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Contents

In the spotlight.....	3
Current economic trends	5
International environment.....	7
Economic activity in Slovenia	8
Labour market	14
Prices	16
Balance of payments	19
Financial markets	21
Public finance.....	23
Selected topics.....	29
Revised state budget for 2011.....	31
WEF Global Competitiveness Report 2011-2012.....	32
Social protection expenditure – 2009.....	33
Indebtedness of Slovenian enterprises	34
Boxes	
Box 1: Downgrade of Slovenia's credit rating	9
Box 2: Main aggregates of the general government sector, ESA 95	25
Statistical appendix	37

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.

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

In the spotlight

Amid the moderation of economic activity and increased risks in view of instability in financial markets, in particular, international institutions have revised downwards their forecasts for economic growth in 2012. After the considerable easing of economic growth in the euro area in the second quarter this year, international institutions expect a continued moderation in the rest of the year and in 2012, along with deteriorated business expectations and the announced fiscal consolidation measures. There is however a huge risk that GDP growth may even be lower than forecast, given the persisting instability in financial markets and the possibility of a further spreading of the sovereign debt crisis across the euro area.

Short-term indicators of economic activity show that the recovery of Slovenia's economy decelerated at the end of the second quarter and the beginning of the third. Growth in nominal merchandise exports, the only indicator to exceed the 2008 average, eased in Slovenia in the summer months amid the moderation of activity in main trading partners. Similar goes for the real volume of industrial production in manufacturing, where the moderation in the summer months was even more pronounced due to a significant contraction of activity in medium-low-technology industries. Data on business trends indicate deteriorating expectations also for the autumn months. Construction activity otherwise picked up in July, but remains very low due to a substantial decline in previous months, lagging the most of all activities behind the average level in 2008. In the services sector, turnover continues to hover around the level reached at the beginning of the year.

The improvement in cost competitiveness of the economy slowed in the second quarter. Real unit labour costs are declining this year, in contrast to 2010 when Slovenia was the only euro area country where real unit labour costs still grew. Following an above-average gain in cost competitiveness in the first three months, Slovenia slipped into the group of countries with below-average improvements in the second quarter due to the slowdown of economic activity and hence lower productivity growth. In the second quarter, the improvement was otherwise again mainly attributable to labour productivity growth in industrial activities.

Having stabilised at the beginning of this year, the labour market situation deteriorated somewhat in the summer months; the average gross wage stagnated. In July, employment dropped for the second consecutive month, according to seasonally adjusted data, while registered unemployment rose in July and August. Overall 106,996 persons were unemployed at the end of August, an increase of 8.0% over the previous August. The average gross wage stagnated in June and July, seasonally adjusted; it strengthened slightly in the private sector, while it dropped somewhat in the public sector.

Consumer prices rose by 0.6% in September. Y-o-y inflation also increased substantially as a result of the base effect related to last year's movements of services prices. The increase in y-o-y inflation by 1.1 p.p. to 2.1% mainly reflected the end of the effect of the subsidy for primary school meals introduced in September 2010, because of which consumers had paid 68.8% less for school meals. According to Eurostat's flash estimate, y-o-y inflation in the euro area also increased in September (to 3.0%).

The already modest lending activity of Slovenia's banks slowed further in August. The aggravated situation in the banking system was one of the main reasons why the rating agencies Moody's and Fitch Ratings downgraded Slovenia's credit rating at the end of September. Enterprises and NFls increased net repayments of loans. As households also made net repayments of domestic bank loans in August, the total net repayments in August were the highest in the last two years. In the first eight months of the year, the volume of domestic non-banking sector loans with domestic banks dropped by EUR 113.0 m, in contrast to the same period of 2010 when net flows totalled EUR 993.2 m. The quality of banks' assets continues to deteriorate and banks added as much as EUR 459.3 m in impairments and provisions in the first seven months, almost a quarter more than in the same period last year. In addition to the deteriorated situation in the banking system, the expected slowdown of the economic recovery, political uncertainty and procrastination on structural reforms are the main reasons for the downgrade cited by both agencies. They also assigned a negative outlook to Slovenia, which indicates a possibility of further downgrades.

The government approved a revised state budget for 2011, which matched expenditures to the estimated (lower) revenues, but left the deficit level unchanged (4.7% of GDP). The revised state budget anticipates that revenues and expenditures will be EUR 365 m lower than planned in the state budget for 2011 adopted in December 2011. With revenues and expenditures down by the same amount, the deficit level remains unchanged. The state budget deficit in 2011 is thus estimated at EUR 1.7 bn. The structure of spending cuts shows that savings are mainly

made on investments that are being pushed forward to the following years. No major cuts will be made by systemic savings, a measure which would be crucial for a more sustainable consolidation of public finances, and is already being enforced by several other European countries.

The inequality and poverty indicators show that material deprivation declined somewhat in 2010 while household income inequality increased slightly. *The at-risk-of-poverty rate, which, according to the methodology for the calculation, mainly reflects income inequality within the population in 2009 (i.e. income distribution among households), increased after a long period of decline as a result of a drop in income of a significant proportion of households during the economic crisis and a concurrent, relatively large, increase in wages in certain activities with high average wages (such as health, public administration and electric power supply). The increase in income inequality did not translate into a deterioration of living conditions, as the material deprivation rate dropped somewhat, though it is still higher than in the period before 2008.*

current economic trends

International environment

GDP growth in the euro area slowed significantly in the second quarter of 2011 and short-term indicators show a continued moderation of growth in the second half of the year. Foreign demand remained the key driver of growth in the second quarter, while domestic demand remained subdued. The greatest contribution to the y-o-y increase in GDP in the second quarter (1.6%) came from exports (2.6 p.p.), even though their growth slowed. Gross fixed capital formation and private consumption contributed less than in previous quarters (each 0.3 p.p.). Private consumption was still adversely affected by tightened labour market conditions (with the unemployment rate in the euro area persisting around 10% since the beginning of the year), as well as by fiscal consolidation measures, which will, according to the EC interim forecast, continue to weigh on disposable income until the end of this year and in 2012. Short-term indicators of economic activity and particularly sentiment indicators point to a further

slowdown of economic growth in the euro area. In August, the Economic Sentiment Indicator (ESI) for the euro area was at its 15-month low while the Purchasing Managers Index (PMI) indicated contraction in the euro area manufacturing in September.

International institutions (EC, OECD, ECB, IMF) forecast a slowdown of economic growth in the euro area by the end of this year and for 2012. The interim autumn forecast by the EC, based on movements in the seven largest EU Member States, projects that GDP growth in 2011 will remain unchanged from the spring (1.6%), but the dynamics of growth will change in the second half of the year. The EC expects a larger slowdown of growth in the third and particularly fourth quarter than projected in the spring forecast. The main factors of the slowdown are deteriorated business expectations regarding further economic activity, easing in private consumption growth and the announced fiscal consolidation measures, which may negatively affect economic growth in the short term. The OECD came to similar conclusions, predicting a GDP decline in the euro area for the last quarter of 2011, mainly as a result of lower GDP in Germany. The ECB downgraded its interval GDP growth forecasts in September, to 1.4%–1.8% for this year (in June, 1.5%–2.3%), and 0.4%–2.2% for 2012 (in June, 0.6%–2.8%). The IMF also revised downwards its forecast for global economic growth and the euro area. The expected moderation of 2012 growth will mainly reflect the significant tightening in financial markets and increased risks of a further spreading of the sovereign debt crisis across the euro area. The risks to growth are greater than in the spring and mainly tilted to the downside. In its Global Financial Stability Report, the IMF points to high vulnerability of the global financial system and calls on the euro area countries to take prompt action to reduce the risks in financial markets (e.g., by means of the EFSF) and implement their commitments to fiscal consolidation.

The situation in government bond markets continued to tighten in September. Interbank interest rates in the euro area fell slightly. The yields on 10-year government bonds of the euro area countries with the greatest public finance problems increased once again in September and the ECB

Figure 1: Business trends in the euro area

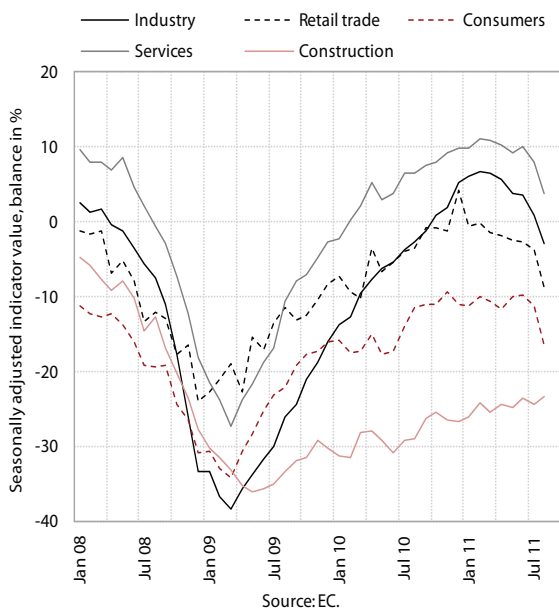


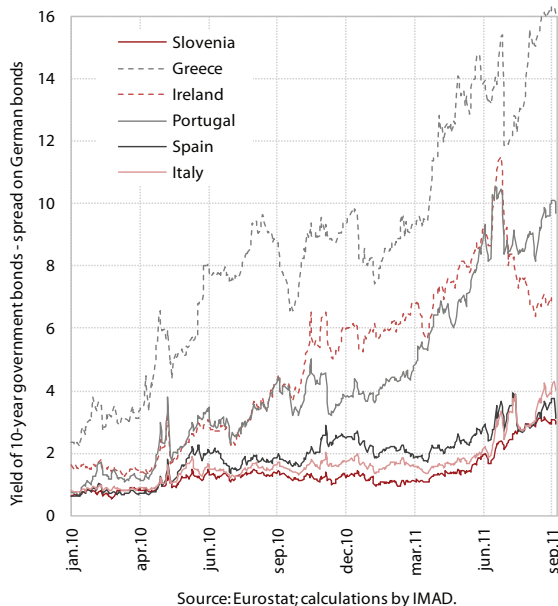
Table 1: Comparison of spring and autumn forecasts of economic growth by international institutions

	2011						2012						
	CONS Apr 11	IMF Apr 11	EC May 11	OECD May 11	CONS Sep 11	EC Sep 11	IMF Sep 11	CONS Apr 11	IMF Apr 11	EC May 11	OECD May 11	CONS Sep 11	IMF Sep 11
EMU	1.7	1.7	1.6	2.0	1.7	1.6	1.6	1.7	1.8	1.8	2.0	1.0	1.1
EU	1.7	1.8	1.8	N/A	1.7	1.7	1.7	1.8	2.1	1.9	N/A	1.3	1.4
DE	2.7	2.5	2.6	3.4	2.9	2.9	2.7	1.9	2.1	1.9	2.5	1.3	1.3
IT	1.0	1.1	1.0	1.1	0.7	0.7	0.6	1.1	1.3	1.3	1.6	0.3	0.3
AT	2.0	N/A	2.4	2.9	3.1	N/A	3.3	1.9	2.3	2.0	2.1	1.7	1.6
FR	1.7	1.6	1.8	2.2	1.7	1.6	1.7	1.7	1.8	2.0	2.1	1.2	1.4
UK	1.8	1.7	1.7	1.4	1.2	1.1	1.1	2.2	2.3	2.1	1.8	1.8	1.6
US	2.9	2.9	2.6	2.6	1.6	N/A	1.5	3.3	2.9	2.7	3.1	2.1	1.8

Source: Consensus Forecasts (April, June 2011), EC European Economic Forecast (May 2011), EC Interim European Economic Forecast (September 2011), IMF World Economic Outlook (April, September 2011), OECD Economic Outlook (May 2011).

continued to carry out the Securities Markets Programme stepped up in August and purchased a further EUR 41 bn in government bonds by September (EUR 156.6 bn in total since the beginning of the programme in May last year). The value of the three-month EURIBOR declined in September for the second month in a row, by 2 b.p. to 1.54%, while the three-month USD LIBOR rose by 6 p.p. to 0.35%. The three-month CHF LIBOR continues to decline, having averaged 0.008% in September.

Figure 2: Yields on ten-year government bonds



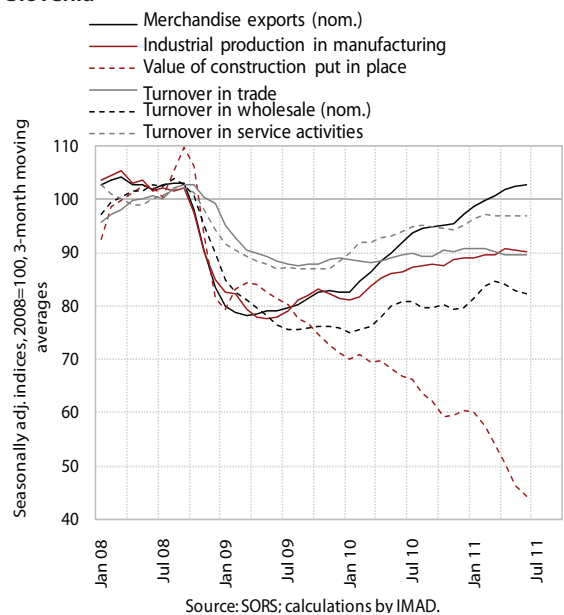
The euro depreciated considerably against the EU dollar in September. The euro depreciated by 4.0% against the US dollar in September, to USD 1.377 to EUR 1, and was up 5.4% y-o-y. The euro also lost value against the Japanese yen (by 4.2%, to JPY 105.75 to EUR 1) and the British pound sterling (by 0.6%, to GDP 0.872 to EUR 1). After the Swiss National Bank decided that it would set a minimum exchange rate of 1.20 Swiss francs per euro due to the overvaluation of the currency, the value of the Swiss franc declined by 7.2% on average in September (to CHF 1.201 to EUR 1).

Oil prices increased once again in September, while non-energy prices continue to fall. The average price of Brent crude oil rose by 3.3% to USD 113.80 a barrel (in EUR, by 4.3%, to EUR 72.6 a barrel). Oil prices in US dollars were 46.2% higher y-o-y, oil prices in euros 33.7%. Despite higher prices of crude oil, the IEA slashed its forecast for oil demand in 2011 and 2012 because of deteriorated prospects for economic recovery. According to the most recent data by the IMF, dollar prices of non-energy commodities were down 2.3% in August (y-o-y, up 19.2%), particularly the indices of agricultural commodity prices (-7.3%) and metals (-3.9%). According to preliminary data, prices also continued to drop in September.

Economic movements in Slovenia

Short-term indicators of economic activity show that the recovery of Slovenia's economy came to a standstill at the end of the second and the beginning of the third quarter. Growth in nominal merchandise exports, the only indicator to exceed the average 2008 level, slowed in Slovenia in the summer months in line with the movements in main trading partners. Similar holds for the real volume of industrial production in manufacturing, where the moderation was even more pronounced due to a significant slowdown of activity in medium-low-technology industries. Data on business trends indicate deterioration in expectations also for autumn months. Construction activity otherwise picked up considerably in July, but remains very low due to a significant decline in the preceding five months and lags behind the average 2008 level the most of all activities. In services, turnover mainly maintains the level seen at the beginning of the year.

Figure 3: Short-term indicators of economic activity in Slovenia



Merchandise exports recorded slower nominal growth in the second quarter this year relative to the first, mainly on account of lower exports to EU countries outside the euro area and more moderate growth in exports to former Yugoslav countries, while growth in exports to the euro area even accelerated.¹ Looking at Slovenia's four main trading partners, growth in nominal exports to Germany,² Italy

¹ Data on geographical and production structure of exports are available for six months of this year. We have analysed seasonally adjusted data calculated by IMAD.

² According to seasonally adjusted data by SITC sections, exports of all main product groups to Germany continued to grow in the second

Box 1: Downgrade of Slovenia's credit rating

Two of the most important rating agencies downgraded Slovenia's credit rating by one level at the end of September, Moody's to Aa3 and Fitch Ratings to AA-, both with negative prospects, which indicates a possibility of further downgrades. The main reason for the greater country risk cited by the agencies is the deteriorated situation in the banking system, which is still undercapitalised despite capital increases early this year. At the same time, the share of non-performing claims without appropriate coverage in impairments and provisions continues to increase rapidly. Banks are also exposed to high refinancing risks due to a higher volume of maturing liabilities to foreign banks and uncertainties in international financial markets. The risks are also related to the expected moderation of economic recovery, which would slow deleveraging of Slovenian enterprises. The pressures on the quality of banks' assets would increase, which would also affect the lending activity in Slovenia and stifle economic growth. The third reason for the downgrade is political uncertainty and procrastination on structural reforms, which are necessary to stem the negative movements in public finances.

The movement of yields to maturity of Slovenian bonds since April 2011 has also shown that Slovenia is being gradually classified among riskier countries. Contrary to the average in the euro area and less risky countries, the yields of Slovenian bonds have risen significantly and the Slovenian government bond yield spread with respect to benchmark German government bonds increased from 100 b.p. at the end of April this year to approximately 300 b.p. at the beginning of September. The credit rating downgrade immediately affected the yields to maturity of Slovenian bonds, which started to rise steeply again, after declining in the first half of September. The downgrade of Slovenia's rating has also lowered credit ratings of state-guaranteed bank bonds, which translated into a further deterioration of the borrowing conditions for banks, which will be passed on to customers. The borrowing conditions in Slovenia are therefore expected to tighten further.

Figure 4: Moody's credit rating of Slovenia and 10-year government bond yields

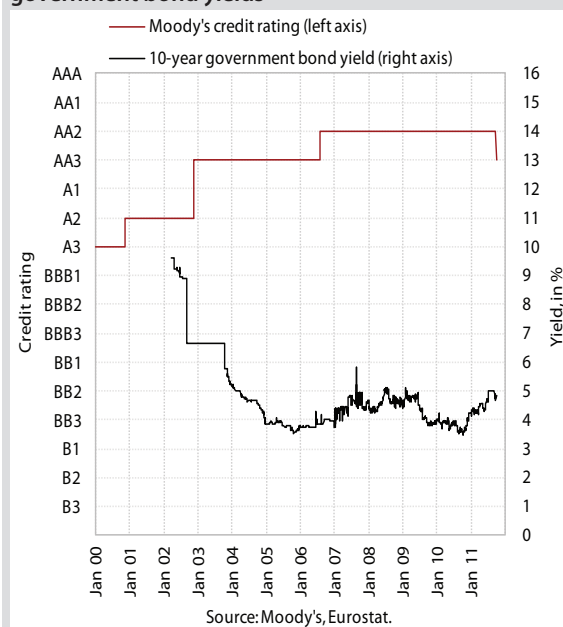
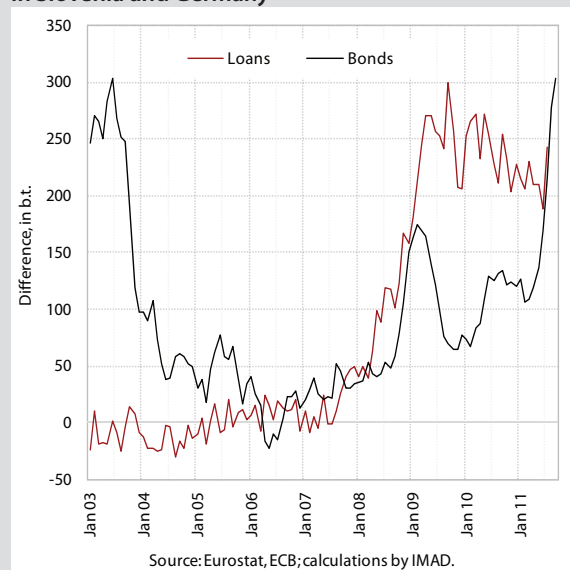


Figure 5: Yield spreads of Slovenian government bonds over benchmark German government bonds and differences between interest rates for corporate loans in Slovenia and Germany



and Austria accelerated, according to seasonally adjusted data, while exports to France declined to a similar extent as they increased in the first quarter. The latter reflects the shrinkage in road vehicle exports, as the available

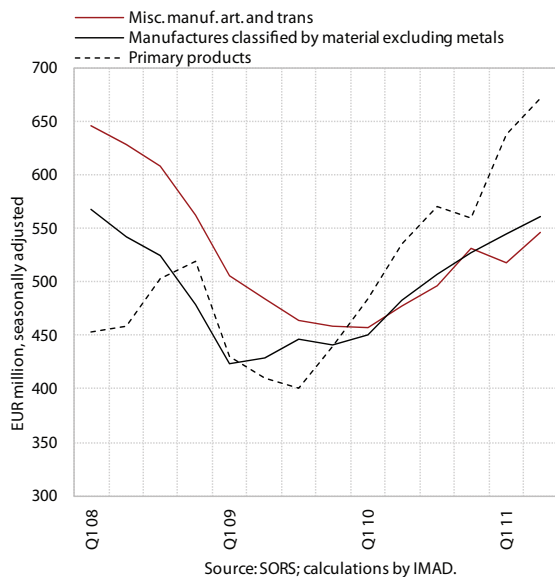
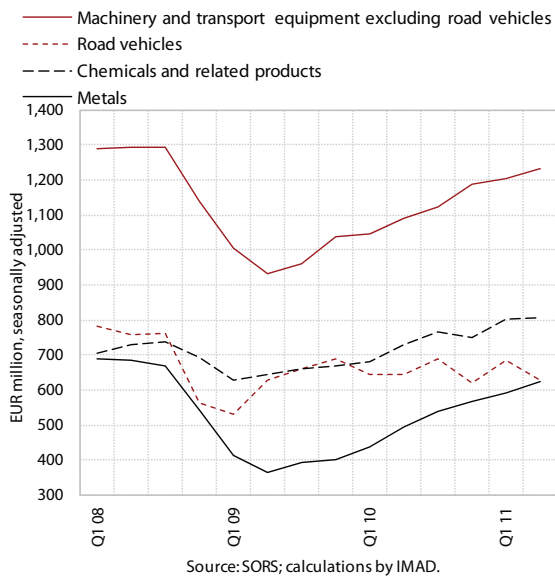
quarter. Growth in exports of road vehicles and chemical products even accelerated. Growth in exports of iron, steel, metals and manufactures of metals and other manufactures classified by material remained relatively high, despite the moderation. Exports of machinery and transport equipment excluding road vehicles, which are the main component of Slovenia's merchandise exports to Germany, also maintained relatively high growth.

seasonally adjusted data according to the SITC³ indicate an increase in exports of all product groups except road vehicles in the second quarter of this year relative to the first. Growth in exports of metals accelerated and growth in exports of primary commodities continued to be relatively high, despite the moderation, which can be attributed to

³ Seasonally adjusted data are classified in seven sections: (0-4) primary commodities, (5) chemicals and related products, (67, 68 and 69) iron and steel, non-ferrous metals, manufactures of metals, n.e.s., (6-67, 68, 69) manufactures classified by material excluding iron and steel and manufactures of metal, (78) road vehicles, (7-78) machinery and transport equipment excluding road vehicles, (8 and 9) miscellaneous manufactured articles and commodities and transactions.

growing energy prices. Amid the decline in export prices of investment goods, growth in exports of machinery and equipment (excluding road vehicles) strengthened in the second quarter of 2011 due to increased demand. Exports of miscellaneous manufactured articles, with labour-intensive products (furniture and furniture parts, clothing and footwear) representing the largest share, also increased in the second quarter, after falling in the first.

Figures 6 and 7: Merchandise exports according to the SITC



The easing of nominal growth in **merchandise imports** in the second quarter of 2011 resulted from slower growth in imports of intermediate goods, the largest component of imports.⁴ Seasonally adjusted, imports of intermediate goods have otherwise been growing continuously since the second half of 2009 due to Slovenian producers'

strong dependence on foreign suppliers and individual phases of production, and have already reached the average level of imports in 2008. Imports of investment goods decreased, after growing in the first quarter, and lag the most behind the 2008 average of all three groups. Following a slight drop in the first quarter, imports of consumer goods rose in the second, which was largely attributable to stronger imports of food and beverages, gasoline and personal cars.

In July, growth in **trade in services** picked up mainly on account of exports. Exports of services increased once again (3.1%, seasonally adjusted), being 5.7% higher y-o-y. The

Figure 8: Imports of goods by end-use product

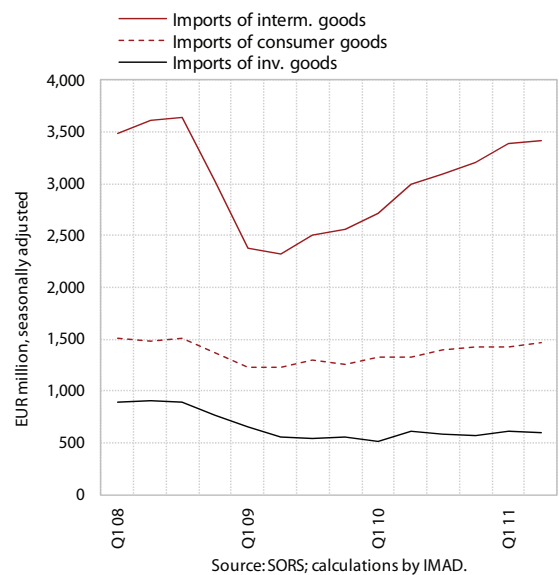


Table 2: Selected monthly indicators of economic activity in Slovenia

	in %	2010	VII 11/ VI 11	VII 11/ VII 10	I-VII 11/ I-VII 10
Exports¹		12.2	-1.2	6.6	13.7
-goods		13.7	-5.6	6.8	15.0
-services		6.6	18.2	5.7	8.4
Imports¹		14.3	-0.5	2.6	12.9
-goods		16.1	-6.0	2.7	14.3
-services		4.5	34.6	2.2	4.8
Industrial production		6.3	-4.2 ²	1.9 ³	6.2 ³
-manufacturing		6.6	-5.0 ²	1.9 ³	6.5 ³
Construction -value of construction put in place		-16.9	10.3 ²	-26.7 ³	-28.3 ³
Real turnover in retail trade		-0.2	1.5 ²	0.0 ³	1.4 ³
Nominal turnover in hotels and restaurants		3.6	-0.7 ²	2.0 ³	5.7 ³

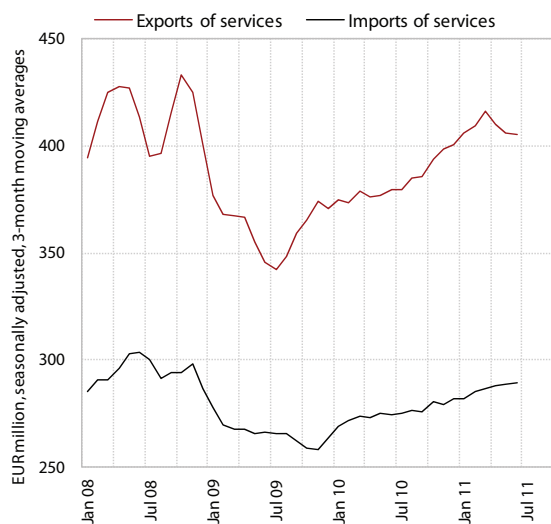
Sources: BS, SORS; calculations by IMAD.

Notes: ¹balance of payments statistics, ²seasonally adjusted, ³working-day adjusted data.

⁵ Data on imports by end-use product groups are available for six months of this year. We have analysed seasonally adjusted data calculated by IMAD.

largest contributions to y-o-y growth once again came from exports of travel and maritime transport services, while exports of construction services were still down y-o-y. Imports of services saw modest growth in July (0.4%, seasonally adjusted). Y-o-y, they were up 2.2%, again mainly on the back of communication services. The value of domestic households' holiday trips abroad was higher as well.⁵ On the other hand, imports of construction services carried out by foreigners still fell short of the level seen in the same month of 2010. In the first seven months of 2011, exports of services were up 8.4% y-o-y in nominal terms, imports 4.8%.

Figure 9: Trade in services

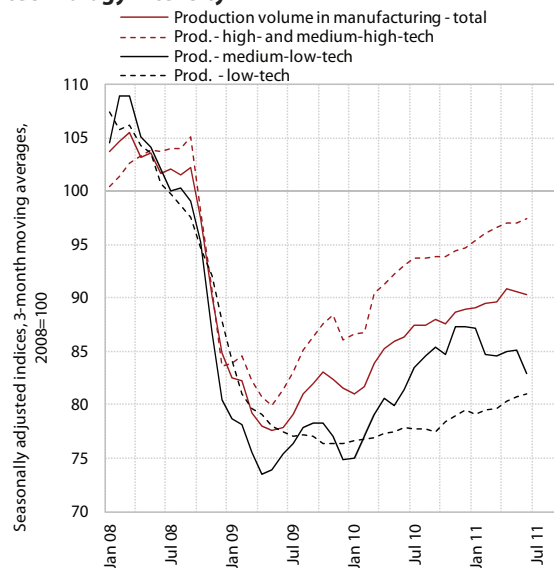


Source: SORS; calculations by IMAD.

The recovery in industrial production in **manufacturing** came to a standstill during the summer months. After remaining roughly at the same level in June as in the previous month, production volume dropped 5.0% in July (seasonally adjusted). The decline was attributable to shrinking production in medium-low-technology industries (-8.3%, seasonally adjusted), while in medium-high- and high-technology industries and the least technology intensive industries production volume remained similar to that in the previous month. In medium-low-technology industries, production has been shrinking this year after last year's relatively substantial increase and was down 4.8% y-o-y in July according to original data, mainly owing to the y-o-y decline in the manufacture of rubber, plastic, and non-metal mineral products. Production in low-technology industries was also mostly lower than in the previous July (with the exception of the leather industry); their recovery has been slowest and they also lag most notably behind the average level in 2008. Production in more technology intensive industries, lagging the least behind the 2008 average of all three groups, was higher than in July

⁵ With the release of data for July, the BS revised the figures for the first six months of this year; according to the new data, imports of travel services in the first six months were 13.4% lower y-o-y (18.7% according to the previous figures).

Figure 10: Manufacturing production according to technology intensity



Source: SORS; calculations by IMAD.

2010, but its recovery has slowed in recent months, which we estimate is largely due to the moderation in the manufacture of transport vehicles.⁶ On average, manufacturing production was only 1.9% higher than in July 2010 (working-day adjusted).

Figure 11: Expectation indicators according to business trend data for manufacturing



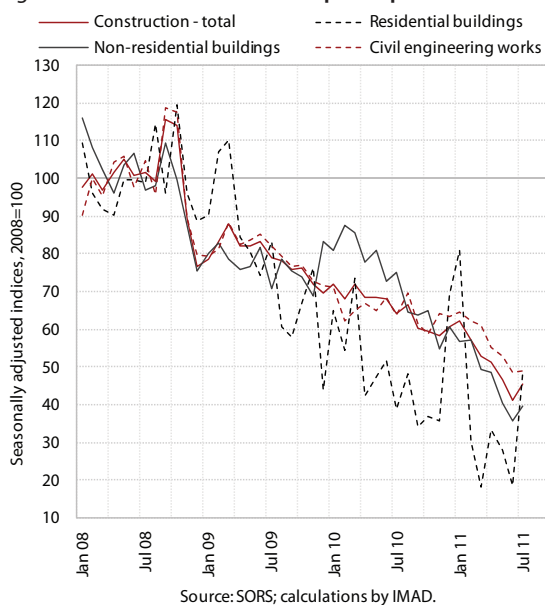
Source: SORS.

⁶ Amid weaker foreign demand and disrupted supply in the car industry, the production of transport vehicles was down 20% from July 2010. After the still high growth (10.2%) in the first quarter (at the end of 2010, France stopped subsidising purchases of new personal and light commercial vehicles, but vehicles ordered by the end of 2010 and registered by the end of the first quarter were still eligible for a cash subsidy) and a complete slowdown of growth in the second, the production of transport vehicles at the end of the first seven months was at a similar level as in the same period last year.

The prospects for the autumn months deteriorated in September, as all indicators of expectations in manufacturing declined relative to the summer months. Expectations about selling prices deteriorated the most, with most enterprises expecting no increase at all. Enterprises are also less optimistic with regard to expected exports and total demand. The easing of demand is also suggested by the current indicators of turnover, which dropped in July on the domestic market and abroad according to seasonally adjusted data. With deteriorated expectations about exports and total demand, enterprises are also less optimistic about production and hiring in the next three months, given that the share of enterprises that expect no improvement in production increased considerably for the first time this year. Expectations regarding hiring also declined.

Construction activity increased in July, but was still very low. The value of construction put in place rose by 10.3% in July (seasonally adjusted). The decline in construction activity seen with monthly fluctuations since the beginning of the crisis was particularly pronounced in the five months before July, as construction activity contracted by 33.7% in that period. In July, the value of construction works picked up at the monthly level in all construction sectors, most notably in residential construction⁷ where it otherwise fluctuates the most (more than 150%), and was up 23.2% relative to July 2010. Activity in the other two construction sectors strengthened less. In non-residential construction it grew by 10.4%, but nevertheless reached only just above one half of that in the previous July, while civil engineering activity increased by 0.6% at the monthly level and thus lagged almost a quarter behind that in July 2010.

Figure 12: Value of construction put in place

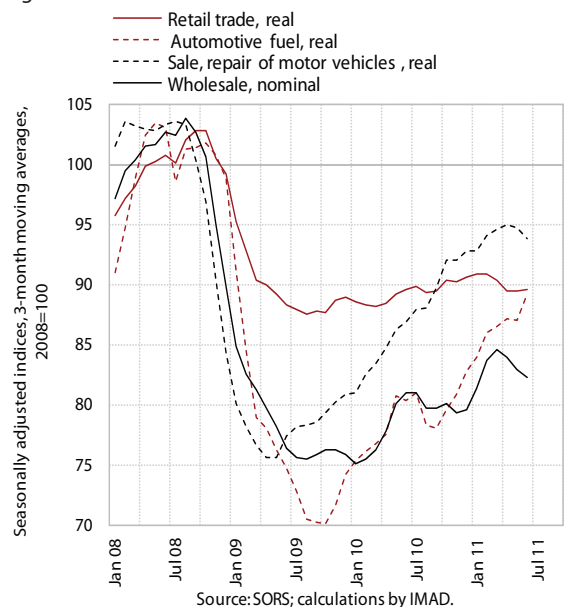


⁷ The data on the value of residential construction put in place does not include smaller enterprises, which are mainly engaged in construction of residential buildings, according to our estimates.

The value of new contracts in construction also picked up in July. After a nearly 15% increase in June, the value of new contracts rose by a further 2.6% in July, being higher than in the same month of last year for the first time this year. The value of new contracts strengthened the most in residential construction, but it also rose substantially in non-residential construction, while falling in civil engineering, where it hit the lowest level since the beginning of the crisis.

Turnover increased in all three **trade sectors** in July, but remains at approximately the same level as at the beginning of the year after the fluctuations in the spring. The growth of turnover in the sale and repair of motor vehicles, which started mid-2009, is slowing, lagging about 7% behind the 2008 average. After last year's modest growth, real turnover in retail trade stabilised at around one tenth below the average level in 2008. In recent months the dynamics of this sector's turnover have mainly reflected the movement in the sale of automotive fuels, which continues to grow. Following a significant decline in the second quarter, turnover in the sale of non-food products also increased in July, largely as a result of increased turnover in textiles, clothing and footwear (which has already been growing since the end of 2009), as well as turnover in household appliances, which has been dropping considerably in recent months. On the other hand, turnover in the sale of food products, which has maintained roughly the same level since the end of 2009, dropped considerably in certain months of this year including July, and was thus nearly 9% below the average level in 2008 (particularly in hypermarkets, markets, discount stores, etc, which may also indicate that buyers exercise greater caution in their purchases and are increasingly turning to discount stores and store brands rather than buying more expensive name brands). Turnover in wholesale trade is slowly increasing, amid

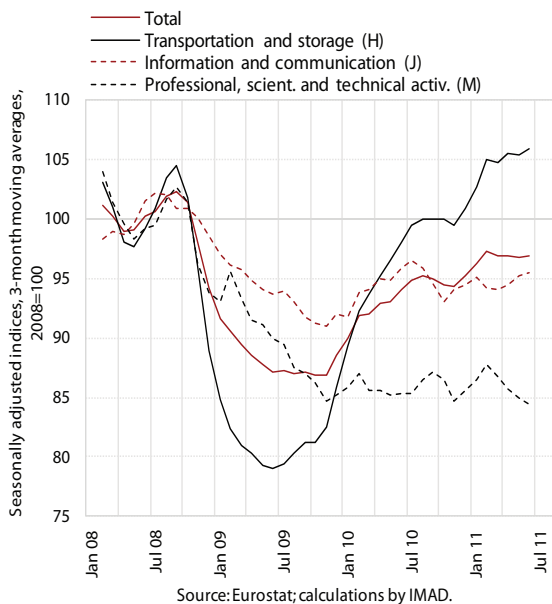
Figure 13: Turnover in trade sectors



strong fluctuations related to the crisis in the construction sector and aggravated access to finance in certain major enterprises, but it still lags more behind the 2008 level than turnover in other trade sectors.

After surging early this year, the nominal **turnover in market services** (excluding distributive trades)⁹ maintains the achieved level, which was otherwise around 3% below the 2008 average in July. Within market services, the bulk of turnover comes from transport and storage activities (H), information-communication services (J) and professional and technical services (M). Since the end of 2009, the largest contribution to total turnover growth has come from transport and storage activities, where turnover has already exceeded the average 2008 level, while turnover in other services remains lower. Turnover growth in transport and storage activities accelerated in winter 2010/11, but has eased considerably over recent months, while the nominal turnover in warehousing and support activities for transportation has been stagnant since the second half of 2010. In information and communication services, turnover in telecommunications has remained practically unchanged since the end of 2010 and growth in turnover in computer programming activities is still weak. The bulk of turnover in professional and technical services is generated by architectural and engineering activities, where nominal turnover has, with slight fluctuations, been shrinking since the end of 2009 due to the crisis in the construction sector. On the other hand, turnover in legal and accounting activities and management consultancy activities⁹ has been expanding since the end of 2009, being above the 2008 average already since the end of last year.

Figure 14: Nominal turnover in market services (without distributive trades)

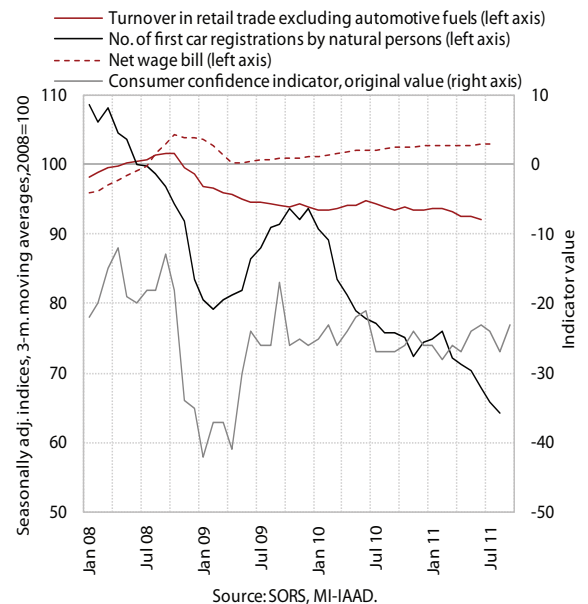


⁹ Activities from H to N.

⁹ United activities according to SCA 2008 (69 + 70.2).

The indicators of turnover, consumption and confidence show that **household consumption** remained modest at the end of the summer. In August, the net wage bill maintained the preceding month's level for the second month in a row (-0.1%, seasonally adjusted); y-o-y, it has been about 1% lower in real terms for the whole year. Real turnover in retail trade excluding automotive fuels continues to drop in real terms, having fallen by 1.0% in July relative to June, seasonally adjusted. Y-o-y, it was down 5.8%, which is the largest y-o-y decline since November 2009. With the exception of August, the number of new personal car registrations by natural persons was dropping visibly in the whole period between June and September (in September, -3.2%, seasonally adjusted). It was down 13.0% in the first nine months. Due to a decline in demand, households again made net repayments of consumer loans in August, in the amount of EUR 66.8 m in the first eight months, which is as much as in the whole year 2010. Consumer confidence in the third quarter remained at the same level as in the second, except that more consumers estimate that there is a greater probability that they will be able to lay aside some money in the next 12 months. Net flows of household deposits in banks otherwise reached just above EUR 270 m by August, which is more than a third lower figure than in the same period last year.

Figure 15: Household consumption indicators



The seasonally adjusted value of the **sentiment indicator** rose slightly in September, but remained at practically the same level as in the previous September. The values of the confidence indicator in retail trade and the consumer confidence indicator increased, while the confidence indicator in manufacturing remained unchanged. Confidence indicators in services and construction deteriorated slightly.

Figure 16: Business trends

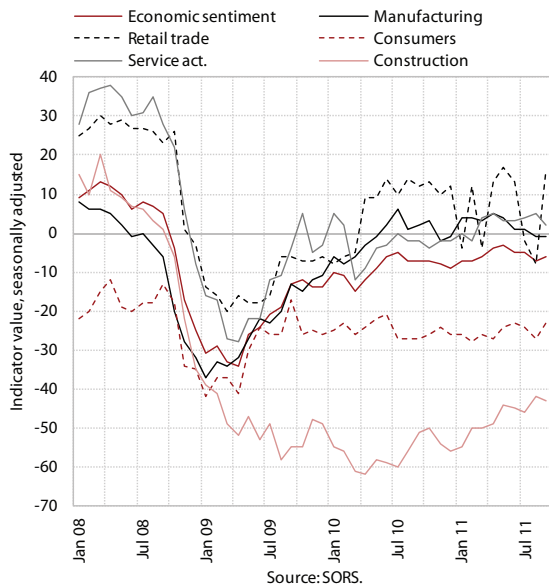
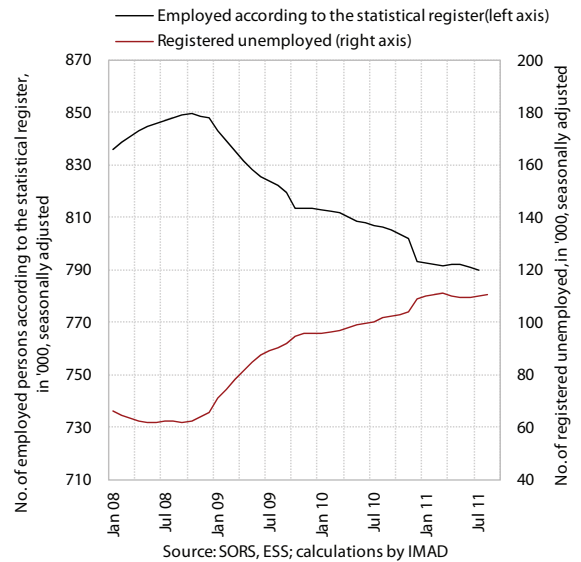


Figure 17: Seasonally adjusted labour market movements



Labour market

Labour market movements have been fairly moderate since February this year, but the situation deteriorated during the summer months. Employment according to the statistical register¹⁰ declined in July, for the second month in a row (-0.2%, seasonally adjusted). The number of both employed (particularly those employed with legal entities) and self-employed persons dropped. According to original data by activities, employment according to the statistical register fell most notably in construction, manufacturing and education. The decline in the latter is otherwise typical for the time of summer holidays. The *registered unemployment rate* according to seasonally adjusted data remained unchanged for the third consecutive month in July (11.7%). The number of *registered unemployed persons* recorded more negative movements as well, as it increased in July and August, according to seasonally adjusted data, after declining for three months. Altogether 106,996 persons were unemployed at the end of August, which is 0.5% more, seasonally adjusted, than in July, and up 8.0% (7,964 persons) from the end of August 2010. The number of persons who registered as unemployed because they had lost work declined in particular, compared with the previous month, while more persons were deleted from the unemployment register because of transition to inactivity. The average duration of unemployment has been rising since the beginning of the year, having increased by 12 days to 653 in August.

The average gross **wage** has stagnated in the last two months, seasonally adjusted. It has strengthened slightly in the private sector (0.2%) and declined by the same percentage in the public sector. According to original data,

¹⁰ Employed and self-employed persons, excluding self-employed farmers.

Table 3: Labour market indicators

in %	2010	VII 11/ VI 11	VII 11/ VII 10	I-VII 11/ I-VII 10
Labour force	-1.0	-0.5	-0.3	0.0
Persons in formal employment	-2.7	-0.6	-1.4	-0.7
- Employed in enterprises and organisations and by those self-employed	-2.6	-0.5	-2.5	-1.3
Registered unemployed	16.4	0.4	9.3	-0.8
Average nominal gross wage	3.9	-1.4	1.3	2.4
- private sector	5.1	-1.4	1.7	3.1
- public sector	-0.1	-1.3	-0.1	0.1
	2010	VII 10	VI 11	VII 11
Rate of registered unemployment, in %	10.8	10.7	11.7	11.7
Average nominal gross wage (in EUR)	1,494.88	1,480.69	1,520.92	1,500.16
Private sector (in EUR)	1,414.65	1,398.63	1,442.72	1,422.58
Public sector (in EUR)	1,750.61	1,742.25	1,762.88	1,740.00

Sources: ESS, SORS; calculations by IMAD. Opomba: ¹The division into the private and public sectors is (for easier and consistent comparison of wage and productivity growth) adjusted to SORS' division of activities in the quarterly release of GDP. The public sector comprises activities O-Q and the private sector all other activities (A-N, R-S). The growth rates of the average gross wage per employee for 2009 and 2010 are therefore also slightly changed, ²seasonally adjusted data.

the average gross wage per employee otherwise declined in nominal terms in July in practically all activities.¹¹ Its average y-o-y growth has been slowing from month to month, totalling 2.4% in the first seven months. Despite the slowdown attributable to the vanishing effects of last

¹¹ The average gross wage in the private sector declined in all activities except administrative and support service activities (0.4%), mining (3.5%) and transport (5.2%). In the latter, it even rose exceptionally in postal and courier activities due to extraordinary payments (32.0%). In the public sector, wages declined in all activities, particularly in education due to school holidays.

Table 4: Persons in employment by activity

	Number in '000				Change in number			
	2010	VI 10	V 11	VI 11	10/09	VI 11/ V 11	VI 11/ VI 10	I-VI 11/ I-VI 10
A Agriculture, forestry and fishing	33.4	34.1	40.1	38.9	-4,437	-1,200	4,855	5,678
B Mining and quarrying	3.0	3.0	2.9	2.9	-308	-22	-118	2,784
C Manufacturing	188.6	188.5	184.6	183.8	-11,253	-803	-4,663	129
D Electricity, gas, steam and air conditioning supply	8.0	8.0	7.9	7.9	54	7	-81	64
E Water supply sewerage, waste management and remediation activities	9.2	9.3	9.5	9.6	138	108	304	79
F Construction	78.5	79.1	69.4	68.4	-8,231	-1,092	-10,745	-1,728
G Wholesale and retail trade, repair of motor vehicles and motorcycles	111.8	111.6	110.1	109.8	-2,842	-374	-1,834	-1,845
H Transportation and storage	47.9	47.9	47.2	46.8	-1,874	-478	-1,112	-1,753
I Accommodation and food service activities	33.2	33.3	32.8	32.6	-806	-119	-632	-1,668
J Information and communication	22.6	22.5	22.7	22.7	59	40	192	-1,482
K Financial and insurance activities	24.3	24.5	24.3	24.6	-208	302	56	-1,343
L Real estate activities	4.3	4.3	4.2	4.1	-34	-34	-184	-1,246
M Professional, scientific and technical activities	46.8	47.1	48.5	48.3	2,037	-186	1,194	-1,036
N Administrative and support service activities	26.4	26.6	26.6	26.5	840	-54	-45	-951
O Public administration and defence, compulsory social security	52.0	52.2	51.6	51.4	502	-180	-774	-933
P Education	63.5	62.4	64.7	63.9	1,833	-783	1,460	-796
Q Human health and social work activities	53.2	53.4	54.3	54.3	1,080	20	949	-702
R Arts, entertainment and recreation	14.2	14.1	13.9	13.8	125	-104	-346	-683
S Other service activities	13.5	13.5	13.4	13.3	185	-93	-211	-657

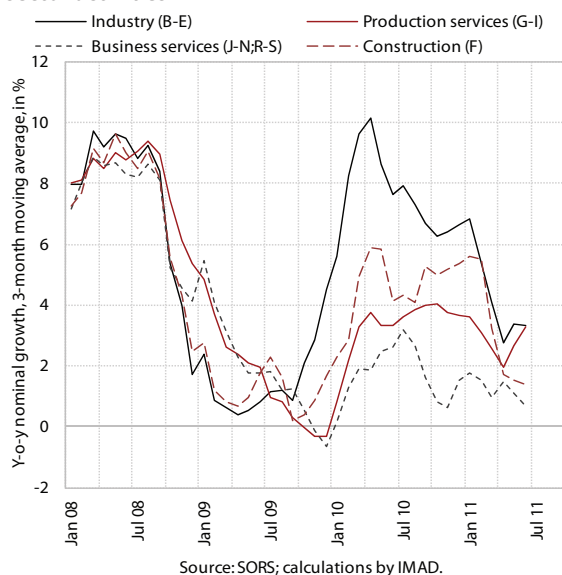
Source: SORS; calculations by IMAD.

Table 5: Wages by activity

	Gross wage per employee, in EUR		Growth rates, %			
	2010	VII 2011	2010/ 2009	VII 11/ VI 11	VII 11/ VII 10	I-VII 11/ I-VII 10
A Agriculture, forestry and fishing	1,267.00	1,260.33	5.8	-3.2	-1.5	4.5
B Mining and quarrying	1,904.97	1,947.36	4.0	3.5	6.4	2.6
C Manufacturing	1,311.57	1,317.06	9.0	-2.1	1.8	4.1
D Electricity, gas, steam and air conditioning supply	2,095.67	2,031.03	3.7	-9.1	3.6	3.5
E Water supply sewerage, waste management and remediation activities	1,444.70	1,389.18	2.2	-3.9	-1.2	0.4
F Construction	1,211.63	1,211.02	4.4	-4.7	-0.9	2.9
G Wholesale and retail trade, repair of motor vehicles and motorcycles	1,325.08	1,338.39	3.7	-1.0	2.0	2.8
H Transportation and storage	1,421.14	1,531.82	2.0	5.2	9.6	3.6
I Accommodation and food service activities	1,074.27	1,083.66	4.0	-1.5	1.3	3.2
J Information and communication	2,092.15	2,045.85	2.6	-0.6	-0.3	0.9
K Financial and insurance activities	2,144.81	2,104.44	1.0	-1.6	-1.7	1.7
L Real estate activities	1,477.74	1,477.34	3.0	-3.4	2.0	3.3
M Professional, scientific and technical activities	1,765.21	1,719.96	1.6	-1.1	-1.2	0.1
N Administrative and support service activities	952.15	982.65	4.1	0.4	3.5	3.7
O Public administration and defence, compulsory social security	1,778.20	1,791.81	-0.6	-0.6	0.2	0.8
P Education	1,730.26	1,702.22	0.6	-2.7	-0.4	0.2
Q Human health and social work activities	1,746.86	1,733.59	-0.3	-0.3	-0.1	-0.7
R Arts, entertainment and recreation	1,731.32	1,693.15	0.5	-1.0	-0.2	-0.7
S Other service activities	1,397.40	1,380.99	4.2	-1.8	-1.0	1.6

Source: SORS; calculations by IMAD.

Figure 18: Growth gross wage per employee in private sector activities



year's increase in the minimum wage, structural changes in employment and a slow recovery of the economy, in the first seven months of this year, y-o-y growth in the private sector (3.1%) was still higher than in the public

sector, where the average wage was kept at last year's level due to austerity measures (0.1%). In the private sector, growth remains highest in industry (3.8%) and lowest in business services (1.1%). In the public sector, wages increased somewhat in the first seven months in public administration and education, while they dropped in health, mostly due to a decline in overtime work.

Prices

Consumer prices rose by 0.6% in September. They increased by 1.6% in the first nine months this year and were 2.1% higher y-o-y in September. According to Eurostat's flash estimate, prices in the euro area were up 3.0% y-o-y in September.

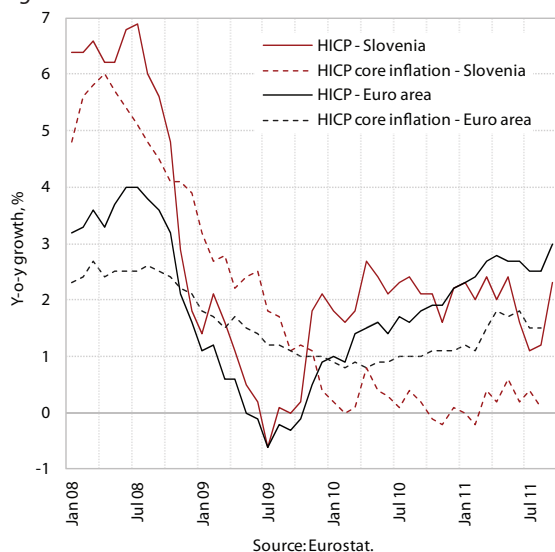
September's increase in y-o-y inflation was due to the base effect. Consumer prices rose by 2.1% y-o-y in September, which is 1.1 p.p. more than in August. Price rises were related in particular to price movements in services, i.e. the end of the effect of the subsidy for primary school meals introduced in September last year, when prices of school meals paid by consumers (parents of primary school children) had declined by 68.8% according to SORS data.

Table 6: Breakdown of HICP into subgroups – for the first eight months of 2011

	Slovenia			Euro area		
	Cum. %	Weight %	Contribution in p.p.	Cum. %	Weight %	Contribution in p.p.
Total HICP	1.1	100.0	1.1	1.3	100.0	1.3
Goods	0.2	65.9	0.1	0.6	58.6	0.4
Processed food, alcohol and tobacco	4.8	15.3	0.7	2.8	11.9	0.3
Non-processed food	1.7	7.3	0.1	-0.1	7.4	0.0
Non-energy industrial goods	-4.9	29.0	-1.4	-2.5	28.9	-0.7
Durables	-0.3	10.3	0.0	-0.2	9.5	0.0
Non-durables	0.3	8.7	0.0	0.7	8.3	0.1
Semi-durables	-13.2	10.0	-1.3	-6.4	11.2	-0.7
Energy	5.1	14.3	0.7	7.4	10.4	0.8
Electricity for households	2.2	2.6	0.1	6.7	2.5	0.2
Natural gas	8.7	1.0	0.1	6.8	1.7	0.1
Liquid fuels for heating	18.3	1.6	0.3	11.4	0.9	0.1
Solid fuels	2.6	1.0	0.0	1.9	0.1	0.0
District heating	5.9	0.8	0.0	4.7	0.5	0.0
Fuels and lubricants	2.8	7.2	0.2	7.3	4.7	0.3
Services	2.6	34.1	0.9	2.2	41.4	0.9
Services – dwellings	0.3	2.9	0.0	1.9	10.1	0.2
Services – transport	2.2	5.3	0.1	4.0	6.5	0.3
Services – communications	0.6	3.7	0.0	-1.2	3.2	0.0
Services – recreation, repairs, personal care	4.9	13.7	0.7	2.5	14.7	0.4
Services – other services	1.1	8.5	0.1	1.6	7.0	0.1
HICP excluding energy and non-processed food	0.3	78.4	0.2	0.5	82.3	0.4

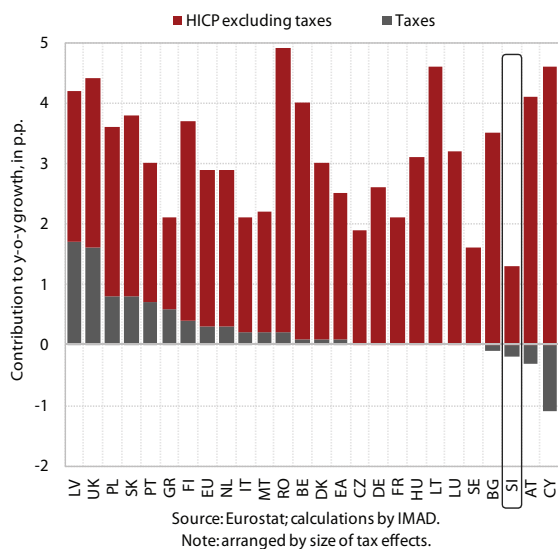
Source: Eurostat; calculations by IMAD. Note: ECB classification

Figure 19: Inflation in Slovenia and in the euro area



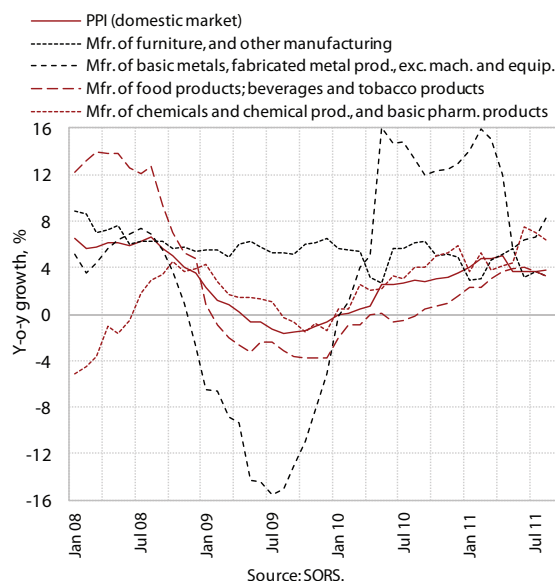
Inflation in Slovenia has remained lower than in the euro area. Amid the same key drivers of inflation (sluggish economic activity, higher food and energy prices), y-o-y inflation in Slovenia has been lower than in the euro area since February this year. The primary reason is price growth in services in Slovenia, which was, until September, influenced by lower prices of school meals due to the subsidy. There have also been differences in the movements of prices of various types of goods, which include differences in the impact of taxes. While higher energy prices had a smaller impact on inflation in Slovenia than in the euro area (also due to a net decline in excise duties: -0.2 p.p.), the impact of food and tobacco was more pronounced (increase in excise duties: 0.2 p.p.). The greatest difference was recorded in non-energy industrial goods, where prices were 1.7% lower y-o-y in Slovenia in August, while they remained unchanged in the euro area.

Figure 20: Contribution of tax changes to inflation in the euro area



Y-o-y growth in **industrial producer prices** on the domestic market has stayed at a similar level for four months. **Prices of business services** have also remained stable. In August, industrial producer prices on the domestic market increased somewhat (0.2%), but their y-o-y growth remained just below 4% for the fourth consecutive month. The increase was largely a consequence of price growth in manufacturing, particularly in the manufacture of metals and metal products and in the manufacture of food products, but growth in these prices is slowing. Price rises in other activities did not put much pressure on total price growth. Similar goes for price growth in business services, which was up 0.4% in the second quarter and 0.3% y-o-y. Prices of business services have recorded low growth since the second quarter of 2009.

Figure 21: Industrial producer prices



The **price competitiveness** of Slovenia's economy increased once again y-o-y in August due to a drop in relative prices so that Slovenia was among euro area members with the most favourable movements of price competitiveness also in the first eight months. In August, the real effective exchange rate deflated by the HICP was lower than in December (-1.2%) and August 2010 (-1.5%), while it increased in other euro area countries with the exception of Greece. In the first eight months, Slovenia recorded the largest drop in this rate relative to the same period last year. Owing to the structure of Slovenia's external trade, this year's appreciation of the euro, especially against the USD and GBP, has a relatively smaller impact on the nominal effective exchange rate in Slovenia¹² than in most other Member States, while the

¹² As Slovenia has an above-average share of merchandise trade with the euro area, the appreciation of the euro has a smaller impact on the nominal effective exchange rate in Slovenia than in most other euro area countries, and vice versa: when the euro loses value, the positive effects on the movement of Slovenia's nominal effective exchange rate are also relatively smaller.

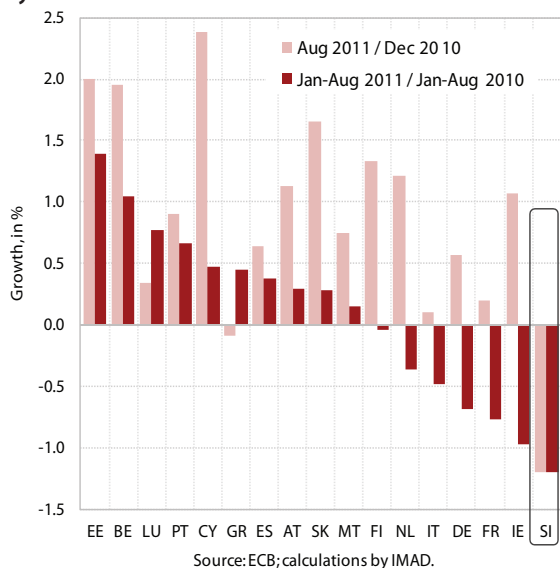
Table 7: Indicators of price and cost competitiveness

y-o-y growth rates, %	2009	2010	q3 10	q4 10	q1 11	q2 11
Effective exchange rate¹						
Nominal	0.9	-1.7	-2.1	-2.0	-1.2	0.4
Real, deflator HICP	1.1	-1.4	-1.6	-2.2	-1.6	-0.3
Real, deflator ULC	6.2	-1.2	-1.2	-2.4	-1.9	N/A
Unit labour costs, economy and components						
Nominal unit labour costs	8.7	0.3	0.9	-0.7	-1.2	-0.3
Compensation of employees per employee, nominal	1.8	4.3	4.8	3.9	3.2	2.4
Labour productivity, real	-6.3	4.0	3.8	4.7	4.5	2.7
Real unit labour costs	5.6	1.4	1.5	1.0	-1.7	-0.7
Labour productivity, nominal	-3.5	2.9	3.2	2.9	5.0	3.1

Source: SORS, ECB; calculations by IMAD.

Note: ¹ against 36 trading partners, according to ECB.

Figure 22: Real effective exchange rates deflated by the HICP



Source: ECB; calculations by IMAD.

decline in relative prices (which increased in certain euro countries) was more pronounced.¹³

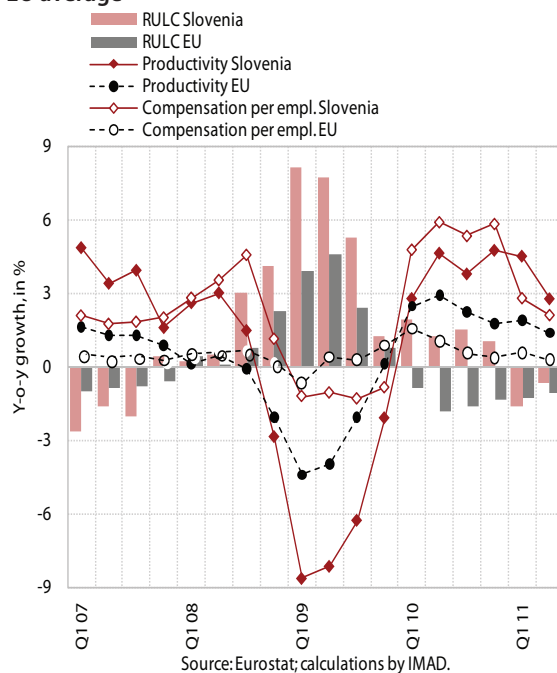
In the second quarter, the improvement in the **cost competitiveness** of the economy slowed more y-o-y than, on average, in the EU, but the improvement in comparison with the euro area average was greater. Real unit labour costs and the real effective exchange rate deflated by relative unit labour costs declined again y-o-y in the second quarter (-0.7% and -1.1%, respectively)¹⁴, though less than in the first. Impacted by a slowdown of economic activity (from 2.3% in the first quarter to 0.9%), labour productivity growth declined in the second quarter while the drop in employment remained relatively steep (from -2.1% in the first quarter to -1.8%). The slowdown

¹³ However, the lower growth of consumer prices in Slovenia than in its trading partners was, in addition to weak economic activity, mainly due to the one-off impact of the reduction of school meal prices in Slovenia in September 2010. See SEM, September 2010.

¹⁴ The real effective exchange rate deflated by relative ULC for the second quarter of 2011 is an estimate, as the ECB's data are not yet available.

of growth in compensation per employee was at the same time much less pronounced so that the decline in real unit labour costs was also smaller in the second quarter. Amid higher economic activity and employment growth, wage growth in the EU average lagged more behind labour productivity growth than in Slovenia, so that Slovenia slipped from the group of countries with above-average gains in cost competitiveness into the group of those with below-average gains in the second quarter. Compared with the euro area average, Slovenia's cost competitiveness improved somewhat more in both quarters. Last year, Slovenia was in a relatively smaller group of EU countries (3 of 26) and the only euro area country where real unit labour costs increased.¹⁵

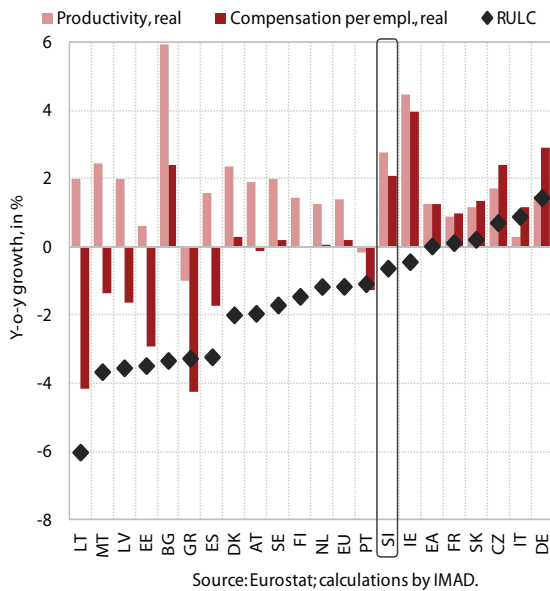
Figure 23: Real unit labour costs (RULC) in Slovenia and EU average



Source: Eurostat; calculations by IMAD.

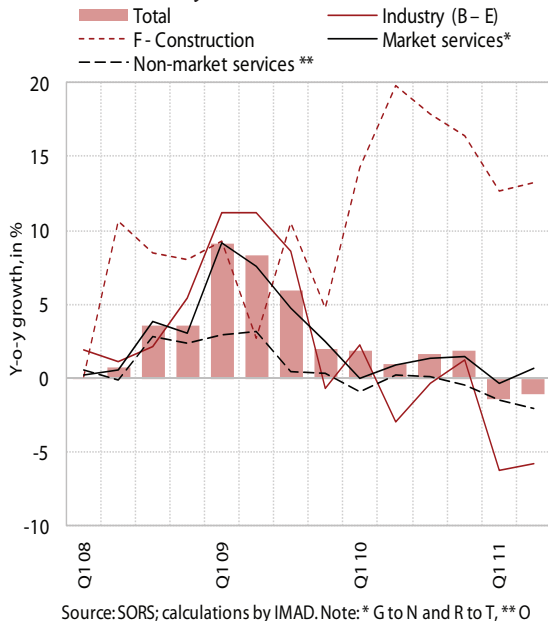
¹⁵ After the regular annual revision, while the first estimate by quarterly accounts showed that real unit labour costs dropped also in Slovenia last year.

Figure 24: Real unit labour costs in EU countries¹⁶ in the second quarter of 2011



The improvement in cost competitiveness of the economy in the second quarter was, as in the first, mainly underpinned by industrial activities. Particularly manufacturing industries stood up in the first quarter and the second due to strong growth in labour productivity, which significantly exceeded wage growth. While the decline of real unit labour costs in industrial activities slowed mildly in the second quarter, unit labour costs continued to grow at accelerated pace in the construction sector

Figure 25: Cost competitiveness by sector of the Slovenian economy



¹⁶ Data for the second quarter are available for 20 EU members.

due to a more pronounced shrinkage of activity, to which employment adjusted with a delay. Labour productivity thus dropped rapidly in the second quarter, while growth in compensation per employee in construction slowed somewhat.

Balance of payments

In July, the **current account of the balance of payments** recorded a surplus again, in the amount of EUR 88.4 m; in the first seven months of this year, EUR 102.3 m (compared with a deficit in the amount of EUR 143.4 m in the same period last year). July's surplus was, as in the first half of the year, largely underpinned by the surplus in external trade and the absorption of funds from the EU budget, while the balance of factor incomes continued to run a deficit.

The **balance of external trade** ran a surplus again, which was wider than in the previous July as a result of a more favourable balance of trade in goods and services. The balance of trade in goods that typically runs a deficit in July, recorded a surplus this year, which was mainly due to a lower deficit in trade in goods with the EU. In the first seven months of this year, the total deficit in trade in goods reached EUR 504.9 m and remained at a similar level as in the same period last year. The surplus in trade in services was up y-o-y in July, largely on account of a wider surplus in trade in travel and maritime transport services. The otherwise traditional deficit in trade in other services was again higher y-o-y, mainly as a result of a higher deficit in trade in miscellaneous business, professional and technical services. In the first seven months of this year, the services balance recorded a surplus of EUR 861.2 m, EUR 126.1 m higher than in the same period of 2010.

The deficit in **factor incomes** and the surplus in **current transfers** were lower y-o-y. Net interest payments were up again y-o-y in July, mainly on the back of payments of interest on long-term general government securities. Net interest payments by commercial banks and net payments of interest on loans between affiliates were also higher y-o-y. The net outflow of dividends and distributed profits from direct investment declined considerably y-o-y so that the balance of factor incomes improved relative to the same period last year. In the first seven months of this year, the deficit in factor incomes totalled EUR 361.0 m, which is EUR 61.2 m more than in the same period of 2010. The narrowing of the surplus in the balance of current transfers was due to a lower surplus in general government transfers and a higher deficit in transfers of other sectors. Due to increased inflows from the EU budget, the surplus in current transfers totalled EUR 107.0 in the first seven months of this year (last year, a deficit of EUR 71.3 m) and was the main reason why last year's seven-month deficit in the current account of the balance of payments turned into a surplus in the first seven months of this year.

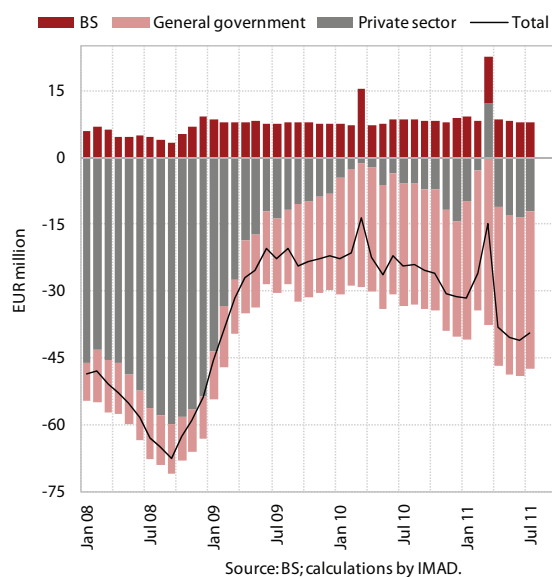
Table 8: Balance of payments

I-VII 11, EUR m	Inflows	Outflows	Balance ¹	Balance, I - VII 10
Current account	16,177.1	16,074.9	102.3	-143.4
- Trade balance (FOB)	12,076.5	12,581.4	-504.9	-507.3
- Services	2,786.4	1,925.2	861.2	735.1
- Income	508.9	869.9	-361.0	-299.9
Current transfers	805.4	698.4	107.0	-71.3
Capital and financial account	3,572.4	-3,439.5	132.9	376.5
- Capital account	113.8	-133.5	-19.7	41.0
- Capital transfers	111.8	-129.4	-17.6	41.8
- Non-produced, non-financial assets	2.0	-4.1	-2.1	-0.8
- Financial account	3,458.6	-3,306.0	152.6	335.4
- Direct investment	359.6	-11.4	348.2	30.6
- Portfolio investment	2,885.2	-261.8	2,623.4	1,691.1
- Financial derivatives	0.1	-79.6	-79.5	-92.5
- Other investment	204.9	-2,953.2	-2,748.3	-1,301.9
- Assets	0.0	-2,267.1	-2,267.1	344.4
- Liabilities	204.9	-686.1	-481.2	-1,646.3
- Reserve assets	8.8	0.0	8.8	8.0
Net errors and omissions	0.0	-235.2	-235.2	-233.1

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.

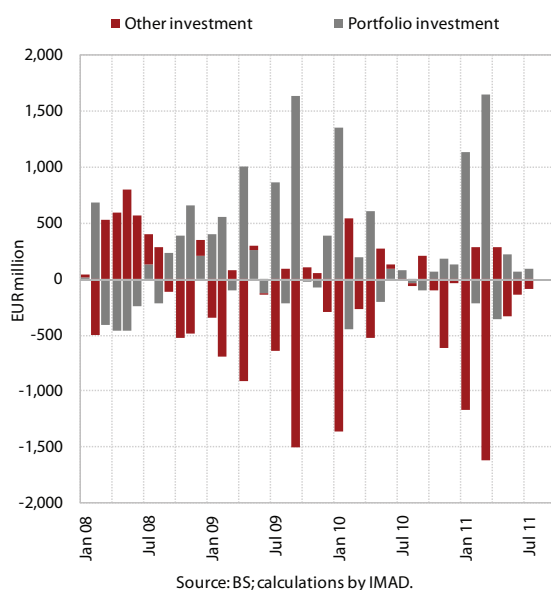
Figure 26: Net interest payments by sector



External financial transactions¹⁷ recorded a net inflow of EUR 26.2 m in July (EUR 152.2 m last year). The private and government sectors recorded net capital outflows, while the BS borrowed from the Eurosystem again. The level of the net capital outflow of the private sector was chiefly influenced by deposits placed by domestic commercial banks abroad. After the issue of long-term bonds in

January and March and repayment of some of the debt in April, general government capital flows were weak again in July. After the BS settled a significant part of its short-term liabilities to the Eurosystem in the first quarter of this year, it borrowed again in the second quarter and in July to obtain short-term sources for managing domestic commercial bank liquidity.

Figure 27: Flows of other investment and investment in securities and net external debt



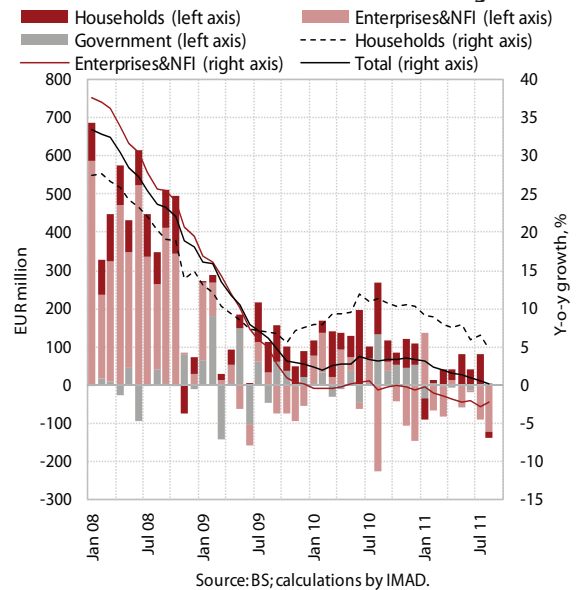
¹⁷ Excluding international monetary reserves and statistical errors.

Financial markets

The already modest lending activity of Slovenian banks continued to slow in August. Enterprises and NFIs increased net repayments of loans in August. Households also made net repayments of domestic bank loans, while the volume of general government loans increased slightly. The total net repayments thus amounted to EUR 137.8 m in August, which is the highest figure in the last two years. In the first eight months of the year, the volume of domestic non-banking sector loans with domestic banks dropped by EUR 113.0 m, in contrast to the same period of 2010 when net flows totalled EUR 993.2 m. Lower household borrowing and net repayments of corporate and NFI loans each accounted for two fifths of this significant slowdown, while net repayments of general government loans contributed one fifth. We estimate that banks made net repayments of foreign loans and deposits in August and that household and government deposits declined as well.

After stronger net borrowing in July, **households** recorded net repayments of domestic bank loans in August. The net outflow amounted to EUR 17.2 m, which is a result of net repayments of consumer loans, but also housing loans, which were highest since October 2008 (EUR 17.8 m), while households increased borrowing for other purposes. Household borrowing in domestic banks eased substantially in the first eight months of 2011. Net flows of household loans totalled EUR 207.6 m, not even a third of the figure in the same period last year.

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



Enterprises and NFIs increased repayments of domestic bank loans in August. Net repayments of domestic bank loans amounted to EUR 121.0 m. In the first eight months of the year, net repayments reached EUR 264.1 m (while in the same period of last year, enterprises and NFIs still recorded net borrowing in the amount of EUR 150.2 m). After enterprises and NFIs made net repayments of foreign loans at the end of the first half of the year, they strengthened this type of borrowing in July. Net flows

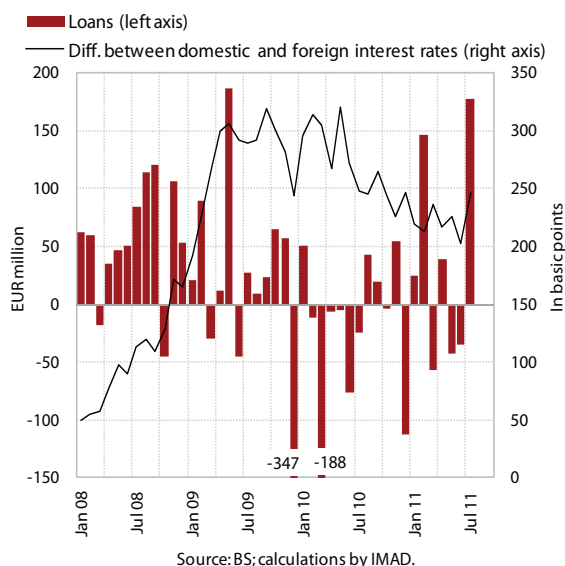
Table 9: Financial market indicators

Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 10	31. VIII 11	31. VIII 11/ 31. VII 11	31. VIII 11/ 31. XII 10	31. VIII 11/ 31. VIII 10
Loans total	33.519,35	33.406,31	-0,4	-0,3	0,1
Enterprises and NFI	23.039,29	22.775,16	-0,5	-1,1	-2,3
Government	1.197,94	1.141,43	0,0	-4,7	13,6
Households	9.282,12	9.489,71	-0,2	2,2	4,7
Consumer credits	2.833,17	2.766,32	-0,7	-2,4	-2,0
Lending for house purchase	4.837,08	5.143,54	-0,3	6,3	11,0
Other lending	1.611,87	1.579,85	1,3	-2,0	-1,6
Bank deposits total	14.839,56	15.113,42	-0,2	1,8	2,7
Overnight deposits	6.200,38	6.428,35	0,0	3,7	4,0
Short-term deposits	4.473,18	4.216,56	-1,6	-5,7	-8,2
Long-term deposits	4.156,65	4.461,36	0,7	7,3	13,4
Deposits redeemable at notice	9,35	7,16	6,2	-23,5	-45,4
Mutual funds	2.048,36	1.913,83	-3,2	-6,6	-0,7
Bančne vloge države skupaj	2.678,50	3.019,70	-3,8	12,7	-3,6
Overnight deposits	64,40	21,61	-80,2	-66,5	-52,8
Short-term deposits	555,35	1.010,72	-3,5	82,0	2,6
Long-term deposits	2.055,29	1.981,78	0,1	-3,6	-5,5
Deposits redeemable at notice	3,46	5,59	135,9	61,7	22,9

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

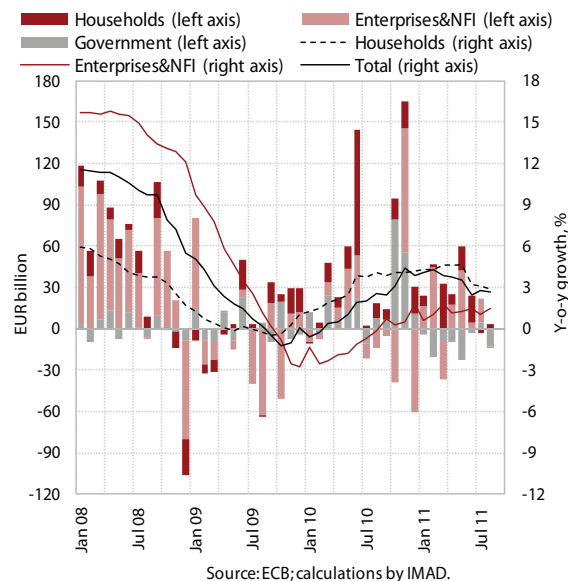
thus amounted to EUR 178.1 m, the highest figure in the last two years. Particularly on account of stronger net inflows in July, enterprises and NFIs recorded EUR 255.0 m in net borrowing abroad in the first seven months of the year, in contrast to EUR 262.1 m in net repayments of foreign loans in the same period of last year. Because of a significant increase in domestic interest rates in July (by 50 b.p. to 5.45%), the differences between domestic interest rates for loans over EUR 1 m with a variable, or up to one year with a fixed interest rate, and the average rate in the euro area increased to 246 b.p. The differences were slightly higher only in Greece. Total corporate and NFI borrowing with domestic and foreign banks in the first seven months improved somewhat due to stronger borrowing abroad in July. Enterprises and NFIs thus borrowed EUR 111.9 m in a net amount in that period, only slightly less than in the same period last year.

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



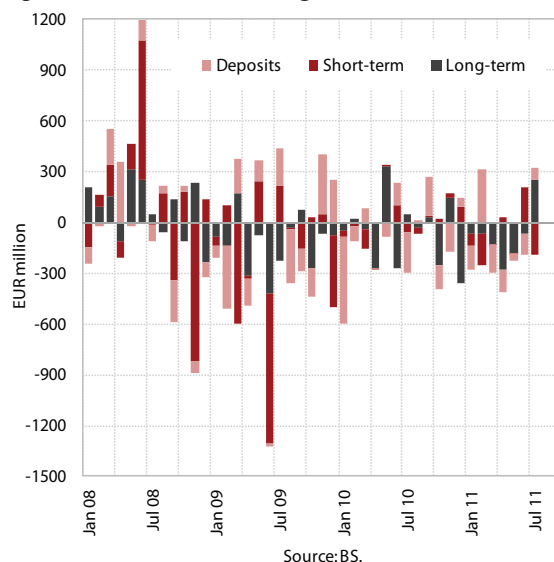
After strengthening in previous months, the volume of non-banking sector loans in the **euro area** shrank in August. The bulk of the decline was otherwise still related to further deleveraging of governments sectors, but the volume of corporate and NFI loans was also down in August, due to seasonal factors. At EUR 1.8 bn, this was otherwise one of the lowest August declines in the last four years, while in the same month of last year, enterprises and NFIs recorded net repayments of bank loans in the amount of EUR 13.5 bn. The total corporate and NFI net borrowing from domestic banks thus amounted to EUR 113.5 m in the first eight months, nearly by a factor of 2.3 more than in the comparable period last year. Bank loans in the euro area increased by a total of EUR 123.9 bn, which is more than half less than in the same period last year. The decline is a result of net repayments of government sectors and a more moderate household borrowing.

Figure 30: Net flows and growth in the volume of bank loans to non-banking sectors in the euro area



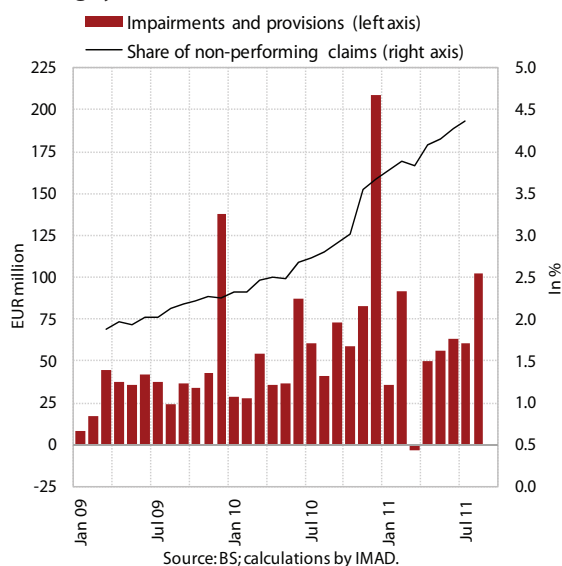
Even though **banks** recorded net borrowing abroad for the second successive month in July, the situation in interbank markets did not improve much, according to our estimates. Net inflows of funds from foreign sources amounted to EUR 132.9 m, which is the highest figure since September 2010. The maturity structure was more favourable this time, with the bulk of net inflows coming from long-term loans and banks substantially increasing net repayments of short-term loans. In the first seven months of this year, banks made net repayments of foreign deposits and loans in a total amount of EUR 958.1 m, which is almost a tenth less than in the same period last year. The decline is largely attributable to significantly lower net repayments of foreign deposits amid a robust strengthening of net repayments of loans this year.

Figure 31: Net bank borrowing abroad



The **quality of banks' assets** continues to deteriorate and banks are increasingly creating impairments and provisions. The volume of non-performing claims accounted for as much as 4.4% of all bank claims at the end of June, and was up 1.7 p.p. from the same month last year. In August, banks increased impairments and provisions to EUR 102.2 m. In the first seven months, impairments and provisions amounted to a high EUR 459.3 m, almost a quarter more than in the same period of last year.

Figure 32: Net flow of impairments and provisions and the share of non-performing claims in the Slovenian banking system



Household and government **deposits** recorded a net outflow in August. The decline in household deposits amounted to EUR 35.1 m and largely resulted from a net outflow of short-term deposits and, to a lesser extent, a net outflow of deposits redeemable at notice and overnight deposits. Long-term deposits still recorded net inflows, but they were below this year's monthly average. In the first eight months of this year, household deposits strengthened by EUR 273.9 m, which is almost a third less than in the same period last year. Government deposits recorded net outflows again in August, in the amount of close to EUR 120, which was attributable to net outflows of overnight and short-term deposits. The net inflows of government deposits to Slovenian banks thus reached only just above EUR 340 m in the first eight months.

The situation on **capital markets** tightened notably in the third quarter of 2010 in view of the expected moderation of economic activity, deteriorating public finances and high uncertainty regarding the future economic trends. All major world stock exchange indices recorded declines in a range between 11.4% and 25.4% in that period so that the MSCI World index measured in euros was down by as much as 10.4%. The main index on the Ljubljana Stock Exchange (SBI TOP index) was down 16.7% in the third quarter of this year.

Figure 33: Net inflows of household and government deposits to banks and y-o-y change in stock

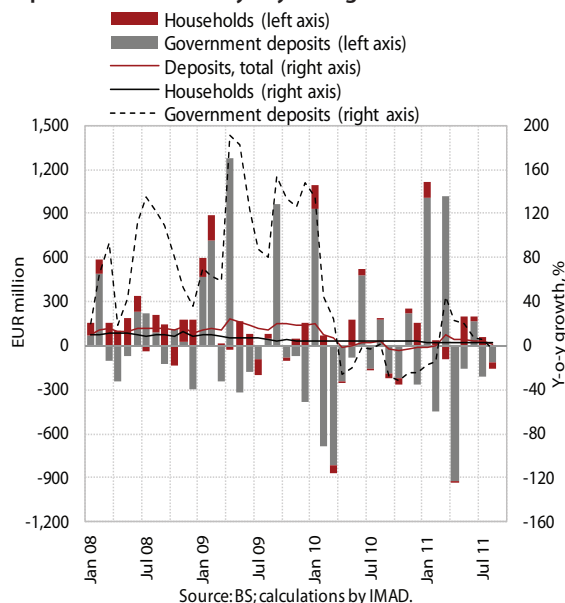
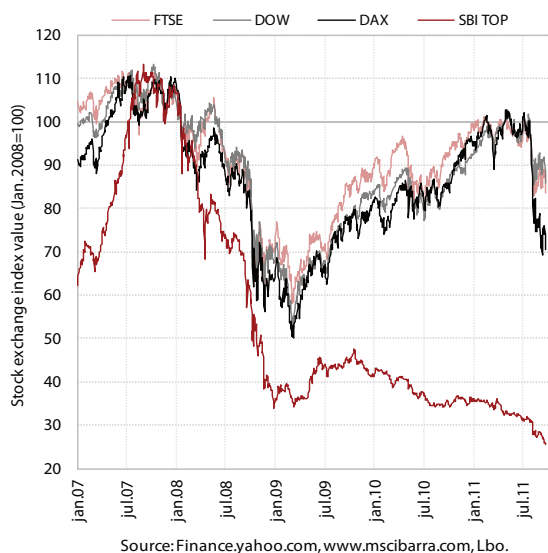


Figure 34: Movements in selected major world stock exchange indices and the main Ljubljana Stock Exchange Index



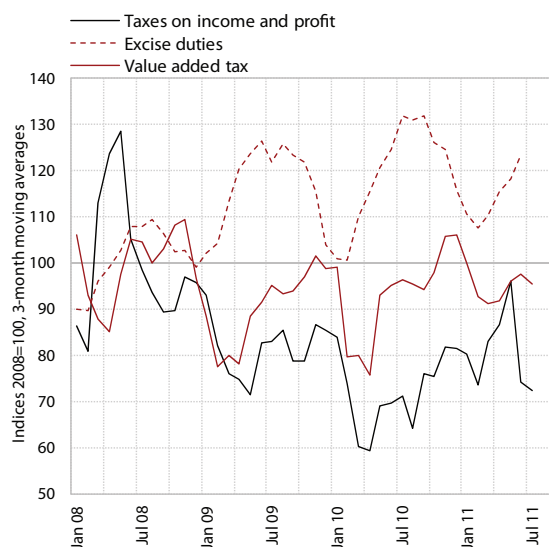
Public finance

In August, revenue from **taxes and social contributions** was lower than in the same month last year for the second consecutive month.¹⁸ Revenue was 2.1% lower y-o-y in August. Revenue from value added tax decreased the most again in comparison with the same month

¹⁸ Based on the Report on Payments of All Public Revenues, January–August 2011, Public Payments Administration.

last year, this time due to high (extraordinary) refunds according to tax assessments. Revenues from personal income tax, excise duties and import taxes also declined y-o-y, with the exception of prepayments of corporate income tax, which increased by 9.7%, and social security contributions, which also rose slightly. Social security contributions otherwise tend to fluctuate the least, but their y-o-y growth has been slowing slightly for several months. In the first eight months as a whole, revenue from taxes and social security contributions totalled EUR 8.8 bn, 4.4% more than in the same period last year. The relatively strong y-o-y cumulative growth is largely due to substantial growth in March and April as a result of a low base in 2010, when tax revenue was lower as a result of the tax assessments based on deteriorated business performance in 2009 and certain changes in taxation. The base effect was most pronounced in corporate income tax,¹⁹ due to tax assessments, and exclusion of corporate income tax assessments alone in both years would mean a decline in y-o-y growth in general government revenue to 1.8% in the first eight months of this year.²⁰ Revenue from corporate income tax in the first eight months as a whole was thus still much higher y-o-y (82.5%). Revenue from value added tax was also up (4.7%) from the same period last year. The base effect was most pronounced in March, as the decline in inflows from this tax in March 2010 was, in addition to regular tax assessments, also due to shortened deadlines for VAT refunds (to 21 days from 60). Among revenues from VAT, inflows of VAT from imports increase faster (20.5%), mainly due to rapid growth in import prices (commodities, energy), while inflows of accrued VAT grow more slowly (0.4%). Revenue

Figure 35: Selected taxes



Source: PPA; calculations by IMAD.

from excise duties²¹ was 2.2% higher y-o-y in the first eight months. Excise duties were generated at somewhat higher rates than in the same period last year and the quantities of main excise goods sold increased somewhat as well.²² Growth in revenue from wage-related taxes remains subdued and is slowing total revenue growth, given its high share (around 55% of total revenue). The cumulative y-o-y growth in revenue from personal income tax is modest (0.9%), despite faster growth of

Table 10: Consolidated general government revenue and expenditure

	2010			2011	
	EUR m	% of GDP	Growth, %	I-VI 11 EUR m	I-VI 11/ I-VI 10
Revenue - total	14,789.5	41.8	2.7	7,427.2	9.4
- Tax revenues	12,848.3	36.3	-0.8	6,606.9	7.0
- Taxes on income and profit	2,490.7	7.0	-11.2	1,463.2	19.0
- Social security contributions	5,234.5	14.8	1.4	2,617.6	1.5
- Domestic taxes on goods and services	4,780.6	13.5	2.6	2,382.8	7.2
- Receipts from the EU budget	724.6	2.0	21.5	387.1	70.2
Expenditure - total	16,675.9	47.1	1.9	8,349.7	2.4
- Wages and other personnel expenditure	3,914.9	11.1	0.1	1,976.5	0.4
- Purchases of goods and services	2,510.5	7.1	0.1	1,201.6	1.7
- Domače in tuje obresti	488.1	1.4	45.3	419.3	9.6
- Transfers to individuals and households	6,274.5	17.7	4.2	3,351.7	4.7
- Capital expenditure	1,305.1	3.7	0.9	365.3	-9.9
- Capital transfers	388.4	1.1	-21.6	115.5	-15.9
- Payment to the EU budget	396.8	1.1	-9.7	209.8	-3.9

Source: MF.

¹⁹ At the beginning of 2010, revenue from corporate income tax was around EUR 170 m lower due to the tax assessments based on poor business results in 2009, a reduction of the tax rate and new tax relief, while this year's (positive) assessments increased revenue from this tax by EUR 48 m as a result of better business performance in 2010, slightly higher investment relief (2.6%), as well as a better adjustment of monthly tax prepayments to current business results and a reduced statutory tax rate during the year.

²⁰ The base effect is also seen in tax on income from entrepreneurial profits but it is smaller than in tax on corporate income, and in value added tax.

²¹ The figure for excise duties is corrected for the timing of excise duty payments.

²² In the period from January to July, the quantities of sold alcohol and alcohol products were up 3.8% y-o-y, of mineral oils up 1.4%, while the quantities of tobacco and tobacco products remained the same as last year.

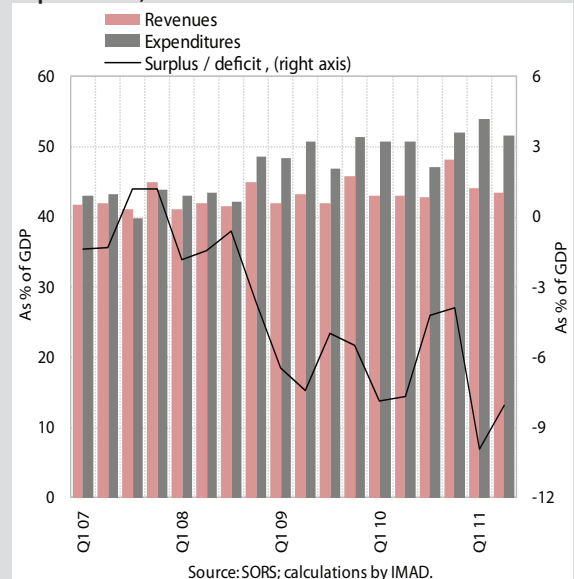
Box 2: Main aggregates of the general government sector, ESA 95¹

According to SORS data, the **general government deficit** in 2010 was estimated at 5.8% of GDP and decreased by 0.3 p.p. of GDP in comparison with 2009,² when it accounted for 6.1% of GDP after the latest revision. In 2010, the bulk of the general government deficit was generated at the central level (5.1% of GDP), while the local government level and social security funds each contributed 0.4% of GDP. The deficits of the central government and social security funds remained at the same levels as in the previous year, while the deficit of the local governments narrowed by 0.2 p.p. of GDP. Growing faster than GDP, total general government revenue as a share of GDP increased by 1.1 p.p. of GDP in 2010 (to 44.3%) and total general government expenditure by 0.8 p.p. of GDP (to 50.1% of GDP). Growth in general government expenditure otherwise slowed to 2.0% in 2010 (in 2009: 5.5%), but with general government revenue recording only slightly faster growth (2.7%), the previously incurred deficit could not narrow much. The deficit of the general government sector already increased significantly in 2009, when the dynamics of general government revenue growth slowed significantly as a result of the deteriorating macroeconomic environment and the effects of tax reforms in previous years, while the level of current government spending remained high.

General government revenue in 2010 is estimated at EUR 15.7 bn and it increased by 2.7% in nominal terms relative to 2009. In 2010, the largest contribution to the increase in general government revenue (1.6 p.p.) came from transfers (funds from the EU budget) and other revenues. Tax revenues contributed a smaller share (1.1 p.p.). In a somewhat better macroeconomic environment than a year before, tax revenues were still affected by tax reforms from previous years, in addition to current changes. Among the main tax categories, revenue from assessed social security contributions contributed the most to revenue growth (0.7 p.p.). They followed the movement of wages and were up 2.0% y-o-y. Revenues from assessed taxes on production and imports rose by 1.4%, contributing 0.5 p.p. to total revenue growth. The assessed excise duties increased the most (3.6%), due to higher excise duties on all main excise products amid slightly lower quantities sold. On the other hand, the assessed value added tax increased only by 0.7% in 2010 due to modest domestic consumption. Current taxes on income and property shrank by 0.4%, after the final assessments of personal income tax and corporate income tax according to business results (with a lower tax rate in corporate income tax and higher tax relief in both sources), and reduced total revenue growth by 0.1 p.p.

General government expenditure in 2010 is estimated at EUR 17.7 bn, up 2.0% from the previous year. In addition to social benefits in cash and in kind, growth in general government expenditure in 2010 was also underpinned by expenditure on interest payments, while the contribution of gross fixed capital formation and capital transfers declined. Growth in general government expenditure was mainly attributable to expenditure on social benefits in kind and in cash (1.6 p.p.), largely as a result of automatic stabilisers, which increased expenditure on unemployment benefits and the number of people eligible for other social transfers. A larger contribution

Figure 36: General government sector revenue, expenditure, and deficit



Source: SORS; calculations by IMAD.

Table 11: Main aggregates of the general government, share in GDP, in %

	2000	2005	2006	2007	2008	2009	2010
Total general government revenue	42.8	43.8	43.2	42.4	42.4	43.2	44.3
Total general government expenditure	46.5	45.3	44.6	42.5	44.2	49.3	50.1
Deficit (-) surplus (+)	-3.7	-1.5	-1.4	0.0	-1.9	-6.1	-5.8
Of which:							
Central government	-3.2	-2.2	-1.4	-0.1	-1.3	-5.1	-5.1
Local government	0.0	0.0	-0.1	-0.1	-0.6	-0.6	-0.4
Social security funds	-0.5	0.8	0.1	0.2	0.0	-0.4	-0.4
Consolidated government debt	26.3	26.7	26.4	23.1	21.9	35.3	38.8

Source: SORS, Main aggregates of the general government, 30. 9. 2011.

¹ In line with the Excessive Deficit Procedure, the data on main aggregates of the general government according to the ESA 95 methodology were revised in the second regular annual report on government deficit and debt and sent to Eurostat.

² Besides by the levels of aggregates, the shares of aggregates in GDP were also affected by the shrinkage of GDP in 2009.

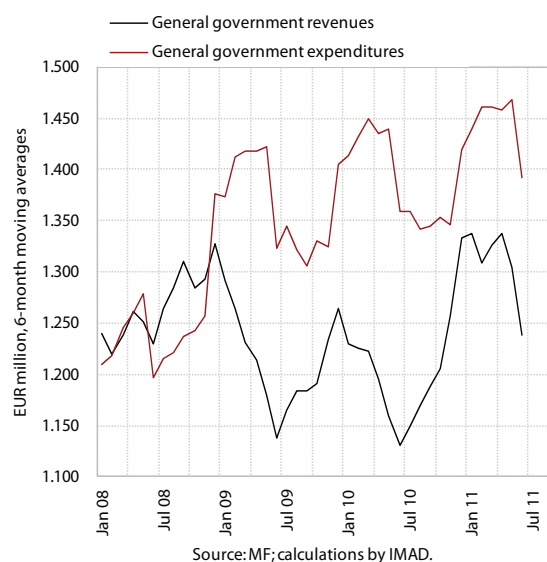
than a year before came from expenditure on interest (0.6 p.p.), which is increasing due to higher general government borrowing. Expenditure on intermediate consumption increased by 5.3%, despite austerity measures, and contributed 0.7 p.p. to total expenditure growth. 0.6 p.p. of expenditure growth came from compensation of employees, which increased chiefly due to 1.5% employment growth in the general government sector amid the restrictive wage policy in the public sector. Growth in general government expenditure was reduced by capital transfers and gross fixed capital formation, by 1.0 p.p.

According to the quarterly nonfinancial sector accounts by SORS, the deficit of the general government in the second quarter of 2011 was estimated at EUR 742 m, which is 8.0% of GDP (in the first quarter, 9.9% of GDP). In both quarters, the high deficit was largely due to the one-off capital transfers, i.e. the equity injection in NLB d.d. in the first quarter and the acceptance of claims from Slovenian Railways in the second. Without these one-off transfers, the general government expenditure would remain at last year's nominal level in the second quarter, after recording 3.3% y-o-y growth in the first. The dynamics of growth in revenues from taxes and contributions also slowed in the second quarter, to 1.1% (from 3.3% in the first quarter). In both quarters, general government revenue strengthened somewhat on account of receipts from the EU budget, which recorded a positive balance in the first half of the year. According to the forecast of the Ministry of Finance, the general government deficit will amount to EUR 1,992 m or 5.5% of GDP in 2011.

revenue from other personal income tax categories (10.6%), as tax refunds based on final personal income tax assessments in the first eight months are higher than in the same period of last year (last year, EUR 110 m; this year, EUR 138 m).

According to the **consolidated balance**²³ of the MF, general government revenue totalled EUR 7.4 bn and general government expenditure EUR 8.3 bn in the first six months of 2011. Revenue was up 9.4% y-o-y (last year, -0.6%), expenditure 2.4% (last year, 2.7%). The consolidated balance recorded a deficit of EUR 922 m in the first six months, which is less than last year (EUR 1,370 m). Looking at the economic structure of general government expenditure, all expenditure categories increased y-o-y in the first six months, except expenditure on capital and capital transfers (-11.4%) and payments into the EU budget (-3.9%). The decline in expenditure on capital and capital transfers is partly a consequence of its high level at the beginning of last year and considerably lower investment activity of the government this year. Expenditure on interest and subsidies increased the most y-o-y in the first six months (9.6% and 5.4%, respectively). Transfers to individuals and households grew by 4.7% (6.8%, excluding pensions). Expenditure on pensions increased by 3.6%, given the modest valorisation of pensions in February, which is, according to the emergency act, set at merely a quarter of the statutorily defined adjustment. Expenditure on transfers to individuals and households (excluding pensions) has been growing more rapidly for the fourth successive year, with expenditure on transfers to the unemployed still rising fastest (39.9%), mainly due to the deteriorating labour market conditions, but also as a result of systemic changes. Other transfers to individuals and households are increasing very rapidly as well (9.9%). Growth in expenditure on sickness benefits is also high (6.6%). Expenditure on goods and services eased, being up 1.7% y-o-y in the first six months. Expenditure on wages and other personnel expenditures were also modest (0.4%; last year, -0.1%).

Figure 36: Consolidated general government revenue and expenditure



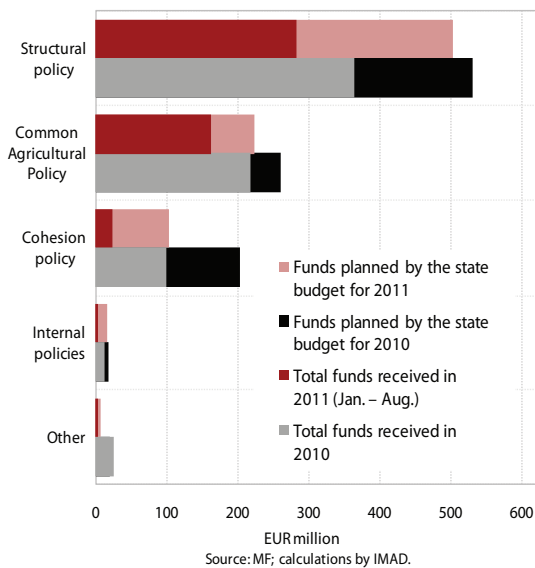
The deficit of the *state budget* amounted to EUR 902 m in the first six months of 2011, which is much less than a year before (EUR 1,321 m). The total *balance of local government budgets* recorded a surplus in the amount of EUR 19.8 m, while the *health fund* ran a deficit of EUR 42.1 m. The transfer from the state budget into the *pension fund* totalled EUR 819. m (5.6% more than in the same period last year).

Slovenia received EUR 35 m from the **EU budget** in August, less than in previous months, but its net budgetary position was nevertheless positive. Slovenia paid approximately the same amount into the EU budget as in the first half of the year (EUR 26.5 m), but its positive net budgetary position declined from just below EUR 22 m in July to EUR 8.5 m in August. In the first eight months, Slovenia received EUR 475.7 m from the EU budget, 55.7% of what is planned in the supplementary budget for 2011

²³ 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.

approved in September. The bulk of resources came from Structural Funds (EUR 282.4 m), which is 56.1% of what is foreseen from this source in the supplementary budget. The highest realisation (72.3%) was recorded for funds absorbed under the Common Agricultural and Fisheries Policies, and the lowest for receipts from the Cohesion Fund (23.3%). In the same period, Slovenia paid EUR 268.0 m into the EU budget, which is 68.2% of all funds it is expected to pay this year according to the supplementary budget. In the first eight months of this year, Slovenia's net budgetary position against the EU budget was thus positive, in the amount of EUR 207 m.

Figure 38: Planned and absorbed EU funds

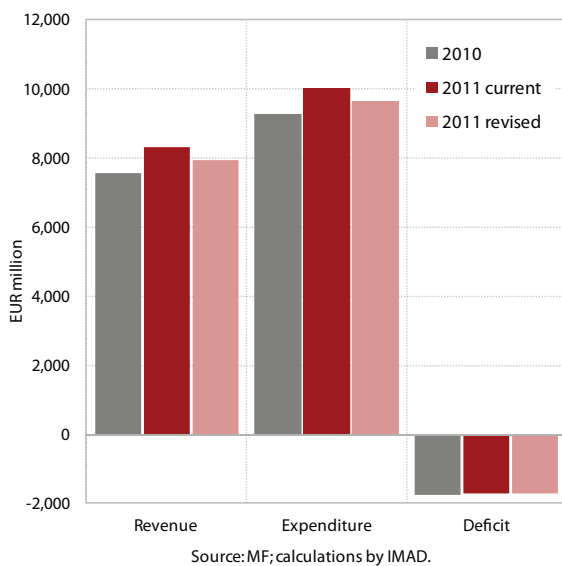


selected topics

Revised state budget for 2011

The revised state budget adjusted expenditures to the estimated lower revenues, but the deficit remained unchanged. The approved revised state budget anticipates that revenues and expenditures will be EUR 365 m lower than planned in the state budget for 2011 adopted in December 2010. With revenues and expenditures declining by the same amount, the deficit level remains unchanged. The state budget deficit in 2011 is thus estimated at EUR 1.7 bn, which is only EUR 43 m less than a year earlier. The structure of spending cuts shows that savings are mainly made on investments that are being pushed forward to the following years. No major cuts will be made with systemic savings, a measure which would be crucial for a more sustainable consolidation of public finances and is already enforced by several other European countries.

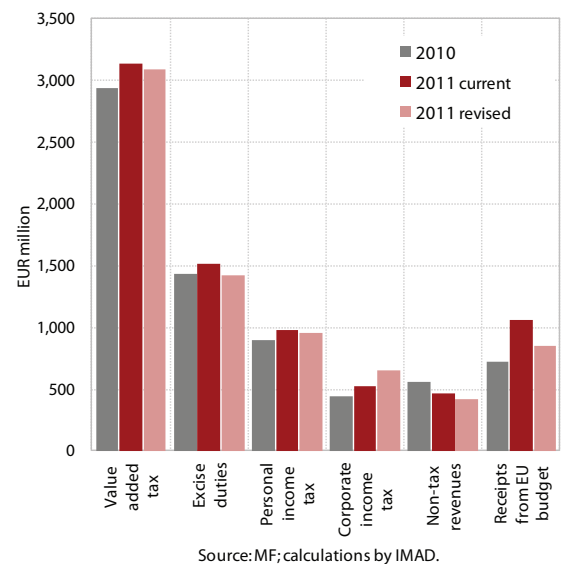
Figure 39: Revenue, expenditure and state budget surplus/deficit, 2010–2011



The revised state budget for 2011 sets revenue at EUR 7.9 bn, an increase of 5.5% in nominal terms compared with 2010. In the middle of the year, the total state budget revenues were assessed anew. They are 4.4% lower than foreseen in the budget approved in December 2010, while their growth has slowed by as much as 4.8 p.p. y-o-y. Tax sources are down EUR 116 m, most notably domestic taxes on goods and services (by EUR 145 m), especially excise duties and, to some extent, value added tax and other taxes on goods and services (CO₂ fee). The quantities of excise products sold are estimated to be somewhat lower than what was foreseen previously. The changes in excise duty rates were taken into account as well. Besides the current movements, the estimate of revenue from value added tax also takes into account the financial effect of the

proposed amendment to the Value-Added Tax Act, which allows reductions of VAT related to acknowledged claims filed in compulsory settlement or bankruptcy proceedings, but has yet to be adopted. In view of the postponed introduction of the CO₂ fee (from March 2011 to next year), the revised state budget also envisages lower revenue from environmental taxes. Revenues from personal income tax and social security contributions are also slightly lower than planned in the previous budget. Among tax sources, the estimated revenue from corporate income tax increased by EUR 127 m due to the higher assessments of tax on profits reported for 2010 and, consequently, higher monthly prepayments of corporate income tax. The revised budget also anticipates lower receipts from the EU budget (by EUR 205 m), as well as lower non-tax revenues, particularly revenues from entrepreneurial and property income (EUR 38 m).

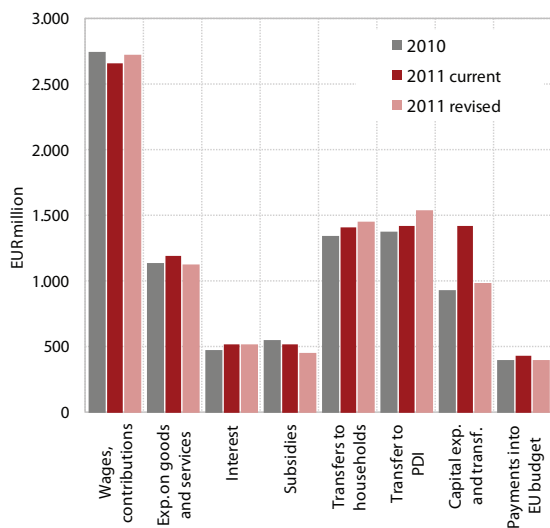
Figure 40: State budget revenue 2010–2011



The revised state budget sets state budget expenditures at EUR 9.7 bn, a 4.0% increase in nominal terms relative to 2010. According to the revised budget, the greatest contributions to the 4% total nominal growth of expenditure in 2011 relative to 2010 will come from transfers into the pension fund (1.7 p.p.), transfers to individuals and households (1.2 p.p.), capital and capital transfers (1.2 p.p.) and interest expenditures on both domestic and foreign loans (0.4 p.p.). A decline relative to 2010 is envisaged for expenditure on subsidies, which will reduce total expenditure growth by 1.0 p.p., and expenditure on wages, contributions and other expenditures for personnel in government bodies and public institutions and expenditure on goods and services, which will decrease total expenditure growth by 0.3 p.p. and 0.1 p.p., respectively. The revised state budget also envisages an increase of funds in the lending and repayments account in the amount of EUR 253 m to increase equities in financial institutions.

According to the revised state budget for 2011, expenditure is set to grow faster than GDP and will increase by 0.7 p.p. as a share of GDP, to 26.9%. Total expenditure is expected to decline by 3.6% relative to the previous state budget adopted in December 2010. Expenditure on capital and capital transfers will be reduced the most (by EUR 442 m) and will thus increase less relative to 2010 than planned in the previous budget. Expenditure on goods and services in government bodies and public institutions will drop by just over EUR 70 m. Expenditures on subsidies and contributions to the EU budget will also decline less than planned before the revision (EUR 65 m and EUR 41 m, respectively). Certain expenditures will however increase, most notably transfers into the pension fund (EUR 119 m) due to slower-than-expected growth in social security contributions. Slightly more funds than so far will be earmarked for transfers to individuals and households (EUR 40 m), particularly due to growing expenditure on unemployment benefits and certain other transfers. More funds will also be allocated for wages, contributions and other expenditures for personnel in government bodies and public institutions (around EUR 60 m).

Figure 41: State budget expenditure, 2010–2011



Source: MF; calculations by IMAD.

WEF Global Competitiveness Report 2011-2012

The *Global Competitiveness Report of the World Economic Forum (WEF)* shows that Slovenia's position deteriorated significantly in 2011. Switzerland, Singapore and Sweden have remained at the top of the scale²⁴ among the 142 countries analysed in the report. Six of the top ten countries are from the EU. Slovenia has slipped 12 places among all countries analysed (from 45th to 57th), and 5 places relative to the EU members (from 17th to 22nd). Its ranking deteriorated in all three categories of competitiveness, particularly in soft indicators. As last year, managers are

dissatisfied with the current situation and the possibilities of doing business in Slovenia. Dissatisfaction is related to decision makers and failure to adopt certain key structural changes, which could improve competitiveness. Limited access to financing, inefficient government bureaucracy and restrictive labour regulations have remained the main barriers to business operations in Slovenia. Similar to the IMD survey, the WEF report confirms that Slovenia's competitiveness is relatively low.

Slovenia has fallen on the WEF competitiveness scale for the second year in a row, most notably in terms of financial market development indicators. The latter is mainly due to limited sources of finance and lower bank liquidity in comparison with other countries (127th place). The results show serious liquidity problems of Slovenia's enterprises and the presence of the credit crunch, which is an additional obstacle to business growth. A lower level of financial system development in Slovenia is reflected in a significant deterioration in access to loans (by 51 places, to 107th), venture capital availability (by 39 places, to 84th) and financing through the local equity market (by 24 places, to 108th). IMAD also finds²⁵ that the supply of bank assets has shrunk considerably over the last two years and that banks have largely obtained fresh assets from the government.

According to the WEF report, the economic recovery in Slovenia was not accompanied by sufficient structural reforms, which is reflected especially in its labour market efficiency rankings. The labour market is not conducive to business operations, according to the managers surveyed, given that Slovenia ranks lowest on the scale in terms of certain labour market indicators. The most problematic factors for doing business are hiring and firing practices (141st place), rigidity of employment, particularly employment for an indefinite period of time (129th place), and lack of flexibility of wage determination (126th place). The results confirm that structural reforms are urgently needed in this area and that the economic recovery and improvement in labour market conditions will be slower than in other countries due to the postponement of reforms.

Slovenia has also fallen in areas where it was among more competitive countries over the past years. Its ranking in goods market efficiency has thus also deteriorated over the last year (by 9 places, to 48th position). According to the report, managers are highly dissatisfied with

²⁴ Altogether 113 indicators were used in the survey this year, 79 of which were soft (surveys among managers), while the others were statistical data for 2010 (or the most recent available), which means that the number of scores and the rankings largely depend on surveys. The survey of managers was conducted in the first half of this year. The indicators are grouped in 12 key pillars of competitiveness divided in three categories. The first category, basic requirements, includes institutions, infrastructure, macroeconomic environment, and health and primary education. Efficiency enhancers are indicators including higher education and training, goods and labour market efficiency, financial market development, technological readiness and market size, while the third category consists of innovation and business sophistication factors.

²⁵ Economic Issues 2011.

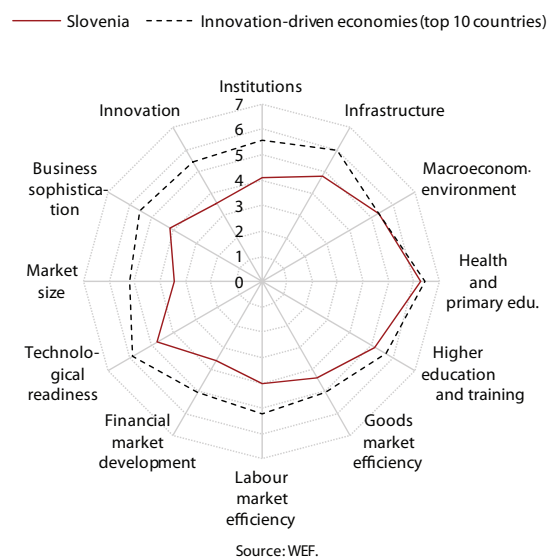
the tax system (extent and effect of taxation), which is insufficiently conducive to doing business in Slovenia (Slovenia's ranking declined by 40 places, to 129th). The tax burden on labour, in particular, is seen to be a significant obstacle to hiring highly qualified workforce. The WEF report indicates a low prevalence of foreign ownership, as well as a low impact of foreign direct investment. In its Development Report 2011, IMAD also states that the level of FDI in Slovenia is too low to play a major role in restructuring and improving the competitiveness of Slovenia's economy. Despite increased investment in R&D and support for innovation (e.g. establishing centres of excellence, support for innovations and start-up enterprises), Slovenia's rankings in this area have remained modest according to the WEF report, given that other countries have made even greater headway. This is also the area, where Slovenia lags most notably behind the most developed, innovation-driven, economies. Education is crucial for transition to a knowledge-based economy and improving competitiveness. Despite Slovenia's relatively high position as regards higher education (21st), the report reveals an increased mismatch between education and training programmes and the needs of the economy (a drop by 16 places, to 63rd). The deterioration of Slovenia's position in terms of business sophistication factors means that managers are also critical of their own performance, as government measures alone cannot compensate for enterprises' own efforts to improve products and services, introduce innovation at the entrepreneurial level and hire capable (also managerial) staff. Slovenia also scores low in investment in on-the-job education and training (83rd).

The drop in Slovenia's ranking was also impacted by indicators of basic requirements (institutions, infrastructure, macroeconomic environment), which mainly reflects dissatisfaction with institutions. The competitiveness of businesses is hindered by a low level of trust in the efficiency of legal framework in settling disputes (111st), as well as the wastefulness of government spending (110th). Managers are also dissatisfied with the efficacy of corporate boards, especially with political interference in the decision-making of larger companies. At the same time, the WEF report shows a low degree of protection of minority shareholders' interests and Slovenia is ranked in the bottom third of the analysed countries on these two indicators. Furthermore, certain macroeconomic balances have also been disrupted over the last two years. The state of public finances has deteriorated the most, which is an additional drag on the recovery. Nevertheless, it should be noted that Slovenia has fallen less in terms of the macroeconomic environment indicator than other countries and still has a relatively high position (35th) and a high credit rating (21st).

The WEF report for 2011 lays out a concept of a new sustainable competitiveness index to measure competitiveness in the longer term. The index, which is still under preparation,²⁶ maintains almost all of the elements

already captured by the global competitiveness index, which are important over the shorter as well as the longer term (e.g., governance, education and health, infrastructure, the functioning of markets, innovation), but it also integrates a number of additional features that have a positive long-term impact on human capital (e.g., demographics, social cohesion, freedom) and environmental stewardship. The new index would make it possible to compare and contrast those countries that are preparing well not only for a short- to medium-term future, but also for the longer term. The survey presents only selected results this year. Switzerland and all Nordic countries, i.e. the countries that perform well in terms of the global competitiveness index, are also among the top-ranked countries according to the new index, while the US, in particular, performs more poorly. Slovenia ranks more than ten places higher according to the new sustainable competitiveness index²⁷ than in terms of global competitiveness.

Figure 42: Comparison between rankings in Slovenia and innovation-driven economies



Social protection expenditure – 2009

According to the latest available data, growth in social protection expenditure in 2009 was considerably higher than in previous years as a result of the economic crisis and demographic changes. Social protection expenditure in Slovenia increased almost by 6% in real terms in 2009, in contrast to around 3% per year in the period since 2001. A total of EUR 8,550 m was spent for this purpose in 2009. This strong growth was largely attributable to above-average growth in expenditure for old age or pensions (7.2% in real terms), which accounts for the

²⁸ The rankings are not presented in detail as the WEF is already planning to add certain new factors to the calculation.

²⁷ Due to lack of data, the sample captures only 100 countries, among which Slovenia ranks 45th in the global competitiveness index for 2011/12.

greatest share of social protection expenditure. In view of growing unemployment, a decline in the number of wage earners and increase in the number of recipients of various social transfers, expenditure on unemployment increased significantly in real terms (32%), as did expenditure on family and children (14.1%) and social exclusion not elsewhere classified, particularly financial social assistance (13%).

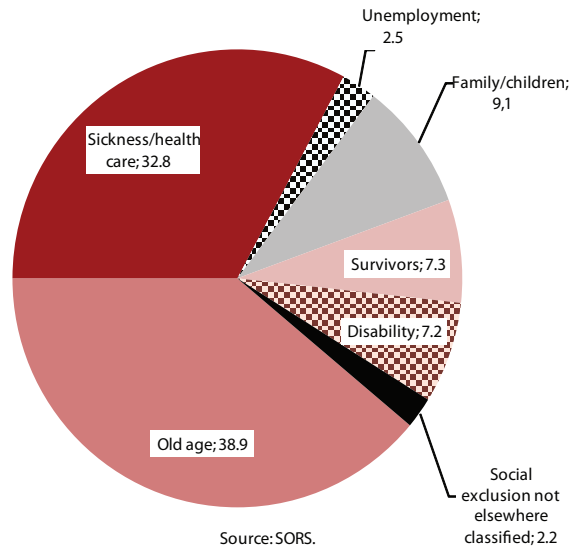
In 2009, social protection expenditure as a share of GDP expanded by nearly 3 p.p., to 24.2% of GDP. The increase of social protection expenditure as a share of GDP was, in addition to real growth in this expenditure, also due to a sizeable contraction of GDP (-8.0%). Slovenia has so far been ranked much below the EU average in terms of the share of social protection expenditure in GDP (21.5% in 2008 in Slovenia, 26.4% in the EU). Comparable data for 2009 are not yet available, but we estimate that the decline in GDP and other consequences of the economic crisis also translated into higher shares of social protection expenditure in other countries of the EU.

The structure of social protection expenditure by individual functions changed somewhat in 2009. The largest share of social protection expenditure was once again allocated for old age. It has been rising gradually (by 0.5 p.p. in 2009 relative to 2008), being followed by the share of expenditure on sickness and health care, which declined by 1 p.p. Both functions accounted for 71.7% of all social protection funds (2008: 72.2%). Looking at the structure of social protection expenditure, the shares of expenditure on family and children, unemployment and social exclusion not elsewhere classified increased in 2009 (0.6 p.p., 0.5 p.p. and 0.2 p.p., respectively), while the shares of expenditure on disability and survivors declined.

The sources of social protection expenditure underwent greater changes in 2009 than social protection expenditure. They expanded by 6% in total in real terms. Receipts from budgetary sources (government contributions) rose by a quarter in real terms (24.8%), while receipts from social contributions dropped by almost 2% due to a real decline in the wage bill. Social contributions nevertheless remained the most important source of financing social protection schemes in 2009, representing 64.4% of all receipts (69.3% in 2008): within that, employers' contributions accounted for 26.1% (2008: 28.1%) and contributions by employed persons for 38.3% (2008: 41.2%). Government contributions amounted to 34% of all receipts in 2009 (2008: 29%).²⁸ On the one hand, the government share expanded partly as a result of the economic crisis, as unemployment benefits, financial social assistance and child benefits (the volume of which has increased substantially during the crisis) are financed from budgetary funds. On the other hand, the government share also increased, even more so, due to increasing

budgetary spending for pensions as a result of lower contributions (amid a concurrent increase in expenditure on pensions). The increase in the government share was also due to a higher number of people retiring, as well as the system according to which the state budget covers the losses of the pension fund, which rose by 12.4% in 2009.

Figure 43: Structure of social protection expenditure in Slovenia in 2009, by function, in %



At-risk-of-poverty and material deprivations rates in 2010

The inequality and poverty indicators show that material deprivation declined somewhat in 2010, while inequality in household income increased slightly. The at-risk-of poverty rate rose in Slovenia after a long period of decline, but, because of the methodology of calculation, this indicator actually measures income inequality within the population (distribution of income among households) rather than poverty. As the data on the share of people with disposable income below the at-risk-of-poverty threshold do not reflect their actual living conditions, the increase in this share does not necessarily indicate deterioration. For this reason, a more appropriate indicator of living conditions is the material deprivation rate.

The at-risk-of-poverty rate²⁹ rose by 1.4 p.p. to 12.7% in 2010. Around 254,000 persons lived below the poverty threshold in 2010, an increase of 31,000 over the preceding year. As the calculation of the at-risk-of-poverty rate in a year is based on data on household income in

²⁸ Social contributions and government funds combined make up 98.4% of total social protection receipts, while 1.6% comes from other sources (various current and capital revenues, such as revenue from property income – interest, dividends).

²⁹ The at-risk-of-poverty rate of the employed persons in Slovenia was 5.3% (4.8% in 2009).

the previous year,³⁰ the influence of the crisis first showed in data on the at-risk-of-poverty rate for 2010 instead of 2009. The decline in household income also resulted in a lowering of the at-risk-of-poverty threshold, which was EUR 587 (EUR 6 less than a year earlier) for one person and EUR 1,232 (EUR 14 less) for a family of four with two dependent³⁰ children.

The increase in the rate was influenced by increased inequality in household primary incomes, while social transfer efficiency remained at the same level as in previous years. Had the government not provided social transfers from social security and budgetary funds, the at-risk-of-poverty rate in 2010 would have been 24.2%, 2.2 p.p. higher than a year before. The at-risk-of-poverty rate before social transfers, which had been declining steadily since 2005, rose markedly in 2010 for the first time in a long period. The increase was a consequence of the economic crisis, growing unemployment and a consequent drop in income of a significant proportion of households in 2009, while inequality increased also due to wage rises in certain sectors with high average wages (e.g. health, public administration and electric power supply). The existing social policy made it possible for nearly one half of the population with income below the poverty threshold to rise above this threshold by help of income from social transfers. Social transfers thus reduced the at-risk-of-poverty rate by 11.5 p.p., which is approximately the same effect as in previous years

The at-risk-of-poverty rate increased for all population groups, especially those that had already been highly vulnerable before the crisis. With the rate of 74.8%, jobless households with dependent children were at the greatest poverty risk. The material situation of this group deteriorated the most, as their at-risk-of-poverty rate increased by as much as 14.4 p.p. Very high rates were also recorded for unemployed persons (44.1%), single-parent families (31.4%), tenants (27.6%), and women aged 65 and over (27.1%). The risk of poverty increased for all these groups in 2010. On the other hand, the situation of single households and large families, which are also among those at above-average poverty risk,³¹ improved somewhat in 2009. The at-risk-of-poverty rate is otherwise mainly due to unemployment, but in recent years Slovenia has, like other EU countries, had to cope with a relatively new problem of the working poor.³² In 2010, nearly a fifth of persons with income below the poverty threshold had a job (in 2009, approximately the same share).

Inequality in income distribution also increased in Slovenia in 2010. The Gini coefficient was 23.8% (2009: 22.7%), while the quintile share ratio rose from 3.2 to 3.4, meaning that one fifth of the population with the highest income had

3.4 times higher income than the fifth of the population with the lowest income.

The material deprivation rate, showing the material living conditions of the population, declined slightly in Slovenia in 2010. It amounted to 15.8%, 0.4 p.p. less than in 2009. This means that due to limited financial resources nearly 16% of population could not afford certain durable goods or services or repay their loans, or lived in poor housing conditions.³⁴ The share of materially deprived people with income above the at-risk-of-poverty threshold declined, while the share of materially deprived among the poor people increased slightly.

The severe material deprivation rate also declined slightly. Altogether 5.9% of the population suffered severe deprivation³⁵ in 2010 (0.2 p.p. fewer persons than in 2009). Among the population above the poverty threshold, 3.8% were severely materially deprived; among those with income below that threshold, 20.5%.

Table 12: Basic indicators of income and poverty in Slovenia

	2009	2010
At-risk-of-poverty rate (%)	11,3	12,7
At-risk-of-poverty threshold for one person (EUR)	593	587
At-risk-of-poverty threshold for a family of four with two dependent children (EUR)	1.246	1.232
At-risk-of-poverty rate before social transfers, excluding pensions (%)	22,0	24,2
At-risk-of-poverty rate before social transfers, including pensions (%)	37,8	39,9
Inequality of income distribution: quintile share ratio (80/20)	3,2	3,4
Inequality of income distribution: Gini coefficient (%)	22,7	23,8
Material deprivation rate (%)	16,2	15,8
Severe material deprivation rate (%)	6,1	5,9

Source: SORS.

³⁰ Data on poverty risk in 2010 derive from the Statistics on Income and Living Conditions (SILC) and are based on data on income received in 2009.

³¹ Children younger than 14 years.

³² Namely, these groups have above-average at-risk-of-poverty rates.

³⁵ Materially deprived people are those who are deprived in at least three of nine material deprivation items. These are: 1. to pay for arrears (mortgage or rent, utility bills or hire purchase instalments); 2. one week of annual holiday away from home; 3. a meal with meat, chicken or fish (or vegetarian equivalent) at least every second day; 4. to face unexpected expenses in the amount of EUR 593 (the at-risk-of-poverty threshold in the previous year for one person); 5. to have a colour TV; 7. to have a washing machine; 8. to have a personal car; 9. to keep home adequately warm.

³⁶ »Severe material deprivation» is an indicator selected within the EU 2020 strategy and means inability to afford at least four material deprivation items.

statistical appendix

MAIN INDICATORS	2006	2007	2008	2009	2010	2011	2012	2013
						Spring forecast 2011		
GDP (real growth rates, in %)	5.8	6.9	3.6	-8.0	1.4	1.5	2.0	2.5
GDP in EUR million (current prices and current exchange rate)	31,050	34,562	37,280	35,311	35,416	35,924	37,334	38,871
GDP per capita, in EUR (current prices and current exchange rate)	15,464	17,120	18,437	17,295	17,286	17,601	18,256	18,974
GDP per capita (PPS) ¹	20,700	22,100	22,800	20,700	21,200	-	-	-
GDP per capita (PPS EU27=100) ¹	88	88	91	88	87	-	-	-
Gross national income (current prices and current fixed exchange rate)	30,677	33,828	36,232	34,593	34,894	35,357	36,522	38,032
Gross national disposable income (current prices and current fixed exchange rate)	30,462	33,601	35,871	34,344	34,940	35,420	36,460	38,039
Rate of registered unemployment	9.4	7.7	6.7	9.1	10.7	11.8	11.8	11.8
Standardised rate of unemployment (ILO)	6.0	4.9	4.4	5.9	7.2	8.0	8.0	8.0
Labour productivity (GDP per employee)	4.2	3.4	1.0	-6.3	4.0	3.0	2.0	2.5
Inflation, ² year average	2.5	3.6	5.7	0.9	1.8	1.6	1.8	2.0
Inflation, ² end of the year	2.8	5.6	2.1	1.8	1.9	1.7	1.9	1.9
INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS								
Exports of goods and services ³ (real growth rates, in %)	12.5	13.7	2.9	-17.2	9.5	7.9	6.3	6.7
Exports of goods	13.4	13.9	0.5	-18.1	11.0	8.7	6.9	7.1
Exports of services	8.6	13.2	14.3	-13.7	4.1	4.6	3.8	4.9
Imports of goods and services ³ (real growth rates, in %)	12.2	16.7	3.7	-19.6	7.2	5.2	4.6	4.9
Imports of goods	12.7	16.2	3.0	-20.8	8.0	5.5	4.6	4.9
Imports of services	8.8	19.7	8.2	-12.0	2.6	3.1	4.9	5.4
Current account balance, in EUR million	-771	-1646	-2574	-456	-297	-351	-181	378
As a per cent share relative to GDP	-2.5	-4.8	-6.9	-1.3	-0.8	-1.0	-0.5	1.0
Gross external debt, in EUR million	24,067	34,783	39,234	40,294	40,699	42,690 ⁵	-	-
As a per cent share relative to GDP	77.5	100.6	105.2	114.1	114.9	-	-	-
Ratio of USD to EUR	1.254	1.371	1.471	1.393	1.327	1.418	1.434	1.434
DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS								
Private consumption (real growth rates, in %)	2.8	6.1	3.7	-0.1	-0.7	0.0	0.2	0.5
As a % of GDP ⁴	52.8	52.4	53.2	55.8	56.0	56.3	55.3	54.4
Government consumption (real growth rates, in %)	4.0	0.6	6.1	2.9	1.5	0.3	-0.5	0.1
As a % of GDP ⁴	18.8	17.3	18.1	20.3	20.8	20.8	20.1	19.6
Gross fixed capital formation (real growth rates, in %)	10.4	13.3	7.8	-23.3	-8.3	-7.5	6.0	5.0
As a % of GDP ⁴	26.5	27.8	28.8	23.4	21.6	20.0	20.8	21.5

Sources of data: SORS, BS, Eurostat-New Cronos (revised data, September 2010), estimate, calculations and forecasts by IMAD (Autumn Report, September 2010).
Notes: ¹Measured in purchasing power standard. ²Consumer price index.
³Balance 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.
⁴Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64). ⁵End June 2011.

PRODUCTION	2008	2009	2010	2009			2010				2011		2009				
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	7	8	9	10	11
INDUSTRIAL PRODUCTION, y-o-y growth rates, %																	
Industry B+C+D	2.5	-17.4	6.3	-24.6	-18.4	-7.1	-0.6	11.0	7.6	7.5	9.8	4.9	-20.8	-17.6	-16.8	-19.6	-1.8
B Mining and quarrying	5.5	-2.9	12.6	-13.7	6.1	4.8	-8.2	14.1	26.5	18.0	-4.0	-9.4	4.5	13.3	1.8	-4.3	32.4
C Manufacturing	2.6	-18.7	6.6	-25.9	-19.5	-7.9	-0.1	11.8	7.5	7.3	10.2	5.4	-22.1	-19.4	-17.2	-20.8	-2.6
D Electricity, gas & steam supply ¹	2.1	-6.6	1.8	-8.6	-9.7	-5.5	-2.8	-0.5	3.6	7.0	6.6	3.4	-9.6	-7.3	-11.9	-5.6	-4.6
CONSTRUCTION,² real indices of construction put in place, y-o-y growth rates, %																	
Construction, total	15.7	-21.0	-17.0	-19.0	-24.5	-20.5	-18.9	-16.8	-16.4	-16.2	-25.3	-31.1	-19.5	-32.0	-28.3	-18.3	-28.3
Buildings	11.5	-22.6	-14.0	-21.8	-27.4	-19.6	-7.4	-12.4	-16.5	-19.2	-41.5	-46.5	-26.8	-31.4	-28.2	-20.0	-28.2
Civil engineering	18.9	-19.9	-18.9	-17.2	-22.6	-21.1	-29.3	-19.6	-16.2	-14.1	-6.3	-20.7	-14.1	-32.3	-28.4	-17.2	-28.4
TRANSPORT, tonne-km in m, y-o-y growth rates, %																	
Tonne-km in road transport	18.4	-9.2	7.9	-7.6	-12.3	-4.7	19.8	10.7	9.5	-6.3	-3.2	-	-	-	-	-	-
Tonne-km in rail transport	-2.3	-24.2	28.2	-26.0	-30.7	-15.9	18.8	33.9	32.2	28.2	23.3	-	-	-	-	-	-
Distributive trades, y-o-y growth rates, %																	
Total real turnover*	10.1	-13.0	3.6	-15.5	-16.0	-10.0	-1.4	4.9	4.7	5.3	6.7	5.8	-14.8	-15.1	-18.2	-13.0	-11.1
Real turnover in retail trade	12.2	-10.6	-0.1	-11.3	-13.8	-11.1	-4.7	0.3	2.0	1.8	2.7	1.8	-11.5	-13.3	-16.7	-12.9	-13.5
Real turnover in the sale and maintenance of motor vehicles	6.2	-21.7	12.1	-28.0	-23.6	-8.1	6.3	15.4	11.8	14.1	15.4	15.0	-25.6	-20.6	-24.6	-16.0	-7.2
Nominal turnover in wholesale trade & commission trade	17.1	-21.4	1.4	-23.9	-26.7	-18.1	-7.9	4.1	5.5	3.7	12.2	3.6	-27.5	-24.8	-27.6	-23.4	-19.0
TOURISM, y-o-y growth rates, %, new methodology from 2009 onwards																	
Total, overnight stays	1.8	-3.4	-1.5	-4.6	-1.8	-5.3	-0.4	-2.4	-2.2	0.4	3.1	6.6	-3.4	0.8	-3.9	-2.9	-7.2
Domestic tourists, overnight stays	5.2	2.8	-4.2	1.2	6.7	-4.0	1.3	-3.0	-9.6	-0.3	0.1	0.4	8.9	6.8	2.1	1.9	-5.1
Foreign tourists, overnight stays	-0.5	-8.0	0.7	-8.6	-7.1	-6.4	-2.1	-2.0	3.2	1.0	6.5	11.3	-11.7	-3.0	-7.3	-6.5	-9.3
Nominal turnover in hotels and restaurants	6.7	-7.8	2.9	-8.2	-8.0	-11.0	0.0	1.5	4.2	5.4	5.5	4.0	-7.8	-5.9	-10.3	-11.2	-11.6
AGRICULTURE, y-o-y growth rates, %																	
Purchase of agricultural products, SIT bn, since 2007 in EUR m	529.9	449.3	454.5	105.9	109.0	129.0	94.6	106.7	115.6	137.5	100.4	113.3	35.9	33.8	39.2	43.4	38.4
BUSSINES TENDENCY (indicator values**)																	
Sentiment indicator	3	-23	-9	-28	-18	-13	-12	-9	-6	-8	-7	-4	-21	-19	-13	-12	-14
Confidence indicator																	
- in manufacturing	-5	-23	-1	-27	-19	-13	-7	-1	3	0	4	3	-23	-20	-13	-15	-12
- in construction	2	-50	-57	-51	-54	-51	-57	-60	-56	-53	-52	-46	-49	-58	-55	-55	-48
- in services	27	-14	-3	-24	-9	-1	-2	-5	-1	-3	1	4	-12	-11	-4	5	-5
- in retail trade	22	-13	7	-17	-9	-7	-6	11	12	12	1	14	-16	-6	-6	-7	-7
Consumer confidence indicator	-20	-30	-25	-32	-23	-26	-25	-22	-27	-25	-27	-25	-26	-26	-17	-26	-25
Source of data: SORS. Notes: ¹ Only companies with activity of electricity supply are included. ² The survey covers all larger construction enterprises and some other enterprises that perform construction work. *Total real turnover in retail trade, the sale and repair of motor vehicles, and retail sale of automotive fuels; **Seasonally adjusted data.																	

2009	2010												2011								
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9
4.7	-9.0	-1.6	8.1	8.9	14.0	10.0	6.6	12.9	4.5	5.4	4.7	13.1	14.7	7.6	7.7	4.2	5.9	4.7	-0.5	-	-
-14.8	-7.2	-18.0	0.2	10.7	20.9	10.7	18.6	39.7	22.5	24.5	-1.0	41.5	-4.4	1.1	-7.7	-4.4	-21.4	-1.3	-7.8	-	-
5.2	-9.0	-1.0	8.8	10.0	14.6	10.8	7.3	13.6	3.2	5.2	5.2	12.3	15.2	7.7	8.4	4.4	6.7	5.0	-0.6	-	-
-6.3	-7.7	-2.0	1.9	-2.1	3.1	-2.3	-3.6	1.2	13.6	2.2	0.6	17.4	10.6	5.9	3.2	5.3	2.9	2.0	4.2	-	-
-9.5	-11.3	-24.2	-19.8	-17.9	-15.5	-17.2	-17.4	-13.0	-18.7	-18.0	-17.5	-12.2	-20.9	-23.6	-29.7	-27.0	-29.3	-36.2	-26.7	-	-
-7.4	-6.6	-10.2	-5.5	-13.7	-7.5	-15.8	-11.2	-17.8	-20.3	-17.4	-28.1	-12.4	-25.9	-41.2	-53.1	-37.9	-48.0	-52.8	-35.2	-	-
-11.3	-15.9	-38.5	-30.8	-20.6	-20.3	-18.0	-21.0	-10.0	-17.6	-18.3	-10.3	-12.1	-15.4	2.7	-5.2	-19.0	-16.6	-25.9	-21.1	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-5.9	-4.8	-3.6	4.2	3.1	4.2	7.3	2.4	5.0	6.8	4.2	9.0	4.1	8.7	9.7	3.9	3.4	6.0	1.4	0.1	-	-
-7.0	-8.5	-5.2	-0.5	-1.7	-1.0	3.6	1.8	1.0	3.1	1.3	3.6	0.4	3.9	5.5	0.6	0.3	1.8	-1.0	-1.0	6.5	-
-1.2	5.2	-0.4	14.1	14.5	16.0	15.6	3.8	16.2	15.3	10.7	20.2	14.1	19.2	18.3	9.8	9.8	14.0	6.0	2.5	10.1	-
-11.1	-10.8	-13.1	-0.9	-3.4	5.0	10.8	3.1	7.9	5.6	1.1	4.8	5.3	11.2	15.4	10.5	4.3	5.9	0.8	-1.2	-	-
-6.5	1.0	-2.1	0.1	-1.7	-3.0	-2.5	-1.7	-3.6	-0.3	2.5	-0.8	-1.2	4.9	-1.9	6.7	13.6	-4.2	10.6	4.1	7.2	-
-9.2	3.5	-0.1	1.1	2.1	-7.2	-3.3	-9.0	-11.1	-7.9	-3.0	-0.5	3.2	0.1	-2.0	2.7	9.3	-3.0	-3.4	-3.7	2.7	-
-3.7	-0.9	-5.2	-1.0	-4.6	-0.1	-1.8	4.3	1.6	4.4	7.0	-1.1	-5.4	8.6	-1.7	11.0	17.2	-5.0	21.6	9.7	10.0	-
-10.3	0.5	-1.5	1.1	-1.4	2.3	3.6	5.6	4.8	2.2	6.8	4.5	5.0	7.0	4.9	4.7	6.5	-0.2	6.0	0.7	-	-
47.2	29.7	28.6	36.4	35.5	36.0	35.1	37.4	36.2	42.1	45.7	44.1	47.7	32.9	30.5	36.9	36.9	39.6	36.8	42.2	-	-
-14	-10	-11	-15	-12	-9	-6	-5	-7	-7	-7	-8	-9	-7	-7	-6	-4	-3	-5	-5	-7	-6
-11	-6	-8	-6	-3	-1	2	6	1	2	3	-2	-1	4	4	3	5	4	1	1	-1	-1
-49	-55	-56	-61	-62	-58	-59	-60	-56	-51	-50	-54	-56	-55	-50	-50	-49	-44	-45	-46	-42	-43
-3	5	2	-12	-9	-4	-3	0	-2	-2	-4	-2	-2	0	-2	4	5	3	3	4	5	2
-6	-8	-6	-5	9	9	14	10	14	12	13	10	12	-4	12	-4	13	17	13	-2	-8	16
-26	-25	-23	-26	-24	-22	-21	-27	-27	-27	-26	-24	-26	-26	-28	-26	-27	-24	-23	-24	-27	-23

LABOUR MARKET	2008	2009	2010	2009			2010				2011		2009		
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	8	9	10
FORMAL LABOUR FORCE (A=B+E)	942.5	944.5	935.5	945.6	942.6	943.9	935.8	937.8	933.8	934.8	936.8	937.5	941.6	942.1	945.0
PERSONS IN FORMAL EMPLOYMENT (B=C+D)¹	879.3	858.2	835.0	861.0	854.3	848.4	836.3	839.2	835.4	829.3	821.9	828.4	853.5	853.8	850.4
In agriculture, forestry, fishing	39.7	37.9	33.4	38.0	37.9	37.8	31.9	34.6	34.0	33.3	38.0	40.1	37.9	37.9	37.9
In industry, construction	330.4	306.9	287.3	309.3	304.0	296.8	290.9	289.2	287.0	281.9	273.7	274.2	303.9	302.8	298.8
Of which: in manufacturing	222.4	199.8	188.6	201.4	196.7	191.7	190.0	189.4	188.1	186.8	184.1	184.7	196.5	195.9	192.5
in construction	87.9	86.8	78.5	87.6	86.9	84.8	80.9	79.6	78.6	75.0	69.7	69.3	86.9	86.5	86.0
In services	509.1	513.4	514.3	513.7	512.4	513.7	513.5	515.3	514.3	514.1	510.2	514.1	511.7	513.1	513.7
Of which: in public administration	51.0	51.5	52.0	51.5	51.7	51.6	51.8	52.3	52.1	51.8	51.2	51.5	51.7	51.8	51.6
in education, health-services, social work	111.1	113.8	116.7	114.1	113.3	114.7	115.9	116.8	116.3	118.0	117.8	118.8	112.6	114.2	114.6
FORMALLY EMPLOYED (C)¹	789.9	767.4	747.2	770.8	762.9	756.1	750.1	751.0	747.0	740.6	728.1	731.9	762.1	762.1	758.3
In enterprises and organisations	717.6	699.4	685.7	701.9	695.5	690.5	687.2	688.7	685.7	681.3	671.4	673.9	694.6	695.2	691.8
By those self-employed	72.3	67.9	61.5	68.8	67.4	65.7	62.9	62.3	61.4	59.3	56.7	58.0	67.5	66.8	66.5
SELF-EMPLOYED AND FARMERS (D)	89.4	90.8	87.8	90.3	91.4	92.2	86.2	88.1	88.3	88.7	93.8	96.5	91.4	91.7	92.1
REGISTERED UNEMPLOYMENT (E)	63.2	86.4	100.5	84.6	88.3	95.6	99.4	98.6	98.4	105.5	114.9	109.1	88.1	88.4	94.6
Female	33.4	42.4	47.9	41.6	43.2	46.4	47.0	46.8	47.8	50.2	52.9	50.9	43.2	43.0	46.3
By age: under 26	9.1	13.3	13.9	13.1	12.8	15.2	14.7	13.5	12.4	15.1	14.5	12.6	13.0	12.2	15.5
aged over 50	21.9	26.2	31.4	25.6	26.9	28.3	29.6	30.3	31.1	34.5	40.1	39.1	26.8	27.1	27.8
Unskilled	25.4	34.1	37.5	33.6	34.8	36.6	38.2	37.1	36.6	38.2	41.6	39.2	34.7	35.0	36.1
For more than 1 year	32.3	31.5	42.8	30.4	31.1	33.4	38.1	41.8	44.0	47.2	48.7	48.6	31.0	31.7	32.5
Those receiving benefits	14.4	27.4	30.0	27.4	28.6	30.8	31.6	29.3	29.3	29.7	39.7	36.4	28.5	28.3	30.8
RATE OF REGISTERED UNEMPLOYMENT, E/A, in %	6.7	9.1	10.7	8.9	9.4	10.1	10.6	10.5	10.5	11.3	12.3	12.2	9.4	9.4	10.0
Male	5.6	8.3	10.1	8.1	8.5	9.3	10.1	9.9	9.7	10.7	12.0	11.9	8.5	8.6	9.1
Female	8.1	10.2	11.6	10.0	10.4	11.1	11.3	11.3	11.5	12.1	12.6	12.5	10.4	10.4	11.1
FLOWS OF FORMAL LABOUR FORCE	-2.2	30.4	13.3	6.8	1.9	8.3	2.2	-0.7	-0.3	12.1	3.9	-6.9	-0.4	0.3	6.2
New unemployed first-job seekers	12.5	17.0	16.8	2.6	3.0	8.1	2.9	2.4	2.8	8.7	3.2	2.0	0.7	1.5	5.9
Redundancies	53.0	90.5	83.5	22.5	19.9	23.2	19.9	16.6	18.5	28.6	24.4	16.8	5.5	7.2	8.5
Registered unemployed who found employment	41.7	48.6	57.0	11.8	14.2	13.1	14.2	12.8	15.5	14.5	17.5	17.2	4.6	5.5	4.4
Other outflows from unemployment (net)	26.1	28.5	29.9	6.5	6.9	9.9	6.3	6.9	6.0	10.7	6.2	8.5	1.9	2.8	3.8
REGISTERED VACANCIES³	240.5	161.3	174.6	40.3	41.9	39.0	37.9	44.3	45.9	46.5	45.5	52.9	12.3	14.9	15.7
For a fixed term, in %	74.5	78.1	80.7	77.9	80.8	78.6	78.9	81.2	82.2	80.0	81.5	81.0	82.0	80.7	78.2
WORK PERMITS FOR FOREIGNERS	51.5	54.9	41.6	58.7	53.0	47.3	44.1	42.1	40.7	39.4	38.0	35.5	52.8	51.4	48.9
As % of labour force	8.6	9.2	8.1	9.5	9.0	8.4	8.2	8.1	8.0	8.0	7.9	3.7	9.0	8.9	8.6
NEW JOBS	162.7	111.4	104.1	27.3	28.2	28.3	23.6	25.1	27.9	27.5	27.3	27.3	6.8	12.6	11.9

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

2009		2010												2011						
11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7
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	929.0	936.0	937.3	937.1	938.4	937.7	936.3	931.7
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	819.0	820.9	821.7	823.1	826.9	829.0	829.2	824.2
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	33.1	38.0	38.0	38.1	40.1	40.1	40.1	38.9
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	276.0	274.4	273.6	273.1	273.5	274.7	274.4	272.6
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	184.1	183.9	184.3	184.3	184.3	185.1	184.6	183.8
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	72.1	70.7	69.5	68.9	69.1	69.4	69.4	68.4
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	509.9	508.5	510.1	511.9	513.3	514.3	514.7	512.7
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	51.5	51.2	51.2	51.2	51.5	51.6	51.6	51.4
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	117.7	117.3	117.8	118.3	118.6	118.9	119.0	118.2
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	730.5	727.3	727.8	729.0	730.5	732.5	732.6	729.0
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	673.0	670.7	671.3	672.1	672.9	674.3	674.4	671.1
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	57.6	56.6	56.6	56.9	57.6	58.2	58.2	57.9
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	88.5	93.5	93.8	94.1	96.4	96.5	96.6	95.1
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	110.0	115.1	115.6	113.9	111.6	108.6	107.1	107.6
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	51.2	53.2	53.2	52.4	51.8	50.7	50.2	50.9
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	14.4	14.7	14.7	14.1	13.4	12.5	11.9	11.5
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	38.9	40.2	40.2	39.9	39.4	39.1	38.8	38.9
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	39.9	41.6	41.9	41.2	40.1	39.1	38.4	38.1
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	47.4	48.6	49.0	48.7	48.8	48.6	48.5	48.8
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	31.2	39.2	40.2	39.8	37.5	36.4	35.3	35.2
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	11.8	12.3	12.3	12.2	11.9	11.6	11.4	11.5
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	11.4	12.0	12.0	11.9	11.5	11.2	11.0	11.0
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	12.4	12.7	12.7	12.5	12.3	12.1	12.0	12.2
0.9	1.2	2.9	0.2	-0.9	0.4	-0.9	-0.2	0.2	0.6	-1.1	4.8	1.1	6.2	5.1	0.5	-1.7	-2.4	-2.9	-1.6	0.5
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	0.9	1.3	1.0	0.9	0.7	0.7	0.7	0.6
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	13.2	11.8	6.0	6.6	5.4	5.6	5.7	6.4
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	4.7	5.8	4.9	6.8	6.0	6.3	4.9	4.0
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	3.3	2.2	1.6	2.4	2.5	3.0	3.0	2.6
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	14.3	15.2	14.3	16.0	15.7	17.8	19.3	15.5
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	78.1	80.9	81.7	81.8	81.5	82.1	79.3	80.9
47.2	45.8	44.8	44.2	43.3	42.9	42.1	41.4	40.7	40.8	40.7	40.2	39.4	38.5	38.3	38.1	37.7	37.4	34.6	34.5	34.5
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	8.0	7.9	7.9	7.9	7.9	3.7	3.7	3.7
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	7.8	10.0	7.6	9.6	9.4	9.2	8.7	7.6

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2008	2009	2010	2009			2010				2011		2009				
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	4	5	6	7	8
GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %																	
Activity - Total	8.3	3.4	3.9	4.6	2.3	1.7	3.7	4.3	4.2	3.3	3.1	2.0	5.1	4.1	4.7	3.8	0.7
A Agriculture, forestry and fishing	9.1	-0.2	5.8	1.6	-0.5	-2.9	3.3	5.2	7.4	6.9	7.1	4.2	2.0	-1.8	4.7	-0.4	-0.3
B Mining and quarrying	13.4	0.9	4.0	2.4	1.6	-4.9	3.4	4.7	1.9	6.0	3.6	0.3	4.3	-5.9	9.4	2.3	6.2
C Manufacturing	7.5	0.8	9.0	-0.5	0.4	3.7	10.1	10.0	8.7	6.8	5.4	3.6	-0.4	-1.3	0.1	0.1	-0.6
D Electricity, gas, steam and air conditioning supply	9.5	3.8	3.7	7.8	5.1	-3.2	4.7	2.4	3.6	4.4	1.6	5.2	7.6	5.5	10.3	5.6	2.9
E Water supply sewerage, waste management and remediation activities	7.8	2.0	2.2	3.2	1.2	0.1	2.7	3.0	2.0	1.3	-0.1	1.5	3.5	1.0	5.2	1.6	1.2
F Construction	7.5	1.0	4.4	1.0	1.6	0.9	2.9	5.8	4.1	5.2	5.5	1.5	0.5	-0.9	3.4	2.9	0.6
G Wholesale and retail trade, repair of motor vehicles and motorcycles	7.7	1.9	3.7	2.3	1.2	0.1	2.6	4.1	4.3	3.9	3.2	2.6	1.5	2.9	2.4	1.6	1.5
H Transportation and storage	8.4	0.7	2.0	2.1	0.5	-1.4	1.1	1.2	2.5	3.1	2.3	3.0	2.9	2.2	1.1	2.0	-4.8
I Accommodation and food service activities	8.3	1.6	4.0	1.7	0.6	1.0	2.8	4.2	4.5	4.5	4.7	2.4	3.4	0.4	1.3	1.4	0.6
J Information and communication	7.3	1.4	2.6	3.1	0.8	-1.6	1.0	2.5	3.4	3.5	1.0	1.2	3.4	2.5	3.4	2.5	0.0
K Financial and insurance activities	6.0	-0.7	1.0	-3.8	0.3	-0.5	1.2	3.2	2.6	-2.6	2.3	2.4	-4.2	-5.4	-1.6	2.0	0.5
L Real estate activities	6.0	1.9	3.0	0.0	1.8	4.5	2.6	5.3	2.9	1.0	4.1	2.9	1.3	-0.6	-0.5	1.9	1.4
M Professional, scientific and technical activities	8.4	2.1	1.6	3.3	1.5	0.0	1.6	1.8	2.3	0.7	0.4	0.2	4.6	2.2	3.3	2.0	1.1
N Administrative and support service activities	9.6	1.8	4.1	2.1	-0.2	-0.6	2.5	4.3	4.6	4.8	4.3	3.2	3.2	1.6	1.4	0.0	-0.1
O Public administration and defence, compulsory social security	12.2	5.9	-0.6	9.8	2.5	0.5	-1.9	-1.1	0.4	0.3	1.2	0.6	11.0	10.0	8.4	5.3	-0.3
P Education	7.0	3.6	0.6	6.1	1.2	0.6	0.2	0.7	1.0	0.6	0.7	-0.1	6.6	6.0	5.7	2.9	-1.7
Q Human health and social work activities	12.0	12.0	-0.3	22.6	5.5	1.4	-0.4	-1.0	0.3	-0.3	-0.9	-0.8	26.5	22.2	19.3	16.0	0.4
R Arts, entertainment and recreation	5.3	3.9	0.5	5.7	2.2	0.9	0.7	1.4	1.2	-1.2	-0.2	-1.2	7.2	6.0	4.0	5.8	0.1
S Other service activities	8.2	1.3	4.2	1.0	0.7	0.0	3.2	4.9	5.5	3.3	2.7	1.5	0.8	1.0	1.2	0.9	0.8
INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %																	
Effective exchange rate, ¹ nominal	0.5	0.4	-1.7	-0.3	0.3	1.8	-0.3	-1.9	-2.3	-2.2	-1.3	0.6	-0.6	-0.3	0.1	-0.1	0.2
Real (relative consumer prices)	2.8	0.7	-1.4	0.0	0.2	2.3	-0.3	-1.3	-1.7	-2.3	-1.9	-0.3	-0.2	0.1	0.3	-0.4	0.2
Real (relative producer prices) ²	0.8	2.9	-2.8	3.4	3.7	1.4	-2.4	-3.3	-2.9	-2.8	-2.1	-0.7	2.9	3.2	4.0	4.1	3.1
USD/EUR	1.471	1.393	1.327	1.362	1.431	1.478	1.384	1.273	1.291	1.359	1.367	1.439	1.319	1.365	1.402	1.409	1.427
Sources of data: SORS, AP, BS, ECB, OECD Main Economic Indicators; calculations by IMAD. Notes: Relative to 17 trading partners; weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5–8 SITC) in 2001–2003; exports are double weighted; a rise in the index value indicates an appreciation of domestic currency and vice versa. ² Industrial producer prices in manufacturing activities.																	

2009				2010												2011						
9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	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	3.1	3.3	4.3	1.7	1.4	2.8	2.0	1.3
-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	9.3	7.7	8.0	5.7	2.5	6.8	3.4	-1.5
-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	18.6	3.4	0.4	6.8	9.0	-5.8	-1.4	6.4
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	6.8	5.6	10.1	1.0	1.9	5.2	3.8	1.8
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	1.6	-0.2	1.2	3.7	1.6	7.2	6.8	3.6
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	1.5	-0.2	0.1	-0.2	-1.1	3.4	2.3	-1.2
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	4.4	6.1	6.4	4.2	-0.5	1.6	3.4	-0.9
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	2.9	3.8	4.3	1.5	2.2	2.4	3.3	2.0
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	2.7	2.7	3.4	0.8	1.5	2.0	5.4	9.6
-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	4.3	5.1	5.6	3.5	2.8	1.7	2.6	1.3
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	3.3	2.1	1.4	-0.6	1.2	1.7	0.5	-0.3
-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	1.4	5.2	1.6	0.3	2.6	9.0	-4.0	-1.7
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	-0.4	3.0	2.9	6.5	2.2	4.4	2.3	2.0
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	0.8	1.0	0.2	0.0	0.0	0.9	-0.3	-1.2
-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	3.1	5.3	4.5	3.0	2.9	2.8	3.8	3.5
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	-0.9	0.5	1.0	2.2	0.6	0.7	0.6	0.2
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	0.1	0.6	0.8	0.8	0.3	-0.2	-0.3	-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	-1.2	-1.4	-0.7	-0.5	-0.9	-0.8	-0.6	-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	-1.5	-0.6	-0.3	0.3	-1.6	-2.1	0.1	-0.2
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	1.0	2.5	3.8	1.7	0.0	2.4	2.0	-1.0
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	-2.5	-2.1	-1.2	-0.6	0.1	0.5	1.1	0.6
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	-2.5	-2.4	-2.1	-1.1	-0.8	0.0	-0.2	-1.1
3.8	3.9	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	-3.2	-2.7	-1.9	-1.6	-0.7	-1.1	-0.3	-1.2
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	1.322	1.336	1.365	1.400	1.444	1.435	1.439	1.426

PRICES	2008	2009	2010	2009			2010				2011		2009				
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	6	7	8	9	10
CPI, y-o-y growth rates, %	5.7	0.9	1.8	0.7	-0.2	1.1	1.4	2.1	2.1	1.7	1.7	1.7	0.3	-0.6	0.0	-0.1	0.0
Food, non-alcoholic beverages	10.1	0.6	1.0	0.9	-0.7	-1.0	-1.4	0.7	2.6	2.0	3.9	5.0	0.0	-1.3	-0.4	-0.4	-1.2
Alcoholic beverages, tobacco	3.2	6.7	7.2	7.2	8.5	7.9	7.1	6.5	7.3	8.1	8.1	6.3	9.0	9.1	8.6	7.7	7.7
Clothing and footwear	4.4	-0.6	-1.9	1.2	-2.2	-3.0	-5.0	-1.9	-0.6	-0.4	-0.7	-2.4	1.1	-1.3	-1.7	-3.6	-2.7
Housing, water, electricity, gas	9.7	-0.3	10.2	-2.1	-3.5	3.0	8.3	11.3	12.0	9.0	6.8	5.4	-4.0	-4.9	-3.5	-2.2	-1.7
Furnishings, household equipment	5.8	4.0	1.4	4.5	3.5	1.9	1.3	0.8	1.3	2.1	2.7	3.9	4.5	4.0	4.0	2.5	2.1
Medical, pharmaceutical products	2.9	4.0	2.1	5.3	1.4	0.7	-0.6	0.6	4.0	4.6	2.9	2.6	5.1	1.9	1.6	0.7	0.6
Transport	1.9	-3.0	-0.3	-4.5	-4.1	0.6	1.2	-0.1	-1.8	-0.5	0.8	0.5	-5.2	-5.6	-3.5	-3.1	-2.8
Communications	0.6	-4.1	1.4	-4.7	-4.3	-3.2	0.0	1.4	1.3	2.8	2.7	1.6	-4.4	-4.1	-4.2	-4.6	-3.7
Recreation and culture	4.4	3.0	0.4	3.6	2.8	2.5	1.2	0.4	-0.2	0.1	-2.6	-1.0	4.1	3.0	2.7	2.7	3.1
Education	5.2	3.4	1.6	3.0	2.7	2.7	2.0	1.9	1.6	0.8	1.7	1.6	3.0	3.0	3.0	2.2	2.7
Catering services	9.6	4.4	-2.5	4.9	4.0	2.7	1.9	1.9	-2.9	-11.0	-11.0	-10.9	4.7	4.4	4.2	3.3	3.1
Miscellaneous goods & services	3.9	3.8	1.4	3.3	4.4	3.9	2.3	2.0	0.5	0.7	1.4	2.3	3.5	4.5	4.4	4.3	4.2
HCPI	5.5	0.9	2.1	0.6	-0.2	1.4	1.7	2.4	2.3	2.0	2.2	2.0	0.2	-0.6	0.1	0.0	0.2
Core inflation (excluding fresh food and energy)	4.6	1.9	0.3	2.6	1.2	0.7	0.0	0.4	0.4	0.4	0.5	1.1	2.6	1.4	1.3	0.9	0.7
PRODUCER PRICE INDICES, y-o-y growth rates, %																	
Total	3.8	-1.3	2.1	-1.5	-3.1	-1.8	-1.0	2.3	3.4	3.8	5.7	4.8	-2.4	-3.0	-3.3	-2.8	-2.4
Domestic market	5.6	-0.4	2.0	-0.4	-1.5	-1.1	0.2	2.0	2.8	3.2	4.5	4.1	-0.7	-1.3	-1.7	-1.6	-1.4
Non-domestic market	2.2	-2.2	2.2	-2.6	-4.5	-2.5	-2.1	2.6	4.0	4.4	6.9	5.5	-4.0	-4.7	-4.9	-4.0	-3.2
euro area	2.2	-3.5	2.2	-4.5	-6.0	-3.0	-2.4	2.5	4.0	4.8	8.2	6.5	-6.2	-6.7	-6.4	-4.8	-3.9
non-euro area	2.1	0.3	2.1	1.1	-1.7	-1.6	-1.6	2.7	3.8	3.5	4.0	3.1	0.2	-0.6	-2.0	-2.4	-1.9
Import price indices	1.3	-3.3	7.4	-4.6	-4.7	-1.8	4.0	8.8	7.8	8.9	8.9	5.5	-5.2	-4.7	-5.0	-4.5	-3.7
PRICE CONTROL,¹ y-o-y growth rates, %																	
Energy prices	12.4	-12.3	16.5	-17.7	-17.3	0.4	16.1	18.8	15.9	15.3	15.1	9.9	-20.1	-21.5	-16.3	-13.9	-12.6
Oil products	11.7	-12.0	17.3	-18.9	-15.9	6.2	21.9	20.3	13.5	14.6	15.7	10.5	-21.2	-20.9	-14.8	-11.5	-9.4
Basic utilities	0.6	3.6		0.9	0.8	10.8	-	-	-	-	-	-	0.8	0.8	0.8	0.8	0.8
Transport & communications	-0.4	0.6	1.8	-1.1	2.5	2.5	2.5	2.7	1.1	1.1	1.1	1.1	-1.1	2.5	2.5	2.5	2.5
Other controlled prices	1.8	4.9	1.3	6.8	5.6	4.9	4.9	0.4	0.1	0.1	0.1	0.1	7.1	7.1	4.9	4.9	4.9
Direct control – total	8.6	-6.9	14.2	-10.9	-10.9	2.9	14.1	16.1	14.4	12.2	7.2	1.5	-12.9	-13.7	-10.2	-8.6	-7.6

Source of data: SORS, calculations and estimates IMAD. Note: ¹The 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												2011							
11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
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	1.8	1.4	1.9	1.7	2.2	1.3	0.9	0.9
-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	3.7	4.1	3.9	4.2	6.3	4.6	2.9	3.8
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	7.8	8.3	8.3	6.3	6.4	6.2	5.4	2.8
-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	0.1	-0.1	-2.1	-2.8	-1.5	-3.0	-4.2	-4.9
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	7.4	6.6	6.5	6.3	5.9	3.9	4.4	4.9
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	2.4	2.5	3.3	3.5	4.2	3.9	3.5	1.7
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	3.2	3.0	2.6	2.5	2.6	2.8	1.0	0.8
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	0.7	1.0	0.7	0.4	0.7	0.4	0.1	1.1
-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	1.4	3.3	3.3	2.3	1.9	0.5	3.4	2.5
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	-0.9	-6.5	-0.4	-0.5	-1.1	-1.3	-1.8	-2.0
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	1.7	1.8	1.7	1.7	1.6	1.6	1.6	1.6
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	-11.1	-11.1	-10.9	-11.2	-10.9	-10.5	-10.2	-9.8
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	0.8	1.2	2.3	2.5	2.4	2.2	2.2	2.3
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	2.3	2.0	2.4	2.0	2.4	1.6	1.1	1.2
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	0.4	0.2	1.0	1.0	1.3	1.1	1.0	0.8
-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	4.2	5.2	5.9	6.0	5.7	4.2	4.4	4.1	4.2
-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	3.5	4.0	4.8	4.8	5.0	3.6	3.7	3.7	3.8
-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	4.9	6.4	7.1	7.2	6.4	4.9	5.1	4.6	4.6
-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	7.5	8.6	8.6	7.9	5.8	5.8	4.8	5.2
-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	4.0	3.6	4.2	3.0	2.8	3.6	4.1	3.2
-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	10.4	8.5	7.9	6.3	5.4	5.0	4.5	4.8
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	15.5	15.6	14.3	12.0	9.7	7.9	6.3	9.1
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	15.8	16.3	15.2	12.7	10.2	8.7	7.7	10.8
16.3	15.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
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	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
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	11.8	5.4	4.5	3.0	1.5	0.1	-1.0	1.1

BALANCE OF PAYMENTS	2008	2009	2010	2009			2010				2011		2009			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	7	8	9	10
BALANCE OF PAYMENTS, in EUR m																
Current account	-2,574	-456	-297	78	-268	-10	-4	-118	-84	-91	-48	62	-97	-162	-10	-37
Goods ¹	-2,648	-703	-1,205	-30	-230	-287	-190	-273	-234	-508	-300	-225	-51	-162	-17	-50
Exports	20,032	16,167	18,386	4,064	3,950	4,219	4,205	4,695	4,640	4,847	5,024	5,340	1,401	1,065	1,484	1,499
Imports	22,680	16,870	19,591	4,094	4,180	4,506	4,394	4,968	4,874	5,355	5,324	5,565	1,452	1,227	1,501	1,549
Services	1,424	1,165	1,308	321	258	303	291	356	346	315	353	402	46	99	114	130
Exports	4,957	4,347	4,633	1,057	1,222	1,104	981	1,129	1,348	1,176	1,084	1,214	415	415	392	384
Imports	3,533	3,182	3,325	736	964	800	690	773	1,001	861	731	812	369	317	278	254
Income	-1,062	-766	-507	-198	-235	-107	-51	-158	-202	-95	-147	-154	-94	-64	-78	-62
Receipts	1,262	666	682	176	137	221	135	194	168	185	213	224	51	43	43	45
Expenditure	2,324	1,432	1,188	374	372	328	186	353	370	280	360	378	144	107	121	107
Current transfers	-287	-152	106	-15	-61	81	-53	-43	6	196	47	40	3	-34	-29	-55
Receipts	887	966	1,218	268	177	377	263	220	274	461	374	317	80	53	44	61
Expenditure	1,174	1,118	1,112	283	238	296	317	263	268	265	328	277	77	88	73	116
Capital and financial account	2,605	154	319	-71	211	80	-19	253	190	-106	96	29	115	-56	152	75
Capital account	-25	-9	8	41	-4	-42	46	3	16	-56	-7	-6	-3	-2	1	1
Financial account	2,631	164	311	-112	215	121	-65	251	174	-50	103	35	117	-54	151	75
Direct investment	346	-644	334	-449	-36	-86	-132	74	57	335	82	255	-56	33	-13	-30
Domestic abroad	-983	-174	60	-274	22	-20	-51	59	19	32	4	37	21	20	-19	-29
Foreign in Slovenia	1,329	-470	274	-176	-58	-66	-81	15	37	303	78	219	-76	13	5	-2
Portfolio investment	572	4,628	1,947	1,151	2,293	310	1,106	508	-54	388	2,584	-58	864	-216	1,644	-14
Financial derivatives	46	-2	-117	12	12	-2	-22	-65	-14	-15	-80	0	-2	6	8	3
Other investment	1,645	-3,985	-1,872	-870	-2,041	-120	-1,077	-216	167	-746	-2,492	-174	-636	94	-1,499	109
Assets	-333	-277	683	-149	-976	105	241	-594	531	504	-1,570	-171	-631	723	-1,068	213
Commercial credits	-142	416	-174	164	-35	226	-223	-213	30	232	-323	-93	-2	84	-117	-69
Loans	-325	-1	164	-77	-39	46	-348	510	20	-18	-100	-20	-50	58	-46	-1
Currency and deposits	130	-613	609	-239	-913	-68	815	-885	387	292	-1,152	-60	-578	576	-911	281
Other assets	4	-80	84	3	11	-99	-2	-6	94	-2	6	2	0	5	6	3
Liabilities	1,978	-3,708	-2,555	-721	-1,065	-226	-1,319	378	-364	-1,250	-922	-3	-5	-629	-431	-105
Commercial credits	-73	-452	364	-102	24	-75	91	262	-63	73	208	-8	22	-111	114	89
Loans	1,869	-2,911	-974	-1,325	-78	-973	-403	-189	-8	-373	-386	-292	13	-29	-62	-160
Deposits	190	-318	-1,934	700	-983	822	-1,079	358	-305	-909	-787	334	-10	-491	-482	-36
Other liabilities	-7	-27	-11	6	-28	0	72	-54	12	-42	42	-36	-30	3	-2	2
International reserves ²	21	167	19	46	-13	20	62	-50	18	-11	9	12	-53	29	12	8
Statistical error	-31	302	-21	-7	58	-70	22	-135	-106	197	-48	-91	-18	218	-142	-38
EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m																
Export of investment goods	2,241	1,783	1,811	461	407	473	403	456	442	510	440	508	147	110	150	167
Intermediate goods	10,760	8,090	9,951	1,996	2,025	2,093	2,235	2,542	2,544	2,630	2,843	3,030	722	552	751	782
Consumer goods	6,808	6,144	6,481	1,568	1,482	1,620	1,533	1,663	1,620	1,664	1,702	1,748	517	392	572	540
Import of investment goods	3,441	2,288	2,293	551	521	633	450	612	570	661	554	598	170	154	197	218
Intermediate goods	13,735	9,823	12,117	2,335	2,458	2,649	2,711	3,064	3,032	3,311	3,437	3,482	861	711	886	913
Consumer goods	5,870	5,004	5,470	1,262	1,255	1,292	1,290	1,355	1,351	1,475	1,376	1,505	434	381	441	447
Sources of data: BS, SORS.																
Notes: ¹ Exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports; ² Reserve assets of the BS.																

2009		2010												2011						
11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7
99	-72	30	-112	78	-27	-87	-5	-21	-58	-6	-41	-57	7	-4	-93	50	24	-65	103	88
-79	-158	-25	-121	-44	-99	-147	-27	-45	-122	-68	-155	-151	-202	-70	-115	-115	-96	-144	14	21
1,471	1,248	1,228	1,328	1,649	1,468	1,566	1,661	1,604	1,306	1,729	1,656	1,700	1,491	1,535	1,603	1,885	1,690	1,834	1,816	1,713
1,550	1,406	1,253	1,448	1,693	1,567	1,713	1,688	1,649	1,428	1,797	1,811	1,850	1,693	1,605	1,718	2,001	1,786	1,977	1,801	1,693
95	78	99	84	107	119	125	113	88	115	143	132	87	97	124	94	136	149	123	130	107
333	387	315	302	363	373	370	386	462	448	437	394	356	426	353	326	405	412	389	413	488
238	308	216	218	256	254	245	274	374	333	295	262	269	330	229	233	269	263	266	284	382
18	-62	-17	-24	-11	-28	-39	-91	-90	-57	-56	-28	-36	-31	-55	-55	-37	-58	-46	-51	-59
107	70	42	40	53	58	72	64	65	52	51	54	52	80	61	63	88	66	80	77	73
89	132	59	64	64	85	112	156	155	108	106	81	88	110	117	118	125	124	126	128	132
65	70	-27	-52	26	-18	-25	0	25	6	-25	9	43	144	-2	-17	66	28	1	10	20
149	167	65	85	113	57	83	80	117	89	68	103	125	234	84	129	161	114	104	98	114
84	97	93	136	87	75	108	80	92	83	93	93	82	90	86	147	95	86	103	88	94
-50	54	5	35	-59	88	5	160	142	-40	88	59	-236	71	-141	57	180	32	-9	6	8
25	-67	-7	-2	55	2	-3	4	-8	-4	27	3	4	-63	-9	1	1	-2	0	-4	-7
-75	121	12	37	-114	86	8	157	149	-36	61	56	-240	134	-132	56	179	34	-9	10	14
-81	25	-37	-72	-23	-26	19	81	89	36	-68	74	213	47	-78	-12	172	93	96	66	11
35	-26	16	-54	-14	-11	29	41	8	25	-14	-8	36	5	-54	22	36	-8	8	36	-52
-115	51	-54	-18	-9	-15	-11	41	80	11	-54	82	178	43	-24	-34	136	101	87	30	64
-71	394	1,357	-446	195	609	-202	100	78	-29	-103	68	182	138	1,136	-207	1,655	-360	226	76	98
3	-7	-2	-2	-19	-11	-21	-33	-5	-4	-5	-8	-4	-4	-29	-31	-20	0	0	0	0
63	-292	-1,356	550	-271	-518	272	31	-9	-34	211	-97	-615	-34	-1,171	289	-1,610	288	-331	-130	-83
-403	295	172	44	25	-24	-631	61	697	-203	37	-168	-624	1,296	-1,062	338	-845	74	-88	-158	-526
-32	327	0	-42	-182	-37	-88	-87	-6	195	-158	-102	-68	402	-223	28	-128	-82	29	-41	-48
35	13	-24	19	-343	415	25	70	127	18	-124	-33	-3	18	-51	5	-55	14	-16	-17	-21
-407	59	203	62	551	-409	-554	78	568	-488	308	-20	-547	858	-779	311	-685	131	-98	-93	-443
2	-104	-6	5	-1	7	-13	0	9	73	12	-13	-5	17	-9	-7	22	11	-3	-6	-14
465	-587	-1,528	506	-296	-494	902	-30	-705	168	173	71	8	-1,330	-109	-49	-765	213	-243	27	444
82	-246	-89	69	112	54	127	82	-30	-182	149	135	61	-123	-32	61	179	145	10	-163	-7
33	-846	-39	-18	-346	-279	328	-238	-40	-21	53	-240	242	-375	-109	-86	-190	-208	-226	142	242
358	500	-1,394	448	-133	-206	455	109	-607	348	-46	180	-288	-801	3	-8	-781	274	-26	86	202
-8	5	-6	6	72	-63	-8	17	-28	23	17	-5	-7	-30	30	-15	27	2	0	-38	7
11	1	51	7	4	32	-60	-23	-3	-4	25	19	-16	-13	10	17	-18	13	1	-2	-12
-49	18	-35	77	-20	-62	82	-155	-121	97	-82	-18	293	-79	145	36	-230	-55	74	-109	-96
154	151	116	120	167	142	155	158	159	125	159	164	170	176	126	142	172	154	180	174	N/A
730	581	657	725	853	803	856	883	878	713	952	920	927	783	889	904	1,050	973	1,039	1,018	N/A
578	502	445	473	615	513	543	607	554	458	607	558	591	515	510	544	648	548	594	606	N/A
208	207	122	149	180	213	218	180	179	148	243	188	226	247	148	173	234	182	220	196	N/A
937	799	794	906	1,010	956	1,068	1,040	1,039	888	1,106	1,153	1,128	1,030	1,032	1,106	1,300	1,126	1,227	1,129	N/A
433	413	362	395	533	430	462	463	452	420	479	496	536	443	422	451	504	471	535	499	N/A

MONETARY INDICATORS AND INTEREST RATES	2008	2009	2010	2009										2010	
				4	5	6	7	8	9	10	11	12	1	2	
SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m															
Claims of the BS on central government	68	160	138	121	140	142	151	167	166	161	161	160	176	177	
Central government (S. 1311)	2,162	3,497	3,419	3,288	3,542	3,472	3,456	3,427	3,610	3,625	3,581	3,497	3,334	3,382	
Other government (S. 1312, 1313, 1314)	212	376	526	243	254	251	257	262	281	305	336	376	390	395	
Households (S. 14, 15)	7,827	8,413	9,282	7,910	7,946	7,951	8,055	8,135	8,231	8,295	8,345	8,413	8,452	8,480	
Non-financial corporations (S. 11)	21,149	21,704	21,648	21,509	21,516	21,517	21,557	21,671	21,704	21,688	21,645	21,704	21,792	21,896	
Non-monetary financial institutions (S. 123, 124, 125)	2,815	2,680	2,496	2,869	2,838	2,835	2,838	2,868	2,846	2,846	2,772	2,680	2,684	2,669	
Monetary financial institutions (S. 121, 122)	3,666	5,302	5,812	3,829	4,008	4,365	4,382	4,334	4,723	4,563	4,589	5,302	6,141	5,093	
Claims on domestic sectors, TOTAL															
In domestic currency	32,113	34,731	35,994	32,790	33,140	33,353	33,601	33,628	34,045	33,922	33,962	34,731	35,678	34,817	
In foreign currency	2,370	1,895	1,843	2,172	2,122	2,059	2,017	2,003	1,969	1,939	1,919	1,895	1,904	1,894	
Securities, total	3,346	5,345	5,345	4,686	4,843	4,979	4,925	5,067	5,380	5,460	5,386	5,345	5,211	5,204	
SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m															
Deposits in domestic currency, total	23,129	27,965	26,767	25,649	26,021	26,576	26,207	25,956	26,950	26,861	26,932	27,965	28,953	28,198	
Overnight	6,605	7,200	8,155	6,610	6,876	7,163	6,862	7,011	7,079	6,940	7,028	7,200	7,949	7,139	
With agreed maturity – short-term	10,971	10,408	8,193	13,604	13,703	12,647	11,167	10,667	11,332	11,109	10,917	10,408	10,385	10,137	
With agreed maturity – long-term	4,157	9,788	10,337	4,907	4,901	6,212	7,630	7,749	8,000	8,257	8,396	9,788	10,042	10,390	
Short-term deposits redeemable at notice	1,396	569	82	528	541	554	548	529	539	555	591	569	577	532	
Deposits in foreign currency, total	490	434	463	488	495	492	480	463	463	458	453	434	426	438	
Overnight	215	238	285	231	251	249	239	240	244	242	261	238	240	241	
With agreed maturity – short-term	198	141	121	209	197	199	195	178	171	169	142	141	133	137	
With agreed maturity – long-term	41	45	55	42	41	39	39	38	43	42	43	45	48	52	
Short-term deposits redeemable at notice	36	10	2	6	6	5	7	7	5	5	7	10	5	8	
INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %															
New deposits in domestic currency															
Households															
Overnight deposits	0.46	0.28	0.21	0.28	0.25	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.22	0.22	
Time deposits with maturity of up to one year	4.30	2.51	1.82	2.44	2.28	2.40	2.35	2.27	2.14	2.04	1.97	2.00	1.91	1.75	
New loans to households in domestic currency															
Housing loans, 5-10 year fixed interest rate	6.77	6.43	5.53	6.75	6.37	6.59	6.74	6.57	6.64	6.74	5.00	6.28	6.11	6.08	
New loans to non-financial corporations in domestic currency															
Loan over EUR 1 million, 1-5 year fixed interest rate	6.62	6.28	5.75	6.05	6.10	6.19	6.36	6.20	6.66	6.47	5.94	6.06	6.15	6.31	
INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %															
Main refinancing operations	3.85	1.23	1.00	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
INTERBANK INTEREST RATES															
EURIBOR															
3-month rates	4.63	1.23	0.81	1.42	1.28	1.23	0.98	0.86	0.77	0.74	0.72	0.71	0.68	0.66	
6-month rates	4.72	1.44	1.08	1.61	1.48	1.44	1.21	1.12	1.04	1.02	0.99	1.00	0.98	0.97	
LIBOR CHF															
3-month rates	2.58	0.37	0.19	0.40	0.40	0.40	0.37	0.34	0.30	0.27	0.25	0.25	0.25	0.25	
6-month rates	2.69	0.50	0.27	0.54	0.54	0.52	0.49	0.45	0.41	0.39	0.36	0.35	0.34	0.33	

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

2010										2011							
3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
140	140	142	141	140	142	140	139	139	138	132	101	99	76	76	76	76	76
2,884	2,897	3,001	3,120	3,130	3,326	3,422	3,447	3,453	3,419	3,332	3,326	3,409	3,319	3,327	3,282	3,276	3,328
390	392	395	401	415	421	417	434	497	526	538	536	541	532	530	533	534	536
8,601	8,647	8,701	8,897	8,928	9,062	9,119	9,149	9,225	9,282	9,226	9,233	9,276	9,304	9,383	9,425	9,507	9,490
21,950	22,062	21,997	22,015	22,022	21,815	21,862	21,848	21,790	21,648	21,793	21,775	21,772	21,782	21,714	21,725	21,656	21,537
2,620	2,606	2,558	2,525	2,524	2,502	2,488	2,496	2,497	2,496	2,454	2,402	2,372	2,350	2,341	2,325	2,323	2,292
5,057	5,555	5,638	6,120	5,445	5,315	5,399	5,079	5,688	5,812	5,674	5,740	6,504	5,179	5,275	5,259	5,224	5,422
34,893	35,430	35,620	35,929	35,495	35,381	35,616	35,430	35,931	35,994	35,993	36,008	36,712	35,736	35,811	35,836	35,720	35,854
1,887	1,859	1,852	1,915	1,860	1,884	1,828	1,742	1,777	1,843	1,760	1,739	1,691	1,689	1,751	1,724	1,794	1,705
4,723	4,871	4,819	5,234	5,112	5,175	5,263	5,282	5,444	5,345	5,265	5,266	5,470	5,043	5,008	4,990	5,007	5,046
27,716	27,949	28,085	27,929	27,079	27,358	26,819	26,696	27,486	26,767	27,630	27,235	28,129	27,080	27,205	27,384	27,391	27,423
7,396	7,351	7,732	7,976	7,936	8,041	8,031	7,926	8,119	8,155	8,245	8,179	8,799	8,206	8,237	8,259	8,303	8,241
9,233	9,006	8,674	8,377	8,574	8,621	8,096	8,100	8,256	8,193	8,816	8,483	8,724	8,477	8,614	8,618	8,473	8,468
10,583	11,067	11,196	11,401	10,413	10,529	10,532	10,587	11,003	10,337	10,496	10,550	10,583	10,375	10,324	10,467	10,564	10,662
504	525	483	175	156	167	160	83	108	82	73	23	23	22	30	40	51	52
436	450	496	705	462	491	462	456	471	463	452	453	449	444	459	464	488	476
250	270	299	513	280	307	277	286	291	285	282	287	284	286	295	304	317	305
127	121	130	129	122	121	125	113	118	121	115	116	113	107	111	107	113	108
55	55	59	61	58	60	57	55	59	55	53	49	51	50	52	52	57	62
4	4	8	2	2	3	3	2	3	2	2	1	1	1	1	1	1	1
0.22	0.22	0.21	0.22	0.19	0.19	0.19	0.20	0.20	0.20	0.21	0.21	0.21	0.21	0.21	0.21	0.23	-
1.69	1.66	1.72	1.83	1.87	1.82	1.85	1.86	1.88	1.94	2.04	1.98	2.04	2.08	2.15	2.20	2.20	-
5.33	5.80	5.38	5.42	5.12	5.33	5.17	5.50	5.43	5.65	5.85	5.17	5.45	5.51	5.42	5.52	5.39	-
5.64	5.98	6.03	5.61	5.40	5.84	4.98	5.72	6.00	5.44	5.83	5.45	5.4	5.25	5.82	5.97	6.17	-
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	1.25	1.25	1.25	1.50	1.50
0.64	0.64	0.69	0.73	0.85	0.90	0.88	1.00	1.04	1.02	1.02	1.09	1.18	1.32	1.42	1.49	1.60	1.55
0.95	0.96	0.98	1.01	1.10	1.15	1.14	1.22	1.27	1.25	1.25	1.35	1.48	1.62	1.71	1.75	1.82	1.75
0.25	0.24	0.19	0.10	0.13	0.16	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18	0.18	0.18	0.18	-
0.33	0.33	0.28	0.20	0.22	0.23	0.24	0.24	0.24	0.24	0.24	0.24	0.25	0.26	0.25	0.24	0.24	-

PUBLIC FINANCE	2008	2009	2010	2009			2010				2011		2009	2010
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	12	1
CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m														
GENERAL GOVERNMENT REVENUES														
TOTAL REVENUES	15,339.2	14,408.0	14,794.0	3,542.8	3,558.8	4,023.5	3,310.2	3,477.0	3,649.9	4,356.8	3,600.7	3,826.6	1,418.1	1,076.9
Current revenues	14,792.3	13,639.5	13,771.5	3,322.8	3,470.3	3,642.3	3,157.4	3,366.8	3,462.4	3,784.8	3,364.6	3,638.5	1,253.2	1,047.8
Tax revenues	13,937.4	12,955.4	12,848.4	3,164.5	3,279.0	3,453.0	2,983.4	3,189.2	3,186.0	3,489.9	3,155.9	3,451.0	1,175.5	994.1
Taxes on income and profit	3,442.2	2,805.1	2,490.7	617.5	735.5	744.8	635.5	594.4	554.5	706.4	635.4	827.7	278.2	224.3
Social security contributions	5,095.0	5,161.3	5,234.5	1,280.9	1,260.6	1,334.5	1,274.4	1,303.8	1,293.5	1,362.9	1,300.6	1,316.9	479.5	424.0
Taxes on payroll and workforce	258.0	28.5	28.1	7.2	6.2	7.7	6.3	7.2	6.5	8.1	6.7	7.6	2.9	2.1
Taxes on property	214.9	207.0	219.7	51.5	74.6	60.2	24.1	58.9	76.7	60.0	24.0	53.8	12.7	6.7
Domestic taxes on goods and services	4,805.3	4,660.2	4,780.7	1,177.5	1,184.2	1,283.1	1,023.9	1,199.2	1,231.6	1,325.9	1,165.5	1,217.4	395.8	331.1
Taxes on international trade & transactions	120.1	90.5	90.7	29.2	17.2	21.7	18.7	24.7	22.5	24.8	23.7	27.6	6.1	5.7
Other taxes	1.8	2.9	4.0	0.7	0.7	1.0	0.5	1.0	0.7	1.8	-0.1	-0.1	0.3	0.1
Non-tax revenues	854.9	684.1	923.0	158.4	191.3	189.3	174.1	177.6	276.5	294.9	208.7	187.6	77.7	53.8
Capital revenues	117.3	106.5	175.7	29.7	19.3	43.5	9.8	17.9	26.1	121.9	7.6	21.6	27.5	2.3
Grants	10.4	11.1	12.6	1.7	1.9	4.7	2.9	2.2	2.5	5.0	2.4	3.0	2.7	0.2
Transferred revenues	53.9	54.3	109.5	1.5	1.1	51.5	0.5	2.3	3.8	102.9	2.3	0.4	1.7	0.0
Receipts from the EU budget	365.4	596.5	724.7	186.9	66.2	281.5	139.6	87.8	155.1	342.2	223.9	163.2	133.1	26.5
GENERAL GOVERNMENT EXPENDITURES														
TOTAL EXPENDITURES	15,441.7	16,368.2	16,692.7	4,064.6	3,767.1	4,659.5	4,035.1	4,122.7	3,948.1	4,586.9	4,190.7	4,158.9	1,813.4	1,307.3
Current expenditures	6,557.5	6,800.8	6,960.4	1,682.7	1,578.1	1,771.3	1,795.2	1,757.3	1,636.9	1,771.0	1,898.2	1,742.3	672.1	520.0
Wages, salaries and other personnel expenditures	3,578.9	3,911.9	3,912.4	1,005.6	955.4	985.9	956.4	1,012.5	963.6	980.0	966.5	1,009.8	336.9	316.6
Expenditures on goods and services	2,527.5	2,510.3	2,512.4	618.0	603.9	741.4	556.8	624.9	587.7	743.1	585.5	616.2	321.5	170.8
Interest payments	335.2	336.1	488.2	48.4	12.0	29.0	272.6	110.0	76.4	29.2	311.3	108.1	5.8	28.7
Reserves	116.0	42.5	47.4	10.9	6.8	14.9	9.4	9.9	9.2	18.8	35.0	8.2	7.8	3.9
Current transfers	6,742.2	7,339.4	7,628.5	1,936.1	1,736.9	1,918.2	1,849.0	1,995.1	1,810.9	1,973.6	1,942.0	2,076.4	674.4	651.3
Subsidies	476.5	597.9	581.9	126.9	86.5	219.4	160.7	122.8	103.7	194.7	171.2	127.6	83.4	111.1
Current transfers to individuals and households	5,619.2	6,024.5	6,277.7	1,614.8	1,475.9	1,497.6	1,529.0	1,671.1	1,514.7	1,562.9	1,606.1	1,745.6	508.3	495.1
Current transfers to non-profit institutions, other current domestic transfers	598.3	678.1	728.8	178.5	164.5	195.1	150.6	188.6	183.3	206.3	161.0	186.2	80.3	42.5
Current transfers abroad	48.2	38.9	40.1	15.9	9.9	6.1	8.7	12.6	9.1	9.6	3.6	17.0	2.4	2.6
Capital expenditures	1,255.5	1,294.1	1,310.6	237.2	297.5	584.1	192.8	212.5	321.1	584.3	168.8	196.5	317.3	73.6
Capital transfers	458.6	494.6	396.4	112.9	86.0	259.9	47.5	90.1	82.0	176.9	42.4	73.1	109.4	19.1
Payments to the EU budget	427.9	439.3	396.8	95.6	68.7	126.1	150.6	67.8	97.3	81.1	139.3	70.6	40.3	43.3
SURPLUS / DEFICIT	-102.5	-1,960.2	-1,886.4	-	-	-	-	-	-	-	-	-	-	-

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, **EC** – European Commission, **ECB** – European Central Bank, **EFSF** – European Financial Stability Facility, **ESA** – European System of Accounts, **ESS** – Employment Service of Slovenia, **GDP** – Gross Domestic Product, **HICP** – Harmonized Index of Consumer Prices, **IAADP** – Internal Administrative Affairs Directorate, **IEA** – International Energy Agency, **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, **PMI** – Purchasing Managers Index, **PPA** – Public Payments Administration of the Republic of Slovenia, **RS** – Republic of Slovenia, **SCA** – Standard Classification of Activities, **SILC** – Statistics on Income and Living Conditions, **SITC** – Standard International Trade Classification, **SMA** – Securities Market Agency, **SORS** – Statistical Office of the Republic of Slovenia, **ULC** – Unit Labor Costs, **WEF** – World Economic Forum.

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, **IE** – Ireland, **IL** – Israel, **IT** – Italy, **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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