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**Publisher:** IMAD, Ljubljana, Gregorčičeva 27

**Director:** Boštjan Vasle, MSc

**Editor in Chief:** Jure Brložnik, MA

**Slovenian Economic Mirror was prepared by:** Matevž Hribernik, (International environment); Barbara Ferk, MSc, Janez Kušar, Jože Markič, PhD, Tina Nenadič, MSc, Jure Povšnar, Mojca Koprivnikar Šušteršič (Economic developments in Slovenia); Tomaž Kraigher, Mojca Lindič, MSc, Ana T. Selan, MSc (Labour market); Slavica Jurančič, Miha Trošt (Prices); Jože Markič, PhD (Balance of payments); Marjan Hafner (Financial markets); Jasna Kondža, Dragica Šuc, MSc (Public finance); Judita-Mirjana Novak (Insolvency in 2010); Tomaž Kraigher, Mojca Lindič, MSc (Registered unemployment in 2010).

**Editorial Board:** Lidija Apokal Vučkovič, Marijana Bednaš, MSc, Lejla Fajjić, Alenka Kajzer, PhD, Rotija Kmet Zupančič, MSc, Janez Kušar, Boštjan Vasle, MSc

**Translator:** Marija Kavčič

**Data Preparation and Graphs:** Bibijana Cirman Naglič, Marjeta Žigman

**Concept and Design:** Katja Korinšek, Pristop

**DTP:** Bibijana Cirman Naglič

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

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

## In the spotlight

**In January, the IMF improved slightly its forecast for this year's world economic growth, but still expects it to be slower than last year.** The revision was mainly due to the fact that in the second half of last year, growth moderated less than expected in the autumn. Among the key countries, the outlook for growth was upgraded for the US and Germany, but economic growth will still be driven by emerging, largely Asian, countries. The risks that growth will be lower than expected remain high; in advanced economies, they are largely related to the impact of fiscal consolidation on growth.

**The values of most short-term indicators of economic activity in Slovenia rose in November.** After significant growth in the first half of the year and a slowdown in the autumn months, nominal merchandise exports and real production volume in manufacturing increased, but remained below the average of the pre-crisis year 2008. At the end of the first eleven months, they were up 13.3% and 6.5% y-o-y, respectively. Construction activity remained low in November. November's real turnover in retail trade and nominal turnover in accommodation and food service activities remained approximately at the previous month's level.

**The number of persons in formal employment continued to decline in November; December's increase in registered unemployment was the highest in 2010.** According to seasonally adjusted data, employment declined by the same rate as in October (-0.3%). Broken down by activities, the number of employed persons continued to decline most notably in construction, being also lower than in the previous month in manufacturing and distributive trade. The number of registered unemployed, 110,021 at the end of the year, increased more than usually in this time of the year. The main reason for the greatest monthly inflow into the unemployment register in 2010 is a higher number of persons who had lost work, mainly due to the termination of temporary employment contracts and for business reasons or compulsory settlements. This high inflow is also partly related to the expected pension reform.

**November saw high growth in the average gross wage per employee, also as a result of 13<sup>th</sup> month payments and Christmas bonuses in the private sector.** The average gross wage in the private sector rose by as much as 13.7% in nominal terms; growth in the basic wage was relatively high and so were extraordinary year-end payments (in some activities higher than in 2008 and 2009 and fully comparable with those before the crisis). The level of extraordinary payments and the share of employees who received them were once again highest in sectors in which the government has a substantial ownership share and have the highest average wages anyway (mining, electricity, gas and water supply, and in financial and insurance activities).

**Consumer prices increased by 2.2% in 2010 (HICP), the same as in the euro area.** Relatively modest price growth mainly reflected weak economic activity, which influenced moderate core inflation, but the greatest contribution to growth came from higher excise duties and other taxes, and higher energy prices. Strong growth in global commodity and food prices in 2010 started to pass through along the food supply chain towards the end of the year, but was, with the exception of fresh vegetables and fruits, not yet reflected in retail prices. The extent of the pass-through of higher prices from the international environment remains uncertain, as the current macroeconomic conditions allow for less leeway in raising retail prices than in 2007 and 2008; in addition, the concentration rate in the retail sector has declined somewhat in recent years.

**In 2010, total net flows of credit amounted to EUR 1,085.8 m, which is more than one fifth higher than in 2009, but the entire growth was due to stronger household borrowing, and also, to a lesser extent, government borrowing.** In December, enterprises and NFIs recorded net repayments again, and for the first time last year, in an amount exceeding the total net borrowings by households and the government. Slovenia is among the few euro area countries where lending to enterprises and NFI deteriorated further relative to 2009. After net borrowing in the first half of the year, enterprises and NFIs net repaid loans with domestic banks in the second half of the year, in the total amount of almost EUR 450 m. In the year as a whole, net repayments amounted to EUR 126.8 m. On the other hand, net flows of household loans were more than half higher in 2010 than in 2009, totalling EUR 884.7 m, as a result of borrowing in the form of housing loans (EUR 912 m), which was more than one quarter higher than the highest level to date recorded in 2008. In December, banks intensified the creation of impairments and provisions, as expected; they recorded the highest level ever, EUR 168.6 m, totalling EUR 757.3 m in the year as a whole, more than half more than a year earlier.

**According to the consolidated balance of the MF, general government revenue amounted to EUR 11.6 bn and expenditure to EUR 13.5 bn in the first ten months of 2010. The deficit totalled EUR 1.8 bn.** Revenue remained unchanged y-o-y in that period, while expenditure increased by 2.8%. All categories of general government expenditure were up y-o-y, except expenditure on capital transfers (-18.1%), with interest payments recording the highest growth (46.3%). In 2010, revenue from taxes and social security contributions dropped by 0.9% compared with the previous year; payments amounted to EUR 13.1 bn. Higher than in the previous year were particularly revenues from taxes and contributions related to wages (due to a higher wage bill) and consumption (base effect), while revenues from income-related taxes declined, to a great extent due to poor business results in 2009 and final tax assessments, but also as a result of statutory changes.

**current economic trends**



## International environment

In January, the IMF revised upwards its forecast for this year's economic growth, stating that in the second half of 2010, activity in advanced economies moderated less than expected and economic growth in emerging countries remained strong. Expectations for this year's economic growth therefore slightly improved, but risks to the recovery remain elevated. The outlook for growth improved particularly for the United States, largely due to the additional stimulus package by the Fed and tax cut extension, and in Germany. Key downside risks for economic growth in the euro area stem from the possible spreading of the sovereign debt crisis, in the United States, from the lack of a medium-term fiscal consolidation plan, and in emerging economies, from overheating and inflation.

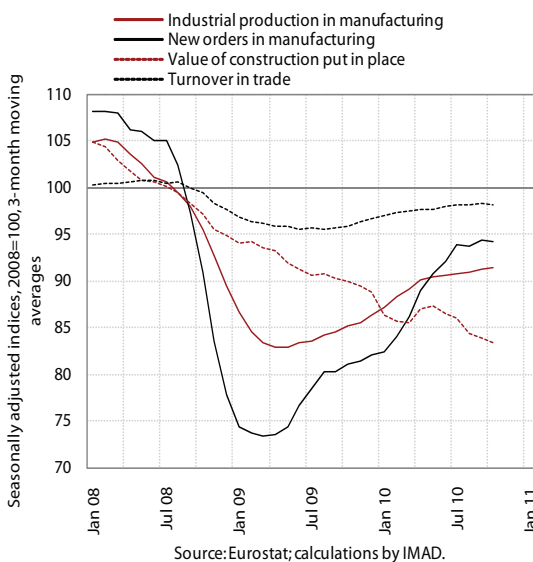
Table 1: New IMF forecasts

	2009	2010	2011 (autumn forecast)	2011 (new forecast)
World	-0.6	5.0	4.2	4.4
EU	-4.1	1.8	1.7	1.7
EMU	-4.1	1.8	1.5	1.7
Germany	-4.7	3.6	2.0	2.2
France	-2.5	1.6	1.6	1.6
Italy	-5.0	1.0	1.0	1.0
United Kingdom	-4.9	1.7	2.0	2.0
US	-2.6	2.8	2.3	3.0
Russia	-7.9	3.7	4.3	4.5
China	9.2	10.3	9.6	9.6

Source: IMF World Economic Outlook Update, January 2011.

Short-term indicators of economic activity for November confirm that the economic recovery in the euro area continued at the end of 2010. The volume of industrial

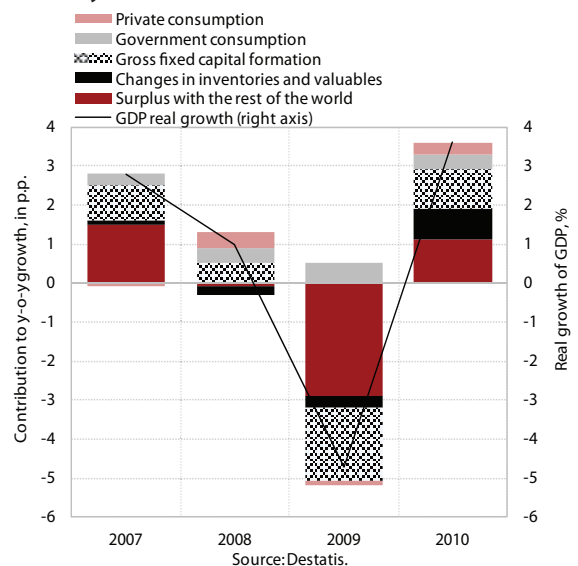
Figure 1: Short-term indicators of economic activity in the euro area



production in the euro area increased 1.2% in November and was 7.4% higher y-o-y. The further recovery of industrial production is indicated by renewed growth in new orders in industry (2.1% in November). The values of various confidence indicators keep improving, especially the expectations regarding business operations in the coming months. Turnover growth in retail trade eased further in November. Construction output is still declining and fell to the lowest level since February 2010 when construction activity in the euro area came to a standstill due to the severe winter.

Germany's GDP grew by 3.6% in 2010, the most since the unification, and the forecasts for this year's GDP growth are consequently higher than in the autumn. According to various German institutions (central bank, Ifo, Deutsche Bank), the consistent implementation of structural reforms in the last decade (tax reform, labour-market and pension-system reforms) was the main factor behind the relatively fast recovery of Germany's economy last year. The recovery was mainly driven by growth in exports, which also favourably impacted domestic, particularly investment, demand. German exports successfully adjusted to the new global market conditions and took advantage of vigorous demand in emerging Asian economies. Last year exports thus almost made up for the 2009 decline, but will grow slower this year, consistent with the moderation of growth in global trade. After a remarkable drop in 2009, investment in machinery and equipment also recovered last year, largely due to companies replacing their old production facilities. With interest rates remaining low and with a relatively satisfactory financial situation of companies, investment is expected to see further growth this year in both machinery and construction and be the main driver of this year's economic growth. Private consumption is also set to expand this year, amid higher employment and a gradual increase in the number of hours worked,

Figure 2: Expenditure structure of GDP growth in Germany





which favourably impacts disposable income. Change in inventories is expected to make a negative contribution to economic growth this year, after the relatively large positive contribution in 2010. At the beginning of 2011, economic growth will be slowed by fiscal consolidation. German institutions thus predict 2.0%-2.5% GDP growth

for this year, an approximately 0.5 p.p. higher figure than in the autumn. Positive signals are also coming from several sentiment indicators (Ifo, ZEW, Gfk, PMI), which have already reached or even exceeded the pre-crisis levels of 2008.

### Box 1: Commodity prices on international markets

Commodity prices on global markets increased significantly in 2010, similarly as in 2007 and 2008. In December 2010, the IMF commodity price index (expressed in USD) was 23.4% higher y-o-y, with the highest growth recorded for prices of agricultural commodities (34.5%), industrial commodities (31.3%) and food (26.8%). Prices of non-fuel commodities thus reached the highest levels ever. Oil prices, which ranged between USD 70 and USD 90 a barrel last year, were 22.8% higher y-o-y in December. Last year's rises of primary commodity and metal prices were mainly attributable to global economic recovery and increased demand from certain emerging economies, particularly China. China's consumption accounted for around 41% of the global consumption of primary commodities, according to the IMF data, with demand for primary commodities increasing by 17% a year, on average, in recent years. The IMF and World Bank point to high commodity prices as one of the greatest downside risks to the continuation of global economic recovery this year. Last year, prices in euros increased more than they had in 2007 and 2008, as the euro depreciated against the US dollar, which is used as the basis for setting commodity prices in world markets.

Food prices in world markets hit all-time highs in December 2010. Food prices started to soar in June last year. According to FAO, cereal prices rose by 57%, on average, between June and December last year, oilseed prices by 56%, and prices of sugar by as much as 77%. Prices of wheat, maize, sugar and certain oilseeds are even higher than in 2008. The sharp increases in the second half of 2010 were mainly due to the impact of weather conditions on the supply. Low interest rates and the lack in investment opportunities amid high liquidity in financial markets represent a risk that prices will continue to rise. In the long term, however, the key reason for higher food prices is structural factors on the side of both supply and demand. Demand for food is growing due to rising income, particularly in emerging economies, and global population growth, while supply cannot keep pace due to the limited availability of suitable agricultural land. Oil price rises also play an important role, being passed on to prices of agricultural commodities, especially fodder and fertilisers; higher oil prices also translate into higher demand for biofuels, which in turn contributes to higher prices of commodities suitable for biofuel production (maize, soy, palm oil). These structural factors will contribute to further commodity price rises in the coming years, according to FAO, while we can also expect extreme short-term price rises as a result of supply shocks due to the weather as seen in the second half of last year.

Figure 3: Commodity price index in EUR and USD and USD/EUR exchange rate

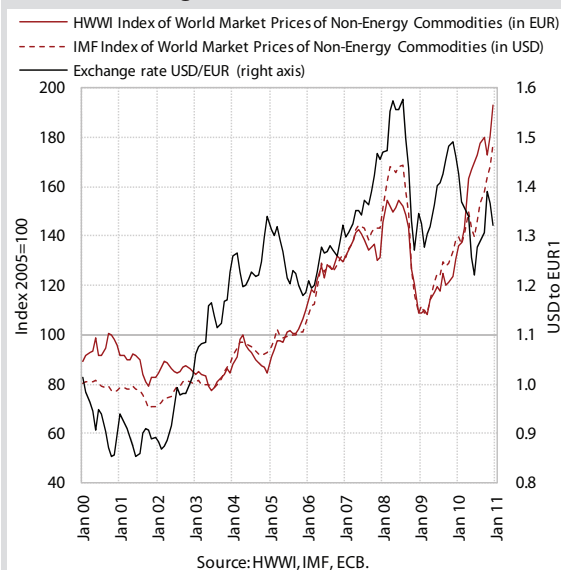
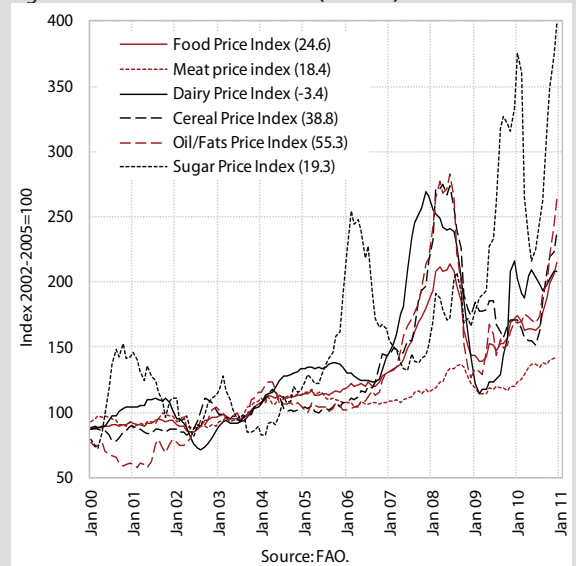


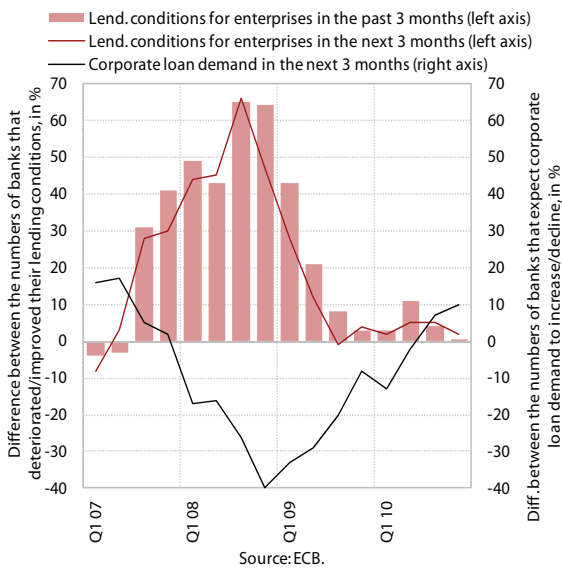
Figure 4: FAO Food Price Index (in USD)<sup>1</sup>



<sup>1</sup>In brackets, y-o-y index growth, December 2010.

The lending conditions for enterprises in the euro area did not tighten in the last quarter of 2010 for the first time in three years. According to the ECB survey, lending conditions did not deteriorate in the last quarter of the year, as the number of banks that reported a tightening was equal to the number of those reporting an easing, which was mainly due to a decline in risk perception. Corporate demand for loans keeps increasing, particularly for long-term loans, and for the first time in two years, the need for financing fixed assets was among the main reasons for taking a loan. Banks are, on the other hand, tightening their credit standards for loans to households (11%), particularly housing loans, where demand has surged. The main reasons for tighter lending conditions for households are uncertainty regarding the economic situation (also high unemployment, which has yet to decline) and the situation in the real estate market, which remains tough in a number of euro area countries. For the first quarter of this year, banks expect a slight deterioration of the lending conditions for enterprises and households again, while the demand for loans will increase further, for all types and maturities.

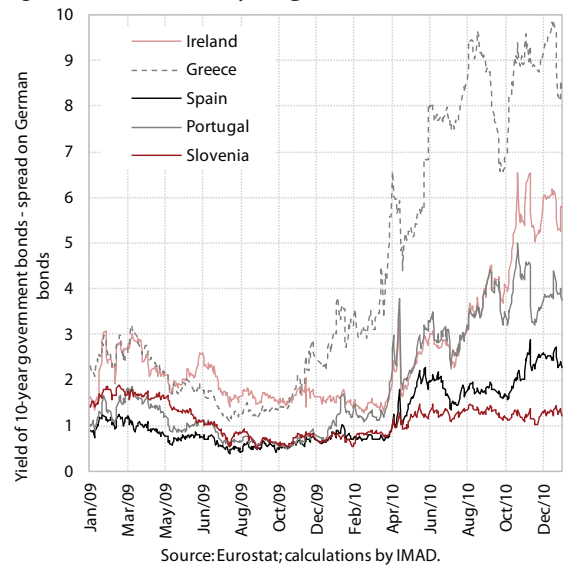
Figure 5: ECB survey on lending conditions in the euro area



The yield spreads between ten-year government bonds of the most exposed euro area countries and Germany remained high in January, despite relatively successful issues of bonds. In January, many of the most vulnerable euro area members relatively successfully issued new bonds (Portugal, Greece, Italy, Spain). The spreads between the yields of their and German bonds, which had still been rising at the beginning of the month, therefore declined. The European Financial Stability Facility also successfully issued its first bond in January, which contributed to the current stabilisation of the situation on financial markets.

Interbank interest rates declined somewhat in January and remained much below the long-term averages. The value of the three-month EURIBOR remained similar to that in

Figure 6: Yields on ten-year government bonds



the previous month, 1.017%, 34 basis points more than in January last year. The value of the three-month LIBOR is hovering at around 0.3% for the third month in a row.

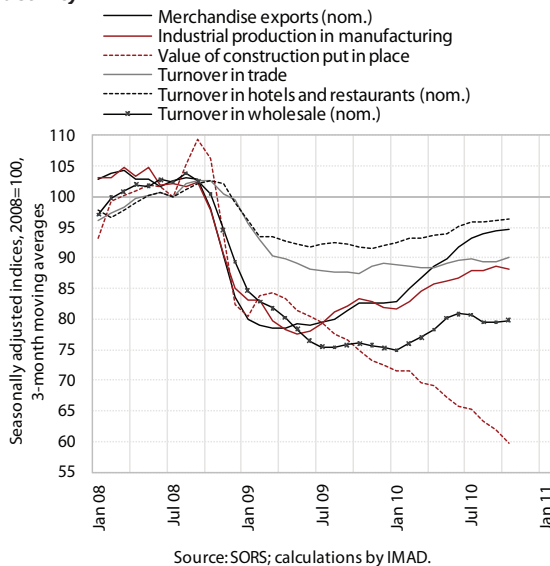
January saw a stable value of the euro relative to the US dollar. The average exchange rate of the euro appreciated slightly in January, by 1.0%, to USD 1.3360 for EUR 1, but was 6.4% lower y-o-y. Slightly higher relative to the euro were also the values of the British pound sterling (up 0.2%, to GBP 0.8471 for EUR 1) and Swiss franc (up 0.2%, to CHF 1.2779 for EUR 1), while the Japanese yen depreciated somewhat (by 0.3%, to JPY 110.38 for EUR 1).

Prices of Brent crude oil came close to USD 100 a barrel in January. The average price of Brent crude oil rose by 5.4%, to USD 96.4 a barrel (in EUR, by 4.3%, to EUR 72.6 a barrel). Oil prices in USD were 26.5% higher y-o-y (oil prices in EUR 34.5%). In January, the IEA also raised the oil demand forecasts for 2011, warning, similar to the IMF, that keeping oil prices at the current, relatively high, level might seriously jeopardise the further recovery of the global economy. The IMF expects oil price to total USD 89.5 a barrel, on average, in 2011.

## Economic activity in Slovenia

The values of most **short-term indicators of economic activity** increased in November, after the slowdown of growth in the autumn months. After a large increase in the first half of the year and a slowdown in the autumn, merchandise exports (nominal) and production volume in manufacturing expanded in November, seasonally adjusted. In the first eleven months of 2010, they were up 13.3% and 6.5% y-o-y, respectively, though still below the average level of the pre-crisis year 2008. The value of construction put in place also rose slightly in November, but remained low. Real turnover in retail trade and nominal turnover in accommodation and food service

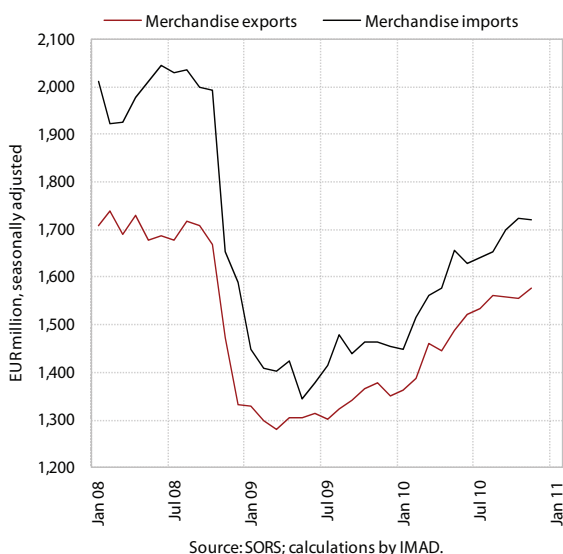
Figure 7: Values of short-term indicators of economic activity



activities remained roughly at the previous month's level in November, while nominal turnover in wholesale declined.

**Merchandise exports<sup>1</sup>** increased in November, after two months of stagnation (seasonally adjusted by 1.5%), while **merchandise imports** maintained October's level, after growing for several months. Merchandise exports were up 14.5% y-o-y in nominal terms in November, and 13.3% in the first eleven months of the year, largely on account of greater volume. Despite relatively strong growth, November's exports were still below the average level of exports in the pre-crisis year 2008. Merchandise imports were 17.5% higher y-o-y in nominal terms in November, and 14.1% in the first eleven months of 2010, largely under

Figure 8: Merchandise trade

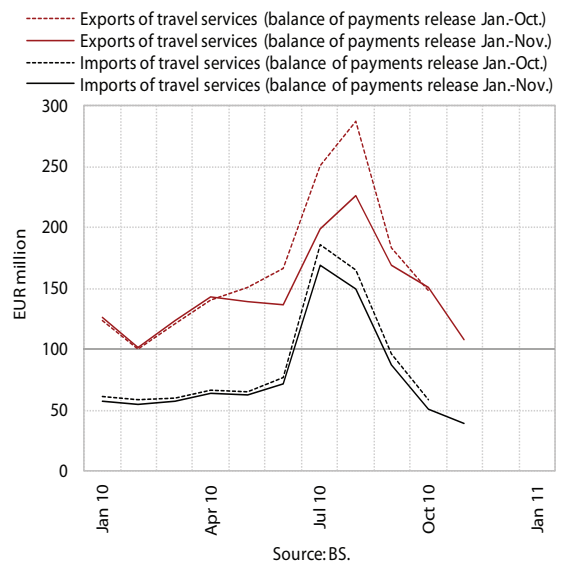


<sup>1</sup> According to the external trade statistics.

the impact of higher import price rises (higher prices of oil and other primary commodities). With import prices growing much faster (7.1%) than export prices (2.0%), the *terms of merchandise trade* deteriorated by as much as 4.8% y-o-y in the first eleven months of 2010.<sup>2</sup>

**Services trade** is still growing at a much slower rate than merchandise trade, but the total value of services exports and imports was significantly affected by the change in data on trade in travel services for 2010.<sup>3</sup> According to November's release of the balance of payment data, the value of travel services exports in the first ten months of 2010 is as much as EUR 158.7 m lower and the value of travel services imports EUR 69.3 m lower than the figures released in October. According to November's data, exports of services were only 0.7% higher y-o-y in the first eleven months of 2010 (instead of 4.7%, as according to October's data), with the greatest contribution to growth coming from higher exports of transport, particularly road and rail transport services. Exports of the group of all other services also contributed some, except construction services, which have been on a constant decline ever since the beginning of the recession. Imports of services were up 3.2% y-o-y in nominal terms in the first eleven months of 2010 (4.5% according to October's data), with growth being mainly driven by imports of licences, patents and copyrights, and imports of maritime services.

Figure 9: Trade in travel services before and after the change of data



<sup>2</sup> Based on the index of export producer prices on the foreign market and the index of import prices used as a source of data in the national accounts statistics

<sup>3</sup> Due to newly calculated (lower) values of exports/imports of travel services as a result of new data on overnight stays and the average consumption of tourists, the BS decided to revise the balance of payments (the previous revision had been made in August last year). November's balance of payments already includes the new calculations for 2010 while the new figures for 2009 and 2008 are not yet taken into account. Comparisons between these periods are therefore not adequate. Other items (transport services and the group of other services), where the BS only updated the sources of data, underwent no noticeable change.

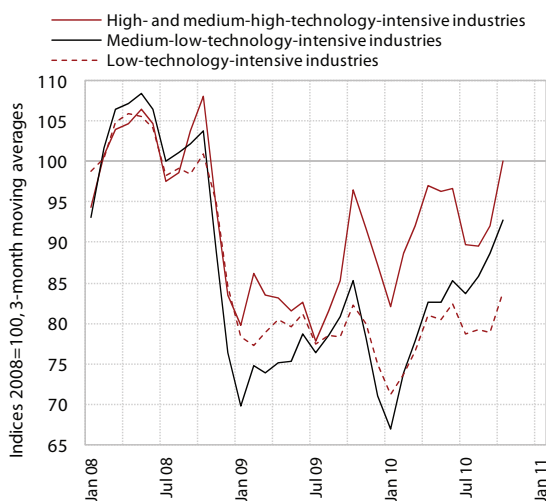
Table 2: Selected monthly indicators of economic activity in Slovenia

in %	2009/ 2008	XI 10/ X 10	XI 10/ XI 09	I-XI 10/ I-XI 09
<b>Exports<sup>1</sup></b>	<b>-18.4</b>	<b>-0.1</b>	<b>12.6</b>	<b>10.5</b>
-goods	-19.4	2.0	14.6	13.1
-services	-14.7	-9.7	3.6	0.7
<b>Imports<sup>1</sup></b>	<b>-23.6</b>	<b>1.6</b>	<b>16.2</b>	<b>12.5</b>
-goods	-25.7	1.4	17.1	14.2
-services	-10.2	2.8	10.0	3.2
Industrial production	-17.4	1.2 <sup>2</sup>	5.3 <sup>3</sup>	6.1 <sup>3</sup>
-manufacturing	-18.7	1.4 <sup>2</sup>	6.1 <sup>3</sup>	6.5 <sup>3</sup>
Construction -value of construction put in place	-21.0	0.9 <sup>2</sup>	-16.0 <sup>3</sup>	-17.2 <sup>3</sup>
Real turnover in retail trade	-10.5	0.1 <sup>2</sup>	3.5 <sup>3</sup>	-0.3 <sup>3</sup>
Nominal turnover in hotels and restaurants	-7.8	-0.1 <sup>2</sup>	5.8 <sup>3</sup>	2.6 <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.

Production volume in **manufacturing** strengthened once again in November, also due to the least technologically intensive industries. In the second half of the year, high- and medium-high-technology industries witnessed more modest y-o-y growth than in the first, as a result of the expected slowdown in certain sectors (the car industry). In medium-low-technology industries, production growth was higher in the second half of the year than in the first, largely due to more export-oriented sectors. In the first eleven months, both industry groups exceeded their production levels of the same period of 2009. Production volumes in low-technology industries, on the other hand, did not exceed the 2009 levels in the first eleven months of 2010, despite November's strong y-o-y growth (10.5%).

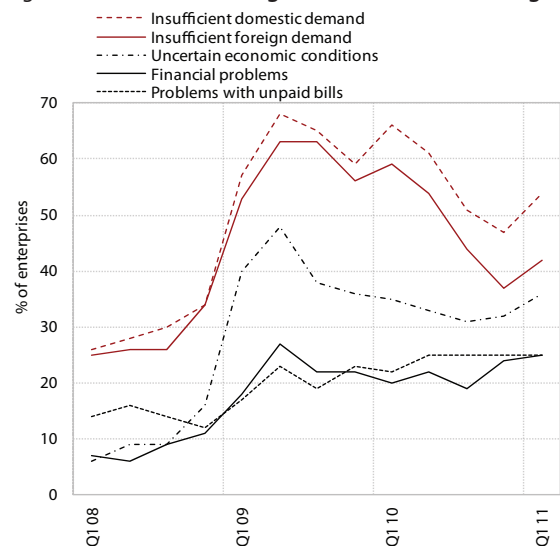
Figure 10: Production in manufacturing according to technology intensity



Source: SORS; calculations by IMAD. Note: Data for the pharm. industry are IMAD's estimates.

Data on quarterly business trends show that insufficient demand remains the main limiting factor in the manufacturing sector at the beginning of this year. Estimates of foreign and domestic demand deteriorated in the first quarter of this year, but remain below 2009 levels. The pick-up in demand in 2010 (revenues from sales were up 7.8% y-o-y in the first eleven months, new orders 13.4%) led to higher capacity utilisation, which remained at the previous quarter's level in the first quarter of this year (78.9%). The quarterly indicator of new orders otherwise declined, as fewer enterprises than in the previous quarter estimated that the volume of new orders had increased in the last three months of the year. Monthly indicators of total and export orders and indicators of expected exports improved, according to the January data, as did other prospects for the next three months (particularly regarding production). Among the factors limiting production, outstanding obligations should be pointed out, as well as financial difficulties faced by a quarter of enterprises surveyed, also as a result of the tightened situation in financial markets and the lack of payment discipline. The share of enterprises citing uncertain economic conditions and unclear regulations among the factors limiting production also increased.

Figure 11: Selected limiting factors in manufacturing



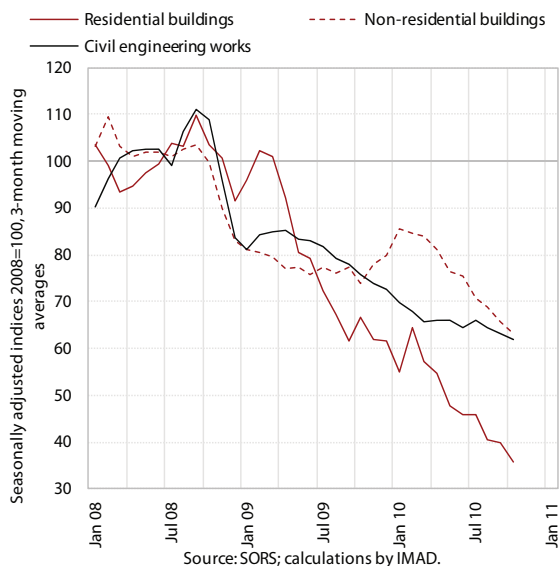
Source: SORS.

**Construction activity** strengthened to some extent in November, but remained low. In November, the value of construction put in place was up 0.9% from October, according to seasonally adjusted data, but down 16.0% y-o-y. Non-residential construction activity plummeted in November (-13.2%), hitting the lowest level since the crisis began. The value of residential construction works also declined<sup>4</sup> (-3.4%). In contrast, the value of civil-engineering works rose, exceeding by 10.5% the level of October, which was the lowest since the beginning of

<sup>4</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.

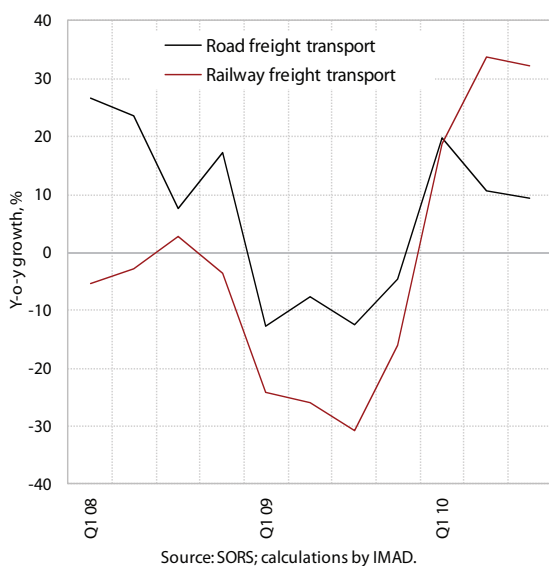
the crisis. The value of new contracts remains low as well. It increased by 0.8% in November and was 7.8% higher y-o-y. In the first eleven months of last year, the total value of new contracts was 5.4% lower than in the comparable period of 2009, when it had fallen by more than 20%.

Figure 12: Value of construction put in place



In the first three quarters of 2010, the volume of road freight transport was slightly higher than in the same period of the pre-crisis year 2008 while rail transport is gradually returning to pre-crisis levels. In the second and third quarters, rail transport increased by as much as one third y-o-y, largely due to a low base and partly as a result of a foreign rail carrier entering Slovenia's market last year. Road transport rose by a tenth in the same period. Almost all rail and road transport growth in the third quarter can be attributed to the increase of international transport, which was, y-o-y, 41.8% higher in transport by rail and 13.7% higher

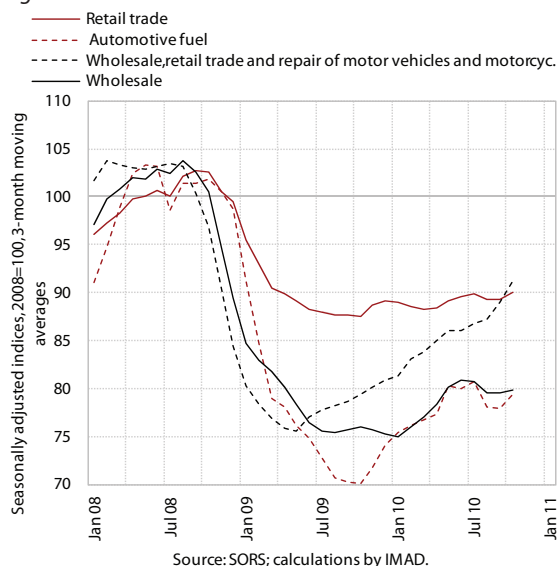
Figure 13: Road and rail freight transport



in transport by road. Looking at national transport, the volume of rail transport increased but marginally (1.4%) while the volume of road freight transport declined by 7.5% under the impact of the continuing crisis in the construction sector. In the first three quarters of 2010, rail freight transport still recorded a 6.3% lower volume than in the same period of the pre-crisis year 2008 while the volume of road freight transport increased by 1.0%. In the first eleven months of 2010, maritime and harbour transport increased by 12.1% and 6.3%, respectively, with the volume of the former already being greater than before the crisis. The volume of public passenger transport is declining further: Intercity bus transport declined by 5.9% and city passenger transport by 1.3% y-o-y in the first eleven months (rail transport after nine months -1.7%). Air passenger traffic was up 2.7% y-o-y in the same period while airport traffic went down by 3.0%.

November saw further turnover growth in the sale of motor vehicles. Turnover in retail trade remained at a similar level as in the previous month, while turnover in wholesale trade declined (seasonally adjusted). November saw further turnover growth in the sale and repair of motor vehicles, where turnover has been increasing since mid-2009. After a relatively strong increase in the first half of last year, nominal turnover in wholesale trade declined in the summer and remained at approximately the same level, with fluctuations in the autumn months. After growing or maintaining the same level in the autumn, turnover in retail trade rose somewhat above the levels recorded since mid-2009. Regarding turnover in retail trade, November recorded no major changes in the sale of food, beverages and tobacco products, which had remained similar to the 2005 average since mid-2009. Turnover in the sale of non-food products, which had persisted at the lowest value since the end of 2009, dropped further in the autumn months, particularly in the stores selling furniture, household appliances and construction material, and in the sale of textile, clothing and leather

Figure 14: Turnover in trade sectors

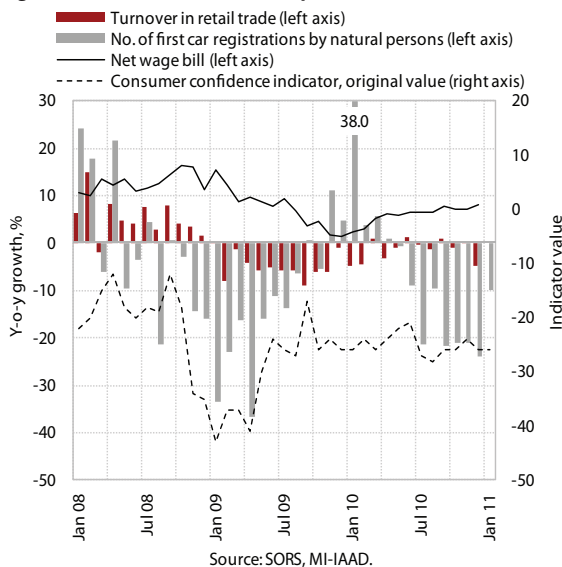


products. Turnover in the sale of automotive fuels, which had started to increase at the end of 2009 with renewed growth in the volume of road freight transport, declined in the third quarter of 2010, but was up once again in October and November.

After growing in previous months, nominal turnover in **accommodation and food services** remained at October's level in November. After declining since the end of 2008 and throughout 2009, turnover in accommodation and food services increased in 2010, but still lagged behind the 2008 level at the end of the year. Relative to the year 2009, it was 5.1% higher in nominal terms in November and up 2.6% in eleven months as a whole.

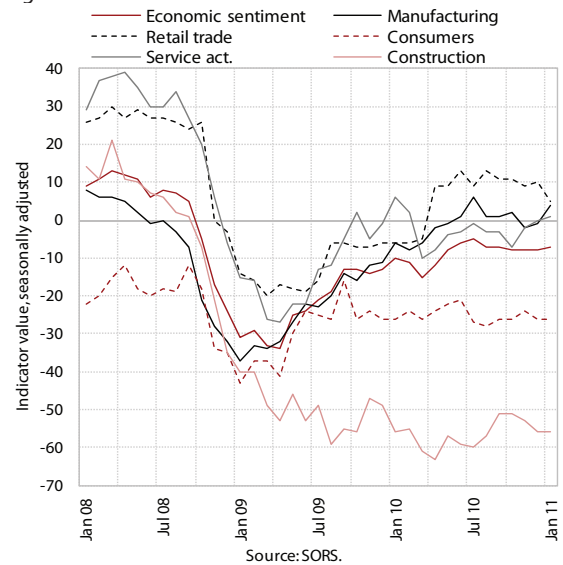
**Household consumption** continued to stagnate at the end of last year and at the beginning of 2011. January saw a further y-o-y decline in new passenger car registrations, which had begun in the middle of the previous year. Consumer confidence remained at December's level in January. Consumers expect a further deterioration of the economic situation and higher unemployment in the future, but find it somewhat more likely that they will be able to save some money. Owing to Christmas bonuses and the structural impact, the net wage bill was 0.9% higher y-o-y in real terms in December. Turnover in retail trade excluding automotive fuels remained at October's level in November. The preliminary data for December also indicate a turnover decline. In December households also net repaid consumer loans.

Figure 15: Household consumption indicators



The seasonally adjusted value of the **sentiment indicator** rose marginally in January relative to December and was 3 p.p. higher y-o-y. The confidence indicator in manufacturing improved significantly. The value of the confidence indicator in services was also slightly higher, while the confidence indicator in retail trade declined. The values of the confidence indicator in construction and the consumer confidence indicator remained unchanged.

Figure 16: Business trends



## Labour market

**Formal employment** continued to drop in November. The number of persons in formal employment declined by 2,119 compared with October (the seasonally adjusted rate of decline remained the same as in October, -0.3%), and 16,610 y-o-y (-2.0%). Broken down by activities, the number of employed persons continues to drop particularly in construction. It also declined relative to the previous month in manufacturing and distributive trade. The number of employed men declined (-2,124), to a great extent due to the crisis in construction, while the number of employed women rose minimally. The numbers of vacancies and new hires continued to fall in December for seasonal reasons, but were higher than in December 2009.

Figure 17: Employed and registered unemployed persons



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	37.8	33.3	33.3	-1,802	30	-4,501
B Mining and quarrying	3.3	3.2	3.0	3.0	-269	-10	-249
C Manufacturing	199.8	192.1	188.4	187.9	-22,539	-517	-4,188
D Electricity, gas, steam and air conditioning supply	7.9	8.0	8.0	8.0	226	8	-41
E Water supply sewerage, waste management and remediation activities	9.0	9.1	9.3	9.2	200	-69	127
F Construction	86.8	85.2	77.1	75.8	-1,169	-1,291	-9,334
G Wholesale and retail trade, repair of motor vehicles and motorcycles	114.6	113.9	111.2	110.8	-1,161	-382	-3,083
H Transportation and storage	49.8	49.2	47.7	47.7	-1,417	22	-1,410
I Accommodation and food service activities	34.0	33.9	32.9	32.6	210	-218	-1,253
J Information and communication	22.5	22.5	22.8	22.8	609	15	319
K Financial and insurance activities	24.5	24.2	24.5	24.4	236	-18	242
L Real estate activities	4.4	4.4	4.4	4.3	195	-17	-19
M Professional, scientific and technical activities	44.8	45.8	47.6	47.8	1,960	167	2,058
N Administrative and support service activities	25.6	26.1	27.0	26.8	-444	-255	705
O Public administration and defence, compulsory social security	51.5	51.7	52.0	52.0	555	-17	285
P Education	61.7	62.7	64.4	64.7	1,679	362	2,057
Q Human health and social work activities	52.1	52.2	53.6	53.8	1,087	189	1,520
R Arts, entertainment and recreation	14.1	14.1	14.2	14.2	249	-31	71
S Other service activities	13.3	13.4	13.6	13.5	474	-64	72
T Activities of households as employers, undifferentiated goods - and services - producing activities of households for own use	0.5	0.5	0.6	0.5	35	-23	12

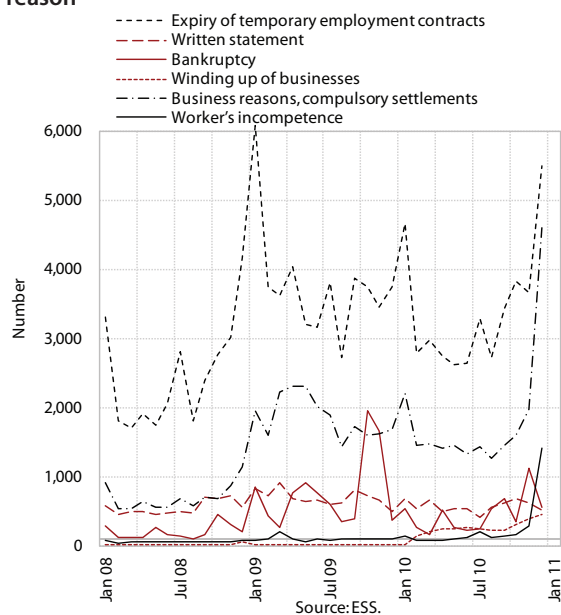
Source: SORS; calculations by IMAD.

The monthly increase in the number of **registered unemployed**<sup>5</sup> in December was the largest in 2010. Registered unemployment increased more than it usually does in this time of the year<sup>6</sup> and 110,021 persons were unemployed at the end of the month, 6,190 more than in November and 13,349 (13.8%) more than a year before. Unemployment has been rising almost without interruption since as early as June 2008, according to seasonally adjusted data (by a further 3.7% in December). Altogether 14,846 persons registered as unemployed in December, the largest monthly inflow in 2010, which was due to an increase in the number of persons who had lost their jobs (5,003 more than in the previous month). The number of first-time job-seekers declined once again for seasonal reasons. The most of the persons who became unemployed had lost their jobs due to the termination of temporary employment contracts and for business reasons or due to compulsory settlements. The outflow from the unemployment register (8,656 persons) declined relative to the previous month also in December. The number of unemployed persons who found jobs declined for seasonal reasons. At the y-o-y level it remained higher (by 20.1%).

<sup>5</sup> For an overview of registered unemployment in 2010 see the Selected Topic, p. 31.

<sup>6</sup> One of the reasons for the increase in registered unemployment is the expected pension reform and the new Labour Market Regulation Act, which have most likely contributed to the increase in the number of unemployed persons over 50 (according to EES data, this age group accounted for 50.3% of December's inflow) and the extraordinary increase in the number of persons who lost work due to incompetence.

Figure 18: Inflow into unemployment due to job loss, by reason



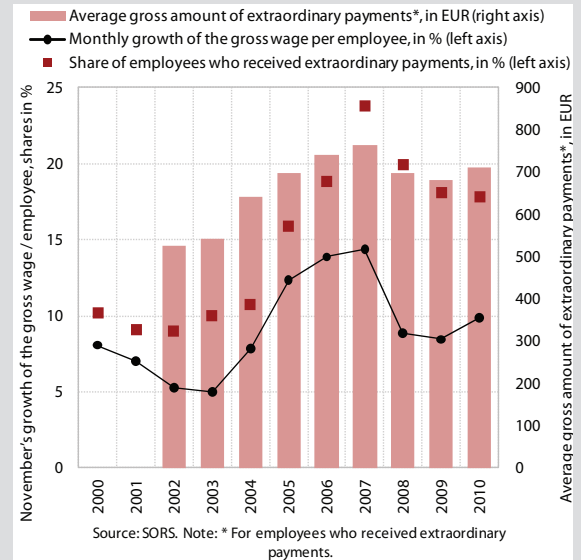
Source: ESS.

The **unemployment rate** increased in November, as expected, totalling 11.1%. The unemployment rate was 0.2 p.p. higher compared with October. The male unemployment rate increased by 0.3 p.p., while the female unemployment rate declined slightly. With regard to the exceptional unemployment increase in December, the unemployment rate will continue to rise.

**Box 2: 13th month payments and Christmas bonuses**

November's total amount of extraordinary year-end payments, most of which (around three quarters) are usually disbursed together with regular wages just in that month, was higher than in November 2009. November's wage growth is typically marked by extraordinary payments such as Christmas bonuses<sup>1</sup> and 13<sup>th</sup> month payments,<sup>2</sup> which should reflect company performance in the current year. Last year's total amount of November's extraordinary payments (EUR 84.1 m) was higher than that in 2009 but one third lower than the record amount in the economically most successful year 2007. The gross amount of payments averaged EUR 712 (EUR 683 in 2009) and the share of employees who received extraordinary payments was similar (17.8%) to that in 2009 (18.1%).

The level of average payments and the share of employees who receive them have always been the highest in sectors which have the highest average wages anyway and in which the government has a substantial ownership share. Wage growth thus tends to be exceptionally high in November (33% last year, on average), particularly in electricity, water and gas supply, financial and insurance activities and mining.<sup>3</sup> In these activities, the shares of employees that receive extraordinary year-end payments are among the highest, and so are the average payments. As many as 91.2% employees in electricity, gas and steam supply thus received Christmas bonuses in November last year, in the average gross amount of EUR 1,044 (Christmas bonuses

**Figure 19: November's extraordinary payments and wage growth****Table 4: November's extraordinary payments by activity, 2008–2010\***

Activity	Gross extraordinary payments for employees who received extraordinary payments, in EUR			Share of employees who received extraordinary payments, in %			Total amount of extraordinary payments, in EUR m		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
<b>TOTAL</b>	<b>697,58</b>	<b>682,93</b>	<b>712,30</b>	<b>19,9</b>	<b>18,1</b>	<b>17,8</b>	<b>98,251</b>	<b>83,108</b>	<b>84,120</b>
D Electricity, gas, steam and air conditioning supply	1.323,39	968,54	1.043,50	83,0	74,2	91,2	8,375	5,653	7,455
B Mining and quarrying	148,78	773,40	866,09	56,6	59,6	50,9	0,285	1,442	1,274
E Water supply sewerage, waste management and remediation activities	865,44	776,17	756,98	42,4	47,1	50,6	3,101	3,101	3,272
K Financial and insurance activities	1.331,02	1.009,76	1.197,20	56,9	62,8	41,3	17,880	14,567	11,431
H Transportation and storage	528,00	625,45	748,08	53,5	32,4	29,3	10,637	7,236	7,607
J Information and communication	1.020,06	760,43	1.024,06	29,8	29,8	27,2	6,195	4,569	5,588
A Agriculture, forestry and fishing	729,21	590,19	523,29	24,1	28,8	26,2	0,751	0,699	0,553
C Manufacturing	517,62	646,97	673,63	25,0	20,5	22,1	25,166	22,408	24,696
N Administrative and support service activities	300,68	275,85	259,27	21,4	14,4	20,3	1,572	0,918	1,259
L Real estate activities	991,40	969,00	986,73	19,5	21,2	18,7	0,732	0,776	0,702
Q Human health and social work activities	n.p.	348,11	109,82	n.p.	5,2	15,9	n.p.	0,837	0,827
M Professional, scientific and technical activities	1.010,15	993,81	1.057,72	17,1	16,4	15,8	5,766	5,552	5,894
R Arts, entertainment and recreation	332,18	582,36	472,02	15,9	8,1	14,3	0,526	0,473	0,672
G Wholesale and retail trade, repair of motor vehicles and motorcycles	673,92	662,99	899,28	16,7	14,5	10,5	11,112	9,193	8,769
P Education	n.p.	39,63	100,76	n.p.	9,1	9,5	n.p.	0,216	0,587
S Other service activities	1.287,78	1.409,78	1.162,57	8,9	8,3	9,2	0,622	0,627	0,575
I Accommodation and food service activities	620,34	542,40	586,41	7,8	12,9	8,5	0,971	1,399	0,969
F Construction	576,06	632,83	660,00	13,8	10,3	6,7	4,629	3,419	2,053
O Public administration and defence, compulsory social security	N/A.	133,10	64,06	n.p.	3,6	3,2	n.p.	0,242	0,104

Source: SORS. Note: \* Because of changes in the classification of activities, data at the level of activities are not comparable with the period before 2008 and are therefore not stated.

<sup>1</sup> Usually paid to all employees in an equal amount.

<sup>2</sup> Depending on an individual's work performance.

<sup>3</sup> With the exception of water supply, these are activities that boast the highest average wages while wages in water supply are higher than the average wage in the private sector.



were higher in only three activities). The share of employees that received Christmas bonuses, surprisingly, even increased relative to the previous two years, which was, apart from these activities, only the case in water supply while everywhere else the shares declined or remained practically the same. Such divergence from the average is surprising, given that, with the exception of financial activities, these are activities where the government (which otherwise committed itself to saving in the area of wages) has a substantial ownership share. The share of employees who received extraordinary year-end payments in financial activities has declined significantly over the last years (72.6% of employees in 2007, 41.3% in 2010), but the average amounts of payments have been adjusted to the crisis to a much lesser extent. The shares of employees that received extraordinary payments were the lowest in construction and accommodation and food service activities (only 8.5% and 6.7% last year, respectively), which also have the lowest levels of the average wage. The average amounts of payments in these activities were also below average. In the manufacturing industries, which employ more than one third of all private sectors employees, EUR 24.7 m (just below 30% of the total amount of extraordinary payments) was disbursed with November's wage. Just over 22% of employees received slightly below-average amounts of payments. The share and the average amount were somewhat higher than in the previous year. Relative to 2007, the amount was nearly one tenth higher, but the share of employees that received the payments was 8.5 p.p. lower.

November's high growth in the average gross wage per employee (9.9% in nominal terms) was due to 13<sup>th</sup> month payments and Christmas bonuses disbursed in the private sector at the end of the year. The average gross wage in the private sector rose by as much as 13.7% in nominal terms in November, largely due to extraordinary year-end payments, but also to the relatively high growth of the basic wage. The gross wage increased more than in the comparable periods of 2008 and 2009 and only 5.0 p.p. less than in 2007 when extraordinary payments had been the highest ever, and in some activities, payments were fully comparable to those before the crisis. The strongest growth was recorded in electricity supply, mining, water supply and financial and insurance activities. In the first eleven months, y-o-y wage growth in the private sector

was much higher (5.2%) than the same period of 2009, chiefly due to the increase in minimum wage. In the public sector, the average gross wage kept growing at a modest pace in November (1.0%). Wages only rose more noticeably in arts, entertainment and recreation, as the majority of persons in this activity are employed in the private sector and also received extraordinary payments at the end of the year. As in the private sector, the bulk of November's gross wage rise came from payments in arrears and extraordinary payments, but their contribution to growth was substantially lower than in the private sector. In the first eleven months of last year, the total average gross wage increased slightly more y-o-y (4.0%) than expected but only as a result of wage rises in the private sector.

Table 5: Wages by activities

	Gross wage per employee, in EUR		Growth rates, %			
	2009	XI 2010	2009/ 2008	XI 10/ X 10	XI 10/ XI 09	I-XI 10/ I-XI 09
A Agriculture, forestry and fishing	1,198.03	1,450.64	-0.2	14.2	5.9	5.4
B Mining and quarrying	1,831.20	2,372.68	0.9	33.3	0.8	2.8
C Manufacturing	1,203.38	1,476.37	0.8	13.5	8.3	9.2
D Electricity, gas, steam and air conditioning supply	2,020.95	2,965.76	3.8	49.9	13.0	4.0
E Water supply sewerage, waste management and remediation activities	1,413.04	1,827.18	2.0	31.1	3.3	2.3
F Construction	1,160.16	1,295.18	1.0	5.4	5.6	4.5
G Wholesale and retail trade, repair of motor vehicles and motorcycles	1,277.51	1,440.36	1.9	8.1	4.5	3.8
H Transportation and storage	1,393.16	1,639.71	0.7	16.5	4.0	1.9
I Accommodation and food service activities	1,032.97	1,137.45	1.6	5.4	4.1	4.0
J Information and communication	2,038.65	2,348.27	1.4	14.8	5.9	2.6
K Financial and insurance activities	2,122.72	2,654.62	-0.7	28.4	-4.6	1.0
L Real estate activities	1,435.09	1,695.53	1.9	16.3	2.3	3.3
M Professional, scientific and technical activities	1,737.98	1,937.25	2.1	11.4	1.4	1.6
N Administrative and support service activities	914.93	1,019.71	1.8	5.9	5.7	4.2
O Public administration and defence, compulsory social security	1,788.30	1,790.97	5.9	-0.1	0.6	-0.5
P Education	1,719.27	1,754.16	3.6	1.6	1.2	0.7
Q Human health and social work activities	1,752.78	1,755.99	12.0	0.8	0.0	-0.3
R Arts, entertainment and recreation	1,723.15	1,789.26	3.9	3.7	0.0	0.7
S Other service activities	1,340.92	1,513.74	1.3	8.4	3.7	4.5

Source: SORS; calculations by IMAD.

Figure 20: Level and breakdown of the growth of the gross wage per employee

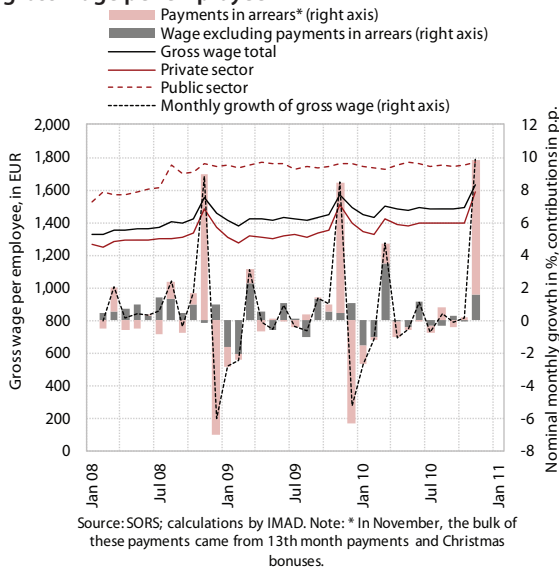


Table 6: Labour market indicators

in %	2009/ 2008	XI 10/ X 10	XI 10/ XI 09	I-XI 10/ I-XI 09
Labour force	0.2	-0.1	-0.9	-0.9
Persons in formal employment	-2.4	-0.3	-2.0	-2.7
- Employed in enterprises and organisations and by those self-employed	-2.8	-0.3	-1.7	-2.6
Registered unemployed	36.6	1.1	8.8	16.7
Average nominal gross wage	3.4	9.9	4.1	4.0
- private sector	1.8	13.7	5.3	5.2
- public sector	6.5	1.0	0.6	0.0
	<b>2009</b>	<b>XI 09</b>	<b>X 10</b>	<b>XI 10</b>
Rate of registered unemployment, in %	9.1	10.1	10.9	11.1
Average nominal gross wage (in EUR)	1,438.96	1,570.53	1,487.86	1,634.48
Private sector (in EUR)	1,338.77	1,509.03	1,397.67	1,588.83
Public sector (in EUR)	1,749.82	1,757.25	1,750.61	1,767.76

Sources: ESS, SORS; calculations by IMAD.

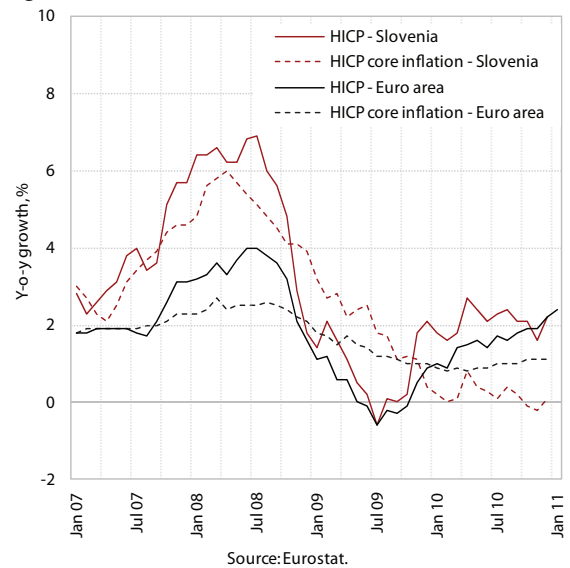
## Prices

**Consumer prices** measured by the HICP<sup>7</sup> increased by 2.2%<sup>8</sup> in 2010, the same figure as in the euro area. Relatively modest price growth was mainly a result of weak economic activity, which influenced moderate core inflation, and certain one-off factors related to changes in taxation and higher prices of energy. Data on January's inflation are always released with a delay, due to changes in the consumer price index made every year by SORS.<sup>9</sup>

<sup>7</sup> The HICP (harmonised index of consumer prices) is used for comparisons between consumer price movements in the euro area.

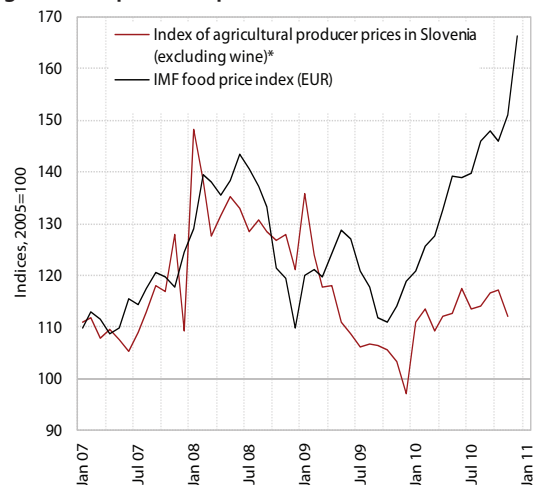
<sup>8</sup> Inflation in 2010 measured by the CPI totalled 1.9%.

Figure 21: Measured and core inflation (HICP)



Rises of global commodity and food prices in 2010 started to be passed through along the food-supply chain towards the end of the year, but were not yet reflected in retail prices. Prices of oil, food and other commodities in world markets increased significantly in the second half of last year (see Box 1), which led to higher costs of agricultural producers. In the euro area as a whole, some of these costs have already been passed on to the food-processing industry. Eurostat figures show that in the euro area, prices in the manufacture of food increased 4.2% in November<sup>10</sup> last year, and in Slovenia, 1.3% in the year 2010 as a whole. A survey of the manufacture of food products in the euro

Figure 22: IMF food price index and index of Slovenian agricultural producer prices



Sources: SORS, IMF. Note: \* Wine is not included in the IMF food price index. Given the high weight it has in the Slovenian index of agricultural products, we excluded it from our calculations.

<sup>9</sup> Besides the usual changes in the CPI (weight system, updating the list of products and services and points of sale), SORS will also introduced methodological changes in monitoring seasonal products this year. The data will be released on 9 February 2010.

<sup>10</sup> The latest available data.

Table 7: Breakdown of HICP into sub-groups – the first twelve months of 2010

	Euro area			Slovenia		
	Cum. %	Weight %	Contribution in p.p.	Cum. %	Weight %	Contribution in p.p.
Total HICP	2.2	100.0	2.2	2.2	100.0	2.2
Goods	2.9	58.0	1.7	3.3	66.2	2.2
Processed food, alcohol and tobacco	1.5	11.9	0.2	3.2	14.8	0.5
Non-processed food	3.2	7.3	0.2	5.1	6.9	0.3
Non-energy industrial goods	0.7	29.3	0.2	-1.4	30.7	-0.4
Durables	0.3	9.5	0.0	-4.7	11.5	-0.5
Non-durables	1.1	8.3	0.1	0.9	8.8	0.1
Semi-durables	0.8	11.5	0.1	0.4	10.3	0.0
Energy	11.0	9.6	1.1	12.6	13.9	1.7
Electricity for households	2.7	2.4	0.1	5.9	2.6	0.2
Natural gas	8.2	1.5	0.1	19.1	0.8	0.1
Liquid fuels for heating	26.9	0.8	0.2	28.0	1.5	0.4
Solid fuels	1.9	0.1	0.0	4.5	1.0	0.0
District heating	0.4	0.5	0.0	12.2	0.8	0.1
Fuels and lubricants	15.3	4.2	0.6	12.5	7.2	0.9
Services	1.3	42.0	0.5	0.1	33.8	0.0
Services – dwellings	1.7	10.2	0.2	4.8	2.7	0.1
Services – transport	1.7	6.6	0.1	1.7	5.2	0.1
Services – communications	-0.7	3.3	0.0	3.0	3.4	0.1
Services – recreation, repairs, personal care	1.2	14.9	0.2	-3.3	14.3	-0.5
Services – other services	1.4	7.1	0.1	2.5	8.1	0.2
HICP excluding energy and non-processed food	1.1	83.1	0.9	0.1	79.3	0.1

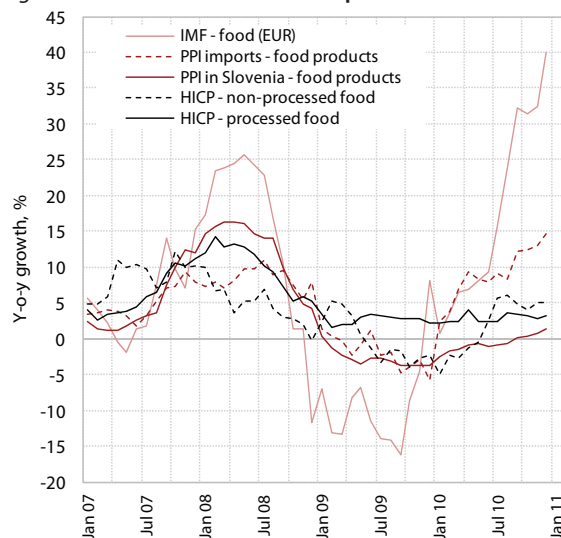
Source: Eurostat; calculations by IMAD. Note: ECB classification

area shows that in November last year, prices increased the most y-o-y in the manufacture of oils and fats (15.6%), bread and cereal products (9.1%) and prepared animal feeds (17.0%), which is a result of higher prices of these commodities on international markets. Prices of fresh vegetables and fruits increased the most last year in both Slovenia and the euro area, according to the available consumer price index data (in Slovenia, by 20.9% or 9.9%, respectively, in the euro area, by 9.3% and 3.7%, respectively), which was partly due to the base effect, as these prices had dropped in 2009, but was also already a consequence of the transmission of higher commodity prices in international markets. Growth in other retail prices of food, on the other hand, was still relatively moderate last year.

The current commodity price shock from the international environment is similar to those in 2007 and 2008, when higher global prices of commodities started to be passed on to domestic prices of food, first to agricultural producer prices, then to prices in the manufacture of food products and somewhat later also to retail prices of food, accommodation and food services and package holidays. Slovenia experienced a faster and relatively stronger pass-through of prices from the international environment than the euro area, which was due to several reasons, primarily a lower general level of prices, lower efficiency of domestic food-processing industry, high concentration in retail trade and inadequate functioning of regulatory bodies

in the area of competition protection. Higher prices from the international environment will also be transmitted to retail food prices this year, but it is still uncertain to what extent. Specifically, the current macroeconomic environment allows for less leeway in raising retail prices than in 2007 and 2008 and the concentration rate in the retail sector has declined in recent years, even though it is still high.

Figure 23: Prices of food and food products

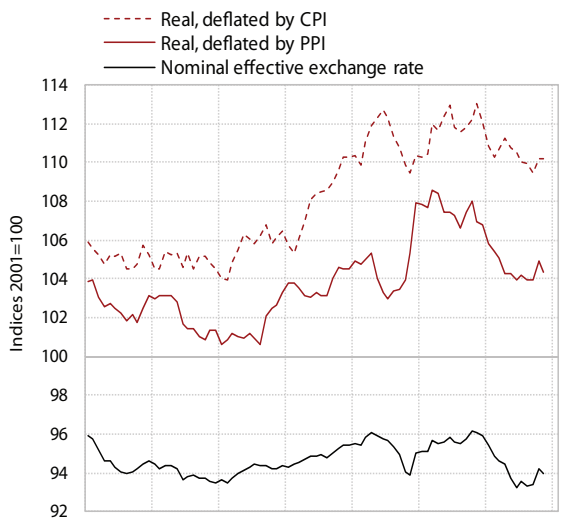


Source: ECB, Eurostat, IMF, SORS; calculations by IMAD.

**Industrial producer prices** increased by 3.2% y-o-y in 2010 (2009: -0.7%), import prices by 10.3%. Price rises on the domestic market mainly reflected price growth in the manufacturing sector (4.0%), chiefly in the manufacture of metals and metal products, which follows the price growth of metals in the international environment. Prices in the manufacture of metals increased by 13.0% last year, import prices by 21.9%, which suggests further rises of these prices on the domestic market. Last year also recorded relatively high price rises in the manufacture of chemicals and pharmaceutical preparations and in the manufacture of furniture. Prices in the manufacture of food products increased but marginally last year (1.3%), in contrast to prices of imported food, which rose by 14.6%. Overall, in 2010, prices of imported industrial producer goods increased more than prices of goods produced at home.

**Price competitiveness** improved once again in November under the impact of the decline in the exchange rate of the euro and relative<sup>11</sup> producer prices in manufacturing. After the nominal effective exchange rate rose in October due to the appreciation of the euro against most currencies inside and outside the EU, it dropped once again in November largely under the impact of the depreciation of the euro against the GBP and USD. The growth of the real effective exchange rate deflated by the growth of relative consumer prices, which rose somewhat in November after two months of decline, therefore came to a halt. Considering relative producer prices in manufacturing, which fell in November, price competitiveness improved. At the y-o-y level, price competitiveness improved in November and in the first eleven months of last year, mainly as a result of a lower exchange rate of the euro.

Figure 24: Nominal and real effective exchange rates



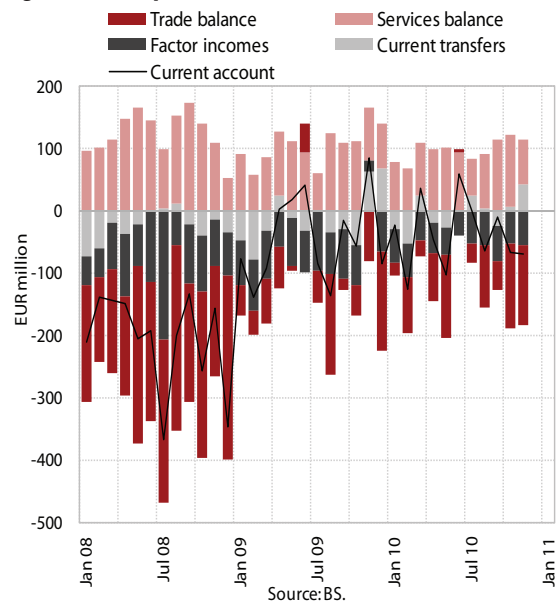
Source: ECB, SORS, OECD, Eurostat; calculations by IMAD.

<sup>11</sup> In Slovenia, compared with its trading partners.

## Balance of payments

In November 2010 the deficit of the **current account of the balance of payments** remained at roughly the same level as in October, while in the first eleven months it narrowed y-o-y. The current account recorded a deficit of EUR 68.2 m in November last year (a surplus of EUR 86.9 m in November 2009). In the first eleven months of 2010, the deficit climbed to EUR 398.6 m (EUR 442.9 m in the same period last year). In the first eleven months of last year, the y-o-y narrowing of the current account deficit mainly reflected lower deficits in current transfers and factor incomes, the deterioration of the balance of merchandise trade, and a lower surplus in the services balance.<sup>12</sup> In November, the *balance of current transfers* witnessed a surplus again, but a deficit in the first eleven months of 2010, which was lower y-o-y, in addition to increased net absorption from the EU budget also due to lower payments of taxes and contributions abroad. The deficit in the *balance of factor incomes* keeps narrowing largely as a result of lower net income from equity capital of direct investment, while total net interest payments declined y-o-y in the first eleven months of 2010, despite higher expenditure in the second half of the year. The *deficit in merchandise trade* widened y-o-y both in November and in the first eleven months of 2010, among other reasons also due to the deterioration of the terms of trade. The surpluses in the *services balance* narrowed y-o-y in November and in the first eleven months (largely due to greater deficits in trade in licences, patents and copyrights).

Figure 25: Components of the current account balance



Source: BS.

<sup>12</sup> With the release of the balance of payments data for January–November 2010, the figures for trade in travel services and, consequently, trade in services were corrected due to the methodological revision. The new figures have been so far only taken into account in the balance of payments for 2010, but not yet in those for 2009 and 2008, which is why y-o-y comparisons are not entirely adequate at this moment (see also note 3).

Table 8: Balance of payments

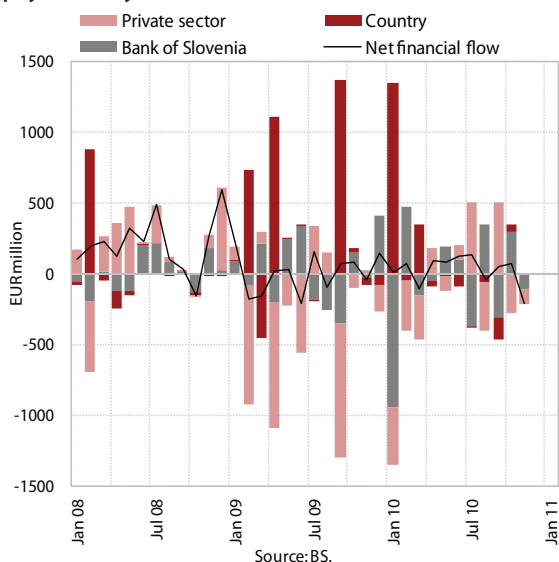
I-XI 10, EUR m	Inflows	Outflows	Balance <sup>1</sup>	Balance, I-XI 09
Current account	22,611.4	23,010.0	-398.6	-442.9
- Trade balance (FOB)	16,872.8	17,653.6	-780.8	-541.2
- Services	3,955.8	2,976.2	979.6	1,044.0
- Income	816.4	1,375.6	-559.2	-717.3
Current transfers	966.4	1,004.7	-38.3	-228.4
Capital and financial account	3,928.4	-3,532.0	396.4	134.9
- Capital account	275.9	-206.3	69.6	57.9
- Capital transfers	274.6	-202.2	72.4	63.7
- Non-produced, non-financial assets	1.3	-4.1	-2.7	-5.8
- Financial account	3,652.5	-3,325.7	326.8	77.0
- Direct investment	556.7	-114.5	442.2	-564.6
- Portfolio investment	2,336.2	-562.1	1,774.1	4,233.0
- Financial derivatives	14.8	-96.0	-81.2	5.4
- Other investment	712.8	-2,553.1	-1,840.3	-3,763.0
- Assets	184.4	-722.4	-538.0	-597.0
- Liabilities	528.4	-1,830.7	-1,302.3	-3,166.1
- Reserve assets	31.9	0.0	31.9	166.2
Net errors and omissions	2.2	0.0	2.2	308.0

Sources: BS.

Note: '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.

**International financial transactions** recorded a net capital outflow in the amount of EUR 209.0 m in November, and a net capital inflow of EUR 294.9 m in the first eleven months of 2010 (a net outflow of EUR 89.2 m in the same period of 2009). In the first eleven months of 2010, the net capital inflow of the government sector exceeded the net capital outflows of the BS and the private sector. The greatest net capital inflow of the *government sector* was a result of two bonds issued in the first quarter of 2010, while the flows in other months were weak. The debt of the BS dropped

Figure 26: Financial transactions of the balance of payments by sector



for the second year in a row. In the first eleven months, the BS reduced its short-term debt to the Eurosystem by EUR 379.2 m and increased its financial assets by investing in capital market instruments (long-term bonds). The *private sector* recorded larger transactions by commercial banks, which continue to repay their liabilities to the rest of the world, though to a lesser extent than in the year before. Total net repayments of loans and deposits amounted to EUR 1.3 bn in the first eleven months of 2010 (EUR 2.8 bn in the same period of 2009). After recording a net inflow of foreign direct investment in the form of debt financing between affiliated companies in the period between January and October, Slovenia saw a great inflow of equity capital in November (EUR 232.0 m). The total net inflow thus amounted to EUR 556.7 m in the first eleven months of 2010. November's increase in equity capital was the largest in the past two years and the transaction was due to the purchase of Droga-Kolinska, a food company.

## Financial markets

In December, net corporate and NFI repayments exceeded the total borrowings of households and the government. Total net repayments thus amounted to EUR 24.8 m, as a result of net repayments by enterprises and NFIs. Slovenia is among the few euro area countries where lending to enterprises and NFIs deteriorated relative to 2009. In 2010, total net flows amounted to EUR 1,085.8 m, which is otherwise a more than one fifth higher figure than in 2009, but the entire growth was due to stronger household borrowing, and to a lesser extent also government borrowing. The liquidity of Slovenia's

Table 9: Financial market indicators

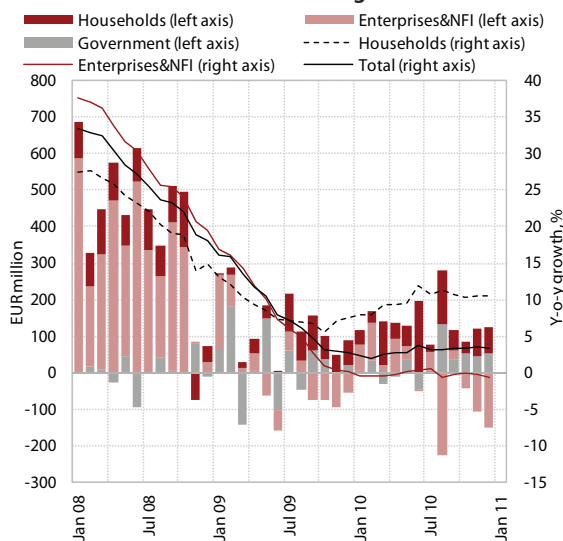
Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 09	31. XII 10	31. XII 10/31. XII 09	31. XII 10/31. XII 09	31. XII 09/31. XII 08
Loans total	32,444.95	33,530.77	-0.1	3.3	2.8
Enterprises and NFI	23,161.09	23,034.32	-0.7	-0.5	0.1
Government	870.95	1,198.88	4.8	37.7	49.0
Households	8,412.91	9,297.58	0.8	10.5	7.5
Consumer credits	2,899.95	2,833.16	-0.6	-2.3	0.6
Lending for house purchase	3,927.13	4,837.36	2.0	23.2	15.7
Other lending	1,585.84	1,627.05	-0.5	2.6	2.5
Bank deposits total	14,313.07	14,839.56	1.1	3.7	4.6
Overnight deposits	5,655.00	6,200.38	1.3	9.6	7.7
Short-term deposits	5,116.28	4,473.18	-0.3	-12.6	8.5
Long-term deposits	2,874.95	4,156.65	2.4	44.6	46.9
Deposits redeemable at notice	666.84	9.35	-9.0	-98.6	-20.3
Mutual funds	1,856.30	2,048.36	2.9	10.3	22.7

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

banking system remained fairly modest at the end of the year. Banks continued to net repay foreign liabilities; the government withdrew its deposits from the banking sector again, while household deposits strengthened for seasonal reasons. The deterioration of the quality of banks' total assets intensified substantially in November.

modest net corporate and NFI borrowing, as, contrary to Slovenia, banks strengthened the financing of enterprises and NFIs, on average, in 2010. Net flows of these loans reached just over EUR 40 bn, while in 2009, enterprises and NFIs repaid loans in a net amount of more than EUR 75 bn.

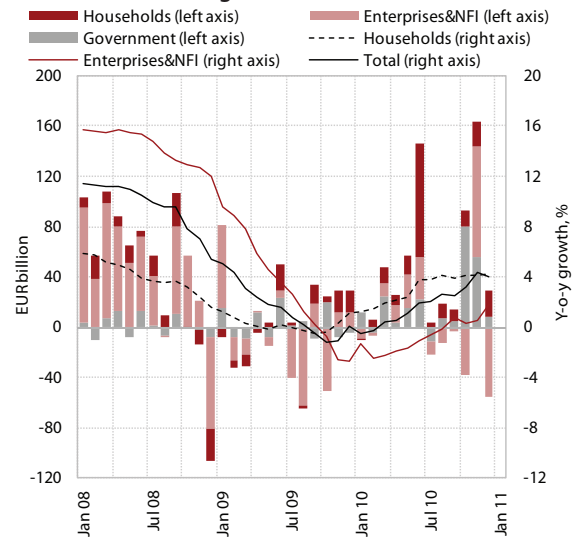
Figure 27: Net flows and growth in the volume of domestic bank loans to domestic non-banking sectors



Source: BS; calculations by IMAD.

The volume of loans in the **euro area** shrank in December, after the substantial strengthening in November. Net outflows amounted to EUR 25.7 bn, the highest value in 2010. Enterprises and NFIs made net repayments again, while households and the government kept borrowing in a net amount. Non-banking sectors in the euro area borrowed a net EUR 466.0 bn in 2010, nearly 80 times the value recorded in the previous year. This hike mainly came from net borrowing of governments and households, but a positive contribution also came from the otherwise

Figure 28: Net flows and growth in the volume of bank loans to non-banking sectors in the euro area



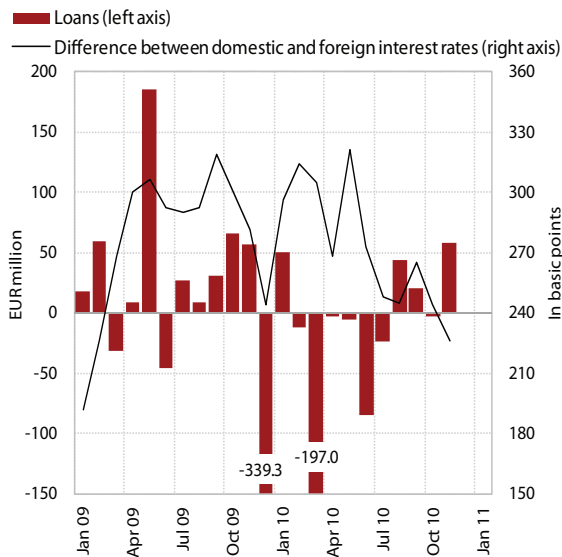
Source: ECB; calculations by IMAD.

In December, **household** borrowing in Slovenia remained at roughly the same level as in November. The monthly net flows amounted to EUR 72.4 m and were solely a result of borrowing in the form of housing loans, which were among the highest in the previous year, at EUR 97.2 m, while households again repaid consumer loans and loans for other purposes. Net flows of household loans totalled EUR 884.7 m in 2010, exceeding the 2009 figure by more than one half. Housing loans stand out the most, recording net flows of EUR 910.2 m, a more than one

quarter higher level than the highest to date recorded in 2008. This movement may also be partly reflect the stronger financing of new real estate purchases providing a way for banks to transfer the risk from riskier real estate sectors towards safer households.

*The credit crunch continued to affect enterprises in December.* Enterprises and NFIs net repaid loans taken out at domestic banks for the fourth time in the second half of the year. December's net repayments amounted to EUR 151.6 m, which was the second highest value in 2010. Net repayments were again only recorded for enterprises; NFIs recorded net borrowing, but net inflows were once again modest (EUR 5.6 m). In the second half of the year alone, enterprises and NFIs net repaid loans with domestic banks in the total amount of almost EUR 450 m. Amid considerable net borrowing in the first half of the year, net repayments amounted to EUR 126.8 m in the year as a whole, while enterprises and NFIs net borrowed EUR 23.6 m in 2009. Corporate and NFI borrowing abroad started to pick up in the second half of the year, by our estimation also due to the credit crunch in domestic banks. At the same time, enterprises are also taking advantage of the still much lower loan interest rates abroad. In November, net flows of foreign loans totalled EUR 57.7 m, which is the highest level in 2010. Enterprises and NFIs took out both long-term and short-term loans, with the former representing approximately two thirds of total net flows. Despite substantial net borrowing abroad in November, enterprises and NFIs recorded net repayments of close to EUR 160 m in foreign loans in the first eleven months of 2010 due to high net repayments in the first half of the year, while in the same period of 2009, the net inflow exceeded EUR 380 m. In the first eleven months of last year, enterprises thus net repaid a total of EUR 134.2 m in loans (foreign and domestic), while in the comparable period of 2009, the net flow was positive (EUR 459.2 m).

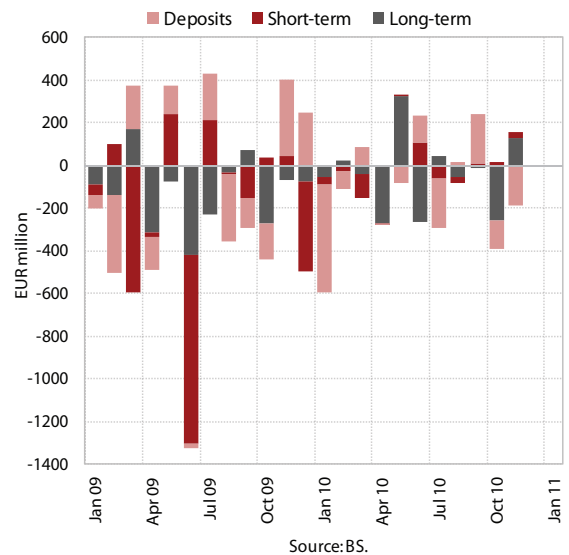
Figure 29: Net corporate and NFI borrowing abroad and differences in interest rates



Source: BS; calculations by IMAD.

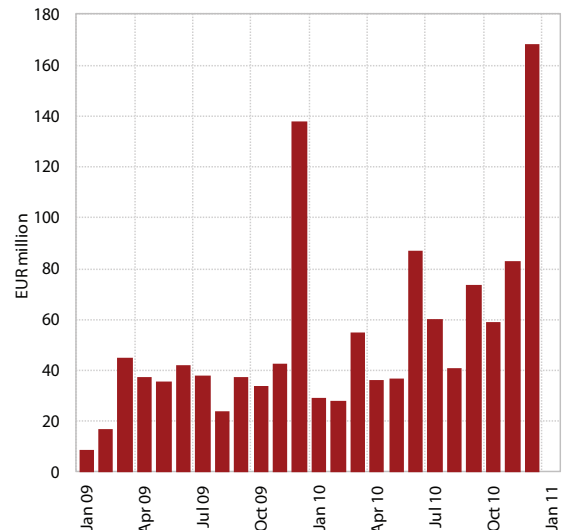
Banks made net repayments of **foreign loans** also in November. November's net repayments were otherwise more modest (EUR 27.0 m), which was due to net repayment of foreign deposits, while the net inflows (of both long-term and short-term loans) were positive. Long-term loans stand out somewhat more, recording around EUR 130 m of net inflows, the second highest level in 2010. In the first eleven months of 2010, banks net repaid EUR 1.3 bn in foreign loans and deposits, which is less than half of the amount recorded in the comparable period of 2009. Even though banks have made substantial repayments of foreign loans and deposits ever since the financial crisis first tightened in September 2008, the share of foreign liabilities in Slovenian banks remains substantial, nearly 30% of all liabilities of the banking system.

Figure 30: Net bank borrowing abroad



Source: BS.

Figure 31: Creation of additional impairments and provisions

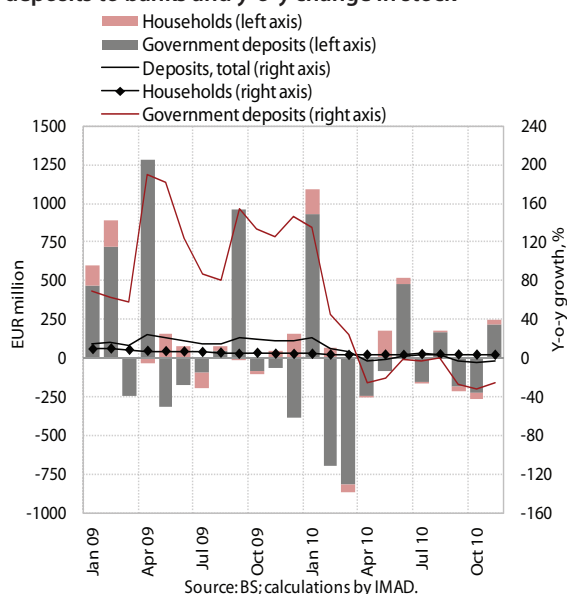


Source: BS; calculations by IMAD.

The quality of banks' assets continues to deteriorate rapidly. Similar to previous years, banks also intensified the creation of impairments and provisions in December last year. At the monthly level, they were the highest so far, reaching EUR 168.6 m. In 2010 as a whole, banks created EUR 757.3 m additional impairments and provisions, over 50% more than a year before. The deterioration of the quality of banks' total assets intensified substantially in November. At the monthly level, the volume of non-performing claims recorded 20% growth already and accounted for as much as 3.5% of all bank claims, which is 1.3 p.p. more than at the end of 2009.

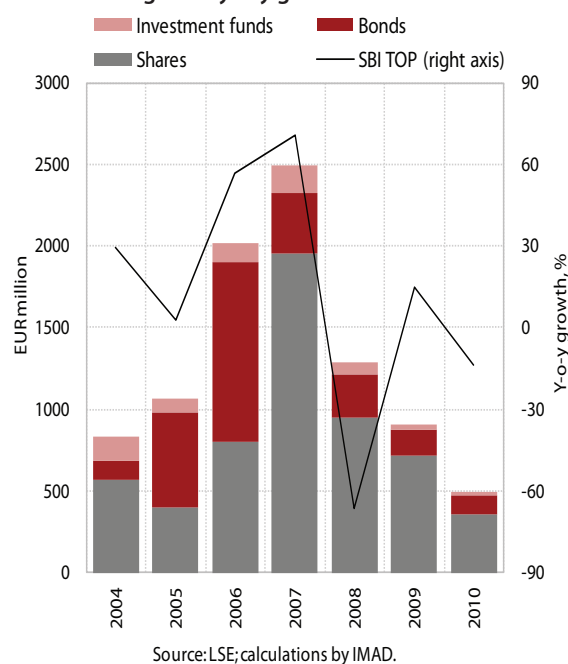
The disbursement of Christmas bonuses and 13<sup>th</sup> month payments strengthened the net inflows of household deposits in banks in December, while the government continued to withdraw deposits from banks. Net inflows of household deposits amounted to EUR 159.9 m, which is a similar amount as in December 2009. Nearly two thirds of total net flows came from long-term deposits, which continue to grow fastest of all household deposits. By our estimate, this is mainly attributable to the restructuring of the maturity of household deposits, as banks tend to offer above-average interest rates for long-term deposits due to a lack of other sources of finance. Long-term deposits thus recorded net inflows of EUR 1.3 bn in 2010, equal to net outflows of short-term deposits and deposits redeemable at notice. Total net inflows of households amounted to EUR 526.5 m in 2010, a more than 15% lower figure than a year before. The decline is by, our estimate, also a result of the tightening of the labour market situation. Government deposits recorded net outflows again in December last year (EUR 266.3 m), the second highest in 2010. The government thus withdrew deposits from the banking system in a net amount of EUR 863.5 m in 2010, while having deposited a net EUR 2.1 bn in banks a year before.

Figure 32: Net inflows of household and government deposits to banks and y-o-y change in stock



**Mutual funds managed by domestic administrators** continued to see modest net inflows in 2010. Reaching EUR 17.4 m, they lagged by almost one tenth behind those recorded in the previous year and did not even reach half of the average monthly level of the year 2007, in which the net inflows to mutual funds had been highest. In 2010, mutual funds witnessed somewhat greater asset restructuring with regard to their investment policy. High outflows were now recorded in mixed funds, and the assets were, by our estimation, transferred to riskier stock funds and less risky bond funds, which, at EUR 27.1 m, recorded the highest yearly net inflows thus far. At the end of the year, the volume of assets in mutual funds exceeded EUR 2 bn for the first time in the last two years and was more than one tenth higher than a year before. We estimate that more than 90% of growth stems from the increase in the value of investment in mutual funds, particularly those oriented to foreign financial markets. Specifically, the main index of the Ljubljana Stock Exchange recorded a 13.5% decline in 2010. The market capitalisation of all securities listed on the Ljubljana Stock Exchange strengthened by 3.9%, which is a sole consequence of an increase in the market capitalisation of bonds (by more than a fifth) and is related to government borrowing, while the market capitalisation of shares declined by 17.3%. Slovenia's capital market is increasingly losing importance, which is also indicated by the volume of the total turnover on the Ljubljana Stock Exchange, which totalled less than EUR 500 m in 2010, a nearly 50% decline from the year previously. The marketability of securities listed on the Ljubljana Stock Exchange thus declined further.

Figure 33: Volume of the total turnover on the Ljubljana Stock Exchange and y-o-y growth of the SBI TOP





## Public finance

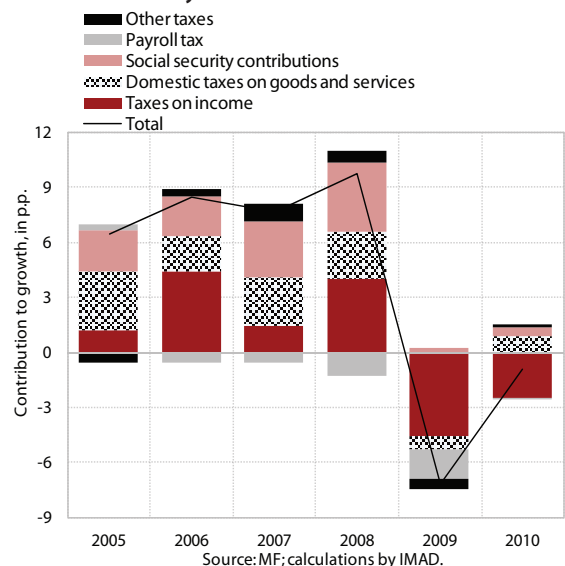
In 2010, revenue from **taxes and social security contributions**<sup>13</sup> dropped by 0.9% compared with the previous year, with payments amounting to EUR 13.1 bn. General government revenue was generated in a practically unchanged tax system, amid negligible changes in tax instruments and in a better macroeconomic environment than a year earlier. Particularly revenues related to wages and consumption increased relative to the previous year, while income-related tax revenues dropped. The increase of the former is a result of a higher wage bill, despite the shrinkage of employment, while consumption-related tax revenues largely increased due to the base effect. The decline in revenues from income-related taxes is to a great extent a consequence of poor business results in 2009 and final tax assessments, but also of statutory changes carried out to ease business conditions and stimulate job creation and development (lowering corporate income tax rate, increasing tax relief). In 2010, only revenues from value added tax (VAT), excise duties, import taxes and social security contributions increased y-o-y, while revenues from all other main tax categories declined. The 2010 decline in taxes and contributions was mainly due to lower revenues from corporate income tax (-2.0 p.p.) and personal income tax (-0.4 p.p.), while the contributions of revenues from VAT, social security contributions and excise duties were positive (0.8 p.p., 0.5 p.p. and 0.2 p.p.). Inflows of *value added tax* increased by 3.6% in 2010, largely as a result of the low-base effect due to the economic shrinkage in 2009. Revenue from *excise duties*<sup>14</sup> increased by 1.7% y-o-y, with excise duties on tobacco and tobacco products contributing 2.1 p.p. and excise duties on alcohol and alcohol products 0.5 p.p., while the decline in revenue from excise duties on energy reduced the total growth of this revenue by 0.9 p.p. Excise duties on all excise products increased significantly in 2010, but the quantities of excise products sold declined.<sup>15</sup> Amid unchanged contribution rates, revenue from *social security contributions* followed the wage bill movement and increased by 1.2% in 2010. Revenue from *corporate income tax* dropped by as much as 37.0% in 2010, as taxable persons could request a prepayment reduction as a result of deteriorated business performance in the current year and due to a lower statutory tax rate. After the assessment of business results for 2009, revenue from this tax declined by around EUR 170 bn. Revenue from *personal income tax* declined by 2.6% y-o-y: revenue from tax on income from employment was slightly higher (0.8%), but there was a significant drop in revenues from other personal income tax sub-categories (-13.7%),

<sup>13</sup> Based on the Report on Payments of All Public Revenues, January–December 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 while excise duties on petrol and gas oil were raised several times in September and October. In the first eleven months, the quantity of sold alcohol and alcohol products declined by 8.2% y-o-y, the quantity of sold tobacco and tobacco products by 3.2% and the quantity of main mineral oils by 1.3%.

Figure 34: Structure of growth of revenue from taxes and social security contributions



particularly taxes on income from entrepreneurial profits (-38.1%) and income from capital gains (-50.5%). Revenue from personal income tax also slowed in 2010 due to much higher tax refunds based on personal income tax assessments for 2009 (EUR 103 m; EUR 81 m a year earlier) and the statutory increase in tax relief for corporate investment and R&D.

According to the **consolidated balance**<sup>16</sup> of the MF, general government revenue amounted to EUR 11.6 bn and expenditure to EUR 13.5 bn in the first ten months of 2010. The deficit thus totalled EUR 1,854 m. Revenue remained unchanged y-o-y (having declined of 7.3% in the same period of 2009), while expenditure increased by 2.8% y-o-y (8.6% a year earlier). In the *economic structure of expenditure*, all categories of general government expenditure were up y-o-y in that period, except expenditure on capital transfers, which declined by as much as 18.1%. Interest payments recorded the highest growth (46.3%). Transfers to individuals and households were 4.2% higher y-o-y (5.5% excluding pensions); expenditure on transfers to the unemployed increased the most (27.4%), given the deteriorated situation on the labour market, but its growth is gradually slowing. Expenditure on sickness benefits also recorded strong growth (12.5%). Cumulative y-o-y growth in expenditure on pensions moderated towards the end of 2009, but has been stable since February 2010 so that expenditure on pensions rose by 3.5% y-o-y in the first ten months. Expenditure on subsidies and capital expenditure also rose in that period (4.0% and 1.5%, respectively). Expenditure on wages and other personnel expenditures were up 0.3%, while expenditure on goods and services was just below the same level recorded in the same period of the previous year (-0.1%).

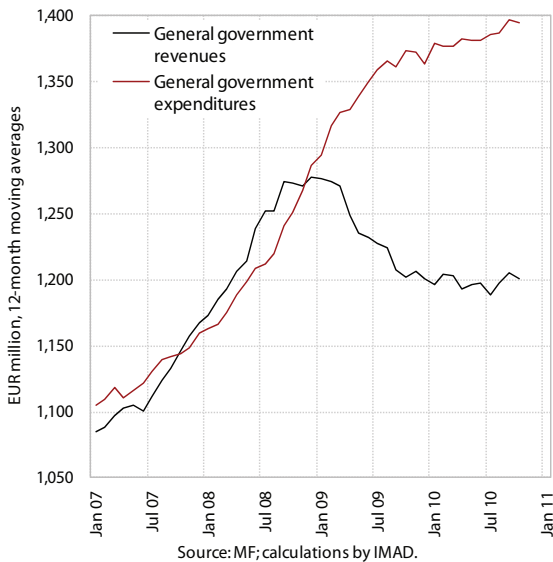
<sup>16</sup> The consolidated balance (according to the cash flow methodology) includes revenues and expenditures of the state and local government budgets, as well as revenues and expenditures of the pension and health funds.

Table 10: Consolidated general government revenue and expenditure

	2009			2010		
	EUR m	% of GDP	Growth, %	I-X 2010 v mio EUR	X 10/ X 09	I-X 10/ I-X 09
<b>Revenues - total</b>	14,404.0	40.7	-6.1	11,625.5	-4.3	0.0
- Tax revenues	12,955.3	36.6	-7.0	10,431.6	-7.8	-2.2
- Taxes on income and profit	2,805.1	7.9	-18.5	2,003.1	-6.6	-12.7
- Social security contributions	5,161.3	14.6	1.3	4,306.5	1.4	1.2
- Domestic taxes on goods and services	4,660.1	13.2	-3.0	3,848.6	-16.9	-0.1
- Receipts from the EU budget	596.5	1.7	63.3	429.1	221.1	30.2
<b>Expenditure - total</b>	16,365.4	46.3	6.0	13,479.3	-2.1	2.8
- Wages and other personnel expenditure	3,912.3	11.1	9.3	3,262.1	1.2	0.3
- Purchases of goods and services	2,506.8	7.1	-0.8	1,973.5	-0.9	-0.1
- Transfers to individuals and households	6,024.1	17.0	7.3	5,231.6	5.1	4.2
- Capital expenditure	1,293.3	3.7	3.3	841.7	-3.1	1.5
- Capital transfers	495.2	1.4	8.1	259.5	-51.1	-18.1
- Payment to the EU budget	439.3	1.2	2.7	350.7	-33.1	-4.1

Source: MF.

Figure 35: Consolidated general government revenue and expenditure



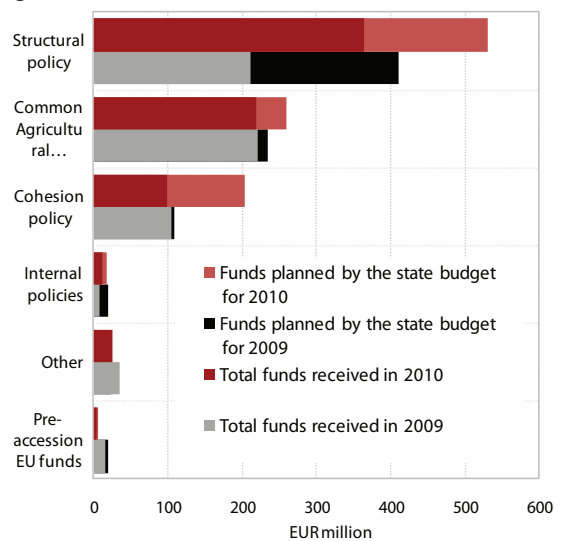
Source: MF; calculations by IMAD.

The *state budget* deficit climbed to EUR 1.7 bn in the first ten months of 2010. With expenditure increasing by 3.5%, the total *balance of local government budgets* also recorded a deficit in that period (EUR 78 m). The deficit of the *health fund* stood at EUR 38.5 m. The transfer from the state budget into the *pension fund* amounted to EUR 1,243 m in the first ten months (up 7.3% from the year earlier).

Slovenia received EUR 231.3 m from the **EU budget** in December 2010, five times the monthly average in the first eleven months of 2010. Slovenia paid EUR 33 m into the EU budget in December, and its positive net budgetary position amounted to EUR 198 m (in November, EUR 50 m), which was the highest monthly amount in 2010. In 2010, Slovenia received EUR 723.3 m from the EU budget, i.e. close to 70% of funds envisaged in the supplementary

budget for 2010. Around half of all receipts (50.4%) came from structural funds, which is 68.6% of what had been planned for structural funds in the supplementary budget for 2010. The bulk of funds were allocated for regional development (74.1%). Funds for the implementation of the common agricultural and fisheries policies represent more than 30% of total 2010 receipts, 84% of the level planned. Receipts from the cohesion fund saw more than half lower absorption than planned, 48.7%, which was 13.7% of all 2010 receipts. Slovenia thus paid EUR 396.8 m into the EU budget in 2010, 96.1% of funds envisaged in the supplementary budget. Slovenia thus recorded a positive net budgetary position against the EU budget in 2010, in the amount of EUR 326.4 m, a much higher figure than in 2009 (EUR 155.6 m).

Figure 36: Planned and absorbed EU funds



Source: MF; calculations by IMAD.



**selected topics**

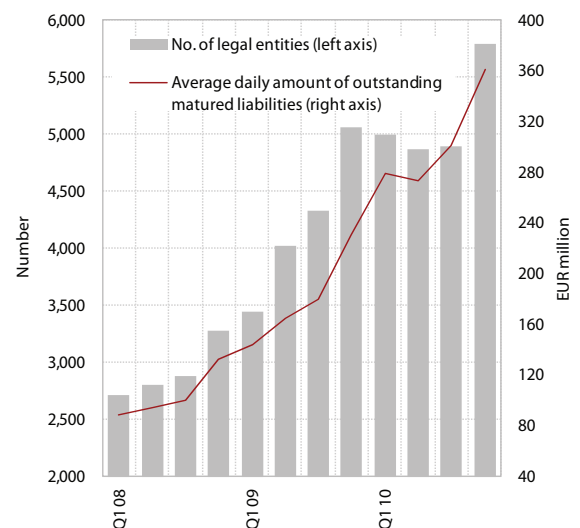


## (In)solvency in 2010

The number of insolvent business entities increased once again last year. AJPES records show that among the business entities with outstanding matured liabilities for more than five consecutive days in a month,<sup>17</sup> the number of legal entities increased by more than one fifth, on average, in 2010. This is otherwise nearly half less than in 2009, but the increase in the total amount of their outstanding matured liabilities was much higher (close to 70%) and thus similar to that in 2009. What is new is that in 2010, AJPES started to keep the same type of records as for legal entities also for sole proprietors and other natural persons that perform registered activities. The number of these increased by nearly one half between January and December, and the average amount by more than two thirds. The number of bankruptcy procedures filed thus increased at courts in 2010, both in bankruptcy procedures against legal entities and in personal bankruptcy procedures against sole proprietors.

In December last year, altogether 6,102 legal entities had outstanding matured liabilities for more than five consecutive days in a month in an average daily amount of EUR 387 m. Compared with the previous December, their number increased by 16.2% and the average daily amount of their outstanding matured liabilities by 50.8%. The greatest contributions to the increase in the total number of legal entities came from entities in the sale, maintenance and repair of motor vehicles, followed by those in the area of professional, scientific and technical activities, and manufacturing. The increase in the total amount of their outstanding matured liabilities was again mainly due to the contributions of legal entities in the construction sector, followed by those in professional, scientific and technical activities, and in the sale, maintenance and repair of motor vehicles. In December last year, the

Figure 37: Legal entities with outstanding matured liabilities for more than five consecutive days in a month and average total amount of outstanding liabilities



Source: AJPES; calculations by IMAD.

number of legal entities with outstanding matured liabilities was the highest in the sale, maintenance and repair of motor vehicles (more than one fifth), while the highest average amount of outstanding matured liabilities was, as in December 2009, recorded for legal entities in construction (almost one third). According to AJPES records for sole proprietors and other natural persons carrying out registered activities, 8,670 natural persons had outstanding matured liabilities for more than five consecutive days in a month in December last year, in an average daily amount of EUR 100 m. At the end of the year, the most of the treated natural persons were in construction (just over one quarter), followed by the sale, maintenance and repair of motor vehicles, and

Table 11: Legal entities with outstanding matured liabilities for more than five consecutive days in a month, December 2010

Activity	No. of leg. ent. with outst. mat. liab.	Growth Dec. 10/ Dec. 09, in %	Growth I-XII 10/ I-XII 09, in %	Growth I-XII 10/ I-XII 08, in %	Aver. daily amount of outst. mat. liab., in EUR	Growth Dec. 10/ Dec. 09, in %	Growth I-XII 10/ I-XII 09, in %	Growth I-XII 10/ I-XII 08, in %	Aver. daily amount of outst. mat. liab. per leg. ent., in EUR
Construction	1,319	2.4	22.6	108.3	113,853,516	45.5	92.9	324.3	86,318
Wholesale and retail trade, repair of motor vehicles	1,330	22.8	20.1	45.9	54,680,503	43.5	12.0	44.6	41,113
Financial and insurance activities	81	47.3	47.4	87.1	49,401,841	7.0	199.1	721.7	609,899
Professional, scientific and technical activities	671	25.0	22.2	79.0	42,191,467	102.8	8.6	115.1	62,878
Manufacturing	785	18.6	21.7	84.2	40,636,782	40.4	84.3	183.0	51,767
Transportation and storage	377	10.2	28.3	104.6	22,043,352	109.4	126.0	213.7	58,470
Real estate activities	168	37.7	32.2	104.8	17,511,787	184.0	107.6	359.1	104,237
Accommodation and food service activities	466	15.1	17.9	79.3	16,243,086	62.8	32.6	79.3	34,856
Other service activities	905	19.4	19.6	61.5	30,466,786	71.3	46.1	143.7	33,665
Total	6,102	16.2	21.9	76.3	387,029,120	50.8	68.9	191.9	63,427

Source: AJPES.

<sup>17</sup> These records only include outstanding matured liabilities according to writs of execution and tax debt, while they do not include other outstanding liabilities (unpaid bills between creditors and debtors).

Table 12: Sole proprietors and other natural persons that carry out registered activities, with outstanding matured liabilities for more than five consecutive days in a month, December 2010

Activity	No. of sole proprietors and other natural persons	Growth Dec. 10/ Jan. 10, in %	Average daily amount of outst. mat. liab., in EUR	Growth Dec. 10/ Jan. 10, in %	Average daily amount of outst. mat. liab. per sole propr. or other nat. pers., in EUR
Construction	2.292	37,8	30.095.564	85,2	13.131
Wholesale and retail trade, repair of motor vehicles	1.299	52,6	15.863.560	57,6	12.212
Manufacturing	989	N/A.	13.261.387	50,7	13.409
Transportation and storage	760	38,9	12.418.536	86,3	16.340
Accommodation and food service activities	1.001	49,9	12.270.053	58,7	12.258
Professional, scientific and technical activities	728	72,9	4.608.083	44,9	6.330
Other service activities	369	73,2	2.814.276	23,9	7.627
Arts, entertainment and recreation	187	85,1	1.315.773	127,1	7.036
Other activities	1.045	-22,2	7.764.687	78,5	7.430
Total	8.670	49,3	100.411.919	67,6	11.582

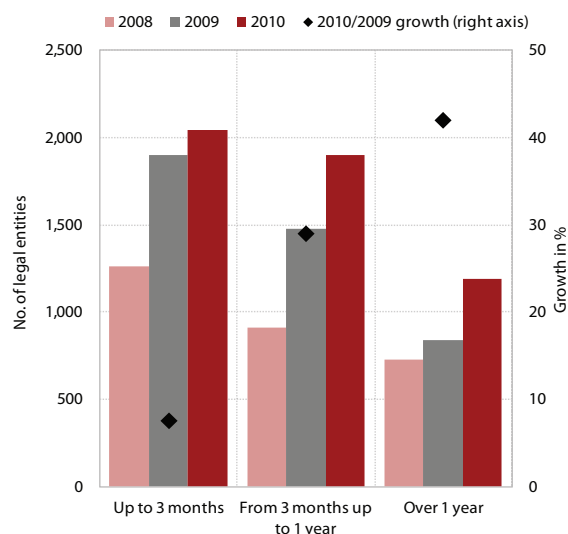
Source: AJPES.

accommodation and food service activities. These records also show that the average daily amount of outstanding matured liabilities was highest in construction (close to one third), followed by the sale, maintenance and repair of motor vehicles and manufacturing.

Data show that the problem of insolvency deepened significantly over the last two years. Among the legal entities with outstanding matured liabilities for more than five days in a month, last year, legal entities which had outstanding matured liabilities for up to three months accounted for the greatest share (39.8%). Slightly fewer legal entities (37.0%) had outstanding matured liabilities for three months up to one year and almost one quarter (23.2%) for more than one year. That the insolvency problem deepened last year is indicated especially by the fact that the number of legal entities with outstanding matured liabilities for more than one year increased the most.<sup>18</sup> The average monthly number of these entities increased by 42.0% last year and was followed by the number of legal entities which had outstanding matured liabilities for three months up to one year (29.0%), while the smallest increase was recorded for the number of legal entities with outstanding matured liabilities for up to three months (7.5%). In the two years of the economic crisis between 2010 and 2008, the greatest increase was otherwise recorded for the average monthly number of legal entities which had outstanding matured liabilities for three months up to one year (109.2%). The average monthly amount of outstanding matured liabilities shows a similar picture: the amount of matured liabilities that were outstanding for three months up to one year increased the most last year (93.9%) and the amount of matured liabilities outstanding for more than one year increased by 81.7%.

<sup>18</sup> Up to 15 January 2008, outstanding matured liabilities were, according to the previous Act (item 2, Article 25 of the Compulsory Settlement, Bankruptcy and Liquidation Act – ZFPP), one of the conditions for the court to start, of its own motion, the procedure of deleting from the register of companies the legal entity, sole proprietor or other natural person that carries out a registered activity and has outstanding matured liabilities for more than one year.

Figure 38: Average monthly number of legal entities with outstanding matured liabilities for more than 5 days in a month – by time period

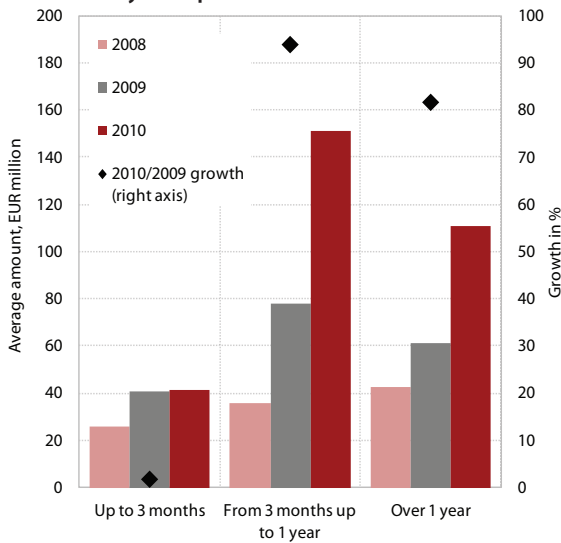


Source: AJPES; calculations by IMAD.

In 2010, 1.5 times more compulsory settlement procedures were filed against legal entities than in 2009, 64.7% more bankruptcy procedures and 43.7% more personal bankruptcy procedures against sole proprietors. Last year, 35 compulsory settlement procedures were launched against legal entities according to the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act,<sup>19</sup> the most in the construction sector followed by manufacturing and the sale, maintenance and repair of motor vehicles. In 2010, 448 bankruptcy procedures were filed against legal entities, of which the most in the sale, maintenance and repair of motor vehicles, manufacturing and construction. 69 personal bankruptcy procedures were launched against sole proprietors, particularly in the construction sector, followed by the sale, maintenance

<sup>19</sup> Since 1 October 2008, the procedures filed due to the insolvency of business entities are governed by the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (ZFPIPP).

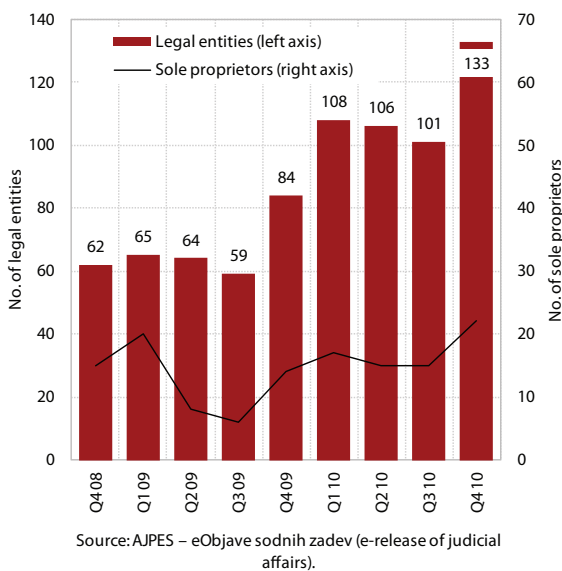
Figure 39: Average total monthly amount of outstanding liabilities – by time period



Source: AJPES; calculations by IMAD.

and repair of motor vehicles, transport and storage, and accommodation and food service activities. Last year's large increase in procedures filed is partly related to the amendment to Article 14 of ZFPPIPP,<sup>20</sup> which entered into force at the end of July 2009 and extended the definition of the insolvency of business entities.

Figure 40: Filling of bankruptcy procedures

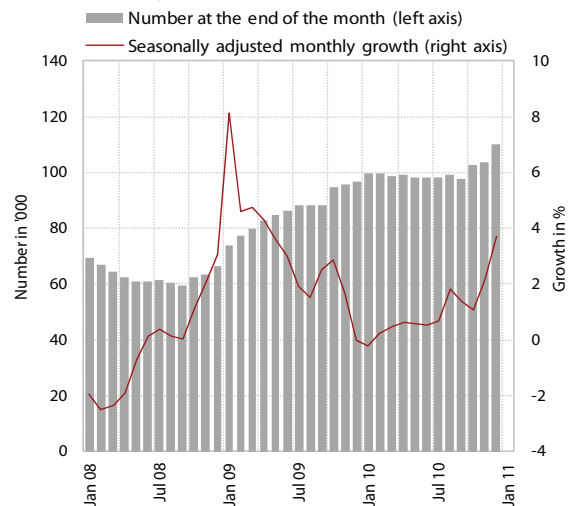


Source: AJPES – eObjave sodnih zadev (e-release of judicial affairs).

## Registered unemployment in 2010

On average, 100,504 persons registered as unemployed in 2010, 14,151 persons (16.4%) more than in 2009. Unemployment increased, on average, at all levels of education and for all age groups and both genders. Among these categories, the number of unemployed persons with a tertiary education increased the most (28.7%), followed by the number of unemployed persons aged over 50 (by 19.8%) and the number of unemployed men (19.8%). The significant increase in the number of registered unemployed older persons at the end of 2010 is most likely a consequence of the new Labour Market Regulation Act and the expected new Pension and Disability Insurance Act, while the increase in male unemployment is to a great extent related to the adverse situation in construction. Due to insufficient job creation in 2010, the number of long-term unemployed persons and the number of first-time job-seekers also rose in 2010, compared with 2009 (by 35.8% and by 17.9%, respectively). The average duration of unemployment was 20 days shorter than in 2009. It declined in most categories under observation (unskilled workers, men and women), but was slightly longer in persons with a higher education. Women and unskilled persons still tend to remain unemployed longest. Unemployment increased in all regions; most notably in the Osrednjeslovenska (25.2%), Spodnjeposavska (18.9%), Goriška (18.5%) and Notranjsko-kraška (18.4%). In 2010, the number of registered unemployed had grown slowly until September but started to increase at the end of the year, at higher rates than expected at the time of the preparation of our Autumn Forecast. At the end of December 2010, the number of registered unemployed persons totalled 110,021, which is 13,349 (13.8%) more than in December 2009 and the highest figure since March 2000. According to seasonally adjusted data, unemployment has been rising almost without interruption since as early as June 2008.

Figure 41: Number of registered unemployed persons and its monthly growth

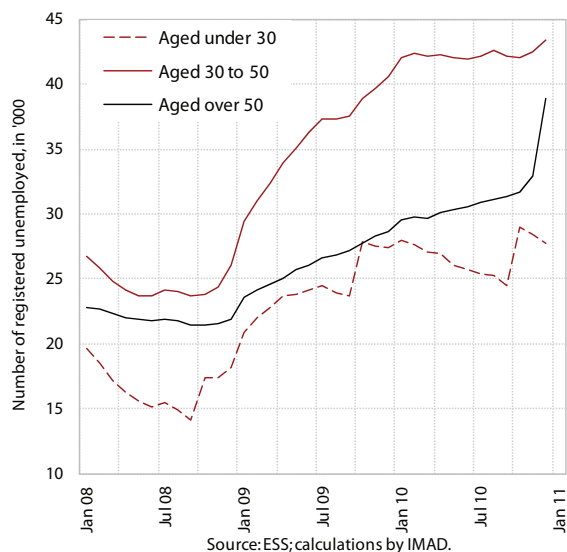


Source: ESS; calculations by IMAD.

<sup>20</sup> OG RS, No. 59/09.



Figure 42: Registered unemployment by age



A total of 109,174 persons registered as unemployed anew in 2010, which is 5,322 persons (-4.6%) less than in 2009, while 95,825 persons were deleted from the register (11,762 persons or 14.0% more than a year earlier). Broken down by levels of education, the inflow of unemployed persons with a lower education dropped the most (-13.8%). The inflow of those with a secondary education also declined (-2.5%) while the inflow of persons with a higher education increased relative to 2009 (by 9.6%). The number of first-time job-seekers also dropped (-1.2%). The greatest monthly inflow into unemployment was recorded in December

(14,846 newly registered persons). Overall 83,466 persons lost work in 2010 (7.8% fewer than in 2009), but in some of the main categories unemployment declined. The number of newly registered unemployed persons who had lost jobs due to bankruptcies, the termination of temporary employment contracts, for business reasons or due to compulsory settlements declined, but much more persons became unemployed due to the winding up of small businesses. On the other hand, 57,004 unemployed persons found work in 2010 (8,451 persons or 17.4% more than in 2009) and the number of unemployed persons

Figure 43: Registered unemployed persons by education

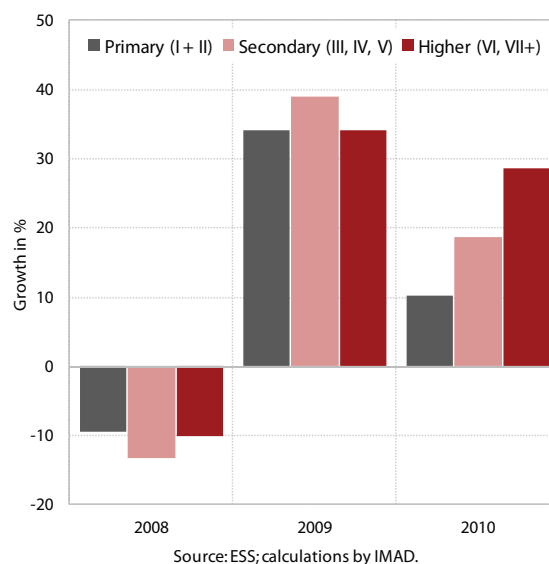


Table 13: Flows in registered unemployment

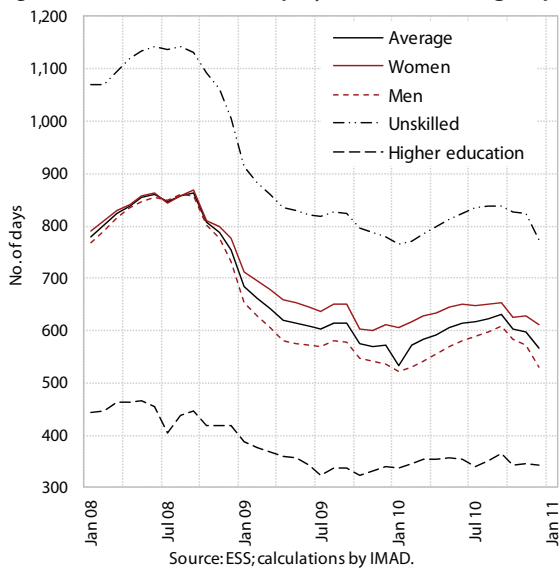
	Number in '000					Change, in %				
	2006	2007	2008	2009	2010	2007	2008	2009	2010	
<b>A</b>										
<b>No. at the beginning of the year</b>	92.6	78.3	68.4	66.2	96.7	-15.4	-12.6	-3.2		
<b>Total inflows during the year</b>	90.2	73.5	70.8	114.5	109.2	-18.5	-3.8	61.7	-4.6	
- first-time job-seekers	18.6	14.7	12.5	17.0	16.8	-20.7	-15.1	35.8	-1.2	
- lost work	63.8	52.5	53.0	90.5	83.5	-17.6	1.0	70.7	-7.8	
of which: termination of temp. empl. contracts	33.4	28.3	29.4	45.1	40.8	-15.3	4.2	53.3	-9.5	
<b>B</b>										
bankruptcies	3.1	1.9	2.4	9.3	5.4	-40.9	30.1	285.3	-41.7	
winding up of small businesses	0.2	0.1	0.1	0.1	2.9	-39.4	-1.7	6.1	2286.9	
business reasons, compulsory settlements	10.8	8.5	8.3	22.3	21.6	-20.9	-2.0	168.2	-3.3	
- transfer from other registers	7.9	6.3	5.2	7.4	8.9	-20.0	-16.8	41.8	20.4	
<b>C Total A + B</b>	182.8	151.8	139.2	180.7	205.8	-16.9	-8.3	29.8	13.9	
<b>Total outflows during the year</b>	104.5	83.4	73.0	84.1	95.8	-20.1	-12.6	15.2	14.0	
- found work	57.4	49.1	41.7	48.6	57.0	-14.5	-15.2	16.5	17.4	
- deleted for reasons other than employment	42.2	31.7	27.1	28.3	32.1	-24.7	-14.5	4.4	13.4	
<b>D</b>										
of which: education	4.0	4.6	2.8	4.5	4.5	16.4	-40.1	60.7	0.8	
retirement	4.0	4.5	4.9	5.8	7.3	11.2	9.9	17.1	26.4	
neglect of duties	18.8	11.7	10.0	10.2	11.8	-37.8	-14.6	2.1	15.4	
- transfer to other registers	4.9	2.6	4.1	7.2	6.7	-47.3	61.2	73.2	-6.8	
<b>E No. at the end of the year (E = C - D)</b>	78.3	68.4	66.2	96.7	110.0	-12.6	-3.2	45.9	13.8	

Source: ESS; calculations by IMAD.

fell by another 29,900 (4.8% more than a year earlier) for reasons other than employment (retirement, education, violation of obligations, transfer to other registers, etc.).

In 2010, 8.2% more job vacancies were registered than in 2009, but the number of persons hired was 6.5% lower. Looking at major activities, the year 2010 saw the largest y-o-y increase in job vacancies in manufacturing (31.3%) and professional, scientific and technical activities (28.5%), and the largest decline in job vacancies in agriculture (-11.9%), construction (-5.3%) and public administration and defence (-4.8%). The share of temporary job vacancies increased by 2.6 p.p. compared with 2009, to 80.7%, and the share of persons hired under fixed-term contracts (80.6%) by 1.2 p.p. The number of work permits for foreigners declined by a further 11 thousand persons or 12.7%. Among activities that employ the most foreigners, it dropped the most in construction (-25.3%) and distributive trade (-15.1%).

Figure 44: Duration of unemployment – selected groups





# **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 fixed 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 fixed 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	42,341 <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 November 2010;								

PRODUCTION	2007	2008	2009	2008		2009				2010			2008		2009		
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	11	12	1	2	3
<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	-11.7	-13.2	-17.1	-21.5	-15.9
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	-14.7	18.8	-6.9	-3.8	-9.2
C Manufacturing	8.5	2.6	-18.7	3.7	-8.4	-20.0	-25.9	-19.5	-7.9	0.2	12.1	8.0	-12.5	-15.4	-18.9	-23.8	-17.3
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	4.7	7.5	-5.1	-1.3	-2.7
<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	-16.4	-2.3	-3.6	-26.9	-22.7	-9.7
Buildings	14.3	11.5	-22.5	11.5	-2.0	-20.8	-21.8	-27.4	-19.6	-7.4	-12.4	-16.5	-11.5	-6.9	-32.7	-17.3	-12.7
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	5.4	-0.6	-20.3	-27.5	-7.3
<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	9.5	-	-	-	-	-
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	32.2	-	-	-	-	-
<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	4.9	4.6	1.0	3.1	-6.2	-15.5	-8.6
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	0.3	2.0	7.0	7.1	2.3	-13.3	-5.2
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	-12.5	-10.1	-27.6	-24.5	-20.4
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	7.7	2.1	0.5	-16.9	-19.2	-13.2
<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	3.4	12.3	2.7	-5.7	-7.0
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	12.3	15.6	7.7	-1.0	8.9
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	-4.1	9.1	-0.7	-12.2	-19.3
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	4.1	-0.6	-1.4	-6.7	-3.7
<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	45.3	58.1	32.9	32.6	39.9
<b>BUSSINES TENDENCY (indicator values**)</b>																	
Sentiment indicator	14	3	-22	7	-15	-31	-28	-18	-13	-12	-9	-6	-17	-24	-31	-29	-33
Confidence indicator																	
- in manufacturing	11	-5	-23	-3	-27	-35	-27	-19	-13	-7	-1	3	-28	-32	-37	-33	-34
- in construction	19	2	-50	3	-21	-43	-51	-54	-51	-57	-60	-56	-21	-35	-40	-40	-49
- in services	29	27	-14	30	7	-19	-24	-10	-1	-1	-5	-2	6	-6	-15	-16	-26
- in retail trade	27	22	-13	26	8	-17	-18	-9	-7	-6	10	11	0	-3	-14	-16	-20
Consumer confidence indicator	-11	-20	-30	-16	-29	-39	-32	-22	-25	-25	-22	-27	-34	-35	-43	-37	-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												2011	
4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	1			
-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	5.6	5.3	-	-				
-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	-4.4	-	-				
-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	14.4	3.7	5.4	6.1	-	-				
-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	0.3	-	-				
-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	-18.0	-16.0	-	-				
-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	-17.4	-26.5	-	-				
-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	-8.8	-	-				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
-16.7	-17.1	-12.6	-14.8	-15.1	-18.2	-13.0	-11.1	-5.9	-4.8	-3.6	4.2	3.1	4.2	7.3	2.3	4.9	6.6	3.9	8.4	-	-				
-9.3	-14.9	-9.5	-11.5	-13.3	-16.7	-12.9	-13.5	-7.0	-8.5	-5.2	-0.5	-1.6	-1.0	3.6	1.8	1.1	3.2	1.3	3.4	-2.0	-				
-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	18.8	16.6	-				
-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	1.4	4.5	-	-				
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	-0.8	-1.0	-				
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	-0.5	3.0	-				
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	-1.1	-4.0	-				
-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	6.9	5.1	-	-				
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	44.1	-	-				
-34	-25	-24	-21	-19	-13	-13	-14	-13	-10	-11	-15	-12	-8	-6	-5	-7	-7	-8	-8	-8	-7				
-32	-27	-22	-23	-20	-14	-16	-12	-11	-6	-8	-6	-2	-1	1	6	1	1	2	-2	-1	4				
-53	-46	-53	-49	-59	-55	-56	-47	-49	-56	-55	-61	-63	-57	-59	-60	-57	-51	-51	-53	-56	-56				
-27	-22	-22	-13	-12	-5	2	-5	-1	6	2	-10	-8	-4	-3	-1	-3	-3	-7	-2	0	1				
-17	-18	-19	-16	-6	-6	-7	-7	-6	-6	-6	-5	9	9	13	9	13	11	11	9	10	5				
-41	-30	-24	-25	-26	-16	-26	-24	-26	-26	-24	-26	-24	-22	-21	-27	-28	-26	-26	-24	-26	-26				



LABOUR MARKET	2007	2008	2009	2008		2009				2010			2008			2009		
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	12	1	2			
<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	946.5	946.2	945.9			
<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	880.3	872.2	868.7			
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	38.8	37.8	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	325.9	320.1	317.4			
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	216.3	211.8	209.6			
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	89.5	88.3	87.7			
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	515.6	514.4	513.6			
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	50.8	51.2	51.0			
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	112.6	112.8	113.2			
<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	790.2	783.0	779.5			
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	718.1	712.6	709.7			
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	72.2	70.4	69.7			
<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	90.0	89.2	89.3			
<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	66.2	73.9	77.2			
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	33.7	37.2	38.5			
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	10.2	11.7	12.3			
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	21.9	23.6	24.1			
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	27.0	30.1	31.4			
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	30.8	31.2	31.0			
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	16.8	20.9	22.8			
<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	7.0	7.8	8.2			
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	6.1	6.9	7.3			
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	8.1	9.0	9.3			
<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	-3.8	-0.3	-0.2			
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	0.8	1.2	1.0			
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	6.6	10.4	6.9			
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	2.4	3.2	2.7			
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	2.2	0.7	1.9			
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	-0.7	-0.6	-0.3			
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	1.8	2.2	1.6			
Others who found employment <sup>2</sup>	40.9	31.5	34.7	5.9	8.8	6.9	9.5	8.2	10.1	4.8	11.5	5.2	-0.3	1.7	2.2			
<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	12.3	13.7	12.2			
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	73.1	72.0	75.0			
<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	90.7	90.7	91.2			
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	9.6	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	8.9	10.2	8.1			

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										
3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	
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	937.2	
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	833.4	
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	33.3	
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	283.9	
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	187.9	
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	75.8	
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	516.1	
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	52.0	
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	118.5	
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	744.6	
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	684.8	
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	59.8	
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	88.8	
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	103.8	
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	49.5	
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	15.1	
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	33.0	
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	37.5	
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	47.5	
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	29.7	
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	11.1	
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	10.4	
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	11.9	
-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	1.4	
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	8.2	
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	4.9	
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	3.6	
-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	-0.5	
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	3.0	
2.9	3.5	2.5	3.5	1.5	1.4	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	3.7	3.8	
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	14.7	
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	80.4	
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	74.5	
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	7.9	
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	8.8	

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2007	2008	2009	2008		2009				2010			2008				
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	8	9	10	11	12
<b>GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %</b>																	
Activity - Total	5.9	8.3	3.4	9.9	7.1	5.5	4.6	2.3	1.7	3.7	4.3	4.2	9.8	11.2	9.2	3.9	8.6
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	6.3	12.9	11.3	-0.1	10.2
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	10.0	20.7	39.0	-4.7	16.0
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	6.4	10.8	6.7	-1.4	5.7
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	8.3	6.2	25.2	2.2	3.2
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	5.5	11.3	14.0	-1.0	4.8
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	6.0	11.3	7.3	-1.0	7.2
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	7.0	10.2	8.0	3.9	6.6
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	13.1	10.2	7.1	7.5	5.2
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	9.0	10.7	7.5	2.0	5.4
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	8.1	10.3	7.8	5.5	5.4
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	6.3	11.4	1.2	-6.3	8.1
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	4.6	6.7	4.5	1.5	5.0
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	7.3	10.3	9.3	1.8	8.8
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	8.3	11.2	8.4	8.6	7.1
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	18.8	13.3	12.9	16.0	12.3
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	10.9	7.3	8.0	9.4	9.6
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	24.5	21.5	21.3	20.5	21.4
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	11.3	9.4	10.7	-3.2	9.1
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	8.0	8.3	9.0	6.3	11.3
<b>INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %</b>																	
Effective exchange rate, <sup>1</sup> nominal	0.8	0.5	0.4	0.8	0.5	0.4	-0.3	0.3	1.8	-0.3	-1.9	-2.3	0.6	-0.1	-1.3	-1.7	-0.4
Real (relative consumer prices)	2.3	2.8	0.7	2.3	2.8	0.7	0.0	0.2	2.3	-0.3	-1.3	-1.7	2.6	1.6	0.3	-0.7	0.0
Real (relative producer prices) <sup>2</sup>	2.2	0.8	2.8	2.2	0.8	2.8	3.4	3.7	1.4	-2.4	-3.3	-2.8	0.3	-0.6	-0.6	0.8	3.2
USD/EUR	1.371	1.471	1.393	1.371	1.471	1.393	1.362	1.431	1.478	1.384	1.273	1.291	1.498	1.437	1.332	1.273	1.345

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

2009												2010										
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
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	4.1
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	5.9
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	0.8
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	7.0	5.1	8.3
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	13.0
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	3.3
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	5.6
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	4.5
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	4.0
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	4.1
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	5.9
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	-4.6
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	2.3
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	1.4
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	5.7
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	0.6
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	1.2
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	0.3	0.0
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	0.0
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	3.7
-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	-2.2
-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	-2.5
2.8	2.8	3.5	2.9	3.3	4.0	4.2	3.1	3.8	3.8	1.6	-1.0	-1.9	-2.1	-3.2	-3.8	-2.9	-3.2	-2.9	-2.5	-3.2	-2.8	-2.4
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	1.366

PRICES	2008	2009	2010	2008					2009					2010				2008			2009	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	10	11	12	1	2	
<b>CPI, y-o-y growth rates, %</b>	5.7	0.9	1.8	3.3	1.8	0.7	-0.2	1.1	1.4	2.1	2.1	1.7	4.9	3.1	2.1	1.6	2.1					
Food, non-alcoholic beverages	10.1	0.6	1.0	4.9	3.2	0.9	-0.7	-1.0	-1.4	0.7	2.6	2.0	5.3	5.6	3.8	3.5	3.1					
Alcoholic beverages, tobacco	3.2	6.7	7.2	2.1	3.0	7.2	8.5	7.9	7.1	6.5	7.3	8.1	2.1	2.1	2.0	2.2	2.7					
Clothing and footwear	4.4	-0.6	-1.9	5.2	1.8	1.2	-2.2	-3.0	-5.0	-1.9	-0.6	-0.4	6.1	4.6	4.8	2.3	0.6					
Housing, water, electricity, gas	9.7	-0.3	10.2	5.3	1.7	-2.1	-3.5	3.0	8.3	11.3	12.0	9.0	9.0	4.8	2.4	0.8	3.0					
Furnishings, household equipment	5.8	4.0	1.4	6.7	6.1	4.5	3.5	1.9	1.3	0.8	1.3	2.1	7.0	6.7	6.5	6.5	6.7					
Medical, pharmaceutical products	2.9	4.0	2.1	5.8	8.7	5.3	1.4	0.7	-0.6	0.6	4.0	4.6	5.2	5.4	6.7	9.5	9.8					
Transport	1.9	-3.0	-0.3	-2.2	-3.7	-4.5	-4.1	0.6	1.2	-0.1	-1.8	-0.5	2.6	-3.6	-5.4	-5.1	-2.5					
Communications	0.6	-4.1	1.4	-1.7	-4.3	-4.7	-4.3	-3.2	0.0	1.4	1.3	2.8	-0.9	0.0	-4.3	-3.7	-4.7					
Recreation and culture	4.4	3.0	0.4	3.2	3.0	3.6	2.8	2.5	1.2	0.4	-0.2	0.1	2.8	3.2	3.6	2.8	2.8					
Education	5.2	3.4	1.6	6.1	5.1	3.0	2.7	2.7	2.0	1.9	1.6	0.8	6.0	6.1	6.1	6.0	6.3					
Catering services	9.6	4.4	-2.5	8.7	6.3	4.9	4.0	2.7	1.9	1.9	-2.9	-11.0	9.7	8.8	7.7	6.5	6.3					
Miscellaneous goods & services	3.9	3.8	1.4	3.4	3.8	3.3	4.4	3.9	2.3	2.0	0.5	0.7	3.4	3.2	3.4	3.4	3.7					
HCPI	5.5	0.9	2.1	3.1	1.7	0.6	-0.2	1.4	1.7	2.4	2.3	2.0	4.8	2.9	1.8	1.4	2.1					
Core inflation (excluding fresh food and energy)	4.6	1.9	0.3	4.0	3.1	2.6	1.2	0.7	0.0	0.4	0.4	0.4	4.1	3.9	3.9	3.2	2.8					
<b>PRODUCER PRICE INDICES, y-o-y growth rates, %</b>																						
Total	3.8	-1.3	2.1	3.2	1.1	-1.5	-3.1	-1.8	-1.0	2.3	3.4	3.8	4.2	3.3	2.2	1.9	1.1					
Domestic market	5.6	-0.4	2.0	4.2	1.5	-0.4	-1.5	-1.1	0.2	2.0	2.8	3.2	5.0	4.0	3.5	2.3	1.2					
Non-domestic market	2.2	-2.2	2.2	2.3	0.8	-2.6	-4.5	-2.5	-2.1	2.6	4.0	4.4	3.3	2.7	1.0	1.5	1.0					
euro area	2.2	-3.5	2.2	1.5	-0.6	-4.5	-6.0	-3.0	-2.4	2.5	4.0	4.8	3.1	1.4	0.1	0.2	-0.3					
non-euro area	2.1	0.3	2.1	3.9	3.5	1.1	-1.7	-1.6	-1.6	2.7	3.8	3.5	3.9	5.1	2.7	4.2	3.5					
Import price indices	1.3	-3.3	7.4	1.4	-2.1	-4.6	-4.7	-1.8	4.0	8.8	7.8	8.9	3.7	1.6	-1.0	-2.4	-1.3					
<b>PRICE CONTROL,<sup>1</sup> y-o-y growth rates, %</b>																						
Energy prices	12.4	-12.3	16.5	-1.2	-12.9	-17.7	-17.3	0.4	16.1	18.8	15.9	15.3	14.1	-4.3	-12.7	-15.0	-8.9					
Oil products	11.7	-12.0	17.3	-5.7	-16.3	-18.9	-15.9	6.2	21.9	20.3	13.5	14.6	12.2	-9.4	-18.9	-19.5	-11.2					
Basic utilities	0.6	3.6	-	1.1	1.7	0.9	0.8	10.8	-	-	-	-	0.7	0.8	1.6	1.6	1.7					
Transport & communications	-0.4	0.6	1.8	-1.3	-1.2	-1.1	2.5	2.5	2.5	2.7	1.1	1.1	-1.3	-1.3	-1.3	-1.3	-1.3					
Other controlled prices	1.8	4.9	1.3	2.4	2.4	6.8	5.6	4.9	4.9	0.4	0.1	0.1	2.4	2.4	2.4	2.3	2.4					
Direct control – total	8.6	-6.9	14.2	-0.2	-7.8	-10.9	-10.9	2.9	14.1	16.1	14.4	12.2	9.7	-2.2	-7.8	-9.4	-5.0					

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										
3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
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	1.9
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	2.2
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	8.1
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	-0.1
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	8.3
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	2.6
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	4.3
-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	0.3
-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	3.2
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	0.4
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	0.7
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	-11.1
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	0.6
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	2.2
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	0.6
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	5.6
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	3.6
-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	10.3
-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	5.6
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	3.6
-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	10.3
-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	15.7
-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	15.6
1.9	1.0	0.7	0.8	0.8	0.8	0.8	0.8	16.3	15.4	-	-	-	-	-	-	-	-	-	-	-	-
-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	1.1
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	0.1
-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	11.8

BALANCE OF PAYMENTS	2007	2008	2009	2008		2009				2010			2008		2009	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	11	12	1	2
<b>BALANCE OF PAYMENTS, in EUR m</b>																
Current account	-1,646	-2,489	-526	-698	-757	-304	64	-235	-51	-111	-85	-70	-156	-346	-75	-137
Goods <sup>1</sup>	-1,666	-2,650	-699	-751	-743	-156	-29	-228	-286	-134	-204	-177	-180	-297	-48	-37
Exports	19,798	20,048	16,167	5,038	4,577	3,934	4,064	3,950	4,219	4,204	4,693	4,635	1,532	1,204	1,214	1,293
Imports	21,464	22,698	16,866	5,789	5,320	4,090	4,093	4,178	4,505	4,339	4,898	4,812	1,711	1,501	1,262	1,330
Services	1,047	1,493	1,114	413	304	239	311	296	269	233	297	262	110	53	92	60
Exports	4,145	5,043	4,301	1,475	1,219	918	1,049	1,272	1,061	925	1,069	1,260	378	394	307	278
Imports	3,098	3,549	3,187	1,062	915	679	738	977	793	692	772	998	268	341	215	218
Income	-789	-1,030	-782	-357	-231	-230	-200	-241	-112	-156	-135	-161	-74	-67	-71	-82
Receipts	1,169	1,261	665	335	342	131	176	138	220	207	239	221	107	126	48	42
Expenditure	1,957	2,292	1,447	691	573	361	376	378	332	363	373	382	181	193	119	124
Current transfers	-239	-302	-159	-4	-87	-158	-18	-62	79	-53	-43	6	-12	-35	-48	-78
Receipts	941	870	957	254	238	141	266	176	374	258	215	271	87	90	35	45
Expenditure	1,180	1,172	1,116	257	325	299	283	238	296	312	258	264	99	125	83	124
Capital and financial account	1,920	2,545	220	631	703	-25	-57	129	173	86	252	183	291	529	188	-96
Capital account	-52	-25	-9	-4	-26	-4	41	-4	-42	45	2	16	41	-72	-7	-2
Financial account	1,972	2,571	230	635	729	-20	-98	133	214	40	250	167	251	601	196	-95
Direct investment	-210	381	-539	82	299	3	-415	-46	-81	-28	61	49	93	235	148	-14
Domestic abroad	-1,317	-949	-121	-248	-132	104	-260	35	1	-120	25	-26	-10	-40	129	-7
Foreign in Slovenia	1,106	1,329	-419	330	431	-100	-155	-81	-82	92	36	75	103	275	20	-6
Portfolio investment	-2,255	572	4,625	166	1,258	874	1,151	2,293	307	1,106	503	-48	658	213	410	559
Financial derivatives	-15	46	-2	5	6	-23	12	12	-2	-22	-65	-1	2	2	-10	-13
Other investment	4,313	1,551	-4,021	380	-855	-988	-891	-2,112	-29	-1,077	-200	149	-486	145	-349	-713
Assets	-4,741	-427	-273	434	300	746	-161	-1,053	194	251	-578	558	18	717	73	603
Commercial credits	-400	-142	417	-9	554	62	166	-37	227	-237	-209	11	131	466	149	-26
Loans	-1,895	-325	-29	158	-91	40	-91	-23	45	-359	496	13	73	122	-185	206
Currency and deposits	-2,454	35	-587	304	-155	638	-239	-1,004	18	848	-858	439	-191	151	98	413
Other assets	7	4	-75	-19	-8	7	2	12	-96	-2	-6	95	5	-22	11	10
Liabilities	9,054	1,978	-3,747	-54	-1,156	-1,735	-730	-1,059	-223	-1,328	378	-409	-504	-572	-422	-1,316
Commercial credits	499	-73	-459	-25	-536	-301	-105	25	-78	93	268	-39	-182	-288	-299	-33
Loans	3,841	1,869	-2,941	242	-489	-571	-1,331	-73	-966	-414	-195	-64	-483	-43	-125	18
Deposits	4,727	190	-318	-272	-137	-858	700	-983	822	-1,079	358	-305	159	-244	5	-1,303
Other liabilities	-13	-7	-29	2	6	-5	6	-28	-2	72	-54	-1	3	3	-3	2
International reserves <sup>2</sup>	140	21	167	1	21	114	46	-13	20	62	-50	18	-17	5	-4	86
Statistical error	-273	-56	305	67	54	329	-7	106	-122	25	-167	-113	-135	-184	-113	234
<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	403	455	441	185	158	128	152
Intermediate goods	10,436	10,760	8,090	2,730	2,385	1,977	1,996	2,025	2,093	2,234	2,539	2,539	816	589	644	637
Consumer goods	7,035	6,808	6,144	1,648	1,590	1,474	1,568	1,482	1,620	1,534	1,666	1,622	511	441	429	491
Import of investment goods	3,031	3,441	2,288	862	878	583	551	521	633	449	609	573	279	310	172	161
Intermediate goods	12,875	13,735	9,823	3,543	3,107	2,381	2,335	2,458	2,649	2,681	3,036	3,001	1,017	782	758	803
Consumer goods	5,601	5,870	5,004	1,475	1,416	1,195	1,262	1,255	1,292	1,262	1,313	1,316	441	431	353	389
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										
3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11		
-92	4	18	42	-84	-136	-15	-55	87	-83	-23	-126	37	-44	-101	60	2	-62	-9	-65	-68		
-71	-67	-7	45	-50	-161	-17	-50	-79	-158	-19	-89	-26	-77	-133	6	-31	-101	-45	-136	-129		
1,427	1,304	1,333	1,427	1,401	1,065	1,484	1,499	1,471	1,248	1,229	1,327	1,649	1,468	1,565	1,660	1,604	1,304	1,728	1,653	1,687		
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	1,698	1,654	1,635	1,405	1,773	1,790	1,815		
87	103	112	96	59	125	111	114	85	70	80	70	83	101	102	94	60	87	116	115	72		
334	344	348	357	436	447	389	367	322	373	298	285	342	353	351	365	431	421	407	369	333		
246	241	236	261	376	322	278	253	237	303	218	215	259	252	249	271	371	335	292	254	261		
-76	-56	-77	-67	-96	-66	-79	-63	17	-65	-56	-55	-45	-49	-45	-40	-52	-53	-56	-52	-55		
41	51	55	69	51	43	44	45	107	69	66	64	77	74	82	83	74	74	73	75	75		
118	107	132	137	146	109	123	108	90	134	122	119	122	123	127	123	126	127	129	127	130		
-32	24	-11	-31	2	-35	-30	-55	64	70	-27	-52	26	-18	-25	0	25	6	-25	9	43		
61	116	80	69	80	53	43	60	148	166	63	83	112	55	82	79	116	88	67	100	122		
93	92	90	101	77	87	73	116	83	96	91	135	86	73	107	78	91	82	91	92	79		
-117	15	98	-170	104	-66	92	95	-7	85	53	77	-44	130	18	104	127	-50	106	98	-222		
5	-2	-1	45	-3	-2	1	1	25	-67	-7	-2	55	2	-3	4	-8	-4	27	3	3		
-121	18	99	-215	106	-64	91	94	-32	153	60	79	-99	128	21	101	135	-46	79	95	-225		
-132	-100	-255	-61	-40	27	-34	-17	-89	25	38	-47	-19	-1	27	36	52	56	-59	96	264		
-18	-74	-189	3	26	24	-15	-25	36	-10	-7	-76	-37	-23	24	24	3	5	-33	-25	32		
-114	-26	-66	-64	-65	3	-18	8	-126	36	44	29	18	22	3	11	49	52	-26	121	232		
-95	1,005	263	-118	864	-216	1,644	-14	-71	392	1,357	-446	195	607	-201	98	82	-27	-102	61	152		
0	4	8	-1	-2	6	8	3	3	-7	-2	-2	-19	-11	-21	-33	-1	0	0	1	5		
74	-888	20	-24	-663	90	-1,539	115	114	-258	-1,384	566	-260	-499	276	23	5	-72	216	-82	-631		
70	-152	-730	721	-656	719	-1,116	219	-349	323	144	61	45	-8	-629	59	712	-206	52	-157	-612		
-62	70	141	-45	-6	85	-117	-68	-31	326	-11	-42	-183	-33	-90	-86	-6	186	-169	-96	-67		
19	48	-62	-77	-58	72	-37	-8	48	5	-54	29	-333	417	17	61	104	-37	-53	-36	2		
127	-269	-808	838	-592	556	-968	292	-367	93	216	69	563	-400	-542	84	605	-428	262	-11	-542		
-15	-1	-2	5	0	6	6	3	2	-100	-6	5	-1	7	-14	0	9	73	13	-13	-5		
4	-736	751	-745	-7	-629	-423	-104	462	-581	-1,528	505	-305	-491	905	-36	-707	135	163	75	-18		
30	-48	-32	-25	20	-110	116	88	80	-246	-88	69	112	54	130	85	-34	-184	178	140	61		
-464	-328	349	-1,353	12	-30	-55	-159	32	-839	-40	-18	-356	-276	328	-246	-38	-40	14	-240	232		
441	-361	434	627	-10	-491	-482	-36	358	500	-1,394	448	-133	-206	455	109	-607	348	-46	180	-305		
-4	2	-1	5	-30	3	-2	2	-8	4	-6	6	72	-63	-8	17	-28	10	17	-5	-7		
31	-5	62	-11	-53	29	12	8	11	1	51	7	4	32	-60	-23	-3	-4	25	19	-16		
209	-19	-115	128	-20	202	-77	-40	-79	-3	-31	49	7	-86	84	-164	-129	112	-97	-33	290		
162	171	141	149	147	110	150	167	154	151	116	120	167	142	155	158	158	124	158	163	N/A		
695	646	652	698	722	552	751	782	730	581	657	724	853	802	855	882	878	711	950	914	N/A		
555	478	524	567	517	392	572	540	578	502	446	473	615	514	543	609	555	458	609	562	N/A		
249	190	187	175	170	154	197	218	208	207	121	148	180	213	217	180	179	151	243	182	N/A		
820	762	759	814	861	711	886	913	937	799	794	878	1009	948	1067	1020	1038	874	1,088	1,149	N/A		
453	437	416	408	434	381	441	447	433	413	357	389	516	416	448	449	438	406	472	485	N/A		



MONETARY INDICATORS AND INTEREST RATES	2007	2008	2009	2008					2009					
				8	9	10	11	12	1	2	3	4	5	6
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m</b>														
Claims of the BS on central government	67	68	160	66	67	69	69	68	69	87	103	121	140	142
Central government (S. 1311)	2,367	2,162	3,497	2,069	2,046	2,058	2,176	2,162	2,704	2,867	3,134	3,288	3,542	3,472
Other government (S. 1312, 1313, 1314)	118	212	376	143	178	184	181	212	223	229	233	243	254	251
Households (S. 14, 15)	6,818	7,827	8,413	7,603	7,705	7,857	7,785	7,827	7,831	7,852	7,868	7,910	7,946	7,951
Non-financial corporations (S. 11)	18,105	21,149	21,704	20,619	20,872	21,134	21,092	21,149	21,346	21,429	21,469	21,509	21,516	21,517
Non-monetary financial institutions (S. 123, 124, 125)	2,305	2,815	2,680	2,729	2,798	2,815	2,845	2,815	2,815	2,814	2,851	2,869	2,838	2,835
Monetary financial institutions (S. 121, 122)	2,401	3,666	5,302	2,400	2,737	2,965	2,963	3,666	3,887	3,826	3,786	3,829	4,008	4,365
<b>Claims on domestic sectors, TOTAL</b>														
In domestic currency	26,555	32,113	34,731	30,108	30,888	31,444	31,594	32,113	32,388	32,663	32,648	32,790	33,140	33,353
In foreign currency	1,990	2,370	1,895	2,271	2,344	2,512	2,371	2,370	2,372	2,315	2,190	2,172	2,122	2,059
Securities, total	3,570	3,346	5,345	3,184	3,104	3,059	3,077	3,346	4,046	4,040	4,504	4,686	4,843	4,979
<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	21,465	21,992	22,177	22,385	23,129	23,563	24,487	24,334	25,649	26,020	26,576
Overnight	6,887	6,605	7,200	6,703	6,918	6,666	6,577	6,605	6,415	6,421	6,609	6,610	6,876	7,163
With agreed maturity – short-term	8,913	10,971	9,779	9,929	10,038	10,530	10,659	10,971	11,246	12,053	11,705	12,951	13,053	12,015
With agreed maturity – long-term	2,857	4,157	9,688	3,378	3,519	3,555	3,727	4,157	4,542	4,729	4,827	4,876	4,868	6,182
Short-term deposits redeemable at notice	1,372	1,396	1,298	1,455	1,517	1,426	1,422	1,396	1,360	1,284	1,193	1,212	1,223	1,216
Deposits in foreign currency, total	559	490	433	502	493	537	551	490	504	502	491	489	495	492
Overnight	218	215	238	228	218	244	247	215	242	230	233	231	251	249
With agreed maturity – short-term	248	198	123	190	196	213	227	198	181	195	177	180	166	170
With agreed maturity – long-term	56	41	45	42	43	44	42	41	42	43	42	42	41	39
Short-term deposits redeemable at notice	37	36	27	42	36	36	35	36	39	34	39	36	37	34
<b>INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %</b>														
<b>New deposits in domestic currency</b>														
<b>Households</b>														
Overnight deposits	0.36	0.46	0.28	0.48	0.48	0.51	0.52	0.43	0.48	0.40	0.34	0.28	0.25	0.23
Time deposits with maturity of up to one year	3.36	4.30	2.51	4.39	4.53	4.65	4.56	4.45	4.08	3.40	2.82	2.44	2.28	2.40
<b>New loans to households in domestic currency</b>														
Housing loans, 5-10 year fixed interest rate	5.80	6.77	6.43	6.95	6.99	7.10	7.17	6.88	7.05	6.63	5.75	6.75	6.37	6.59
<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	6.28	6.53	6.94	6.76	7.24	7.74	6.61	6.35	6.34	6.05	6.10	6.19
<b>INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %</b>														
Main refinancing operations	3.85	3.85	1.23	4.25	4.25	3.75	3.25	2.50	2.00	2.00	1.50	1.25	1.00	1.00
<b>INTERBANK INTEREST RATES</b>														
<b>EURIBOR</b>														
3-month rates	4.28	4.63	1.23	4.97	5.02	5.11	4.24	3.29	2.46	1.94	1.64	1.42	1.28	1.23
6-month rates	4.35	4.72	1.44	5.16	5.22	5.18	4.29	3.37	2.54	2.03	1.78	1.61	1.48	1.44
<b>LIBOR CHF</b>														
3-month rates	2.55	2.58	0.37	2.75	2.78	3.00	1.97	0.91	0.57	0.51	0.44	0.40	0.40	0.40
6-month rates	2.65	2.69	0.50	2.89	2.92	3.09	2.16	1.08	0.71	0.65	0.58	0.54	0.54	0.52

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

2009						2010											
7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
151	167	166	161	161	160	176	177	140	140	142	141	140	142	140	139	139	138
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	3,419
257	262	281	305	336	376	390	395	390	392	395	401	415	421	417	434	497	527
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	9,298
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	21,642
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	2,517
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	5,814
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	36,006
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	1,844
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	5,367
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	26,777
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	8,155
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	8,204
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	10,336
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	82
480	462	462	457	454	433	426	439	436	450	495	707	465	494	465	456	471	463
239	240	244	242	261	238	240	241	250	270	299	515	283	310	280	286	291	285
166	150	144	141	122	123	117	120	110	103	104	129	122	121	125	113	118	121
39	38	43	42	43	45	48	52	54	54	57	61	58	60	57	55	59	55
36	34	31	32	28	27	21	26	22	23	35	2	2	3	3	2	3	2
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	0.20	-
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	1.89	-
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	5.43	-
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	5.72	6.00	-
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	1.00
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	1.02
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	1.25
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	-	-
0.49	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	4	5
<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	1,199.9	1,102.2
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	1,124.2	1,047.1
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	1,076.2	996.5
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	195.9	229.5
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	433.1	423.8
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	2.4	2.3
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	7.9	15.8
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	424.3	316.7
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	12.4	8.2
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	48.0	50.6
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	3.9	15.5
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	0.8	0.2
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	0.4	0.1
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	70.6	39.3
<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	1,255.5	1,478.1
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	569.3	580.8
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	312.7	374.0
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	212.7	202.2
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	41.7	1.9
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	2.3	2.7
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	571.1	761.3
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	31.3	54.7
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	487.2	643.7
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	183.3	51.0	56.3
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	1.5	6.6
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	65.6	84.1
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	17.1	27.8
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	24.1
<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

**AJPES** – Agency of the Republic of Slovenia for Public Legal Records and Related Services, **BS** – Bank of Slovenia, **CPI** – consumer price index, **EC** – European Commission, **ECB** – European Central Bank, **EIA** – Energy Information Administration, **ESS** – Employment Service of Slovenia, **FAO** – Food and Agriculture Organization of the United Nations, **GDP** – Gross domestic product, **HICP** – Harmonised Index of Consumer Prices, **HWWI** – Hamburgisches WeltWirtschaftsinstitut, **IAADP** – Internal Administrative Affairs Directorate, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **MI** – Ministry of the Interior, **NFI** – Non-monetary Financial Institutions, **OECD** – Organization for Economic Cooperation and Development, **PMI** – Purchasing Managers Indice, **PPA** – Public Payments Administration of the Republic of Slovenia, **RS** – Republic of Slovenia, **SCA** – Standard Classification of Activities, **SORS** – Statistical Office of the Republic of Slovenia, **ZEW** – Centre for European Economic Research.

### 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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