1,742.77	12.0	1.6	0.3	-0.3
R Arts, entertainment and recreation	1,723.15	1,725.22	3.9	0.1	-2.2	0.7
S Other service activities	1,340.92	1,397.05	1.3	1.3	5.4	4.6

Source: SORS; calculations by IMAD.

while it averaged 3.3% in other private sector activities. The average gross wage in the public sector stagnated in the same period due to restrictive wage policy measures, after two years of strong growth (in the same period of 2009, wage growth totalled as much as 7.9%).

Figure 23: Gross wage per employee

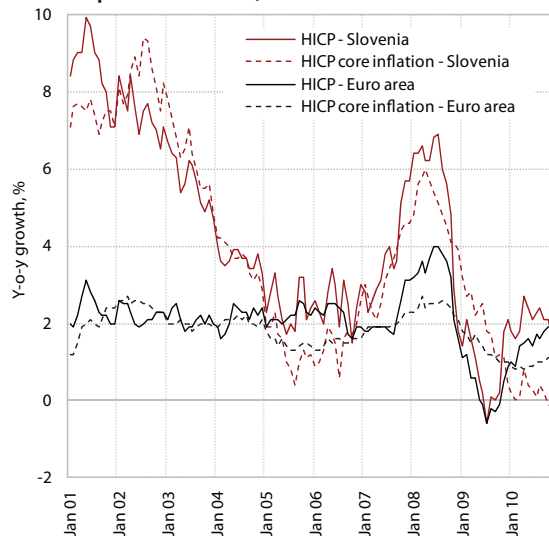


Source: SORS; calculations by IMAD.

## Prices

**Consumer Consumer prices** rose by 0.1% in December and 1.9% in the year 2010 as a whole, which is slightly more than a year earlier (1.8%). According to the preliminary data by Eurostat, prices increased by 2.2% in the euro area in 2010 (HICP). In 2010, Slovenia recorded similar measured inflation as the euro area, but much lower core inflation (excluding the prices of energy and non-processed food).

Figure 24: Measured and core inflation (excluding energy and non-processed food) – HICP



Source: Eurostat.

Table 5: Breakdown of HICP into sub-groups – the first eleven months of 2010

	Euro area			Slovenia		
	Cum. %	Weight %	Contribution in p.p.	Cum. %	Weight %	Contribution in p.p.
Total HICP	2.1	100.0	2.1	1.6	100.0	1.6
Goods	3.2	66.2	2.1	2.4	58.0	1.4
Processed food, alcohol and tobacco	3.5	14.8	0.5	1.3	11.9	0.2
Non-processed food	5.1	6.9	0.3	2.5	7.3	0.2
Non-energy industrial goods	-0.4	30.7	-0.1	1.0	29.3	0.3
Durables	-4.3	11.5	-0.5	0.3	9.5	0.0
Non-durables	0.5	8.8	0.0	1.1	8.3	0.1
Semi-durables	4.4	10.3	0.5	2.0	11.5	0.2
Energy	10.1	13.9	1.4	8.4	9.6	0.8
Electricity for households	5.9	2.6	0.2	2.7	2.4	0.1
Natural gas	16.4	0.8	0.1	7.5	1.5	0.1
Liquid fuels for heating	21.5	1.5	0.3	18.9	0.8	0.1
Solid fuels	1.2	1.0	0.0	1.4	0.1	0.0
District heating	11.3	0.8	0.1	0.2	0.5	0.0
Fuels and lubricants	9.9	7.2	0.7	10.7	4.2	0.5
Services	-0.1	33.8	0.0	0.5	42.0	0.2
Services – dwellings	5.0	2.7	0.1	1.4	10.2	0.1
Services – transport	1.8	5.2	0.1	1.2	6.6	0.1
Services – communications	2.7	3.4	0.1	-0.9	3.3	0.0
Services – recreation, repairs, personal care	-3.8	14.3	-0.5	-0.7	14.9	-0.1
Services – other services	2.6	8.1	0.2	1.4	7.1	0.1
HICP excluding energy and non-processed food	0.2	79.3	0.2	0.7	83.2	0.6

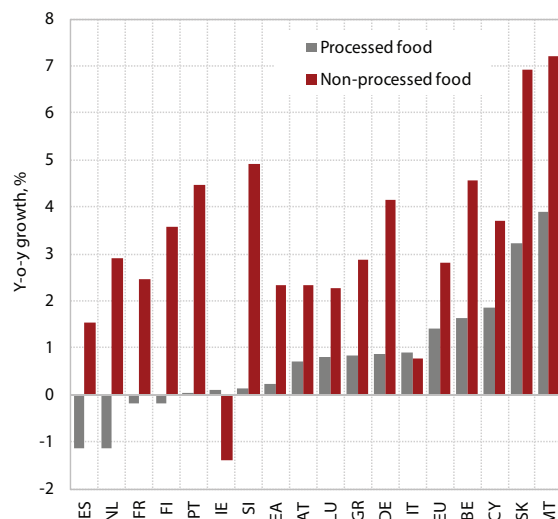
Source: Eurostat; calculations by IMAD.  
Note: ECB classification

In the first eleven months of 2010, inflation was mainly due to energy price rises and higher taxes. Consumer prices increased 1.8% in that period. Energy price rises contributed 1.3 p.p., of which around 0.5 p.p. came from higher excise duties. In 2010, the total impact of higher taxes totalled 0.8 p.p. to 0.9 p.p., due to higher excise duties on energy, as well as tobacco and alcohol, but also as a result of changes in certain other taxes. In other price groups, price movements were relatively moderate, with the exception of prices of fresh food, which rose by 8.5%, and prices of school meals, which declined by 68.8%.

Higher prices of non-energy commodities and food on international markets hardly passed through to inflation in 2010. Higher euro prices of non-energy commodities (22.9%) and food (20.7%) on global markets were not passed on to higher retail prices in the first eleven months of the year, neither in Slovenia nor in the euro area. Retail food prices<sup>6</sup> increased by 1.2% in the euro area in the first eleven months of 2010 (in Slovenia by 2.3%). In all euro area countries but Italy and Ireland, food price growth reflected higher prices of non-processed food, particularly prices of fresh fruit and vegetables. Prices of non-processed food increased 2.3% in the euro area (4.9% in Slovenia). Prices of processed food increased less, except in some countries of the euro area (Slovakia, Malta). In Slovenia, bread prices even declined in that period,

while the euro area recorded lower prices of oils and fats and some other food products. The relatively weak pass-through of higher food prices from the international environment to retail prices of processed food is related to uncertainties in the macroeconomic environment, with the food-processing industry and food sellers facing limitations in rising prices.

Figure 25: Prices of processed and non-processed food in euro area members - November 2010



Source: Eurostat; calculations by IMAD.

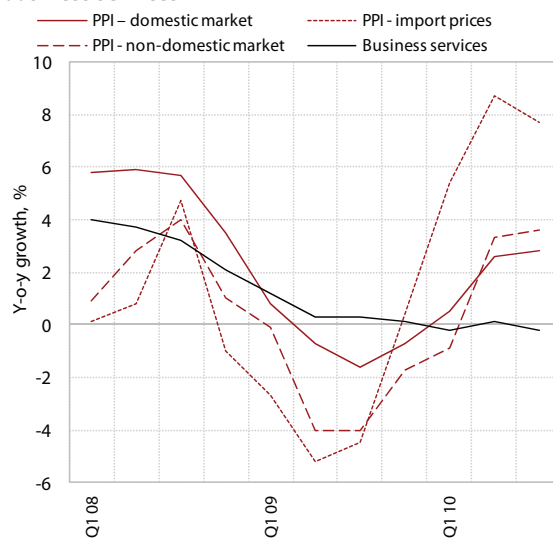
<sup>6</sup> Comparisons between countries are made using the HICP.

The moderate dynamics of core inflation<sup>7</sup> also continued in November. In November last year, core inflation measures also indicated moderate long-term inflation movements, which were related to the absence of inflationary pressures by the side of demand. Y-o-y growth rates of key core inflation indicators were at the interval between 0.0% and 1.2% in November last year.

**Industrial producer prices** increased y-o-y in November, while the prices of **business services** have stagnated since the second quarter of 2009. Y-o-y growth in producer prices on the domestic market increased, after totalling 2.6% in May, and stood at 3.2% in November. Even though the y-o-y increase in domestic producer prices in November was still highly related to price dynamics in the manufacture of metals and metal products (which already showed signs of moderation and was impacted by metal price movements in the international environment), the impact of price growth in other activities was somewhat stronger. In November, relatively high y-o-y growth rates were recorded for the manufacture of chemicals and pharmaceutical preparations and the manufacture of furniture, while price growth in the manufacture of food products strengthened for the third month in a row, which could also be related to price pressures from the international environment. The available data on price growth in business services, on the other hand, indicate that prices even dropped somewhat y-o-y in the third quarter<sup>8</sup> of 2010 (-0.2%). They have been hovering around zero since the second quarter of 2009, which corroborates the absence of major inflationary pressures from the domestic environment.

Slovenia's **price competitiveness** deteriorated in October due to the strengthening of the exchange rate of the euro, but continued to improve y-o-y, though less noticeably than price competitiveness in most other euro area countries. The euro gained value against most currencies inside and outside the EU in October, but the loss of Slovenia's

Figure 26: Industrial producer prices and prices of business services



Source: SORS.

price competitiveness mainly reflected its appreciation against the USD and GBP. The real effective exchange rate measured by relative consumer price growth therefore increased in October (by 0.7%), after mainly declining in the first nine months of 2010, particularly under the impact of the depreciation of the euro. Price competitiveness continued to improve y-o-y in October, but less than in other euro area countries. Slovenia's relatively worse position was partly due to the structure of Slovenia's external trade,<sup>9</sup> but also to the increase in relative prices, which were falling in most other euro area members. In the first half of 2010, price competitiveness deteriorated y-o-y<sup>10</sup> in most of the EU countries outside the euro area, particularly under the impact of the strengthening exchange rates of other EU currencies.

Table 6: Indicators of price and cost competitiveness

y-o-y growth rates, %	2008	2009	q4 09	q1 10	q2 10	q3 10
<b>Effective exchange rate<sup>*</sup></b>						
Nominal	0.5	0.4	1.8	-0.3	-1.9	-2.3
Real, deflator CPI	2.8	0.7	2.3	-0.3	-1.3	-1.7
Real, deflator PPI	0.8	2.8	1.4	-2.4	-3.3	-2.9
Real, deflator ULC	3.0	4.9	4.4	1.9	-0.5	-0.9
<b>Unit labour costs, economy and components</b>						
Nominal unit labour costs	5.9	8.5	3.3	1.5	0.6	0.9
Compensation per employee, nominal	6.9	1.6	0.9	3.4	5.0	4.4
Labour productivity, real	1.0	-6.4	-2.3	1.9	4.4	3.4
Real unit labour costs	1.8	5.1	1.3	1.2	-0.6	-0.7
Labour productivity, nominal	5.0	-3.3	-0.5	2.2	5.6	5.2

Source: SORS, ECB, EUROSTAT, OECD; calculations by IMAD.  
Note: \*relative to the 17 trading partners

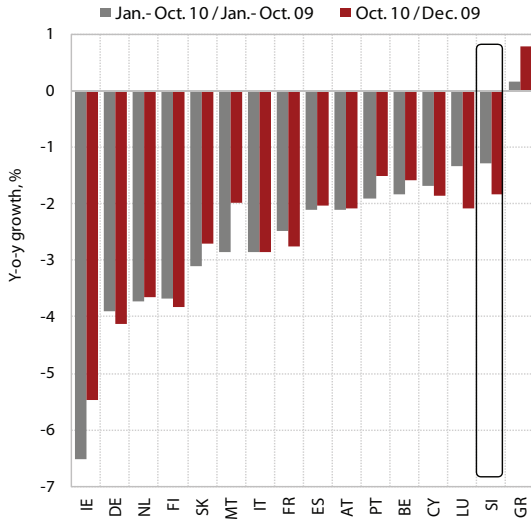
<sup>7</sup> Prices excluding seasonal and one-off factors.

<sup>8</sup> The latest available data.

<sup>9</sup> Trade with euro area countries accounts for an above-average share in the structure of Slovenia's external trade, meaning that the depreciation of the euro has a smaller impact on Slovenia's price competitiveness.

<sup>10</sup> According to data by the EC.

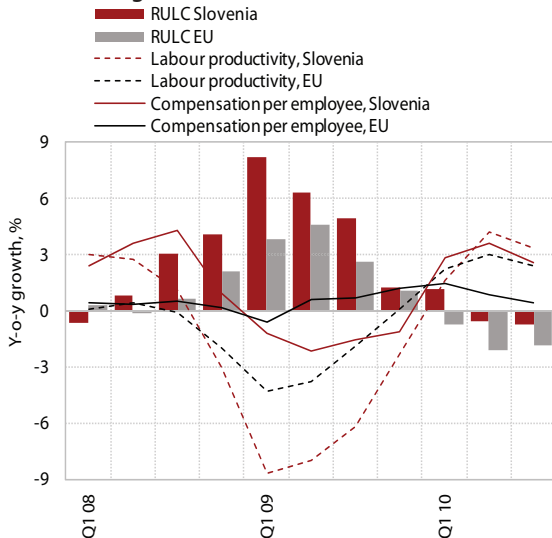
Figure 27: Real effective exchange rates of euro area members deflated by HICP, in the first ten months of 2010



Source: ECB; calculations by IMAD.

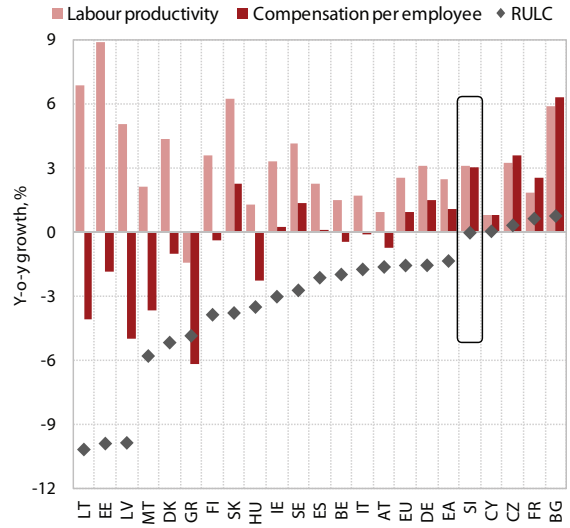
The **cost competitiveness of the economy** improved in the third quarter after a longer period of decline, though less than in most other euro area and EU countries due to relatively high wage growth in the private sector. After a year of a gradual easing of growth, real unit labour costs and the real effective exchange rate deflated by growth in relative unit labour costs declined y-o-y again in the third quarter of 2010 (the former by 0.7%, the latter by 0.9%, according to estimates), while stagnating at the 2009 level in the first nine months as a whole. The improvement in the second and third quarters resulted from a renewed significant increase in labour productivity due to the rebound of economic growth, amid a gradual easing of the y-o-y decline in employment. The relatively high growth in the compensation of employees per employee

Figure 28: Real unit labour costs (RULC) in Slovenia and the EU average



Source: Eurostat; calculations by IMAD.

Figure 29: Real unit labour costs in selected EU countries<sup>11</sup> in the first half of 2010

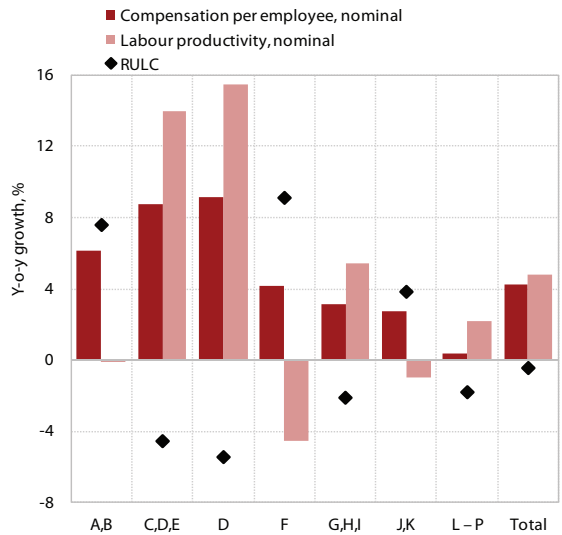


Source: Eurostat; calculations by IMAD.

continued under the impact of stronger wage growth in the private sector, but was, as in the second quarter, lower than labour productivity growth. After Slovenia was in the group of euro area and EU countries with the greatest losses in cost competitiveness since mid-2008 and gradually narrowed the gap, this year's improvement was among the smallest in the euro area and the EU. Slovenia's relatively worse position in 2010 resulted from faster wage growth compared with most other Member States, and in 2009, from a greater drop in productivity.

The relatively worse competitive position of Slovenia's economy in the first nine months of 2010 was mainly a result of the pronounced deterioration of cost competitiveness in

Figure 30: Cost competitiveness by sector in the first nine months of 2010



Source: SORS; calculations by IMAD.

<sup>11</sup> Data for the first nine months were available for 21 EU countries.

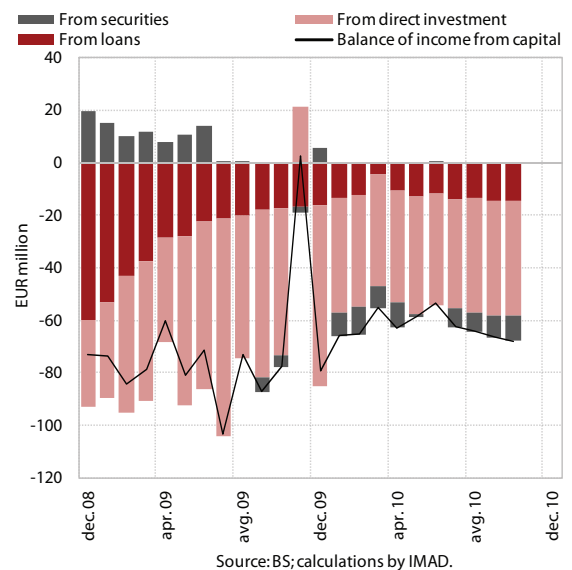
the construction sector. The latter reflected the decline in labour productivity due to the contraction of activity in construction followed by a decline in employment with a lag. The compensation of employees per employee in construction increased at the same time, also under the impact of the increase in minimum wage. Manufacturing industries, which had recorded an outstanding deterioration in 2009, were characterised by a significant improvement in 2010. Although this year's increase in minimum wage had the greatest impact on growth in the compensation per employee in manufacturing, real unit labour costs declined significantly amid a concurrent (and even much greater) increase in labour productivity. In the first quarter, labour productivity growth was largely a result of shrinking employment, while in the second and third quarters, it was also due to a pronounced increase in value added.

## Balance of payments

In October 2010, the deficit of the **current account of the balance of payments** was at a similar level as in the same month of the previous year, while it was significantly lower y-o-y in the first ten months of the year. The current account of the balance of payments recorded a deficit of EUR 61.0 m in October (EUR 54.7 m in October 2009). In the first ten months of 2010, the deficit amounted to EUR 154.5 m (EUR 529.7 m in the same period of 2009). In the first ten months of 2010, the decline in the current account deficit mainly resulted from a lower deficit in the *balance of factor incomes*, largely as a consequence of lower net outflows of equity capital from direct investment.<sup>12</sup> Total net interest payments to the rest of the world had also been lower y-o-y between January and July 2010, but in the period from August to October, they already exceeded their 2009 levels, due to the maturity of payments of interest on bonds and notes. The *merchandise deficit* increased y-o-y in October and was also higher y-o-y in the first ten months of 2010. In the first ten months, real growth in merchandise exports exceeded real growth in imports. However, considering the deteriorating terms of trade, exports and imports recorded nearly equal growth. The surplus in the *services balance* in October was similar to that in the same month of 2009. In the first ten months it was higher due to a higher net inflow in trade in travel, financial and government services. The *balance of current transfers* recorded a surplus in October 2010 (a deficit in October 2009) and a deficit in the first ten months of 2010, which was much lower than in the same period of the previous year, largely due to increased absorption of EU funds.

<sup>12</sup> As Slovenian enterprises (Slovenian direct investors) created losses abroad in 2009, equity capital from direct investment (in reinvested earnings) recorded a high net outflow. This net outflow of reinvested earnings (which is still an estimate based on the average of the previous three years) was much lower this year.

Figure 31: Income from capital



Slovenia recorded a **net capital inflow** (EUR 388.9 m) in the first ten months of 2010 (a net outflow of EUR 45.5 m in the same period of 2009), as a result of smaller corporate deleveraging amid further, albeit also slower, general government borrowing. Financial transactions with the rest of the world recorded a net inflow in the amount of EUR 50.6 m again in October, but with weaker flows in all main components of the financial account of the balance of payments (a net inflow in the amount of EUR 86.3 m in the previous October). The net capital inflows of the BS and general government exceeded the net capital outflow of the private sector in October. In the first ten months of 2010, the net capital inflow of the government sector exceeded significantly the net capital outflows of the private sector and central bank. Direct investment recorded net inflows both in October and in the first ten

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

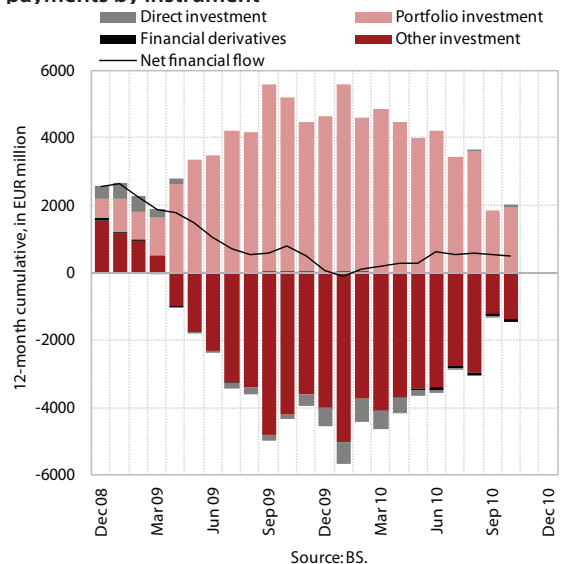


Table 7: Balance of payments

I-X 10, EUR m	Inflows	Outflows	Balance <sup>1</sup>	Balance, I-X 09
Current account	20,544.8	20,699.3	-154.5	-529.7
- Trade balance (FOB)	15,191.0	15,772.7	-581.7	-462.4
- Services	3,776.8	2,765.0	1,011.8	959.4
- Income	735.4	1,240.9	-505.5	-733.9
Current transfers	841.7	920.7	-79.1	-292.9
Capital and financial account	3,840.7	-3,337.8	502.9	142.3
- Capital account	248.1	-182.3	65.7	33.0
- Capital transfers	246.8	-178.3	68.4	38.6
- Non-produced, non-financial assets	1.3	-4.0	-2.7	-5.6
- Financial account	3,592.6	-3,155.5	437.2	109.3
- Direct investment	281.3	-144.3	137.0	-475.1
- Portfolio investment	2,269.2	-669.3	1,599.9	4,303.9
- Financial derivatives	9.4	-96.0	-86.7	2.5
- Other investment	1,032.8	-2,294.1	-1,261.3	-3,876.8
- Assets	553.1	-538.3	14.8	-248.3
- Liabilities	479.7	-1,755.8	-1,276.1	-3,628.5
- Reserve assets	0.0	48.3	48.3	154.8
Net errors and omissions	0.0	-348.4	-348.4	387.5

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.

months of 2010, compared with net outflows in 2009. While in the first ten months of 2009, the net outflow of direct investment resulted from the net outflow of foreign direct investment exceeding that of domestic foreign investment abroad, Slovenia recorded a net inflow in the same period of 2010 due to a net inflow of foreign direct investment in the form of debt financing between affiliated companies; the net outflow of domestic direct investment abroad remained at the level of 2009. Portfolio investment recorded net inflows both in October and in the first ten months of 2010 as a whole. In the first ten months of 2009, the inflow was even much higher than in 2010 due to the issuance of bonds. Other investment recorded net outflows in October and in the first ten months, but they were much smaller than in the same period of the previous year, which was largely due to smaller repayments of foreign loans.

**Net external debt** remained at September's level in October, totalling EUR 11.5 bn (32.3% of estimated GDP).

Table 8: Gross and net external debt positions

	December 2009		October 2010		Difference	
	In EUR bn	In % of GDP	In EUR bn	In % of GDP	In EUR bn	Shares in GDP in p.p.
Gross external debt	40.3	113.8	42.1	117.5	1.8	3.7
Gross external claims	29.6	83.6	30.5	85.3	0.9	1.6
Net external debt	10.7	30.2	11.5	32.3	0.9	2.1

Source: BS.

Note: Nominal data as of the end of the month. Shares in GDP for 2010 calculated by IMAD based on GDP from the Autumn Forecast 2010.

## Financial markets

The lending activity of domestic banks remained modest in November. Net flows of loans to domestic non-banking sectors totalled a mere EUR 16.1 m, the lowest figure in 2010. Banks only recorded net lending to households and the general government in November, while enterprises and NFIs made net repayments of loans for the second month in a row. Y-o-y growth in net flows of loans to

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

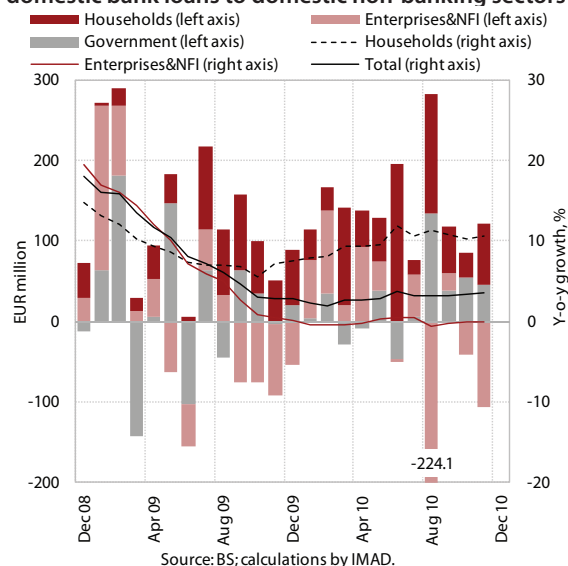




Table 9: Financial market indicators

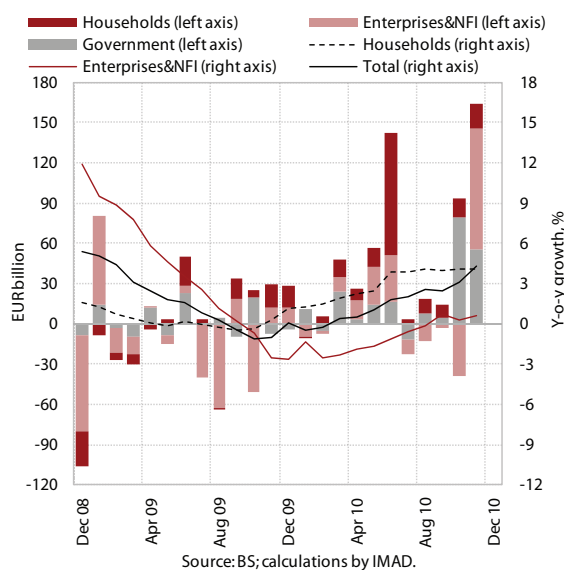
Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 09	30. XI 10	30. XI 10/ 31. X 10	30. XI 10/ 30. XII 09	30. XI 10/ 30. XI 09
Loans total	32,444.95	33,555.52	0.0	3.4	3.5
Enterprises and NFI	23,161.09	23,185.91	-0.5	0.1	-0.1
Government	870.95	1,144.41	4.2	31.4	34.5
Households	8,412.91	9,225.20	0.8	9.7	10.6
Consumer credits	2,899.95	2,850.48	1.5	-1.7	-1.6
Lending for house purchase	3,927.13	4,740.21	0.9	20.7	22.7
Other lending	1,585.84	1,634.51	-0.5	3.1	3.3
Bank deposits total	14,313.07	14,679.66	0.2	2.6	3.7
Overnight deposits	5,655.00	6,123.35	0.8	8.3	9.7
Short-term deposits	5,116.28	4,488.60	-1.2	-12.3	-13.8
Long-term deposits	2,874.95	4,057.44	1.0	41.1	48.4
Deposits redeemable at notice	666.84	10.28	-2.9	-98.5	-98.4
Mutual funds	1,856.30	1,990.11	0.7	7.2	10.0

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

domestic non-banking sectors was again somewhat stronger, but only as a result of the extremely low level of lending at the end of 2009. In the first eleven months of 2010, banks extended a net EUR 1,110.6 m in loans to domestic non-banking sectors, almost 30% more than in the comparable period of 2009. Banking system liquidity improved somewhat in November. After two months of decline, banks thus again recorded net inflows of government and household deposits while they continued to repay foreign deposits and loans.

*Lending activity in the euro area strengthened notably in November.* Net flows of all loans amounted to EUR 163.7 bn, the highest figure in the last three years. The bulk of net flows were attributable to enterprises and NFIs, which borrowed more than EUR 90 bn net in November alone.

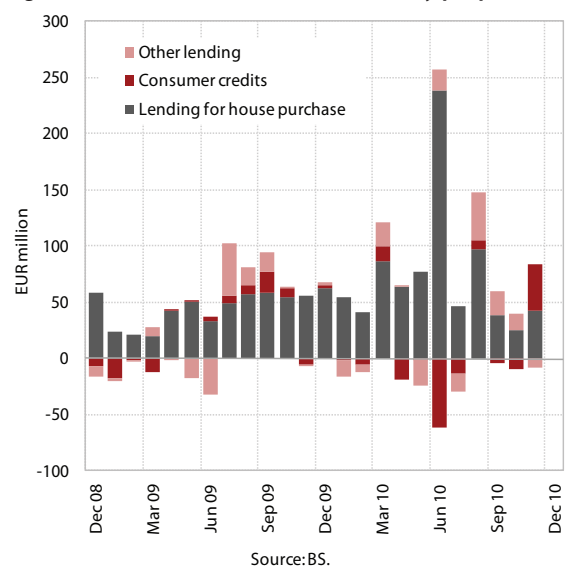
Figure 34: Net flows and growth in the volume of bank loans to non-banking sectors in the euro area



Nearly three quarters of this amount were loans taken out by NFIs, though enterprises also recorded the highest net inflows in 2010. Among the euro area countries, besides Slovenian enterprises and NFIs, Irish and Portugal enterprises and NFIs also repaid their loans in net. In the first eleven months of 2010, net flows of loans in the euro area totalled close to EUR 500 bn, while in the same period of 2009, non-banking sectors made net repayments in the amount of EUR 13.2 bn.

*Household borrowing strengthened somewhat in Slovenia in November.* Monthly net flows amounted to EUR 75.9 m, which is just above the monthly average in the first eleven months of 2010. Also in November, the bulk of net flows came from housing loans, which strengthened somewhat relative to October, but were still among the lowest in 2010 (EUR 43.3 m). Unlike in previous months,

Figure 35: Net flows of household loans by purpose

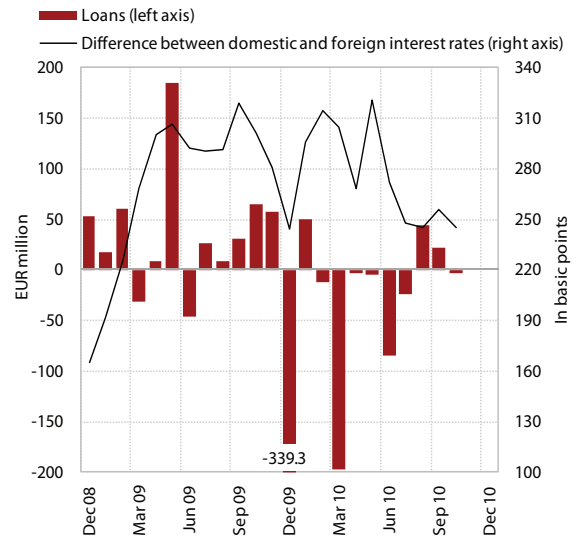


net flows of consumer loans stood out significantly, being way the highest in the last three years (EUR 40.8 m). In the first eleven months of 2010, they nevertheless recorded a net outflow of close to EUR 50 m. Households borrowed a net EUR 812.3 m from domestic banks in that period, 56.9% more than in the comparable period of 2009.

In November, **enterprises and NFIs** again net repaid their loans taken out at domestic banks. Net repayment was again only recorded for enterprises, while NFIs saw a modest net inflow for the second time in a row. After corporate borrowing started to strengthen gradually at the beginning of the year, net flows declined in the last four months, most notably since the beginning of the financial crisis. Enterprises and NFIs repaid close to EUR 350 m of loans net in that period. In the first eleven months of 2010, they borrowed a net EUR 24.8 m, more than two thirds less than in the same period of 2009. After enterprises and NFIs recording net borrowing abroad in the previous two months, they once again repaid foreign loans in net in October. Net repayments were otherwise fairly modest, EUR 3.7 m, but unlike in most previous months, when enterprises net repaid foreign loans, net repayments resulted from the repayment of long-term loans, while net flows of short-term loans reached the highest value in 2010 (EUR 8.7 m). Enterprises and NFIs

repaid foreign and domestic loans in a net amount of EUR 83.8 m in the first ten months of 2010 (in the same period of 2009, they recorded net borrowing in the amount of EUR 0.5 bn).

Figure 36: Net corporate and NFI borrowing abroad and differences in interest rates

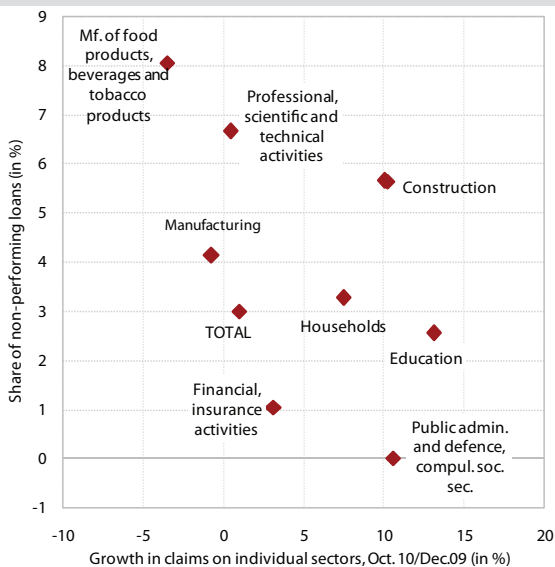


Source: BS; calculations by IMAD.

**Box 4: Non-performing assets of the banking sector**

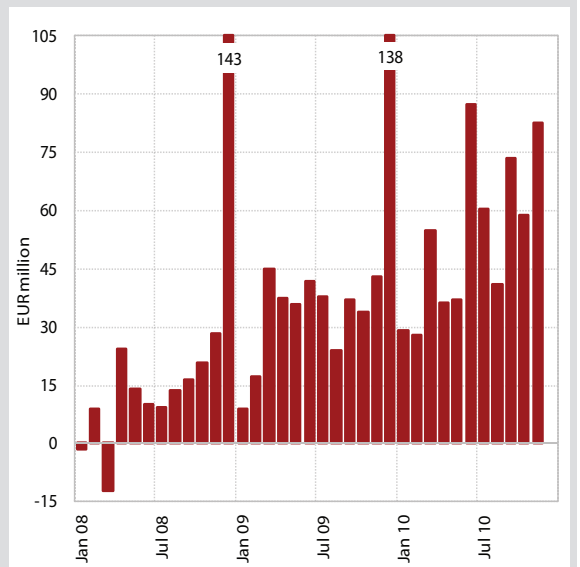
Deterioration in banks' asset quality intensified in 2010 and banks created additional impairments and provisions, which is, besides strongly limited sources of finance, one of the main reasons why the growth rate of lending activity remains low. On one hand, banks financed the least risky segments in the first ten months of 2010, such as households and the government sector, but they also provided funds for riskier activities where the situation is still deteriorating at a rapid pace, which intensified the negative trend in banks' asset quality. In the first eleven months of 2010, banks thus created almost EUR 600 m of additional impairments and provisions, nearly two thirds more than in the comparable period of 2009.

Figure 37: Growth in banks' claims on the most exposed sectors and the share of non-performing loans



Source: BS; calculations by IMAD.

Figure 38: Creation of additional impairments and provisions in Slovenia's banking system

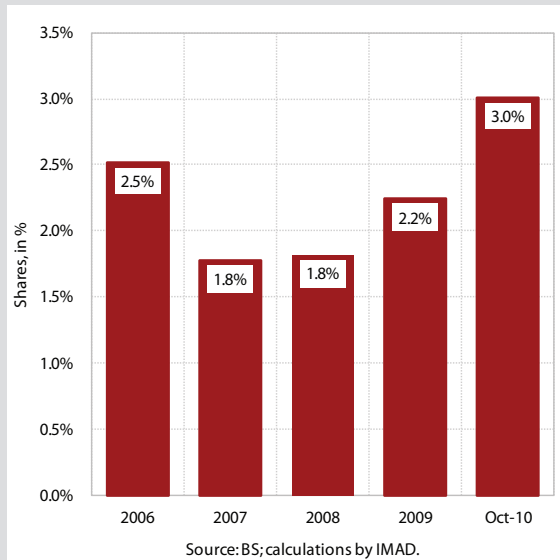


Source: BS; calculations by IMAD.

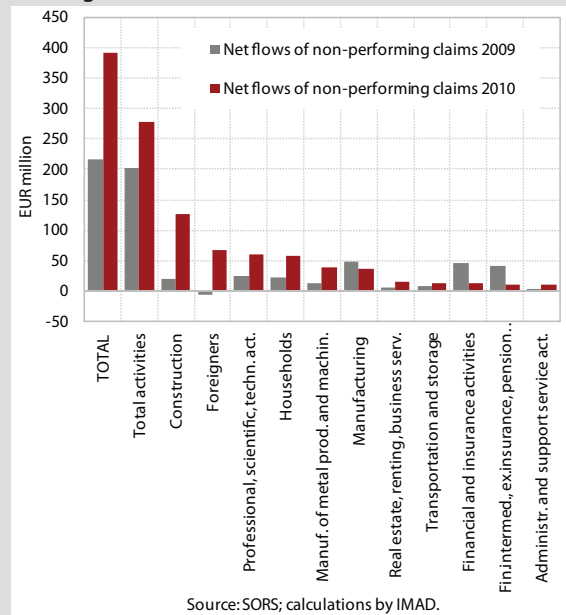
**Box 4: Non-performing assets of the banking sector - continue**

In the first ten months of 2010 alone, the level of non-performing bank claims increased by more than one third, compared with less than 30% in the year 2009 as a whole at a much lower base. The share of non-performing claims climbed to 3% by the end of October, while their volume reached nearly EUR 1.5 bn. More than two thirds of non-performing claims are claims against financial and non-financial entities, with the manufacturing sector accounting for the greatest share, largely due to its size, as growth in non-performing claims was below average in this sector. In terms of growth, non-performing claims against the construction sector stand out the most, and increase further at a faster-than-average rate. The volume of banks' total claims against the construction sector is also growing at an above-average pace. The year 2010 also saw faster growth in non-performing claims against foreigners and households, but their share did not increase much due to a relatively high level of claims against households. The situation regarding the quality of bank assets is not yet easing, which is also evidenced by data on C-grade loans. Their volume otherwise strengthened by just over 60% in the first ten months of 2010, which is more than half less than in the same period of 2009, but the net inflow into this credit grade was more than one third higher than in the same period of 2009, despite stronger outflows to lower credit grades.

**Figure 39: Share of non-performing claims**



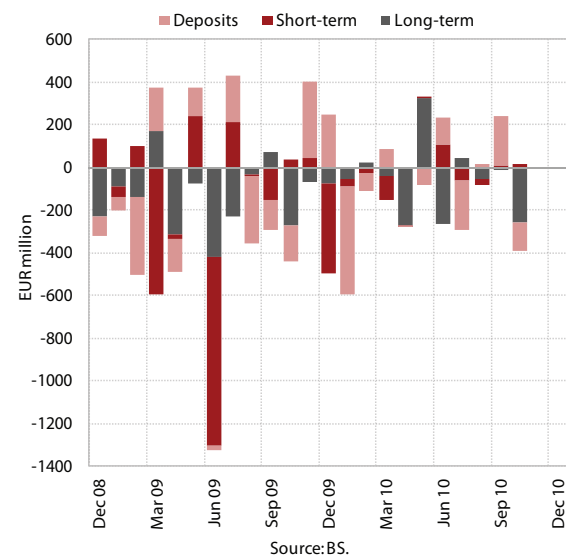
**Figure 40: Net inflows of non-performing claims of the banking sector in the first ten months of 2009 and 2010**



**Foreign sources of financing of the Slovenian banking system remain fairly limited.** Banks also made net repayments of foreign loans in October. A modest net inflow was only recorded for short-term loans, while long-term loans and deposits saw a net outflow. Total net repayments thus amounted to EUR 373.4 m in October. In the first ten months, banks repaid EUR 1.3 bn net of foreign deposits and loans, nearly 60% less than in the same period of 2009.

**Household and government deposits in banks strengthened in November.** Net inflows of household deposits amounted to EUR 33.4 m, which is the average monthly level in the first eleven months of 2010. Sight deposits strengthened the most in November. Net inflows of long-term deposits were more moderate once again and thus lagged significantly behind the level recorded in the first half of the year. Net inflows of household deposits to banks totalled EUR 366.6 m in the first eleven months of 2010. This is more than one fifth less than in

**Figure 41: Net bank borrowing abroad**



**Box 5: Sources of finance in the Slovenian banking system**

While the government represented an important source of bank assets in 2009, amid stronger borrowing, it mainly withdrew its deposits from the banking sector in a net amount in the first eleven months of 2010. In November, the volume of deposits declined by as much as EUR 1.5 bn from its January peak (EUR 4.5 bn). In the previous year, government deposits recorded high inflows in January (close to EUR 0.5 bn), when the government issued bonds in the amount of EUR 1.5 bn, and then again in June, which is, according to our estimate, due to the transfer of government deposits from the BS account to the accounts in commercial banks. In the previous year, the government mainly withdrew short-term deposits from banks, while the volume of long-term deposits strengthened somewhat in the first eleven months.

In 2010, banks thus had to seek other sources to discharge matured liabilities, which were otherwise much lower than in the previous year.<sup>1</sup> They therefore reduced their deposits with the Eurosystem and foreign banks by a total of EUR 1.1 bn. Pressures on the liquidity of Slovenia's banking system are expected to continue, given that the share of foreign loans and deposits remains high and that a significant part of long-term government deposits will become due in 2011. With low growth rates of household deposits in banks and outflows of government deposits from the banking system, banks will remain highly dependent on foreign sources of finance. In the current situation, a bank's financial strength (which can be, among other indicators, measured by the tier 1 capital ratio) is particularly important in obtaining long-term sources of finance. Slovenia's banking system is among those with low core capital with regard to the risk-adjusted assets. On a consolidated basis, the value of the indicator was below the EU average in 2009 and even declined by the end of June 2010, while the indicator value according to the ECB data for larger bank groups even increased somewhat in the first half of 2010. The capital adequacy of Slovenia's banking system can be expected to worsen further, given the rapid deterioration in the quality of banks' total assets. It will be therefore all the more difficult and expensive to provide the much needed sources of finance, which may be reflected in even higher lending interest rates and a significant decline in bank investment.

Figure 42: Inflows of government deposits to banks and issuance of government bonds

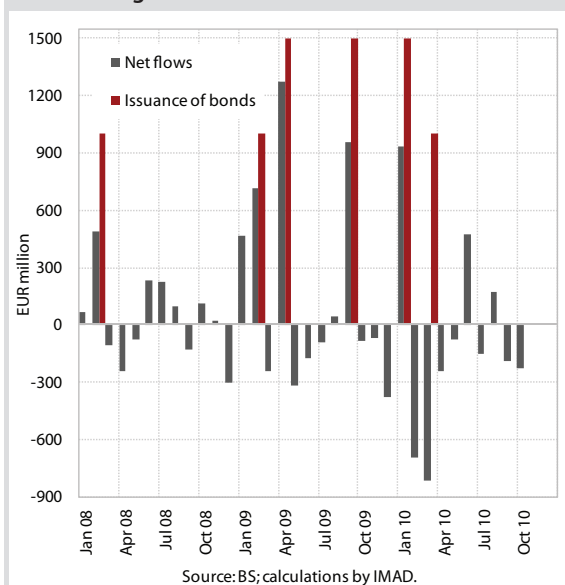
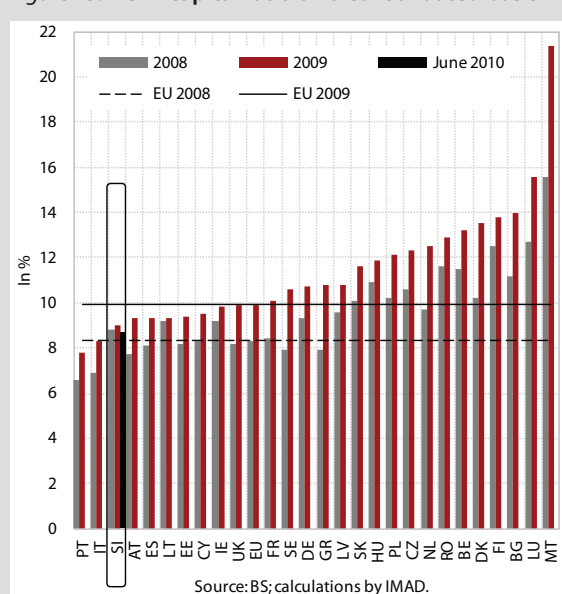


Figure 43: Tier 1 capital ratio on a consolidated basis

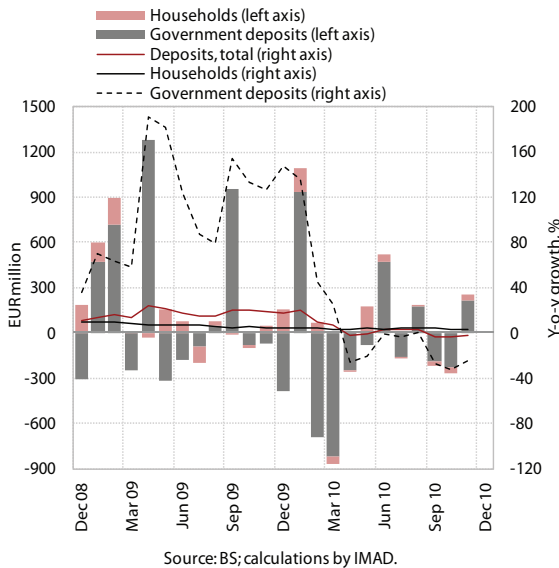


<sup>1</sup> In the first ten months of 2010, banks thus repaid foreign deposits and loans in a net amount of EUR 1.3 bn, which is nearly 60% less than in the same period last year.

the comparable period of 2009, which is also attributable to the unfavourable labour market situation. After two months of net outflows, government deposits increased in November. Net inflows amounted to EUR 217.8 m, the highest value in the second half of the year. Short-term

deposits accounted for nearly two thirds of net inflows. Despite November's net inflows, the total volume of government deposits recorded a net outflow of close to EUR 600 m in the first eleven months of 2010 (a net inflow of EUR 2.5 bn in the same period of 2009).

Figure 44: Net inflows of household and government deposits to banks and y-o-y change in stock



Source: BS; calculations by IMAD.

## Public finance

In the first eleven months of 2010, revenue from **taxes and social security contributions**<sup>13</sup> dropped by 1.4% relative to the same period last year, with payments amounting to EUR 11.8 bn. In the first eleven months of the year, only revenues from value added tax (VAT), excise duties and social security contributions increased y-o-y, while revenues from all other main tax categories declined. Inflows of *value added tax (VAT)* rose by 2.5% in that period. At the beginning of the year 2010, VAT inflows shrank due to shorter deadlines for VAT refunds, and the recorded growth was due to the effect of a very low base, as VAT inflows had dropped most notably due to lower economic activity in the comparable period of 2009. *Revenue from excise duties*<sup>14</sup> increased 0.9% y-o-y in the same period. The increase was due to revenue from excise duties on tobacco and tobacco products (2.0 p.p.) and alcohol and alcohol products (0.4 p.p.), while the total growth of revenue from excise duties declined by 1.4 p.p. due to lower revenue from excise duties on energy. The quantity of excise products sold declined y-o-y in the first ten months, largely as a consequence of higher excise duties.<sup>15</sup> *Revenue from social security contributions* increased 1.0% y-o-y in the first eleven months. In that period, the largest y-o-y decline was recorded for revenue from *corporate income tax* (-38.5%), which declined as a

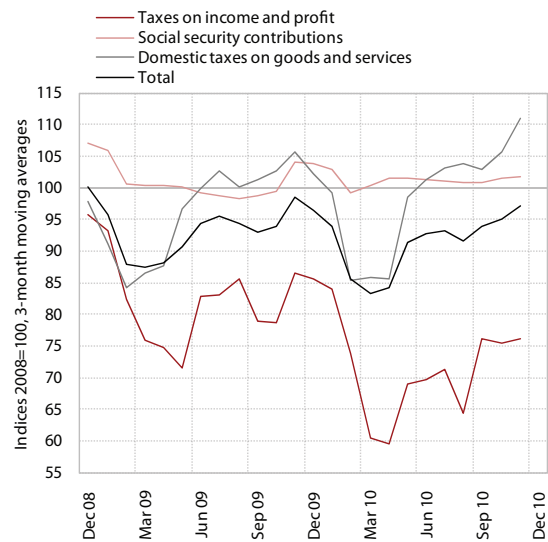
<sup>13</sup> Based on the Report on Payments of All Public Revenues, January–November 2010, Public Payments Administration.

<sup>14</sup> The figure for excise duties is corrected for the timing of excise duty payments.

<sup>15</sup> Excise duties on beer, intermediate beverages and alcohol, tobacco and tobacco products were raised in July. Excise duties on electricity increased in August, and excise duties on petrol and gas oil several times September and October. In the first ten months, the quantity of sold alcohol and alcohol products declined by 9.6% y-o-y, the quantity of sold tobacco and tobacco products by 3.5% and the quantity of main mineral oils by 2.3%.

result of refunds based on tax assessments taking into account business results for the previous year, tax relief and a lower tax rate. The new monthly prepayments are much lower than in 2009: they have been determined according to business results for 2009, but tax payers are also able to request a reduction on the basis of deteriorated business performance in the current year and a 1 percentage point lower statutory tax rate (20.0%). Revenue from *personal income tax* declined 3.1% y-o-y: revenue from tax on income from employment was slightly higher (0.7%), but there was a significant drop in revenues from other personal income tax sub-categories (15.8%), particularly from taxes on income from entrepreneurial profits and income from capital gains. Tax refunds based on final personal income tax assessments for 2009 were also much higher y-o-y in the first eleven months (EUR 106 m; EUR 85 m a year before).

Figure 45: Taxes and social security contributions

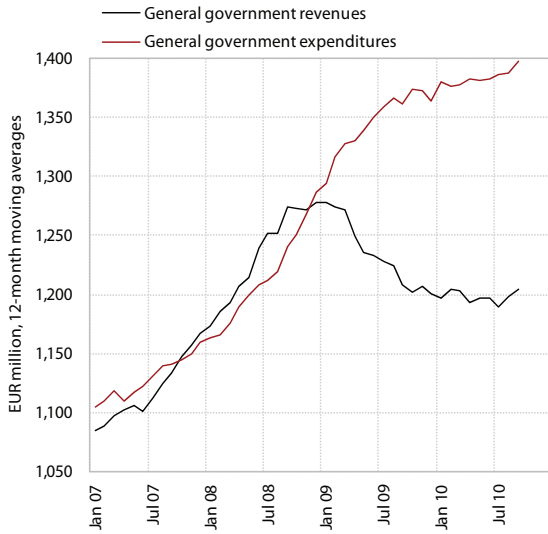


Source: PPA; calculations by IMAD.

According to the **consolidated balance**<sup>16</sup> of the MF, general government revenues amounted to EUR 10.4 bn and expenditure to EUR 12.1 bn in the first nine months of 2010. The deficit thus totalled EUR 1,669 m. Revenue increased 0.5% y-o-y (in the same period of 2009, it declined by 7.5%), while expenditure recorded 3.4% y-o-y growth (8.3% last year). In terms of *economic structure of expenditure*, all categories of general government expenditure were up y-o-y in that period, except expenditure on capital transfers (6.6%), which declined by 6.6%. Interest payments recorded the highest growth (49.5%). Transfers to individuals and households were 4.2% higher y-o-y (5.2% excluding pensions); expenditure on transfers to the unemployed increased the most (30.4%), given the deteriorated situation on the labour market. Strong growth was also recorded for expenditure on sickness

<sup>16</sup> The consolidated balance (according to the cash flow methodology) includes revenues and expenditures of the state and local government budgets, as well as revenues and expenditures of the pension and health funds.

Figure 46: Consolidated general government revenue and expenditure



Source: MF; calculations by IMAD.

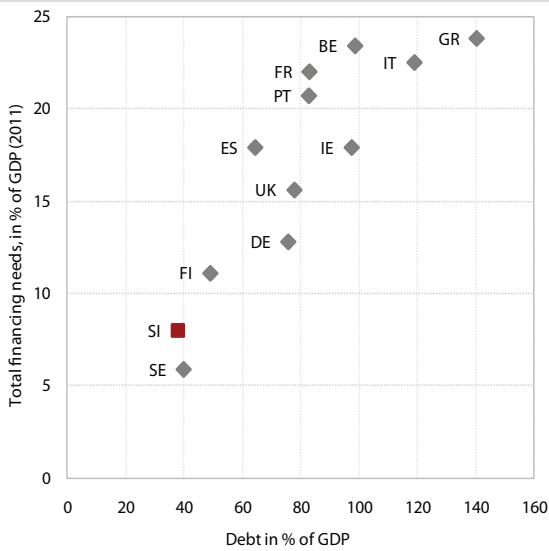
benefits (11.5%). Cumulative y-o-y growth in expenditure on pensions slowed towards the end of 2009, but has been stable since February 2010. Expenditure on pensions was thus 3.6% higher y-o-y in the first nine months. This period also saw increased expenditure on subsidies (2.3%) and higher capital expenditure (2.3%). Expenditure on wages and other personnel expenditures increased by 0.2%, while expenditure on goods and services was at the same level as a year earlier.

The *state budget* deficit climbed to EUR 1.6 bn in the first nine months of 2010. With expenditure increasing by 3.2%, the total *balance of local government budgets* also recorded a deficit in that period (EUR 50 m). The deficit of the *health fund* stood at EUR 29.3 m. The transfer from the state budget into the *pension fund* amounted to EUR 1,131. m in the first nine months (7.5% more than a year earlier).

Box 6: Financing borrowing requirements in 2010

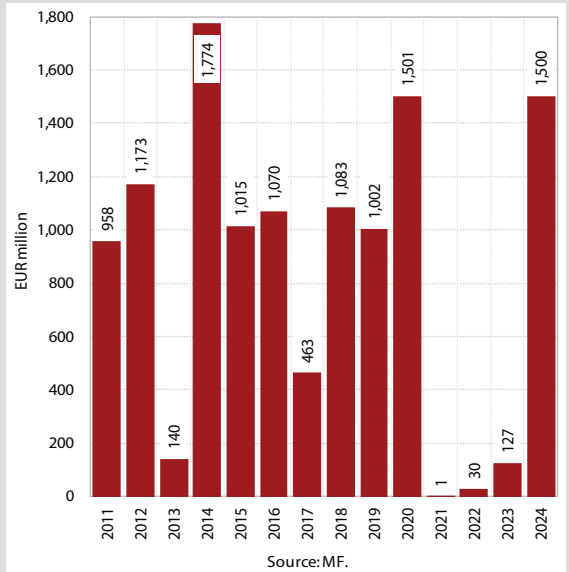
The available data on the borrowing requirement and financing needs for 2011 in a sample of EU countries for which information is available indicate that the ratio of Slovenia's government borrowing requirement (central government) to the size of debt (both as a percentage of GDP) is similar to that in most other countries. Slovenia has both relatively low debt ratio (2010) and low borrowing requirement (2011). The borrowing requirement is primarily explained by budget deficits and maturing debt in a given year, but there are other operations ("below the line operations") that can also generate debt, such as debt assumption, capitalisation, etc. For 2011 Slovenia exhibits one of the lowest borrowing requirements in the EU. This is explained primarily by the budget deficit (two thirds of borrowing requirements) and to a lesser extent by maturing debt (34%). The relatively low size of maturing debt is a result of the debt strategy followed in previous years and is reflected in the debt maturity profile. In Slovenia, the debt maturity profile is flat and spread out without major concentrations of debt maturing in a single year. From the point of view of refinancing, such a debt strategy (prioritizing issuance of long-dated debt instruments) seems also appropriate for the future as this disperses the refinancing risk evenly in a decade in which debt issuance in the EU market will be bulky.

Figure 47: Government debt and financing needs 2011



Source: EC, IMF, MF; calculations by IMAD.

Figure 48: Repayment of principal



Source: MF.

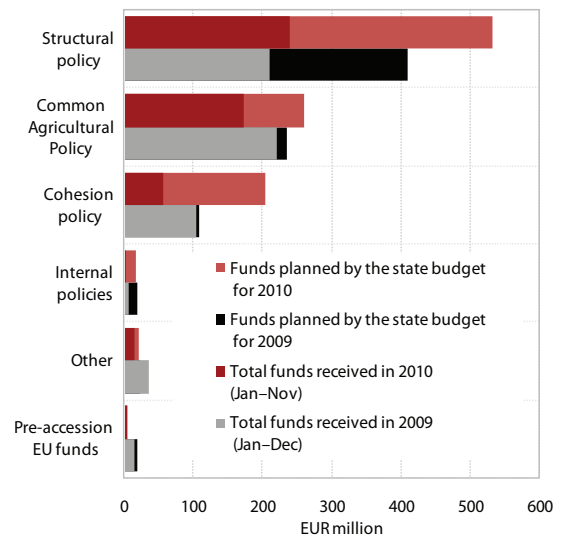
Table 10: Consolidated general government revenue and expenditure

	2009			2010		
	EUR m	% of GDP	Growth, %	I-IX 2010 v mio EUR	IX 10/ IX 09	I-IX 10/ I-IX 09
<b>Revenues - total</b>	14,404.0	40.7	-6.1	10,437.2	8.2	0.5
- Tax revenues	12,955.3	36.6	-7.0	9,358.6	5.9	-1.5
- Taxes on income and profit	2,805.1	7.9	-18.5	1,784.3	1.4	-13.4
- Social security contributions	5,161.3	14.6	1.3	3,871.6	3.1	1.2
- Domestic taxes on goods and services	4,660.1	13.2	-3.0	3,454.8	9.5	2.3
- Receipts from the EU budget	596.5	1.7	63.3	382.4	325.6	21.4
<b>Expenditure - total</b>	<b>16,365.4</b>	<b>46.3</b>	<b>6.0</b>	<b>12,105.8</b>	<b>9.6</b>	<b>3.4</b>
- Wages and other personnel expenditure	3,912.3	11.1	9.3	2,932.9	2.4	0.2
- Purchases of goods and services	2,506.8	7.1	-0.8	1,769.3	0.2	0.0
- Transfers to individuals and households	6,024.1	17.0	7.3	4,714.8	3.6	4.2
- Capital expenditure	1,293.3	3.7	3.3	726.1	4.7	2.3
- Capital transfers	495.2	1.4	8.1	219.3	-2.3	-6.6
- Payment to the EU budget	439.3	1.2	2.7	315.7	52.6	0.8

Source: MF.

Slovenia received EUR 63.7 m from the **EU budget** in November. In December, the absorption strengthened, as expected, according to the preliminary data of the MF, and Slovenia closed the year 2010 with a positive net budgetary position relative to the EU budget.<sup>17</sup> Slovenia paid EUR 13 m into the EU budget in November, which is approximately one third of its payments in October. Its positive net budgetary position amounted to EUR 50.6 m in November (compared with EUR 11 m in October), which was the highest monthly amount in 2010. In the first eleven months as a whole, Slovenia received just below EUR 492 m from the EU budget, which was 47.4% of funds envisaged in the supplementary budget for 2010. Almost half of all funds (48.8%) came from structural funds, though only 45.2% of what had been planned for structural funds in the supplementary budget for 2010. Funds for the implementation of the common agricultural and fisheries policies represented 35% of all receipts in the first eleven months of 2010, and 67% of the level planned. Funds under the cohesion policies were again low (EUR 5.4 m). Similar to the monthly level, receipts for the cohesion policy were also low in the first eleven months (below EUR 57 m), only 28% of what had been envisaged for 2010. By the end of November, Slovenia paid EUR 363.7 m into the EU budget, which was 88.1% of what it was expected to pay in 2010. Slovenia's net budgetary position against the EU budget was thus again positive in the first eleven months of 2010 (EUR 128 m).

Figure 49: Planned and absorbed EU funds



Source: MF; calculations by IMAD.

<sup>17</sup> The data for December are provisional and will therefore be analysed in detail in the next issue of the SEM. They are partly presented in the Selected topic, p. 33





**selected topics**



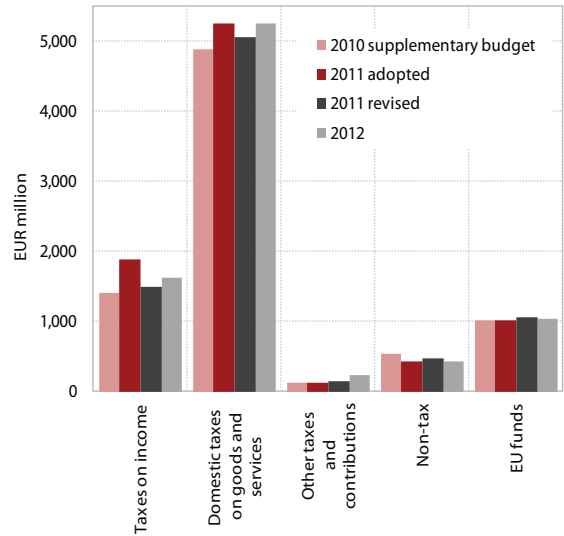
## Revised state budgets for 2011 and 2012

The National Assembly adopted a revised state budget for 2011 to cut government spending with regard to the budget adopted in December 2009 and adjust it to lower revenue. In drafting and adjusting the state budgets, the government pursued the economic and fiscal policy goals as defined in the Budget Memorandum for 2011 and 2012. State budget revenue shrank by EUR 493 m relative to the budget adopted in December 2009, particularly due to the expected lower revenues from corporate income tax, personal income tax and domestic taxes on goods and services. Being reduced by EUR 359 m, budget expenditure was partly matched with lower revenue. The greatest declines relative to what was adopted in December 2009 are projected for capital expenditures, wages and expenditure on goods and services. Interest payments and transfers to the PDII are somewhat lower as well. The budgetary deficit is EUR 134 m higher, given that expenditures were not completely matched with the projected lower revenues.

Revenues of the revised state budget for 2011 are set at EUR 8.3 bn and will be 2.7% higher compared with the supplementary state budget for 2010. Growth in state budget revenues will be slower than the foreseen growth of GDP. State budget revenues as a share of GDP will hence decline by a further 0.2 p.p. of GDP. Domestic budgetary sources are expected to increase by 2.8%, and receipts from the EU budget by 2.0%. Looking at domestic sources, growth will increase mainly on account of tax revenues, by 3.4 p.p., while it will decline by 1.0 p.p. due to lower non-tax revenues. The increase in tax revenues will mainly come from the foreseen growth in domestic taxes on goods and services, particularly in value added tax (1.0 p.p.) and excise duties (0.6 p.p.). Statutory changes in value added tax in 2011 mainly pertain to the transposition of European directives into national law and have no major financial impacts. Growth in revenues from value added tax will therefore follow domestic consumption. Growth in revenue from excise duties will be largely due to the base effect, given the increase in excise duties in the middle of 2010. Budget revenues are also expected to increase by 1 p.p. due to higher revenues from corporate income tax, which will be generated by prepayments according to the same tax rate as in the previous year but with somewhat higher tax relief and much lower refunds according to the final tax assessments of business results than in the previous year. Among compulsory levies, a modest contribution to revenue growth will also come from personal income tax and other taxes. Growth in revenue from personal income tax is slowing in 2011, on account of modest wage growth and the impact of additional general tax relief, but also due to increased revenue from personal income tax ceded to municipalities. The adopted state budget sets very high goals for the absorption of European funds, which, in view of the current trends, poses significant risks for the realisation of budgetary revenues. Additional risks are also associated with a lower realisation of revenues

than envisaged in the supplementary budget for 2010, as state budget revenues from certain sources will be overestimated due to a lower base.

Figure 50: Budget revenues according to main sources



Source: MF; calculations by IMAD.

Expenditure of the revised state budget for 2011 is set at EUR 10.0 bn, a 1.4% higher figure than envisaged in the supplementary state budget for 2010. Given the current trends, its growth has eased somewhat, being also slower than GDP growth. State budget expenditure as a share of GDP will therefore decline by 0.7 p.p. of GDP relative to the supplementary budget 2010, to 26.9% of GDP. The budgets were prepared according to the principles of performance-based budgeting,<sup>18</sup> linking the programme structure to development-oriented policies and development priorities, which is favourable as it allows for more development-oriented expenditure. The government also adopted other measures towards a gradual decline in public finance expenditure. In the short term, it limited the adjustment of wages, social transfers and pensions by passing an emergency law, while in the long term, it plans to reduce and rebalance public finance expenditure by pension and health reforms.

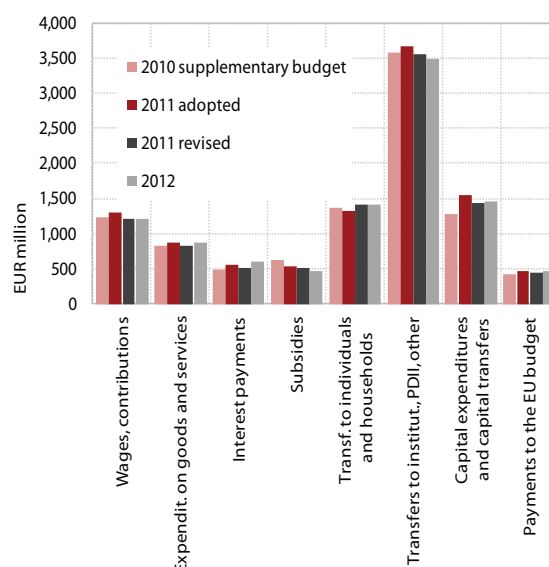
According to the economic classification of budget expenditures, the greatest contribution to the 1.4% increase will come from capital expenditures (1.1 p.p.) and capital transfers (0.4 p.p.). Somewhat less than half of the foreseen capital expenditures will be allocated for new buildings and adaptations while the rest of the funds will be spent for feasibility studies and project documentation, investment maintenance and renovation, and purchase of equipment. While being favourable in terms of development, rapid growth in capital expenditures adds to upward pressures on government borrowing, particularly as it is highly

<sup>18</sup> This approach involves setting clear goals and purposes of spending public finance funds, as well as indicators measuring realisation of goals and performance in public service provision. This means that expenditure planning is goal-based and directly related to actions necessary to secure the goals.

The revised state budget for 2011 and the state budget for 2012 adopted in December 2010 anticipate a slower consolidation than envisaged in the budget documents of December 2009, and a divergence from the Stability Programme targets. A gradual decline in the general government deficit is essential to limit further government borrowing growth. Slovenia is also bound to reduce its deficit to meet the provisions of the Stability and Growth Pact (the main instrument of EU fiscal policy coordination and control), which will become even stricter in the future. The budget documents adopted in December 2009 also served as a basis for the Stability Programme prepared by the government in January 2010, laying out a path for fiscal consolidation to eliminate the excessive deficit in line with EC recommendations. The programme defines policies and measures to be taken by the government in the next four years to reduce the general government deficit below the target of 1.6% of GDP in 2013. Fiscal consolidation will be implemented particularly on the side of expenditure. The Stability Programme for 2010 and 2011 therefore stipulates a retrenchment of expenditure growth with a fiscal rule ensuring a nominally unchanged level of integral budget expenditure in both years, and slower growth in expenditure than revenue in the years thereafter. When preparing the current state budgets, the government therefore set a ceiling for state budget expenditures financed from domestic fiscal sources, but given the available budgetary resources, they still generate an excessive state budget deficit. The adopted revisions of the state budget for 2011 and the state budget for 2012 will therefore not suffice to meet the Stability Programme objectives. According to the supplementary budget, the state budget deficit even increased somewhat in 2010 relative to 2009. According to the revisions, it will only decline by EUR 79 m in 2011 with regard to the supplementary budget for 2010, and by a further EUR 265 m in 2012. In both years combined, this is a smaller reduction than should be recorded in one year alone according to the Stability Programme consolidation plans. In its opinion on the Stability Programme (April 2010), the EC also warned that the budgetary outcomes might be even worse than targeted in the programme and that they were increasingly likely to deteriorate over the programming period, particularly after 2011.

dependent on the absorption of EU funds. A significant contribution to growth in state budget expenditure will also come from the rising domestic and foreign interest payments (0.4 p.p.) servicing increased government debt. Growth in expenditure on transfers to individuals and households will contribute 0.3 p.p., partly on account of the method of their adjustment and the rising number of people eligible for social transfers, but also as a result of legislative changes.<sup>19</sup> State budget expenditure will also increase due to higher payments to the EU budget (0.3 p.p.), higher expenditure on goods and services and growth in other transfers (0.1 p.p. each). According to the supplementary budget for 2010, state budget expenditure on subsidies will decline most notably in 2011, recording as much as 1.1 p.p. lower growth. Growth in state budget expenditure will also decline due to lower expenditure on wages, contributions and other personnel expenditures in government bodies (by 0.3 p.p.) and transfers to public institutions and the Pension and Disability Insurance Institute (by 0.1 p.p. each), as a result of the emergency act stipulating that pensions, wages of civil servants and social transfers can only be adjusted by a quarter of the

Figure 51: State budget expenditure by purpose



Source: MF; calculations by IMAD.

Table 11: State budget revenue, expenditure and balance, 2007–2012

	2007	2008	2009	2010 supplementary budget	2011 original budget	2011 revision	2012
STATE BUDGET REVENUE, EUR m	7,799	8,535	7,531	8,107	8,822	8,328	8,695
- share of GDP	22.6	22.9	21.3	22.6	23.7	22.4	22.3
STATE BUDGET EXPENDITURE, EUR m	7,762	8,470	9,260	9,874	10,376	10,017	10,118
- share of GDP	22.5	22.7	26.2	27.6	27.9	26.9	25.9
SURPLUS / DEFICIT, EUR m	37	65	-1,729	-1,767	-1,554	-1,688	-1,423
- share of GDP	0.1	0.2	-4.9	-4.9	-4.2	-4.5	-3.6

Source: MF, Bilten javnih financ (Bulletin of Government Finance), Spremembe proračuna RS za leto 2011 (Amendments to the state budget for 2011), Proračun RS za leto 2012 (State budget for 2012); calculations by IMAD.

<sup>19</sup> Zakon o uveljavljanju pravic iz javnih sredstev (Exercise of Rights to Public Funds Act), Official Gazette of the RS, No. 62/2010, Zakon o socialnovarstvenih prejemkih (Financial Social Assistance Act), Official Gazette of the RS, No. 61/2010.

statutory growth. Had the previously anticipated freeze on pensions, civil servants' wages and social transfers been followed through, state budget expenditure could be around EUR 35 m lower.

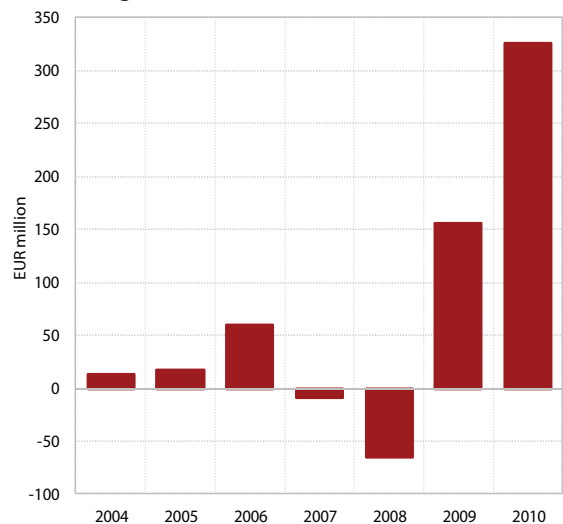
The state budget deficit for 2011 is set at EUR 1.7 bn and is projected to reach 4.5% of GDP, which is 0.4 p.p. of GDP less than what was estimated for 2010.

Together with the revised budget for 2011, the government also adopted the state budget for 2012. State budget revenue for 2012 is estimated at EUR 8.7 bn, 4.4% more than in 2011, and state budget expenditure at EUR 10.1 bn, 1% more than in 2011. The state budget deficit will narrow by EUR 265 m in 2012, to EUR 1.4 bn. It will amount to 3.6% of GDP, being 0.9 p.p. of GDP smaller than in 2011.

### Absorption of EU funds from 2004 to 2009

According to data by the MF, Slovenia's net budgetary position towards the EU budget was positive in 2004–2006 and negative in 2007 and 2008. In 2009, it was positive again and improved further in 2010. The whole period was marked by relatively low realisation of planned receipts, 63.8% on average. In the period from 2004 through December 2010, Slovenia received EUR 2.8 bn from the EU budget instead of EUR 4.5 bn as planned and its net budgetary position amounted to EUR 501.3 m. In the first three years since Slovenia's accession to the EU, its positive net budgetary position towards the EU budget was mainly due to successful absorption of funds for the implementation of agricultural and structural policies and high lump-sum compensations to the state budget, while its payments to the EU budget were at the level planned. Slovenia had been a net recipient of EU funds in the amount of EUR 14.2 m in 2004 and closed the year 2005 with a surplus of EUR 16.8 m. In 2006, the year of the highest absorption (77.5%) relative to the level planned, Slovenia's net positive budgetary position totalled EUR 60.5 m. In 2007, Slovenia had a negative net budgetary position for the first time since accession, in the amount of EUR 8.6 m. The situation became even worse in 2008 when its net position was negative at EUR 64.6 m. The reasons for the worse-than-planned results (the negative net position) in 2007 and 2008 can be sought both on the side of payments into the EU budget, which were 12.2% and 14.0% higher, respectively, from what had been planned, and on the side of receipts, given the extremely low absorption from structural funds in both years relative to the levels planned. The same goes for absorption from cohesion funds in 2007 and absorption of funds for internal policies in 2008. The net position improved significantly in 2009 and Slovenia closed the year with a net surplus of EUR 155 m, largely as it successfully drew funds for agricultural and structural policies. Positive movements also continued in 2010, when Slovenia's net budgetary position was positive (EUR 326 m), according to the provisional data by the

Figure 52: Slovenia's net budgetary position relative to the EU budget



Source: MF; calculations by IMAD.

MF, and Slovenia recorded 70% absorption relative to the level planned. The relative success of EU funds utilisation in 2010 is mainly attributable to the absorption of funds for the implementation of agricultural and structural policies.

In addition to the balance sheet of the Ministry of Finance, which served as the basis for our analysis, data on the utilisation of funds can also be obtained from the balance sheets of the EC. The MF and EC data differ for four reasons.<sup>20</sup> To start with, besides payments registered in Slovenia's state budget, the EC figures also include funds paid directly to final beneficiaries (public institutions, municipalities, enterprises, sole proprietors, etc.) based on centralised EC calls for proposals, which are not considered as revenue of the RS budget and are hence not included in the MF balance sheets. Second, Slovenia receives inflows to dedicated sub-accounts of the treasury single account maintained with the BS, which do not appear in the state budget until they have been identified as revenue after successfully passing the eligibility check. Third, the EC system registers payments on the day when they are made, whereas in Slovenia, these funds may be identified as revenue at a later time; the EC system may thus consider the same payment as current year expenditure, and Slovenia's budget as revenue in the next year or later.<sup>21</sup> And last, the differences are also due to how Slovenia's payments to the EU budget are booked. At the request of the Court of Audit, the Ministry of Finance started to record budget revenue and expenditure in full (gross) sums in 2008, meaning that the EC's debt to Slovenia (due to excess contributions called up by the EC) is now booked as revenue received from the EU budget and at the same time as expenditure

<sup>20</sup> The MF figures are released in monthly and annual frequencies, while the EC publishes its figures in its Annual Reports.

<sup>21</sup> Slovenia can draw EU funds within a three-year period after approval.

Table 12: Planned and realised state budget receipts and payments and net budgetary position towards the EU budget

Year	Receipts (in EUR m)			Payments (in EUR m)			Net position
	Planned	Realised	Realisation, in %	Planned	Realised	Realisation, in %	
2004	335.3	183.8	54.8	187.9	170.0	90.2	13.8
2005	483.7	302.4	62.5	305.2	285.6	93.6	16.8
2006	449.6	348.4	77.5	315.0	287.9	91.4	60.5
2007	582.1	347.2	59.7	317.1	355.9	112.2	-8.6
2008	783.0	363.2	46.4	375.3	427.9	114.0	-64.6
2009	814.0	594.9	73.1	452.0	439.3	97.2	155.6
I-XI 2010	1.037.8	723.2	69.7	412.8	396.8	96.1	326.4
<b>Total</b>	<b>4485.4</b>	<b>2863.1</b>	<b>63.8</b>	<b>2365.3</b>	<b>2363.4</b>	<b>99.9</b>	<b>500.3</b>

Source: MF – EU Budget Cooperation Sector. Note: Data for 2004, 2005 and 2006 were given in SIT and converted into EUR at the exchange rate of 239.64 SIT for 1 EUR.

under Slovenia's payments to the EU budget (concurrent increases in revenue and expenditure by equal amounts). For all these reasons, the MF and EC figures for Slovenia's receipts in the period of 2004–2009 differ by EUR 377 m.<sup>22</sup> We estimate that the difference is mainly due to direct payments to final beneficiaries, but also to the process of EU funds utilisation at the national level, which is still fairly complicated, despite improvements. The procedure of the preparation of documentation for refunds often causes delays in EU payments into Slovenia's budget. It may happen that even though a project has been completed and handed over to users, EU funds allocated for financing the project may wait in a sub-account of the BS and are not recorded as state budget revenue, as the cost certification procedure has yet to be carried out.

*The new financial perspective effective since 2007 changed the definition of individual items in the EC balance sheet, while in the MF balance sheet the previous definition has been partly retained, because Slovenia is still able to draw funds according to the previous items.* The EC joined cohesion and structural policy funds<sup>23</sup> in the Cohesion category, introducing a new Competitiveness for Growth

and Employment component,<sup>24</sup> which mainly covers direct payments to beneficiaries that are not registered in the RS budget.<sup>25</sup> The change in the EU definition had no major impact on the dynamics and the overall success of absorption, which varies substantially by individual items. In 2004–2006, pre-accession funds and compensations had accounted for a much greater share of total allocated funds than from 2007 onwards when compensations declined or were no longer paid, given that most of them were lump-sum payments intended for strengthening the cash flow and for budgetary compensation, which is standard EU policy aimed at helping new EU Member States to keep a balanced state budget in the first years after accession. In the EU balance, the category of internal policies is, in the new perspective, placed under the headings Competitiveness for Growth and Employment, and Freedom, Security and Justice. Given that Slovenia continues to draw funds for internal policies, the MF has retained the category of internal policies as part of the funds received from the EU budget for the implementation of certified and other EU programmes. In 2007, the bulk of funds from these sources were used to meet Slovenia's obligations related to the establishment of the Schengen

Table 13: Absorption of funds by items and comparison of MF and EC balances (in EUR m)

	2004		2005		2006		2007		2008		2009		Total		Difference between EC and MF (in EUR m)	Share in %	
	EC	MF	EC	MF	EC	MF	EC	MF	EC	MF	EC	MF	EC	MF		EC	MF
Pre-accession funds	39.1	45.3	43.6	47.2	7.9	25.7	0	10.2	0	5.9	0	15.6	90.6	149.9	59.3	3.6	7.0
Common Agricultural Policy	49.4	22.9	102.6	111.6	159.9	135.9	179.5	150.5	143	208	190.8	220.3	825.2	849.2	24.0	32.8	39.7
Structural funds	24.4	0	53.5	35.9	91	85.4	0	56.8	0	51.1	0	211	168.9	440.2	271.3	6.7	20.6
Cohesion Funds	0	0	0	7.69	0	21.05	158.9	30.7	234.6	72.6	368.3	104.8	761.8	236.8	-525.0	30.3	11.1
Internal policies	57.9	0	65.8	6.2	78.5	20.5	27.4	94.3	44.6	4.4	25.5	7.8	299.7	133.2	-166.5	11.9	6.2
Compensations	105.1	112	93.8	91	61	55.8	0	0	0	0	0	0	259.9	258.8	-1.1	10.3	12.1
Other	6.1	3.6	6.8	2.81	7.8	4.1	24.2	4.6	34.2	21.2	31.7	35.4	110.8	71.71	-39.1	4.4	3.4
<b>Total</b>	<b>282</b>	<b>183.8</b>	<b>366.1</b>	<b>302.4</b>	<b>406.1</b>	<b>348.4</b>	<b>390.1</b>	<b>347.2</b>	<b>456.4</b>	<b>363.2</b>	<b>616.3</b>	<b>594.9</b>	<b>2,517</b>	<b>2,140</b>	<b>-377.1</b>	<b>100.0</b>	<b>100.0</b>

Source: Source: MF – EU Budget Cooperation Sector, EU Budget, Financial Report 2009.

<sup>22</sup> The EC Annual Report 2010 will be released in the middle of 2011.

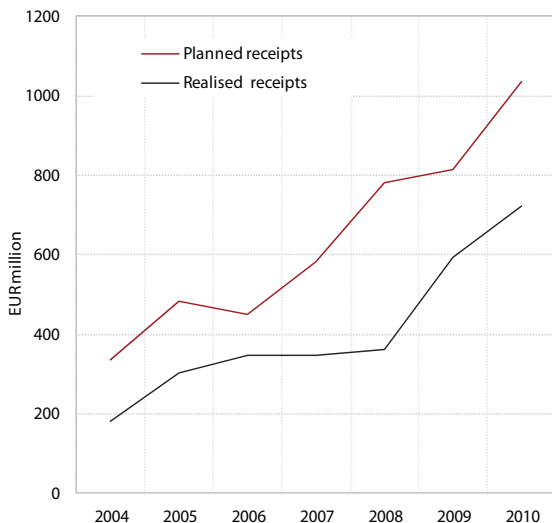
<sup>23</sup> Previously referred to as "structural actions".

<sup>24</sup> Competitiveness for Growth and Employment.

<sup>25</sup> Previously referred to as "internal policies".

border, even though this is not a typical expenditure for internal policies.<sup>26</sup> The absorption of funds for internal policies has been decreasing significantly since 2007, in the absence of expenditure on the Schengen border and with R&D funds to be drawn under the Competitiveness for Growth and Employment heading in the future. The absorption of structural and cohesion policy funds only started to strengthen in 2006. In the entire period, these funds have accounted for just below 40% of total receipts from the EU budget. The proportion of the actually absorbed structural funds relative to the levels planned varies substantially across years (the average absorption rate is 45.1%); the fluctuation of cohesion policy funds is less pronounced and the absorption has even started to improve gradually compared with what was planned (the average absorption rate is 57%). The average share of funds under the common agricultural and fisheries policies in the analysed period totals 37.3 of total receipts from the EU budget. According to MF data, the receipts under these policies have the highest rate of absorption (86.6%) compared with budgetary plans.

Figure 53: Planned and realised receipts in Slovenia's state budget

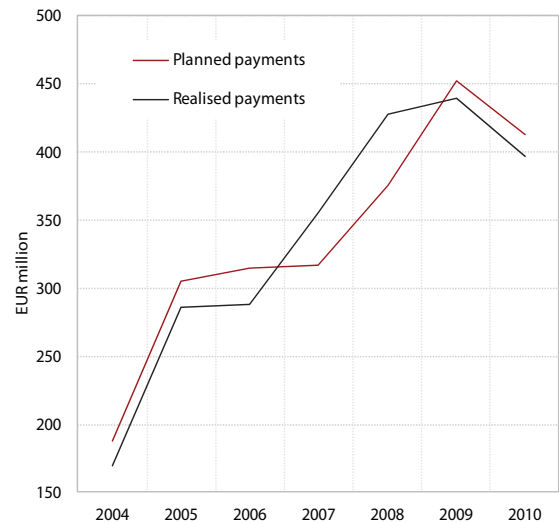


Source: MF; calculations by IMAD.

Payments from Slovenia's state budget into the EU budget tend to be much more consistent with plans in the budget preparation phase than receipts, with the exception of payments in 2007 and 2008. Every year, the greatest share of payments comes from GNI-based contributions, which, on average, account for around two thirds of all payments in a year. Just over 90% of payments were realised in 2004–2006 and 2009; the realisation in 2007 and 2008 was more than 10% higher than expected, which also contributed significantly to Slovenia's worse-than-planned net position in those two years. In 2007, Slovenia paid EUR 355.9 m into the EU budget, 12.2% more than planned. Broken down by items, customs duties and payments

from value added tax exceeded the expectations the most (237% and 111% of planned funds, respectively). Slovenia's payments in 2008 were 14.0% higher than planned, largely because the EC called up additional GDI-based and VAT-based contributions at the end of the year as a result of new estimates of Slovenia's main aggregates in 2004–2007. In 2009, payments into the EU budget were once again in line with budgetary planning, as they were also this year.

Figure 54: Planned and realised payments from Slovenia's state budget to the EU budget



Source: MF; calculations by IMAD.

<sup>26</sup> The typical expenditure under this heading is funding for R&D, most frequently paid directly to beneficiaries.





# statistical appendix



MAIN INDICATORS	2005	2006	2007	2008	2009	2010	2011	2012
						Autumn forecast 2010		
						forecast	forecast	forecast
GDP (real growth rates, in %)	4.5	5.9	6.9	3.7	-8.1	0.9	2.5	3.1
GDP in EUR million (current prices and current exchange rate)	28,750	31,055	34,568	37,305	35,384	35,792	37,227	39,033
GDP per capita, in EUR (current prices and current exchange rate)	14,369	15,467	17,123	18,450	17,331	17,575	18,240	19,087
GDP per capita (PPS) <sup>1</sup>	19,700	20,700	22,100	22,800	20,300			
GDP per capita (PPS EU27=100) <sup>1</sup>	87	88	89	91	86			
Gross national income (current prices and current fiksni exchange rate)	28,506	30,682	33,834	36,289	34,704	35,256	36,552	38,223
Gross national disposable income (current prices and current fiksni exchange rate)	28,362	30,467	33,607	35,914	34,448	35,220	36,525	38,183
Rate of registered unemployment	10.2	9.4	7.7	6.7	9.1	10.7	11.0	10.6
Standardised rate of unemployment (ILO)	6.5	6.0	4.9	4.4	5.9	7.2	7.1	6.9
Labour productivity (GDP per employee)	4.7	4.3	3.8	0.9	-6.4	3.2	2.9	3.0
Inflation, <sup>2</sup> year average	2.5	2.5	3.6	5.7	0.9	2.1	2.7	2.2
Inflation, <sup>2</sup> end of the year	2.3	2.8	5.6	2.1	1.8	2.8	2.2	2.3
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>								
Exports of goods and services <sup>3</sup> (real growth rates, in %)	10.6	12.5	13.7	3.3	-17.7	7.0	5.9	7.0
Exports of goods	10.3	13.4	13.9	0.6	-18.1	8.7	5.9	7.2
Exports of services	12.0	8.6	13.2	16.2	-16.1	0.6	5.5	6.0
Imports of goods and services <sup>3</sup> (real growth rates, in %)	6.6	12.2	16.7	3.8	-19.7	5.6	4.5	5.9
Imports of goods	6.8	12.7	16.2	3.1	-20.9	6.2	4.4	5.8
Imports of services	5.5	8.8	19.7	8.7	-12.3	2.8	5.6	6.6
Current account balance, in EUR million	-498	-771	-1646	-2489	-526	-330	-386	-427
As a per cent share relative to GDP	-1.7	-2.5	-4.8	-6.7	-1.5	-0.9	-1.0	-1.1
Gross external debt, in EUR million	20,496	24,067	34,752	38,997	40,008	42,059 <sup>5</sup>	-	-
As a per cent share relative to GDP	71.3	77.5	100.5	104.5	113.1	-	-	-
Ratio of USD to EUR	1.244	1.254	1.371	1.471	1.393	1.310	1.294	1.294
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS</b>								
Private consumption (real growth rates, in %)	2.6	2.9	6.7	2.9	-0.8	-0.5	1.0	2.0
As a % of GDP <sup>4</sup>	54.2	52.8	52.7	53.0	55.4	55.6	55.5	55.1
Government consumption (real growth rates, in %)	3.4	4.0	0.7	6.2	3.0	0.7	-0.8	1.4
As a % of GDP <sup>4</sup>	19.0	18.8	17.3	18.1	20.3	20.4	19.7	19.5
Gross fixed capital formation (real growth rates, in %)	3.7	10.1	12.8	8.5	-21.6	-3.5	4.0	4.3
As a % of GDP <sup>4</sup>	25.5	26.5	27.7	28.8	23.9	23.0	23.3	23.7
Sources of data: SORS, BS, Eurostat-New Cronos (revised data, September 2010), estimate, calculations and forecasts by IMAD (Autumn Report, September 2010). 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> Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64); <sup>5</sup> end October 2010;								

PRODUCTION	2007	2008	2009	2008		2009				2010			2008			2009	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	10	11	12	1	2
<b>INDUSTRIAL PRODUCTION, y-o-y growth rates, %</b>																	
Industry B+C+D	7.2	2.5	-17.4	3.3	-7.7	-18.2	-24.6	-18.4	-7.1	-0.3	11.2	8.1	0.5	-11.7	-13.2	-17.1	-21.5
B Mining and quarrying	5.5	5.5	-2.9	7.1	-1.2	-6.7	-13.7	6.1	4.8	-8.2	14.1	26.4	-1.0	-14.7	18.8	-6.9	-3.8
C Manufacturing	8.5	2.6	-18.7	3.7	-8.4	-20.0	-25.9	-19.5	-7.9	0.2	12.1	8.1	0.8	-12.5	-15.4	-18.9	-23.8
D Electricity, gas & steam supply <sup>1</sup>	-11.1	2.1	-6.6	-1.1	4.5	-3.1	-8.6	-9.7	-5.5	-2.8	-0.4	3.5	1.0	4.7	7.5	-5.1	-1.3
<b>CONSTRUCTION,<sup>2</sup> real indices of construction put in place, y-o-y growth rates, %</b>																	
Construction, total	18.5	15.7	-21.0	15.7	4.2	-19.2	-19.0	-24.5	-20.5	-18.9	-16.8	-16.3	15.1	-2.3	-3.6	-26.9	-22.7
Buildings	14.3	11.5	-22.5	11.5	-2.0	-20.8	-21.8	-27.4	-19.6	-7.4	-12.4	-16.3	12.0	-11.5	-6.9	-32.7	-17.3
Civil engineering	21.9	18.9	-19.9	18.6	8.9	-17.6	-17.2	-22.6	-21.1	-29.3	-19.6	-16.2	17.0	5.4	-0.6	-20.3	-27.5
<b>TRANSPORT, tonne-km in m, y-o-y growth rates, %</b>																	
Tonne-km in road transport	13.4	18.4	-9.2	7.7	17.2	-12.7	-7.6	-12.3	-4.7	19.8	10.7	-	-	-	-	-	-
Tonne-km in rail transport	6.8	-2.3	-24.2	2.9	-3.6	-24.1	-26.0	-30.7	-15.9	18.8	33.9	-	-	-	-	-	-
<b>Distributive trades, y-o-y growth rates, %</b>																	
Total real turnover*	9.7	10.1	-13.0	10.5	2.3	-10.1	-15.5	-16.0	-10.0	-1.4	5.1	4.9	2.8	1.0	3.1	-6.2	-15.5
Real turnover in retail trade	6.1	12.2	-10.6	12.7	7.2	-5.5	-11.3	-13.8	-11.1	-4.7	0.7	2.4	7.3	7.0	7.1	2.3	-13.3
Real turnover in the sale and maintenance of motor vehicles	19.2	6.2	-21.7	5.6	-9.9	-24.0	-28.0	-23.6	-8.1	6.3	15.3	11.1	-7.4	-12.5	-10.1	-27.6	-24.5
Nominal turnover in wholesale trade & commission trade	16.1	17.1	-21.4	20.9	4.8	-16.4	-23.9	-26.7	-18.1	-7.9	3.9	7.6	11.6	2.1	0.5	-16.9	-19.2
<b>TOURISM, y-o-y growth rates, %, new methodology from 2009 onwards</b>																	
Total, overnight stays	7.0	1.8	-3.4	1.8	0.6	-3.5	-4.6	-1.8	-5.3	-0.4	-2.4	-2.2	8.9	3.4	12.3	2.7	-5.7
Domestic tourists, overnight stays	4.9	5.2	2.8	4.7	7.2	4.3	1.2	6.7	-4.0	1.3	-3.0	-9.6	17.5	12.3	15.6	7.7	-1.0
Foreign tourists, overnight stays	8.4	-0.5	-8.0	0.1	-4.8	-10.6	-8.6	-7.1	-6.4	-2.1	-2.0	3.2	3.2	-4.1	9.1	-0.7	-12.2
Nominal turnover in hotels and restaurants	9.7	6.7	-7.8	7.0	3.9	-3.9	-8.2	-8.0	-11.0	0.0	1.5	4.2	8.5	4.1	-0.6	-1.4	-6.7
<b>AGRICULTURE, y-o-y growth rates, %</b>																	
Purchase of agricultural products, bn, since 2007 in EUR m	SIT 492.2	529.9	449.3	134.1	152.3	105.4	105.9	109.0	129.0	94.6	106.7	115.6	49.0	45.3	58.1	32.9	32.6
<b>BUSSINES TENDENCY (indicator values**)</b>																	
Sentiment indicator	14	3	-22	7	-15	-31	-28	-18	-13	-12	-9	-6	-5	-17	-24	-31	-31
Confidence indicator																	
- in manufacturing	11	-5	-23	-3	-27	-35	-27	-19	-13	-7	0	3	-21	-28	-32	-37	-33
- in construction	19	2	-50	3	-21	-43	-51	-54	-51	-57	-59	-56	-7	-21	-35	-39	-40
- in services	29	27	-14	30	7	-19	-24	-10	-2	0	-5	-2	20	6	-6	-15	-16
- in retail trade	27	22	-13	25	8	-17	-17	-9	-7	-6	11	12	26	1	-3	-14	-16
Consumer confidence indicator	-11	-20	-30	-16	-29	-39	-31	-23	-25	-25	-22	-27	-18	-34	-35	-43	-37

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.

2009											2010											
3	4	5	6	7	8	9	10	11	12		1	2	3	4	5	6	7	8	9	10	11	12
-15.9	-29.8	-22.2	-21.6	-20.8	-17.5	-16.8	-19.6	-1.7	4.7	-8.8	-1.2	8.3	9.1	14.3	10.2	6.9	13.5	4.9	6.0	-	-	
-9.2	-21.7	-10.2	-7.9	4.5	13.3	1.8	-4.3	32.4	-14.8	-7.2	-18.0	0.2	10.7	20.9	10.6	18.5	39.6	22.5	24.5	-	-	
-17.3	-31.6	-23.6	-22.5	-22.1	-19.4	-17.2	-20.8	-2.6	5.2	-8.8	-0.7	9.2	10.3	15.1	11.0	7.6	14.5	3.7	5.8	-	-	
-2.7	-9.5	-4.7	-11.3	-9.6	-7.3	-11.9	-5.6	-4.6	-6.3	-7.7	-2.0	1.9	-2.1	3.1	-2.2	-3.6	1.1	13.6	2.2	-	-	
-9.7	-20.4	-20.8	-15.9	-20.8	-19.5	-32.0	-28.3	-18.3	-9.5	-11.3	-24.2	-19.8	-17.9	-15.5	-17.2	-17.4	-13.0	-18.7	-17.6	-	-	
-12.7	-18.0	-23.5	-23.4	-23.2	-26.8	-31.4	-28.2	-20.0	-7.4	-6.6	-10.2	-5.5	-13.7	-7.5	-15.8	-11.2	-17.8	-20.3	-16.3	-	-	
-7.3	-22.0	-19.1	-10.7	-19.4	-14.1	-32.3	-28.4	-17.2	-11.3	-15.9	-38.5	-30.8	-20.6	-20.3	-18.0	-21.0	-10.0	-17.6	-18.3	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-8.6	-16.7	-17.1	-12.6	-14.8	-15.1	-18.2	-13.0	-11.1	-5.9	-4.8	-3.6	4.3	3.4	4.4	7.5	2.6	5.2	6.9	4.1	-	-	
-5.2	-9.3	-14.9	-9.5	-11.5	-13.3	-16.7	-12.9	-13.5	-7.0	-8.5	-5.2	-0.3	-1.3	-0.6	3.9	2.1	1.5	3.6	1.7	3.5	-	
-20.4	-34.7	-25.7	-23.1	-25.6	-20.6	-24.6	-16.0	-7.2	-1.2	5.2	-0.4	14.1	14.4	15.9	15.5	3.5	15.4	14.4	9.6	16.9	-	
-13.2	-24.9	-25.3	-21.2	-27.5	-24.8	-27.6	-23.4	-19.0	-11.1	-10.8	-13.1	-0.9	-3.4	4.7	10.6	2.9	7.8	5.7	0.8	-	-	
-7.0	2.4	-11.9	-2.7	-3.4	0.8	-3.9	-2.9	-7.2	-6.5	1.0	-2.1	0.1	-1.7	-3.0	-2.5	-1.7	-3.6	-0.3	2.5	-1.0	-	
8.9	3.3	-2.8	2.9	8.9	6.8	2.1	1.9	-5.1	-9.2	3.5	-0.1	1.1	2.1	-7.2	-3.3	-9.0	-11.1	-7.9	-3.0	0.0	-	
-19.3	1.7	-17.4	-6.7	-11.7	-3.0	-7.3	-6.5	-9.3	-3.7	-0.9	-5.2	-1.0	-4.6	-0.1	-1.8	4.3	1.6	4.4	7.0	-1.0	-	
-3.7	-6.1	-9.3	-9.2	-7.8	-5.9	-10.3	-11.2	-11.6	-10.3	0.5	-1.5	1.1	-1.5	2.4	3.6	5.7	4.5	2.5	7.2	-	-	
39.9	36.3	35.5	34.1	35.9	33.8	39.2	43.4	38.4	47.2	29.7	28.6	36.4	35.5	36.0	35.1	37.4	36.2	42.1	45.7	-	-	
-33	-34	-25	-24	-21	-19	-13	-13	-14	-13	-10	-11	-15	-12	-8	-6	-5	-7	-7	-8	-8	-8	
-34	-32	-27	-22	-23	-20	-14	-16	-12	-11	-6	-8	-6	-2	-1	2	6	1	1	2	-2	-1	
-49	-53	-46	-53	-49	-59	-55	-56	-47	-49	-55	-55	-61	-62	-57	-59	-60	-57	-51	-51	-53	-56	
-25	-27	-22	-22	-13	-12	-6	2	-5	-2	6	3	-10	-8	-4	-3	-1	-3	-3	-7	-2	-1	
-20	-16	-18	-18	-16	-6	-6	-7	-7	-6	-8	-6	-5	9	10	13	10	14	12	13	10	12	
-37	-41	-29	-24	-25	-27	-16	-26	-24	-26	-26	-24	-26	-24	-22	-21	-27	-28	-26	-26	-24	-26	

LABOUR MARKET	2007	2008	2009	2008		2009				2010			2008		2009
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	11	12	1
<b>FORMAL LABOUR FORCE (A=B+E)</b>	925.3	942.5	944.5	942.2	949.2	945.9	945.6	942.6	943.9	935.8	937.8	933.8	950.3	946.5	946.2
<b>PERSONS IN FORMAL EMPLOYMENT (B=C+D)<sup>1</sup></b>	854.0	879.3	858.2	881.7	885.1	869.0	861.0	854.3	848.4	836.3	839.2	835.4	886.9	880.3	872.2
In agriculture, forestry, fishing	40.4	39.7	37.9	39.2	38.9	37.8	38.0	37.9	37.8	31.9	34.6	34.0	38.9	38.8	37.8
In industry, construction	321.9	330.4	306.9	333.0	330.4	317.4	309.3	304.0	296.8	290.9	289.2	287.0	331.5	325.9	320.1
Of which: in manufacturing	223.6	222.4	199.8	222.3	219.1	209.5	201.4	196.7	191.7	190.0	189.4	188.1	219.8	216.3	211.8
in construction	78.4	87.9	86.8	90.5	91.1	87.8	87.6	86.9	84.8	80.9	79.6	78.6	91.5	89.5	88.3
In services	491.6	509.1	513.4	509.4	515.9	513.8	513.7	512.4	513.7	513.5	515.3	514.3	516.5	515.6	514.4
Of which: in public administration	50.3	51.0	51.5	51.1	51.0	51.1	51.5	51.7	51.6	51.8	52.3	52.1	51.1	50.8	51.2
in education, health-services, social work	108.8	111.1	113.8	110.1	112.4	113.2	114.1	113.3	114.7	115.9	116.8	116.3	112.5	112.6	112.8
<b>FORMALLY EMPLOYED (C)<sup>1</sup></b>	766.0	789.9	767.4	792.7	795.3	779.7	770.8	762.9	756.1	750.1	751.0	747.0	797.0	790.2	783.0
In enterprises and organisations	696.1	717.6	699.4	719.8	722.0	709.9	701.9	695.5	690.5	687.2	688.7	685.7	723.4	718.1	712.6
By those self-employed	69.9	72.3	67.9	73.0	73.2	69.8	68.8	67.4	65.7	62.9	62.3	61.4	73.5	72.2	70.4
<b>SELF-EMPLOYED AND FARMERS (D)</b>	87.9	89.4	90.8	88.9	89.8	89.3	90.3	91.4	92.2	86.2	88.1	88.3	89.9	90.0	89.2
<b>REGISTERED UNEMPLOYMENT (E)</b>	71.3	63.2	86.4	60.5	64.1	76.9	84.6	88.3	95.6	99.4	98.6	98.4	63.4	66.2	73.9
Female	39.1	33.4	42.4	32.1	33.0	38.4	41.6	43.2	46.4	47.0	46.8	47.8	32.6	33.7	37.2
By age: under 26	11.9	9.1	13.3	7.7	10.0	12.2	13.1	12.8	15.2	14.7	13.5	12.4	9.9	10.2	11.7
aged over 50	22.2	21.9	26.2	21.7	21.6	24.1	25.6	26.9	28.3	29.6	30.3	31.1	21.5	21.9	23.6
Unskilled	28.0	25.4	34.1	24.3	25.8	31.2	33.6	34.8	36.6	38.2	37.1	36.6	25.5	27.0	30.1
For more than 1 year	36.5	32.3	31.5	31.9	31.0	31.0	30.4	31.1	33.4	38.1	41.8	44.0	30.9	30.8	31.2
Those receiving benefits	16.6	14.4	27.4	13.9	15.1	22.8	27.4	28.6	30.8	31.6	29.3	29.3	14.4	16.8	20.9
<b>RATE OF REGISTERED UNEMPLOYMENT, E/A, in %</b>	7.7	6.7	9.1	6.4	6.8	8.1	8.9	9.4	10.1	10.6	10.5	10.5	6.7	7.0	7.8
Male	6.2	5.6	8.3	5.4	5.8	7.3	8.1	8.5	9.3	10.1	9.9	9.7	5.7	6.1	6.9
Female	9.6	8.1	10.2	7.8	7.9	9.2	10.0	10.4	11.1	11.3	11.3	11.5	7.9	8.1	9.0
<b>FLOWS OF FORMAL LABOUR FORCE</b>	21.5	13.7	-5.2	1.9	1.9	-0.8	-0.1	-3.5	-0.8	-5.5	1.7	-3.4	-0.5	-3.8	-0.3
New unemployed first-job seekers	14.7	12.5	17.0	1.9	6.5	3.2	2.6	3.0	8.1	2.9	2.4	2.8	1.2	0.8	1.2
Redundancies	52.5	53.0	90.5	12.5	17.4	24.8	22.5	19.9	23.2	19.9	16.6	18.5	5.5	6.6	10.4
Registered unemployed who found employment	49.1	41.7	48.6	9.9	9.6	9.5	11.8	14.2	13.1	14.2	12.8	15.5	3.2	2.4	3.2
Other outflows from unemployment (net)	28.0	26.1	28.5	5.9	7.4	5.2	6.5	6.9	9.9	6.3	6.9	6.0	2.7	2.2	0.7
Increase in number of work permits for foreigners	10.1	13.2	-9.6	4.9	-1.2	-1.5	-1.8	-2.7	-3.6	-1.6	-1.0	-0.5	-0.4	-0.7	-0.6
Retirements <sup>2</sup>	20.7	22.4	24.5	6.3	6.1	5.3	5.2	6.7	7.3	6.7	5.9	6.6	2.0	1.8	2.2
Others who found employment <sup>2</sup>	40.7	31.4	34.4	5.9	8.7	6.8	9.5	8.2	10.0	4.7	11.5	5.1	3.0	-0.3	1.7
<b>REGISTERED VACANCIES<sup>3</sup></b>	242.9	240.5	161.3	64.6	47.7	40.1	40.3	41.9	39.0	37.9	44.3	45.9	15.7	12.3	13.7
For a fixed term, in %	76.5	74.5	78.1	76.5	74.7	74.9	77.9	80.8	78.6	78.9	81.2	82.2	75.6	73.1	72.0
<b>WORK PERMITS FOR FOREIGNERS</b>	60.2	81.1	86.6	86.3	90.5	91.5	90.2	84.9	79.7	77.1	75.7	74.9	90.4	90.7	90.7
As % of labour force	6.5	8.6	9.2	9.2	9.5	9.7	9.5	9.0	8.4	8.2	8.1	8.0	9.5	9.6	9.6
<b>NEW JOBS</b>	160.0	162.7	111.4	42.7	38.1	27.5	27.3	28.2	28.3	23.6	25.1	27.9	11.4	8.9	10.2

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

2009												2010									
2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	
945.9	945.7	946.1	945.3	945.6	944.1	941.6	942.1	945.0	945.5	941.3	935.7	935.8	935.8	938.6	937.3	937.5	934.3	933.0	934.1	938.2	
868.7	866.0	863.2	860.8	859.1	855.6	853.5	853.8	850.4	850.0	844.7	836.1	836.0	836.9	839.3	838.9	839.3	835.9	834.0	836.2	835.5	
37.8	37.8	38.0	38.0	38.0	37.9	37.9	37.9	37.9	37.8	37.7	31.9	31.9	31.9	34.6	34.6	34.7	34.1	34.0	34.0	33.3	
317.4	314.7	311.8	309.1	307.1	305.3	303.9	302.8	298.8	297.6	294.0	291.5	290.6	290.7	289.9	289.2	288.6	287.9	286.5	286.6	285.8	
209.6	207.0	203.6	201.2	199.2	197.8	196.5	195.9	192.5	192.1	190.6	190.0	189.9	190.0	189.7	189.4	189.0	188.5	187.7	188.1	188.4	
87.7	87.5	87.8	87.5	87.5	87.2	86.9	86.5	86.0	85.2	83.3	81.5	80.7	80.5	80.1	79.5	79.3	79.1	78.6	78.2	77.1	
513.6	513.5	513.5	513.7	514.0	512.4	511.7	513.1	513.7	514.6	512.9	512.6	513.5	514.4	514.7	515.1	516.1	514.0	513.4	515.7	516.4	
51.0	51.3	51.4	51.5	51.6	51.7	51.7	51.8	51.6	51.7	51.6	51.6	51.8	52.0	52.3	52.3	52.4	52.2	52.1	52.1	52.0	
113.2	113.7	114.0	114.2	114.1	113.0	112.6	114.2	114.6	114.9	114.7	115.4	115.9	116.4	116.7	116.8	116.9	115.8	115.6	117.5	117.9	
779.5	776.6	773.3	770.5	768.5	764.5	762.1	762.1	758.3	757.7	752.4	749.7	749.8	750.9	750.9	750.8	751.3	748.1	745.7	747.3	746.8	
709.7	707.3	704.3	701.7	699.8	696.5	694.6	695.2	691.8	691.8	687.8	686.4	686.9	688.3	688.5	688.6	689.1	686.3	684.4	686.4	686.2	
69.7	69.3	69.0	68.8	68.7	68.0	67.5	66.8	66.5	65.9	64.6	63.3	62.8	62.7	62.4	62.2	62.1	61.8	61.3	61.0	60.5	
89.3	89.5	90.0	90.3	90.6	91.1	91.4	91.7	92.1	92.3	92.2	86.4	86.3	86.0	88.4	88.0	88.1	87.8	88.3	88.9	88.8	
77.2	79.7	82.8	84.5	86.5	88.5	88.1	88.4	94.6	95.4	96.7	99.6	99.8	98.9	99.3	98.4	98.2	98.4	99.0	97.9	102.7	
38.5	39.5	40.8	41.5	42.5	43.5	43.2	43.0	46.3	46.5	46.5	47.2	47.0	46.6	47.0	46.7	46.8	47.5	48.1	47.7	49.8	
12.3	12.7	13.2	13.1	13.0	13.0	13.0	12.2	15.5	15.1	14.8	15.0	14.7	14.3	14.1	13.4	13.0	12.6	12.5	12.2	15.7	
24.1	24.5	25.1	25.7	26.1	26.6	26.8	27.1	27.8	28.3	28.7	29.5	29.7	29.7	30.1	30.3	30.5	30.9	31.1	31.3	31.7	
31.4	32.2	33.0	33.5	34.2	34.7	34.7	35.0	36.1	36.4	37.2	38.3	38.4	37.9	37.6	37.1	36.7	36.4	36.6	36.7	37.2	
31.0	30.7	30.4	30.3	30.5	30.7	31.0	31.7	32.5	33.3	34.4	36.9	37.9	39.4	40.6	41.8	42.9	43.2	44.1	44.6	46.7	
22.8	24.5	25.9	27.6	28.7	28.9	28.5	28.3	30.8	30.3	31.2	32.2	31.7	30.9	29.9	29.2	28.9	29.0	29.4	29.4	28.2	
8.2	8.4	8.8	8.9	9.1	9.4	9.4	9.4	10.0	10.1	10.3	10.6	10.7	10.6	10.6	10.5	10.5	10.5	10.6	10.5	10.9	
7.3	7.6	7.9	8.1	8.3	8.5	8.5	8.6	9.1	9.3	9.6	10.0	10.1	10.0	10.0	9.9	9.8	9.8	9.8	9.7	10.1	
9.3	9.5	9.8	10.0	10.2	10.5	10.4	10.4	11.1	11.2	11.2	11.4	11.3	11.2	11.3	11.2	11.3	11.5	11.6	11.5	12.0	
-0.2	-0.2	0.3	-0.7	0.3	-1.5	-2.5	0.6	2.9	0.4	-4.1	-5.7	0.2	0.0	2.8	-1.3	0.2	-3.2	-1.3	1.1	4.1	
1.0	1.1	1.1	0.8	0.8	0.8	0.7	1.5	5.9	1.3	0.9	1.0	0.8	1.0	0.9	0.7	0.8	0.7	0.8	1.4	6.3	
6.9	7.5	8.2	7.4	7.0	7.3	5.5	7.2	8.5	7.9	6.8	8.6	5.4	5.8	5.7	5.5	5.4	6.1	5.7	6.7	7.1	
2.7	3.6	3.7	4.3	3.9	4.0	4.6	5.5	4.4	4.8	3.9	5.0	4.0	5.1	3.9	4.7	4.2	4.8	4.0	6.8	4.8	
1.9	2.5	2.4	2.2	1.9	2.1	1.9	2.8	3.8	3.6	2.5	1.7	2.0	2.6	2.4	2.4	2.1	1.8	1.8	2.4	3.8	
-0.3	-0.6	-0.3	-0.5	-0.9	-0.9	-0.8	-1.0	-1.4	-0.9	-1.3	-0.6	-0.3	-0.7	-0.2	-0.4	-0.4	-0.3	-0.1	-0.1	-0.4	
1.6	1.5	1.9	1.7	1.7	1.4	2.4	2.9	2.9	2.3	2.1	2.5	2.2	2.0	2.2	2.1	1.6	1.7	2.1	2.9	2.5	
2.2	2.9	3.5	2.5	3.5	1.5	1.3	5.3	4.5	5.2	0.3	-2.4	3.5	3.7	6.1	2.3	3.1	-0.6	1.3	4.4	3.6	
12.2	14.2	12.0	13.9	14.5	14.7	12.3	14.9	15.7	11.7	11.6	12.7	11.7	13.5	14.5	13.7	16.1	15.2	14.9	15.8	17.4	
75.0	77.5	77.2	77.8	78.7	80.0	82.0	80.7	78.2	80.1	77.7	77.2	79.9	79.7	82.2	81.8	79.8	81.1	83.0	82.6	81.4	
91.2	92.6	92.1	90.6	87.8	86.6	84.7	83.4	81.1	79.6	78.4	77.6	77.2	76.5	76.3	75.6	75.3	74.7	74.9	75.1	74.9	
9.6	9.8	9.7	9.6	9.3	9.2	9.0	8.9	8.6	8.4	8.3	8.3	8.2	8.2	8.1	8.1	8.0	8.0	8.0	8.0	8.0	
8.1	9.3	10.0	8.8	8.5	8.7	6.8	12.6	11.9	8.9	7.6	8.9	7.0	7.7	8.9	7.8	8.4	8.2	6.6	13.0	10.9	

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2007	2008	2009	2008		2009				2010			2008				
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	7	8	9	10	11
<b>GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %</b>																	
Activity - Total	5.9	8.3	3.4	9.9	7.1	5.5	4.6	2.3	1.7	3.7	4.3	4.2	8.7	9.8	11.2	9.2	3.9
A Agriculture, forestry and fishing	8.3	9.1	-0.2	10.8	6.7	1.2	1.6	-0.5	-2.9	3.3	5.2	7.4	13.5	6.3	12.9	11.3	-0.1
B Mining and quarrying	6.4	13.4	0.9	16.0	14.8	5.6	2.4	1.6	-4.9	3.4	4.7	1.9	17.3	10.0	20.7	39.0	-4.7
C Manufacturing	7.0	7.5	0.8	9.3	3.4	0.0	-0.5	0.4	3.7	10.1	10.0	8.7	11.0	6.4	10.8	6.7	-1.4
D Electricity, gas, steam and air conditioning supply	6.2	9.5	3.8	9.8	8.8	7.9	7.8	5.1	-3.2	4.7	2.4	3.6	15.3	8.3	6.2	25.2	2.2
E Water supply sewerage, waste management and remediation activities	7.1	7.8	2.0	9.0	5.2	4.2	3.2	1.2	0.1	2.7	3.0	2.0	10.5	5.5	11.3	14.0	-1.0
F Construction	6.6	7.5	1.0	9.1	4.3	1.2	1.0	1.6	0.9	2.9	5.8	4.1	10.0	6.0	11.3	7.3	-1.0
G Wholesale and retail trade, repair of motor vehicles and motorcycles	7.6	7.7	1.9	8.8	6.1	4.4	2.3	1.2	0.1	2.6	4.1	4.3	9.1	7.0	10.2	8.0	3.9
H Transportation and storage	6.0	8.4	0.7	10.4	6.6	2.3	2.1	0.5	-1.4	1.1	1.2	2.5	7.8	13.1	10.2	7.1	7.5
I Accommodation and food service activities	5.3	8.3	1.6	10.0	4.9	3.4	1.7	0.6	1.0	2.8	4.2	4.5	10.3	9.0	10.7	7.5	2.0
J Information and communication	5.7	7.3	1.4	8.7	6.2	3.7	3.1	0.8	-1.6	1.0	2.5	3.4	7.9	8.1	10.3	7.8	5.5
K Financial and insurance activities	7.4	6.0	-0.7	8.2	0.0	2.0	-3.8	0.3	-0.5	1.2	3.2	2.6	7.1	6.3	11.4	1.2	-6.3
L Real estate activities	7.0	6.0	1.9	5.3	3.6	1.6	0.0	1.8	4.5	2.6	5.3	2.9	4.7	4.6	6.7	4.5	1.5
M Professional, scientific and technical activities	7.0	8.4	2.1	9.1	6.4	4.0	3.3	1.5	0.0	1.6	1.8	2.3	9.9	7.3	10.3	9.3	1.8
N Administrative and support service activities	7.5	9.6	1.8	10.2	8.0	6.6	2.1	-0.2	-0.6	2.5	4.3	4.6	11.1	8.3	11.2	8.4	8.6
O Public administration and defence, compulsory social security	5.1	12.2	5.9	13.2	13.7	11.5	9.8	2.5	0.5	-1.9	-1.1	0.4	7.6	18.8	13.3	12.9	16.0
P Education	3.9	7.0	3.6	7.7	9.0	6.9	6.1	1.2	0.6	0.2	0.7	1.0	5.0	10.9	7.3	8.0	9.4
Q Human health and social work activities	3.1	12.0	12.0	16.8	21.0	21.4	22.6	5.5	1.4	-0.4	-1.0	0.3	4.6	24.5	21.5	21.3	20.5
R Arts, entertainment and recreation	3.6	5.3	3.9	8.3	5.1	7.0	5.7	2.2	0.9	0.7	1.4	1.2	4.1	11.3	9.4	10.7	-3.2
S Other service activities	3.3	8.2	1.3	8.5	8.8	4.1	1.0	0.7	0.0	3.2	4.9	5.5	9.0	8.0	8.3	9.0	6.3
<b>INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %</b>																	
Effective exchange rate, <sup>1</sup> nominal	0.8	0.5	0.4	0.4	-1.1	-0.3	-0.3	0.3	1.8	-0.3	-1.9	-2.3	0.8	0.6	-0.1	-1.3	-1.7
Real (relative consumer prices)	2.3	2.8	0.7	2.6	-0.1	0.4	0.0	0.2	2.3	-0.3	-1.3	-1.7	3.5	2.6	1.6	0.3	-0.7
Real (relative producer prices) <sup>2</sup>	2.2	0.8	2.8	-0.2	1.1	3.0	3.4	3.7	1.4	-2.4	-3.3	-2.8	-0.2	0.3	-0.6	-0.6	0.8
USD/EUR	1.371	1.471	1.393	1.504	1.317	1.302	1.362	1.431	1.478	1.384	1.273	1.291	1.577	1.498	1.437	1.332	1.273

Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.

Notes: <sup>1</sup>Change of methodology: the calculation of domestic currency's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted; a rise in the index value indicates an appreciation of domestic currency and vice versa. <sup>2</sup>Producer prices in manufacturing activities



2008	2009												2010									
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
8.6	6.8	4.2	5.3	5.1	4.1	4.7	3.8	0.7	2.4	1.7	1.3	2.1	2.2	3.6	5.2	4.2	4.2	4.4	4.0	5.1	3.6	2.7
10.2	1.1	-3.3	6.1	2.0	-1.8	4.7	-0.4	-0.3	-0.7	-5.5	-0.9	-2.5	1.1	3.0	5.7	5.6	4.3	5.6	7.1	8.6	6.6	5.6
16.0	10.1	5.3	1.7	4.3	-5.9	9.4	2.3	6.2	-3.5	-20.3	16.1	-8.7	2.0	3.5	4.7	1.4	14.0	-0.8	0.8	1.8	3.1	-0.4
5.7	0.1	-0.5	0.4	-0.4	-1.3	0.1	0.1	-0.6	1.6	1.9	4.6	4.3	6.7	8.3	15.2	10.7	10.1	9.4	8.1	11.0	7	5.1
3.2	9.4	6.1	8.1	7.6	5.5	10.3	5.6	2.9	6.7	-10.4	-8.6	12.1	3.5	6.6	4.3	3.3	0.8	3.0	1.6	6.5	2.7	-3.4
4.8	4.4	3.6	4.6	3.5	1.0	5.2	1.6	1.2	0.9	-3.3	2.1	1.1	0.0	3.0	5.1	3.5	3.6	2.0	1.6	2.9	1.5	-1.2
7.2	1.7	-0.6	2.5	0.5	-0.9	3.4	2.9	0.6	1.4	-1.4	1.1	2.9	1.0	2.9	4.6	7.2	5.8	4.5	2.1	6.5	3.8	5.6
6.6	6.1	3.5	3.6	1.5	2.9	2.4	1.6	1.5	0.6	0.4	-0.8	0.6	0.3	2.4	5.2	4.2	4.0	4.1	4.0	4.5	4.3	4.2
5.2	3.9	2.4	0.6	2.9	2.2	1.1	2.0	-4.8	4.4	-1.0	-3.3	0.5	-1.5	1.8	3.2	1.5	1.6	0.5	1.8	3.4	2.3	2.6
5.4	3.9	3.0	3.2	3.4	0.4	1.3	1.4	0.6	-0.2	-0.3	3.2	0.0	2.2	1.8	4.4	3.7	4.2	4.6	4.0	4.1	5.5	5.1
5.4	6.9	1.8	2.5	3.4	2.5	3.4	2.5	0.0	0.0	0.7	-3.6	-1.6	0.0	1.6	1.5	2.3	3.1	2.1	2.9	4.3	3.1	1.1
8.1	3.8	0.6	1.7	-4.2	-5.4	-1.6	2.0	0.5	-1.7	6.3	-1.8	-5.1	1.0	1.6	1.1	2.5	-0.6	7.6	5.0	1.2	1.5	-4.1
5.0	2.9	1.4	0.6	1.3	-0.6	-0.5	1.9	1.4	2.0	4.2	5.3	4.0	1.8	3.3	2.7	3.7	3.9	8.4	4.1	3.1	1.5	0.8
8.8	3.1	4.3	4.7	4.6	2.2	3.3	2.0	1.1	1.3	0.4	0.6	-0.9	1.0	1.7	2.0	1.8	1.5	2.1	1.7	3.9	1.3	-0.2
7.1	9.1	5.1	5.5	3.2	1.6	1.4	0.0	-0.1	-0.4	-1.0	-1.8	1.1	-1.2	4.1	4.7	5.1	4.1	3.9	3.8	5.3	4.6	5.5
12.3	15.2	8.8	10.7	11.0	10.0	8.4	5.3	-0.3	2.6	1.1	-2.0	2.4	-1.1	-1.5	-3.0	-2.1	-0.6	-0.5	0.9	-0.1	0.3	1.3
9.6	9.3	4.2	7.3	6.6	6.0	5.7	2.9	-1.7	2.6	1.8	0.0	-0.1	0.5	0.5	-0.4	0.2	1.0	1.0	0.7	1.2	1.2	0.6
21.4	25.5	18.9	20.0	26.5	22.2	19.3	16.0	0.4	1.7	2.4	0.8	1.0	-1.6	1.2	-0.6	-2.3	-0.2	-0.4	0.7	0.2	0	0.3
9.1	8.2	6.4	6.3	7.2	6.0	4.0	5.8	0.1	1.1	3.2	-0.5	-0.1	0.5	0.6	1.0	2.1	1.3	0.7	0.9	1.1	1.5	-2.2
11.3	2.6	5.3	4.3	0.8	1.0	1.2	0.9	0.8	0.3	-0.4	-0.4	0.6	3.4	2.2	4.1	6.1	3.9	4.7	6.0	5.9	4.5	5.4
-0.4	-0.4	-0.3	-0.1	-0.6	-0.3	0.1	-0.1	0.2	0.9	2.2	2.3	0.9	0.4	-0.3	-1.1	-1.1	-1.9	-2.7	-2.1	-2.3	-2.5	-2.0
0.0	-0.1	0.5	0.8	-0.2	0.1	0.3	-0.4	0.2	0.9	2.1	3.3	1.5	0.5	-0.1	-1.1	-0.4	-1.4	-2.2	-1.6	-1.4	-2.0	-1.8
3.2	2.8	2.8	3.5	2.9	3.2	4.0	4.2	3.1	3.8	3.8	1.6	-1.1	-1.9	-2.1	-3.2	-3.8	-2.9	-3.2	-2.9	-2.5	-3.2	-2.8
1.345	1.324	1.279	1.305	1.319	1.365	1.402	1.409	1.427	1.456	1.482	1.491	1.461	1.427	1.369	1.357	1.341	1.257	1.221	1.277	1.2894	1.3067	1.390

PRICES	2007	2008	2009	2008		2009				2010			2008				2009
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9	10	11	12	1
<b>CPI, y-o-y growth rates, %</b>	3.6	5.7	0.9	6.1	3.3	1.8	0.7	-0.2	1.1	1.4	2.1	2.1	5.5	4.9	3.1	2.1	1.6
Food, non-alcoholic beverages	7.8	10.1	0.6	9.8	4.9	3.2	0.9	-0.7	-1.0	-1.4	0.7	2.6	7.2	5.3	5.6	3.8	3.5
Alcoholic beverages, tobacco	6.5	3.2	6.7	0.7	2.1	3.0	7.2	8.5	7.9	7.1	6.5	7.3	1.8	2.1	2.1	2.0	2.2
Clothing and footwear	2.1	4.4	-0.6	2.1	5.2	1.8	1.2	-2.2	-3.0	-5.0	-1.9	-0.6	3.7	6.1	4.6	4.8	2.3
Housing, water, electricity, gas	2.6	9.7	-0.3	11.5	5.3	1.7	-2.1	-3.5	3.0	8.3	11.3	12.0	10.5	9.0	4.8	2.4	0.8
Furnishings, household equipment	4.5	5.8	4.0	6.5	6.7	6.1	4.5	3.5	1.9	1.3	0.8	1.3	7.3	7.0	6.7	6.5	6.5
Medical, pharmaceutical products	1.1	2.9	4.0	4.9	5.8	8.7	5.3	1.4	0.7	-0.6	0.6	4.0	5.1	5.2	5.4	6.7	9.5
Transport	0.3	1.9	-3.0	4.1	-2.2	-3.7	-4.5	-4.1	0.6	1.2	-0.1	-1.8	3.7	2.6	-3.6	-5.4	-5.1
Communications	0.3	0.6	-4.1	0.1	-1.7	-4.3	-4.7	-4.3	-3.2	0.0	1.4	1.3	-0.9	-0.9	0.0	-4.3	-3.7
Recreation and culture	3.6	4.4	3.0	4.8	3.2	3.0	3.6	2.8	2.5	1.2	0.4	-0.2	4.0	2.8	3.2	3.6	2.8
Education	1.9	5.2	3.4	4.8	6.1	5.1	3.0	2.7	2.7	2.0	1.9	1.6	5.0	6.0	6.1	6.1	6.0
Catering services	7.3	9.6	4.4	10.4	8.7	6.3	4.9	4.0	2.7	1.9	1.9	-2.9	10.0	9.7	8.8	7.7	6.5
Miscellaneous goods & services	3.6	3.9	3.8	3.8	3.4	3.8	3.3	4.4	3.9	2.3	2.0	0.5	3.6	3.4	3.2	3.4	3.4
HCPI	3.8	5.5	0.9	6.2	3.1	1.7	0.6	-0.2	1.4	1.7	2.4	2.3	5.6	4.8	2.9	1.8	1.4
Core inflation (excluding fresh food and energy)	2.6	4.6	1.9	4.7	4.0	3.1	2.6	1.2	0.7	0.0	0.4	0.4	4.5	4.1	3.9	3.9	3.2
<b>PRODUCER PRICE INDICES, y-o-y growth rates, %</b>																	
Total	4.2	3.8	-1.3	5.1	3.2	1.1	-1.5	-3.1	-1.8	-1.0	2.3	3.4	4.8	4.2	3.3	2.2	1.9
Domestic market	5.5	5.6	-0.4	6.2	4.2	1.5	-0.4	-1.5	-1.1	0.2	2.0	2.8	5.7	5.0	4.0	3.5	2.3
Non-domestic market	3.0	2.2	-2.2	3.9	2.3	0.8	-2.6	-4.5	-2.5	-2.1	2.6	4.0	4.0	3.3	2.7	1.0	1.5
euro area	5.1	2.2	-3.5	4.2	1.5	-0.6	-4.5	-6.0	-3.0	-2.4	2.5	4.0	3.8	3.1	1.4	0.1	0.2
non-euro area	-0.5	2.1	0.3	3.4	3.9	3.5	1.1	-1.7	-1.6	-1.6	2.7	3.8	4.3	3.9	5.1	2.7	4.2
Import price indices	4.0	1.3	-3.3	3.8	1.4	-2.1	-4.6	-4.7	-1.8	4.0	8.8	7.8	4.7	3.7	1.6	-1.0	-2.4
<b>PRICE CONTROL,<sup>1</sup> y-o-y growth rates, %</b>																	
Energy prices	0.6	12.4	-12.3	21.1	-1.2	-12.9	-17.7	-17.3	0.4	16.1	18.8	15.9	18.4	14.1	-4.3	-12.7	-15.0
Oil products	-0.9	11.7	-12.0	21.1	-5.7	-16.3	-18.9	-15.9	6.2	21.9	20.3	13.5	17.7	12.2	-9.4	-18.9	-19.5
Basic utilities	-2.3	0.6	3.6	-1.3	1.1	1.7	0.9	0.8	10.8	-	-	-	0.7	0.7	0.8	1.6	1.6
Transport & communications	0.6	-0.4	0.6	-1.3	-1.3	-1.2	-1.1	2.5	2.5	2.5	2.7	1.1	-1.3	-1.3	-1.3	-1.3	-1.3
Other controlled prices	2.9	1.8	4.9	1.7	2.4	2.4	6.8	5.6	4.9	4.9	0.4	0.1	2.4	2.4	2.4	2.4	2.3
Direct control – total	3.1	8.6	-6.9	13.7	-0.2	-7.8	-10.9	-10.9	2.9	14.1	16.1	14.4	12.4	9.7	-2.2	-7.8	-9.4

Source of data: SORS, calculations and estimates IMAD. Note: <sup>1</sup> the structure of groups varies, data published are not directly comparable to those published previously. The electricity market was liberalized on 1 July 2007. Data from July 2007 onwards are not comparable. Since July 2009, formation of prices for utility services is no longer under government control..

2009												2010										
2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	
2.1	1.8	1.1	0.7	0.3	-0.6	0.0	-0.1	0.0	1.6	1.8	1.5	1.3	1.4	2.3	2.1	1.9	2.1	2.3	2.0	1.9	1.4	
3.1	3.0	2.0	0.6	0.0	-1.3	-0.4	-0.4	-1.2	-0.8	-1.1	-2.4	-1.2	-0.7	-0.1	0.4	1.7	2.8	2.9	2.2	1.9	1.9	
2.7	4.0	4.3	8.4	9.0	9.1	8.6	7.7	7.7	8.1	8.0	7.9	7.6	5.9	9.9	5.1	4.5	5.2	8.2	8.5	8.2	8.0	
0.6	2.3	0.5	1.9	1.1	-1.3	-1.7	-3.6	-2.7	-2.8	-3.4	-5.9	-5.7	-3.6	-0.9	-2.4	-2.3	-2.1	-1.7	1.9	-1.1	0.0	
3.0	1.2	0.1	-2.3	-4.0	-4.9	-3.5	-2.2	-1.7	4.5	6.3	7.6	8.4	8.9	10.7	11.6	11.7	12.4	12.3	11.4	11.7	7.1	
6.7	5.1	4.7	4.2	4.5	4.0	4.0	2.5	2.1	2.2	1.5	1.8	1.6	0.6	1.0	0.7	0.8	0.5	1.3	2.2	2.0	1.8	
9.8	6.9	5.4	5.5	5.1	1.9	1.6	0.7	0.6	1.3	0.3	-0.3	-0.7	-0.7	0.7	0.5	0.5	2.8	4.0	5.2	5.1	4.4	
-2.5	-3.6	-3.5	-4.7	-5.2	-5.6	-3.5	-3.1	-2.8	1.9	2.9	2.3	0.5	0.9	0.8	0.4	-1.5	-1.2	-2.0	-2.1	-0.6	-1.2	
-4.7	-4.6	-5.2	-4.4	-4.4	-4.1	-4.2	-4.6	-3.7	-4.0	-1.9	-0.6	0.2	0.4	1.0	1.5	1.6	-0.3	0.7	3.5	2.5	2.8	
2.8	3.4	3.3	3.6	4.1	3.0	2.7	2.7	3.1	2.7	1.7	1.7	1.0	0.8	0.9	0.6	-0.2	-0.6	-0.3	0.3	0.1	-0.1	
6.3	3.2	3.2	3.0	3.0	3.0	3.0	2.2	2.7	2.6	2.6	2.4	1.8	1.8	1.8	1.9	1.9	1.9	1.9	0.9	0.4	1.3	
6.3	6.0	5.1	4.8	4.7	4.4	4.2	3.3	3.1	2.3	2.6	2.0	1.8	2.0	1.9	2.1	1.7	1.3	1.2	-11.2	-10.9	-11.0	
3.7	4.2	3.3	3.1	3.5	4.5	4.4	4.3	4.2	4.1	3.6	3.3	2.3	1.3	1.8	2.1	2.0	0.7	0.4	0.4	0.9	0.6	
2.1	1.6	1.1	0.5	0.2	-0.6	0.1	0.0	0.2	1.8	2.1	1.8	1.6	1.8	2.7	2.4	2.1	2.3	2.4	2.1	2.1	1.6	
2.8	3.1	2.6	2.6	2.6	1.4	1.3	0.9	0.7	1.0	0.3	0.1	-0.1	0.0	0.6	0.4	0.2	0.2	0.5	0.6	0.5	0.2	
1.1	0.3	-0.5	-1.6	-2.4	-3.0	-3.3	-2.8	-2.4	-1.9	-1.2	-1.4	-1.2	-0.2	1.0	2.9	3.0	3.4	3.5	3.2	3.5	3.8	
1.2	0.8	0.2	-0.7	-0.7	-1.3	-1.7	-1.6	-1.4	-1.1	-0.7	-0.1	0.1	0.5	0.7	2.6	2.6	2.7	2.9	2.8	3.1	3.2	
1.0	-0.1	-1.2	-2.5	-4.0	-4.7	-4.9	-4.0	-3.2	-2.6	-1.7	-2.8	-2.5	-0.9	1.3	3.2	3.3	4.2	4.1	3.6	3.9	4.5	
-0.3	-1.7	-3.1	-4.1	-6.2	-6.7	-6.4	-4.8	-3.9	-2.8	-2.3	-3.0	-3.1	-1.0	1.3	3.2	3.1	4.5	4.1	3.4	4.1	4.8	
3.5	2.9	2.5	0.5	0.2	-0.6	-2.0	-2.4	-1.9	-2.3	-0.6	-2.4	-1.5	-0.8	1.4	3.2	3.6	3.4	4.1	4.0	3.2	3.6	
-1.3	-2.7	-3.8	-4.8	-5.2	-4.7	-5.0	-4.5	-3.7	-2.1	0.4	3.3	3.2	5.4	8.3	9.4	8.7	7.6	7.9	7.7	7.6	8.9	
-8.9	-14.6	-14.5	-18.0	-20.1	-21.5	-16.3	-13.9	-12.6	3.8	13.0	16.9	13.9	17.5	20.1	20.5	15.8	17.4	15.6	14.6	18.2	12.2	
-11.2	-17.9	-15.6	-19.4	-21.2	-20.9	-14.8	-11.5	-9.4	10.3	21.9	24.4	18.6	22.8	22.7	22.8	15.6	15.2	13.2	12.1	16.6	11.6	
1.7	1.9	1.0	0.7	0.8	0.8	0.8	0.8	0.8	16.3	15.4	-	-	-	-	-	-	-	-	-	-	-	
-1.3	-1.1	-1.1	-1.1	-1.1	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.7	2.7	2.7	2.7	1.1	1.1	1.1	1.1	1.1	
2.4	2.4	6.2	7.1	7.1	7.1	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	1.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
-5.0	-9.0	-8.6	-11.2	-12.9	-13.7	-10.2	-8.6	-7.6	6.0	11.8	14.6	12.6	15.2	16.7	17.2	14.4	15.5	14.3	13.5	15.9	9.2	

BALANCE OF PAYMENTS	2007	2008	2009	2008		2009				2010			2008			2009
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	10	11	12	1
<b>BALANCE OF PAYMENTS, in EUR m</b>																
Current account	-1,646	-2,489	-526	-698	-757	-304	64	-235	-51	-113	-40	60	-255	-156	-346	-75
Goods <sup>1</sup>	-1,666	-2,650	-699	-751	-743	-156	-29	-228	-286	-128	-190	-139	-266	-180	-297	-48
Exports	19,798	20,048	16,167	5,038	4,577	3,934	4,064	3,950	4,219	4,210	4,699	4,630	1,841	1,532	1,204	1,214
Imports	21,464	22,698	16,866	5,789	5,320	4,090	4,093	4,178	4,505	4,339	4,889	4,769	2,107	1,711	1,501	1,262
Services	1,047	1,493	1,114	413	304	239	311	296	269	225	327	353	141	110	53	92
Exports	4,145	5,043	4,301	1,475	1,219	918	1,049	1,272	1,061	920	1,108	1,383	447	378	394	307
Imports	3,098	3,549	3,187	1,062	915	679	738	977	793	694	781	1,029	306	268	341	215
Income	-789	-1,030	-782	-357	-231	-230	-200	-241	-112	-157	-135	-163	-90	-74	-67	-71
Receipts	1,169	1,261	665	335	342	131	176	138	220	206	239	216	109	107	126	48
Expenditure	1,957	2,292	1,447	691	573	361	376	378	332	363	373	378	199	181	193	119
Current transfers	-239	-302	-159	-4	-87	-158	-18	-62	79	-53	-43	8	-40	-12	-35	-48
Receipts	941	870	957	254	238	141	266	176	374	258	215	269	61	87	90	35
Expenditure	1,180	1,172	1,116	257	325	299	283	238	296	312	258	261	101	99	125	83
Capital and financial account	1,920	2,545	220	631	703	-25	-57	129	173	95	227	109	-117	291	529	188
Capital account	-52	-25	-9	-4	-26	-4	41	-4	-42	45	2	15	5	41	-72	-7
Financial account	1,972	2,571	230	635	729	-20	-98	133	214	49	225	94	-122	251	601	196
Direct investment	-210	381	-539	82	299	3	-415	-46	-81	-39	60	50	-29	93	235	148
Domestic abroad	-1,317	-949	-121	-248	-132	104	-260	35	1	-120	25	-25	-82	-10	-40	129
Foreign in Slovenia	1,106	1,329	-419	330	431	-100	-155	-81	-82	82	35	75	53	103	275	20
Portfolio investment	-2,255	572	4,625	166	1,258	874	1,151	2,293	307	1,102	500	-59	387	658	213	410
Financial derivatives	-15	46	-2	5	6	-23	12	12	-2	-22	-65	-1	2	2	2	-10
Other investment	4,313	1,551	-4,021	380	-855	-988	-891	-2,112	-29	-1,054	-220	85	-515	-486	145	-349
Assets	-4,741	-427	-273	434	300	746	-161	-1,053	194	268	-599	492	-434	18	717	73
Commercial credits	-400	-142	417	-9	554	62	166	-37	227	-231	-209	9	-43	131	466	149
Loans	-1,895	-325	-29	158	-91	40	-91	-23	45	-359	496	13	-286	73	122	-185
Currency and deposits	-2,454	35	-587	304	-155	638	-239	-1,004	18	860	-880	375	-115	-191	151	98
Other assets	7	4	-75	-19	-8	7	2	12	-96	-2	-6	95	9	5	-22	11
Liabilities	9,054	1,978	-3,747	-54	-1,156	-1,735	-730	-1,059	-223	-1,322	379	-407	-80	-504	-572	-422
Commercial credits	499	-73	-459	-25	-536	-301	-105	25	-78	99	269	-39	-66	-182	-288	-299
Loans	3,841	1,869	-2,941	242	-489	-571	-1,331	-73	-966	-414	-195	-62	37	-483	-43	-125
Deposits	4,727	190	-318	-272	-137	-858	700	-983	822	-1,079	358	-305	-51	159	-244	5
Other liabilities	-13	-7	-29	2	6	-5	6	-28	-2	72	-54	-1	0	3	3	-3
International reserves <sup>2</sup>	140	21	167	1	21	114	46	-13	20	62	-50	18	33	-17	5	-4
Statistical error	-273	-56	305	67	54	329	-7	106	-122	18	-187	-169	372	-135	-184	-113
<b>EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m</b>																
Export of investment goods	1,936	2,241	1,783	598	544	442	461	407	473	404	456	440	201	185	158	128
Intermediate goods	10,436	10,760	8,090	2,730	2,385	1,977	1,996	2,025	2,093	2,235	2,539	2,527	981	816	589	644
Consumer goods	7,035	6,808	6,144	1,648	1,590	1,474	1,568	1,482	1,620	1,539	1,671	1,628	638	511	441	429
Import of investment goods	3,031	3,441	2,288	862	878	583	551	521	633	449	608	569	289	279	310	172
Intermediate goods	12,875	13,735	9,823	3,543	3,107	2,381	2,335	2,458	2,649	2,682	3,027	2,955	1,309	1,017	782	758
Consumer goods	5,601	5,870	5,004	1,475	1,416	1,195	1,262	1,255	1,292	1,262	1,314	1,321	544	441	431	353
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.																

2009											2010									
2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
-137	-92	4	18	42	-84	-136	-15	-55	87	-83	-24	-127	38	-48	-82	90	54	-7	12	-61
-37	-71	-67	-7	45	-50	-161	-17	-50	-79	-158	-17	-86	-25	-75	-122	8	-15	-94	-31	-125
1,293	1,427	1,304	1,333	1,427	1,401	1,065	1,484	1,499	1,471	1,248	1,230	1,330	1,650	1,470	1,567	1,662	1,606	1,302	1,722	1,651
1,330	1,498	1,371	1,340	1,382	1,451	1,226	1,501	1,549	1,550	1,406	1,248	1,416	1,675	1,545	1,690	1,654	1,621	1,396	1,753	1,776
60	87	103	112	96	59	125	111	114	85	70	77	66	83	95	111	121	96	135	123	106
278	334	344	348	357	436	447	389	367	322	373	296	284	340	350	363	394	482	482	419	366
218	246	241	236	261	376	322	278	253	237	303	219	218	257	255	252	273	386	347	296	260
-82	-76	-56	-77	-67	-96	-66	-79	-63	17	-65	-56	-55	-45	-49	-45	-40	-53	-54	-56	-52
42	41	51	55	69	51	43	44	45	107	69	66	64	76	74	82	83	73	72	71	74
124	118	107	132	137	146	109	123	108	90	134	122	119	122	123	127	123	125	126	127	126
-78	-32	24	-11	-31	2	-35	-30	-55	64	70	-27	-52	26	-18	-25	0	26	6	-24	9
45	61	116	80	69	80	53	43	60	148	166	63	83	112	55	82	79	116	87	66	99
124	93	92	90	101	77	87	73	116	83	96	91	135	86	73	107	78	90	81	90	90
-96	-117	15	98	-170	104	-66	92	95	-7	85	57	78	-41	134	10	82	100	-92	102	72
-2	5	-2	-1	45	-3	-2	1	1	25	-67	-7	-2	55	2	-3	4	-8	-4	27	3
-95	-121	18	99	-215	106	-64	91	94	-32	153	64	80	-95	133	14	79	107	-88	74	69
-14	-132	-100	-255	-61	-40	27	-34	-17	-89	25	30	-46	-22	-2	30	32	54	55	-59	65
-7	-18	-74	-189	3	26	24	-15	-25	36	-10	-7	-76	-37	-23	24	24	4	5	-33	-24
-6	-114	-26	-66	-64	-65	3	-18	8	-126	36	37	30	15	21	6	8	50	50	-26	89
559	-95	1,005	263	-118	864	-216	1,644	-14	-71	392	1,357	-449	194	606	-203	97	81	-35	-105	57
-13	0	4	8	-1	-2	6	8	3	3	-7	-2	-2	-19	-11	-21	-33	-1	0	0	1
-713	74	-888	20	-24	-663	90	-1,539	115	114	-258	-1,372	569	-252	-492	267	6	-23	-105	213	-73
603	70	-152	-730	721	-656	719	-1,116	219	-349	323	153	65	50	-3	-635	39	685	-241	48	-147
-26	-62	70	141	-45	-6	85	-117	-68	-31	326	-6	-42	-184	-32	-91	-86	-7	186	-170	-108
206	19	48	-62	-77	-58	72	-37	-8	48	5	-54	29	-333	417	17	61	104	-37	-54	-23
413	127	-269	-808	838	-592	556	-968	292	-367	93	220	73	568	-395	-548	63	580	-463	258	-2
10	-15	-1	-2	5	0	6	6	3	2	-100	-6	5	-1	7	-14	0	9	73	13	-13
-1,316	4	-736	751	-745	-7	-629	-423	-104	462	-581	-1,525	504	-301	-490	902	-34	-708	136	165	74
-33	30	-48	-32	-25	20	-110	116	88	80	-246	-85	68	116	55	127	87	-35	-182	177	139
18	-464	-328	349	-1,353	12	-30	-55	-159	32	-839	-40	-18	-356	-276	328	-246	-38	-40	17	-240
-1,303	441	-361	434	627	-10	-491	-482	-36	358	500	-1,394	448	-133	-206	455	109	-607	348	-46	180
2	-4	2	-1	5	-30	3	-2	2	-8	4	-6	6	72	-63	-8	17	-28	10	17	-5
86	31	-5	62	-11	-53	29	12	8	11	1	51	7	4	32	-60	-23	-3	-4	25	19
234	209	-19	-115	128	-20	202	-77	-40	-79	-3	-34	50	2	-87	72	-172	-154	99	-113	-11
152	162	171	141	149	147	110	150	167	154	151	117	120	167	142	155	158	158	125	157	N/A
637	695	646	652	698	722	552	751	782	730	581	657	724	853	802	855	882	877	708	942	N/A
491	555	478	524	567	517	392	572	540	578	502	447	475	617	515	545	611	557	459	612	N/A
161	249	190	187	175	170	154	197	218	208	207	121	148	180	211	217	180	179	151	238	N/A
803	820	762	759	814	861	711	886	913	937	799	794	878	1009	949	1058	1020	1023	864	1,068	N/A
389	453	437	416	408	434	381	441	447	433	413	357	389	516	417	448	449	438	406	477	N/A

MONETARY INDICATORS AND INTEREST RATES	2007	2008	2009	2008						2009				
				7	8	9	10	11	12	1	2	3	4	5
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m</b>														
Claims of the BS on central government	67	68	160	66	66	67	69	69	68	69	87	103	121	140
Central government (S. 1311)	2,367	2,162	3,497	2,030	2,069	2,046	2,058	2,176	2,162	2,704	2,867	3,134	3,288	3,542
Other government (S. 1312, 1313, 1314)	118	212	376	136	143	178	184	181	212	223	229	233	243	254
Households (S. 14, 15)	6,818	7,827	8,413	7,521	7,603	7,705	7,857	7,785	7,827	7,831	7,852	7,868	7,910	7,946
Non-financial corporations (S. 11)	18,105	21,149	21,704	20,404	20,619	20,872	21,134	21,092	21,149	21,346	21,429	21,469	21,509	21,516
Non-monetary financial institutions (S. 123, 124, 125)	2,305	2,815	2,680	2,726	2,729	2,798	2,815	2,845	2,815	2,815	2,814	2,851	2,869	2,838
Monetary financial institutions (S. 121, 122)	2,401	3,666	5,302	2,403	2,400	2,737	2,965	2,963	3,666	3,887	3,826	3,786	3,829	4,008
<b>Claims on domestic sectors, TOTAL</b>														
In domestic currency	26,555	32,113	34,731	29,805	30,108	30,888	31,444	31,594	32,113	32,388	32,663	32,648	32,790	33,140
In foreign currency	1,990	2,370	1,895	2,228	2,271	2,344	2,512	2,371	2,370	2,372	2,315	2,190	2,172	2,122
Securities, total	3,570	3,346	5,345	3,188	3,184	3,104	3,059	3,077	3,346	4,046	4,040	4,504	4,686	4,843
<b>SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m</b>														
Deposits in domestic currency, total	20,029	23,129	27,965	21,341	21,465	21,992	22,177	22,385	23,129	23,563	24,487	24,334	25,649	26,020
Overnight	6,887	6,605	7,200	6,744	6,703	6,918	6,666	6,577	6,605	6,415	6,421	6,609	6,610	6,876
With agreed maturity – short-term	8,913	10,971	9,779	9,936	9,929	10,038	10,530	10,659	10,971	11,246	12,053	11,705	12,951	13,053
With agreed maturity – long-term	2,857	4,157	9,688	3,241	3,378	3,519	3,555	3,727	4,157	4,542	4,729	4,827	4,876	4,868
Short-term deposits redeemable at notice	1,372	1,396	1,298	1,420	1,455	1,517	1,426	1,422	1,396	1,360	1,284	1,193	1,212	1,223
Deposits in foreign currency, total	559	490	433	491	502	493	537	551	490	504	502	491	489	495
Overnight	218	215	238	220	228	218	244	247	215	242	230	233	231	251
With agreed maturity – short-term	248	198	123	192	190	196	213	227	198	181	195	177	180	166
With agreed maturity – long-term	56	41	45	43	42	43	44	42	41	42	43	42	42	41
Short-term deposits redeemable at notice	37	36	27	36	42	36	36	35	36	39	34	39	36	37
<b>INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %</b>														
<b>New deposits in domestic currency</b>														
<b>Households</b>														
Overnight deposits	0.36	0.46	0.23	0.48	0.48	0.48	0.51	0.52	0.43	0.48	0.40	0.34	0.28	0.25
Time deposits with maturity of up to one year	3.36	4.30	2.00	4.40	4.39	4.53	4.65	4.56	4.45	4.08	3.40	2.82	2.44	2.28
<b>New loans to households in domestic currency</b>														
Housing loans, 5-10 year fixed interest rate	5.80	6.77	6.28	6.71	6.95	6.99	7.10	7.17	6.88	7.05	6.63	5.75	6.75	6.37
<b>New loans to non-financial corporations in domestic currency</b>														
Loan over EUR 1 million, 1-5 year fixed interest rate	5.76	6.62	6.06	6.91	6.53	6.94	6.76	7.24	7.74	6.61	6.35	6.34	6.05	6.10
<b>INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %</b>														
Main refinancing operations	3.85	3.85	1.00	4.25	4.25	4.25	3.75	3.25	2.50	2.00	2.00	1.50	1.25	1.00
<b>INTERBANK INTEREST RATES</b>														
<b>EURIBOR</b>														
3-month rates	4.28	4.63	0.71	4.96	4.97	5.02	5.11	4.24	3.29	2.46	1.94	1.64	1.42	1.28
6-month rates	4.35	4.72	1.00	5.15	5.16	5.22	5.18	4.29	3.37	2.54	2.03	1.78	1.61	1.48
<b>LIBOR CHF</b>														
3-month rates	2.55	2.58	0.25	2.79	2.75	2.78	3.00	1.97	0.91	0.57	0.51	0.44	0.40	0.40
6-month rates	2.65	2.69	0.35	2.94	2.89	2.92	3.09	2.16	1.08	0.71	0.65	0.58	0.54	0.54
Sources of data: BS, BBA - British Bankers' Association.														

2009							2010										
6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
142	151	167	166	161	161	160	176	177	140	140	142	141	140	142	140	139	139
3,472	3,456	3,427	3,610	3,625	3,581	3,497	3,334	3,382	2,884	2,897	3,001	3,120	3,130	3,326	3,422	3,447	3,453
251	257	262	281	305	336	376	390	395	390	392	395	401	415	421	417	434	497
7,951	8,055	8,135	8,231	8,295	8,345	8,413	8,452	8,480	8,601	8,647	8,701	8,897	8,914	9,062	9,119	9,149	9,225
21,517	21,557	21,671	21,704	21,688	21,645	21,704	21,792	21,896	21,950	22,062	21,997	22,014	22,022	21,814	21,862	21,848	21,790
2,835	2,838	2,868	2,846	2,846	2,772	2,680	2,684	2,669	2,620	2,606	2,558	2,536	2,524	2,502	2,488	2,496	2,497
4,365	4,382	4,334	4,723	4,563	4,589	5,302	6,141	5,093	5,057	5,555	5,638	6,120	5,459	5,315	5,399	5,079	5,688
33,353	33,601	33,628	34,045	33,922	33,962	34,731	35,678	34,817	34,893	35,430	35,620	35,939	35,493	35,389	35,616	35,430	35,931
2,059	2,017	2,003	1,969	1,939	1,919	1,895	1,904	1,894	1,887	1,859	1,852	1,915	1,860	1,875	1,828	1,742	1,777
4,979	4,925	5,067	5,380	5,460	5,386	5,345	5,211	5,204	4,723	4,871	4,819	5,234	5,112	5,175	5,263	5,282	5,444
26,576	26,206	25,956	26,950	26,860	26,930	27,965	28,953	28,198	27,716	27,949	28,085	27,936	27,077	27,355	26,817	26,696	27,486
7,163	6,862	7,011	7,079	6,940	7,028	7,200	7,949	7,139	7,396	7,351	7,732	7,969	7,934	8,038	8,029	7,926	8,119
12,015	10,560	10,067	10,720	10,487	10,283	9,779	9,722	9,479	8,582	8,347	8,029	8,376	8,574	8,621	8,096	8,100	8,256
6,182	7,600	7,712	7,952	8,190	8,315	9,688	9,928	10,260	10,431	10,894	11,005	11,416	10,413	10,529	10,532	10,587	11,003
1,216	1,184	1,166	1,199	1,243	1,304	1,298	1,354	1,320	1,307	1,357	1,319	175	156	167	160	83	108
492	480	462	462	457	454	433	426	439	436	450	495	707	465	494	465	456	471
249	239	240	244	242	261	238	240	241	250	270	299	515	283	310	280	286	291
170	166	150	144	141	122	123	117	120	110	103	104	129	122	121	125	113	118
39	39	38	43	42	43	45	48	52	54	54	57	61	58	60	57	55	59
34	36	34	31	32	28	27	21	26	22	23	35	2	2	3	3	2	3
0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.22	0.22	0.22	0.22	0.21	0.22	0.19	0.19	0.19	0.20	-
2.40	2.35	2.27	2.14	2.04	1.97	2.00	1.91	1.75	1.69	1.66	1.72	1.84	1.87	1.83	1.89	1.86	-
6.59	6.74	6.57	6.64	6.74	5.00	6.28	6.11	6.08	5.33	5.80	5.38	5.42	5.12	5.33	5.17	5.50	-
6.19	6.36	6.20	6.66	6.47	5.94	6.06	6.15	6.31	5.64	5.98	6.03	5.63	5.40	5.84	4.90	5.64	-
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.23	0.98	0.86	0.77	0.74	0.72	0.71	0.68	0.66	0.64	0.64	0.69	0.73	0.85	0.90	0.88	1.00	1.04
1.44	1.21	1.12	1.04	1.02	0.99	1.00	0.98	0.97	0.95	0.96	0.98	1.01	1.10	1.15	1.14	1.22	1.27
0.40	0.37	0.34	0.30	0.27	0.25	0.25	0.25	0.25	0.25	0.24	0.19	0.10	0.13	0.16	0.17	0.17	-
0.52	0.49	0.45	0.41	0.39	0.36	0.35	0.34	0.33	0.33	0.33	0.28	0.20	0.22	0.23	0.24	0.24	-

PUBLIC FINANCE	2007	2008	2009	2008		2009				2010			2009	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	3	4
<b>CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m</b>														
<b>GENERAL GOVERNMENT REVENUES</b>														
TOTAL REVENUES	14,006.1	15,339.2	14,408.0	3,857.5	4,106.6	3,283.0	3,542.8	3,558.8	4,023.5	3,310.3	3,477.0	3,649.9	1,092.1	1,199.9
Current revenues	13,467.2	14,792.3	13,639.5	3,733.8	3,903.4	3,204.0	3,322.8	3,470.3	3,642.3	3,157.4	3,366.8	3,462.4	1,062.4	1,124.2
Tax revenues	12,757.9	13,937.4	12,955.4	3,472.0	3,653.3	3,058.9	3,164.5	3,279.0	3,453.0	2,983.4	3,189.2	3,186.0	1,010.3	1,076.2
Taxes on income and profit	2,917.7	3,442.2	2,805.1	806.5	834.7	707.3	617.5	735.5	744.8	635.5	594.4	554.5	218.1	195.9
Social security contributions	4,598.0	5,095.0	5,161.3	1,272.9	1,364.8	1,285.3	1,280.9	1,260.6	1,334.5	1,274.4	1,303.8	1,293.5	428.1	433.1
Taxes on payroll and workforce	418.1	258.0	28.5	63.5	72.9	7.4	7.2	6.2	7.7	6.3	7.2	6.5	2.3	2.4
Taxes on property	206.4	214.9	207.0	69.6	55.2	20.6	51.5	74.6	60.2	24.1	58.9	76.7	7.4	7.9
Domestic taxes on goods and services	4,498.6	4,805.3	4,660.2	1,227.8	1,296.4	1,015.4	1,177.5	1,184.2	1,283.1	1,023.9	1,199.2	1,231.6	346.2	424.3
Taxes on international trade & transactions	117.1	120.1	90.5	31.0	29.8	22.5	29.2	17.2	21.7	18.7	24.7	22.5	8.1	12.4
Other taxes	2.1	1.8	2.9	0.7	-0.6	0.5	0.7	0.7	1.0	0.5	1.0	0.7	0.2	0.2
Non-tax revenues	709.2	854.9	684.1	261.8	250.1	145.1	158.4	191.3	189.3	174.1	177.6	276.5	52.2	48.0
Capital revenues	136.6	117.3	106.5	28.8	33.6	14.1	29.7	19.3	43.5	9.8	17.9	26.1	5.3	3.9
Grants	11.9	10.4	11.1	3.1	3.1	2.9	1.7	1.9	4.7	2.9	2.2	2.5	1.9	0.8
Transferred revenues	42.5	53.9	54.3	0.6	51.3	0.2	1.5	1.1	51.5	0.5	2.3	3.8	0.1	0.4
Receipts from the EU budget	348.0	365.4	596.5	91.3	115.3	61.8	186.9	66.2	281.5	139.5	87.8	155.1	22.4	70.6
<b>GENERAL GOVERNMENT EXPENDITURES</b>														
TOTAL EXPENDITURES	13,915.5	15,441.7	16,368.2	3,628.8	4,631.4	3,877.1	4,064.6	3,767.1	4,659.5	4,035.1	4,122.7	3,948.1	1,348.8	1,255.5
Current expenditures	5,950.9	6,557.5	6,797.3	1,513.7	1,886.2	1,768.8	1,682.7	1,578.1	1,771.3	1,795.2	1,757.3	1,637.0	647.6	569.3
Wages, salaries and other personnel expenditures	3,276.9	3,578.9	3,912.3	892.5	959.8	965.0	1,005.6	955.4	985.9	956.5	1,012.6	963.6	326.6	312.7
Expenditures on goods and services	2,212.2	2,527.5	2,506.8	586.1	829.0	547.1	618.0	603.9	741.4	556.7	624.8	587.8	196.0	212.7
Interest payments	357.0	335.2	335.9	12.9	31.5	246.7	48.4	12.0	29.0	272.6	110.0	76.4	122.3	41.7
Reserves	104.8	116.0	42.3	22.2	65.9	10.0	10.9	6.8	14.9	9.4	9.9	9.2	2.8	2.3
Current transfers	6,143.9	6,742.2	7,340.3	1,567.3	1,828.2	1,748.2	1,936.1	1,736.9	1,918.2	1,849.0	1,995.1	1,810.9	594.5	571.1
Subsidies	423.4	476.5	597.9	57.7	115.3	165.0	126.9	86.5	219.4	160.7	122.8	103.7	45.3	31.3
Current transfers to individuals and households	5,093.3	5,619.2	6,024.1	1,344.8	1,522.0	1,436.2	1,614.8	1,475.9	1,497.6	1,529.0	1,671.1	1,514.7	492.5	487.2
Current transfers to non-profit institutions, other current domestic transfers	595.3	598.3	679.5	153.2	175.2	140.0	178.5	164.5	195.1	150.7	188.6	183.4	52.7	51.0
Current transfers abroad	32.0	48.2	38.9	11.6	15.7	7.0	15.9	9.9	6.1	8.7	12.6	9.1	4.1	1.5
Capital expenditures	1,130.5	1,255.5	1,293.3	350.0	540.6	175.3	237.2	297.5	584.1	192.8	212.5	320.9	57.4	65.6
Capital transfers	334.3	458.6	495.2	130.8	234.9	35.9	112.9	86.0	259.9	47.5	90.1	82.0	16.8	17.1
Payments to the EU budget	355.9	427.9	439.3	67.0	141.5	148.9	95.6	68.7	126.1	150.6	67.8	97.3	32.4	32.4
<b>SURPLUS / DEFICIT</b>	90.6	-102.5	-1,961.4	-	-	-	-	-	-	-	-	-	-	-

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

### Acronyms in the text

**ACEA** - European Automobile Manufacturers' Association, **BS** - Bank of Slovenia, **EC** - European Commission, **ECB** - European Central Bank, **EIA** - Energy Information Administration, **ESS** - Employment Service of Slovenia, **GDP** - Gross domestic product, **HICP**-Harmonised Index of Consumer Prices, **IAADP** - Internal Administrative Affairs Directorate, **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, **PPA** - Public Payments Administration of the Republic of Slovenia, **RS** - Republic of Slovenia, **RULC** - Real Unit Labour Costs, **SCA** - Standard Classification of Activities, **SMARS** - Surveying and mapping Authority of the Republic of Slovenia, **SORS** - Statistical Office of the Republic of Slovenia.

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

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

### Acronyms of Countries

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



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