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In the spotlight

In the final quarter of 2008, GDP in the euro area recorded its third consecutive decline, also dropping year-on-year, for the first time since data have been available (1996). The contraction in the euro area was even stronger (-1.5%) than in the previous two quarters; GDP shrank relative to the third quarter in all of Slovenia's main trading partners in the EU. The unemployment rate rose by 1.3 p.p. since September, to 8.7% in January. In view of the accelerating decline in economic activity, the Fed revised its forecast of economic growth for the US: in 2009, GDP is projected to shrink by 0.5% to 1.3%, while in 2010, the crisis is expected to come to an end and economic growth will again turn positive (between 2.5% and 3.3%).

Following the significant slowdown in November, modest lending activity of banks also continued in December. After dropping for eleven months, December's y-o-y growth in the volume of loans reached a two-and-a-half-year low (18.1%). In November and December, the banks recorded net lending to domestic non-banking sectors in a net amount of only EUR 76.7 m; in 2008, the volume of these loans declined by over a quarter relative to 2007. Amid the tightened conditions on international interbank markets, banks repaid short-term foreign loans in the last two months of 2008, in a net amount of EUR 680.3 m; in 2008, borrowing abroad was almost two-thirds lower than in 2007. Household deposits became a more important source of bank liquidity. In January, the lending activity of banks increased relative to the last two months of 2008, but net flows (EUR 272.8 m) nevertheless reached less than 40% of their value in January 2008.

Notably lower growth rates of merchandise exports, the volume of industrial production in manufacturing, values of completed construction and real turnover in retail trade in November and December indicate a considerable deceleration of economic activity in the final quarter of 2008. Amid lower demand in and outside the EU, merchandise exports declined by 9.4% y-o-y in the final quarter of 2008 (in nominal terms), the volume of production in manufacturing by as much as 11.0% (in real terms), while production contracted in all manufacturing sub-industries. Y-o-y growth rates of the value of completed construction (1.9%) and of real turnover in retail trade (2.3%) also slowed notably in Q4. The business sentiment indicator dropped further in February, albeit less than in previous months, which indicates that low economic activity will also continue in the first months of this year.

The situation on the labour market deteriorated gradually in the final quarter of 2008, and in January, the number of unemployed persons exceeded the January 2008 figure. In December, the number of employed persons declined more than it usually does in this period. In December and January, a total of 17,000 persons registered as unemployed because they lost work. The registered unemployment rate rose by 0.7 p.p. to 7.0% in the last three months of 2008, while the growth of the number of persons in employment declined by 1.2 p.p. y-o-y, to 1.8%, most notably in manufacturing and construction. The slowdown on the labour market was also indicated by the labour force survey, as the survey unemployment rate increased by 0.2 p.p. to 4.3%. The number of employed persons also dropped (2.2%) relative to the previous quarter, but was still 1.1% higher, on average, than in 2007.

Growth of gross wages slowed significantly in the final quarter of 2008 due to the slowdown in the private sector. In the final quarter, the gross wage per employee rose by 7.1% year-on-year (in nominal terms). Y-o-y growth of wages in the private sector almost halved relative to the third quarter, mainly on account of the lower number and amount of extra year-end payments relative to 2007. In the public sector, the strengthening of y-o-y growth of wages due to the process of eliminating wage disparities, which was posted in Q3, also continued in the final quarter. Nominal growth of the total gross wage in 2008 (8.3%) was much higher than in 2007 (5.9%), while the real growth rates were more level, in light of last year's higher inflation (2.5% in 2008, 2.2% in 2007).

The slowdown of y-o-y inflation stopped temporarily in February, after being recorded for seven months. After falling at the monthly level for five months in a row, inflation totalled 0.5% in February due to the increase in excise duties, and 2.1% year-on-year. The slowdown in y-o-y inflation was only temporary, by our estimate, given that the factors which have contributed to lower price growth (lower prices of oil and other commodities and lower economic activity) still persist. As in Slovenia, in February y-o-y inflation also increased in the total euro area (1.2%).

Despite decelerated growth in the second half of the year, the current account deficit widened to EUR 2,179.9 m in 2008. The deficit increased by EUR 724.6 m last year, reaching 5.8% of estimated GDP. For the third year in a row, it was mainly driven by a higher merchandise deficit. The deficit in factor incomes also widened. The surplus

in the services balance notably increased, while the deficit in current transfers narrowed. International financial transactions increased significantly last year, reaching a net capital inflow of EUR 2,343.1 m, mainly as a consequence of net inflows from portfolio investment and direct investment, while the net inflow from other investment declined. The gross external debt increased by 12.2% last year, to EUR 39 bn (104.3% of estimated GDP), while net external debt increased by just over one third, to EUR 9.4 bn (25.2% of estimated GDP).

The first preliminary data show that the state budget closed the year 2008 with a slight surplus. According to the draft supplementary budget, the general government balance is expected to deteriorate notably this year. According to the preliminary data, the state budget closed the year 2008 with a surplus of EUR 68 m. A small surplus was also posted by the health fund (EUR 7 m), while the pension fund balance was in equilibrium at the end of the year, owing to the transfer from the state budget in the amount of EUR 1,660.0 m. According to the available data on paid taxes and social security contributions, the slowdown in general government revenue growth also continued in January, when y-o-y growth only totalled 0.3%. The greatest decline was recorded for revenue from value added tax, which was lower than in the same month of the previous year for the third month in a row, which indicates a slowdown of economic activity. According to the draft supplementary budget for 2009, the general government deficit according to the cash flow methodology (GFS 1986) will total EUR 1.1 bn this year, 2.9% of estimated GDP, which amid the expected strong slowdown of economic growth signifies a counter-cyclical fiscal policy response.

current economic trends

International environment

Economic activity in our main trading partners fell sharply in the last quarter of 2008. The volume of industrial production and the value of construction works continued to decline at a rapid pace in December, dropping by a respective 12.0% and 10.1% year-on-year. According to the first Eurostat estimates, GDP in the euro area shrank by 1.5% in Q4 2008 relative to the previous quarter, which was the third consecutive q-o-q decline. In y-o-y terms, GDP shrank by 1.2%, the first decline since data have been available (1996). In Q4 2008, GDP growth also declined or was negative in all of Slovenia's main trading partners. Amid deteriorating economic activity, the unemployment rate in the euro area continues to rise, having totalled 8.7% in January (up 1.2 p.p. from January 2008). Inflation continues to fall, and was at 1.2% in February according

to the first Eurostat estimate. The business sentiment indicator in the euro area dropped further in February, albeit considerably less than in January.

Amid the accelerating decline of economic activity, the Fed released revised forecasts of economic growth for the US in February. The GDP decline is projected to total between -1.3% and -0.5% in 2009 (November's forecast was between -0.2% and 1.2%). The lower 2009 forecast is mainly related to the expected decline in private consumption resulting from deteriorating conditions on the labour market and tougher lending conditions, which will also affect business investment. Somewhat stronger growth is predicted for 2010, between 2.5% and 3.3% (between 2.3% and 3.2% in November), largely based on expectations that government bailout packages and Fed measures will boost financial markets. The unemployment

Figure 1: Economic growth in four main trading partners

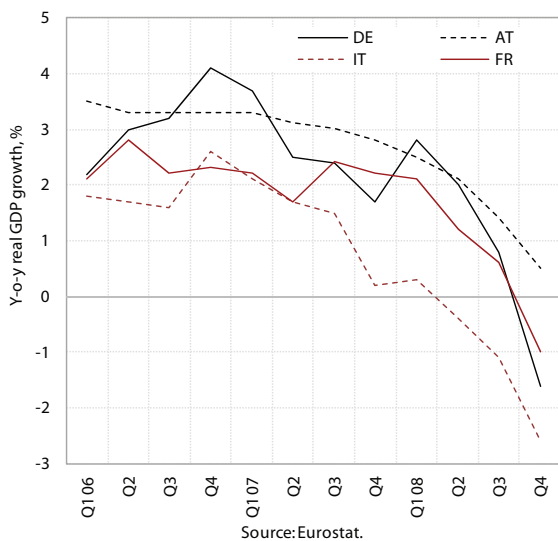


Figure 2: Economic growth in Slovenia's main trading partners outside the euro area

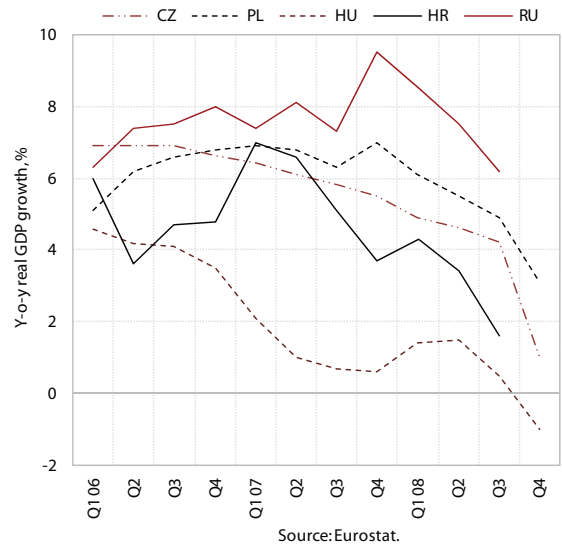


Tabela 1: Assumptions by IMAD and forecasts of economic growth by international institutions

	2008	2009						2010					
	CONS Feb 09	IMAD Dec 08	Alternative scenario IMAD Dec 08	CONS Jan 09	EC Jan 09	IMF Jan 09	CONS Feb 09	IMAD Dec 08	Alternative scenario IMAD Dec 08	CONS Jan 09	EC Jan 09	IMF Jan 09	CONS Feb 09
EU	1.0	-0.2	-1.2	-1.3	-1.8	-1.8	-1.8	1.1	0.1	N/A	0.5	0.5	0.7
EMU	0.8	-0.5	-1.5	-1.4	-1.9	-2.0	-2.0	0.9	-0.1	0.8	0.4	0.2	0.7
DE	1.3	-0.6	-1.6	-2.0	-2.3	-2.5	-2.5	1.0	0.0	0.8	0.7	0.1	0.8
IT	-0.7	-0.6	-1.6	-1.6	-2.0	-2.1	-2.3	0.6	-0.4	0.5	0.3	-0.1	0.3
AT	1.6	0.5	-0.5	-0.6	-1.2	N/A	-1.2	1.2	0.2	0.9	0.6	N/A	0.4
FR	0.7	-0.5	-1.5	-1.0	-1.8	-1.9	-1.4	1.0	0.0	0.9	0.4	0.7	0.8
UK	0.7	-1.3	-2.3	-2.2	-2.8	-2.8	-2.6	0.8	-0.2	0.6	0.2	0.2	0.6
US	1.3	-0.7	-1.7	-1.8	-1.6	-1.6	-2.1	1.3	0.3	2.3	1.7	1.6	2.0

Source: IMAD Revised Autumn Forecast (December 2008), Consensus Forecasts (January 2009), European Commission Interim Forecast (January 2009), IMF World Economic Outlook (January 2009), Consensus Forecasts (February 2009).

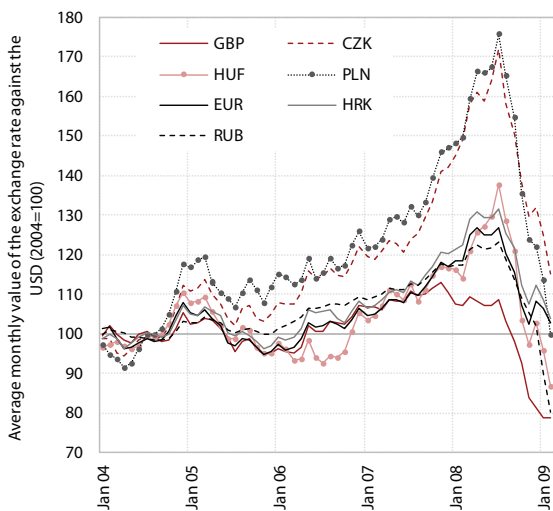
rate is also expected to rise notably this year, from 5.8% in 2008 to between 8.5% and 8.8%, while it is predicted to decline in 2010. Inflation is, in contrast, projected to remain relatively low in 2008 and in the following two years.

The ECB and Fed left their key interest rates unchanged in February. The key ECB interest rate remained at January's level of 2.0% and the key Fed interest rate at the level of December, in an interval between 0.0% and 0.25%. The interest rates on interbank markets continue to drop. The three-month EURIBOR averaged 1.94% in February, down by 0.5 p.p. from January.

Oil prices remained stable in February, moving slightly above USD 40 per barrel, as they did in January. In February, the average price of Brent crude oil totalled USD 43.3 per barrel, up 0.3% from January, and down 53.9% year-on-year.

The euro depreciated against the main world currencies in February. The euro continued to lose value against the US dollar, which depreciated by 3.4% relative to January (the average exchange rate of USD 1.2785 to EUR 1), against the Japanese yen (the average exchange rate of JPY 118.30 to EUR 1) and against the Swiss franc (the average exchange rate of CHF 1.4904 to EUR 1). After rising for three consecutive months, the value of the euro also depreciated against the British pound sterling (the average exchange rate of GBP 0.8869 to EUR 1). Following the tightening of the financial and economic crisis last autumn, the values of currencies in some main trading partners notably declined.

Figure 3: Movements of selected currencies against the USD

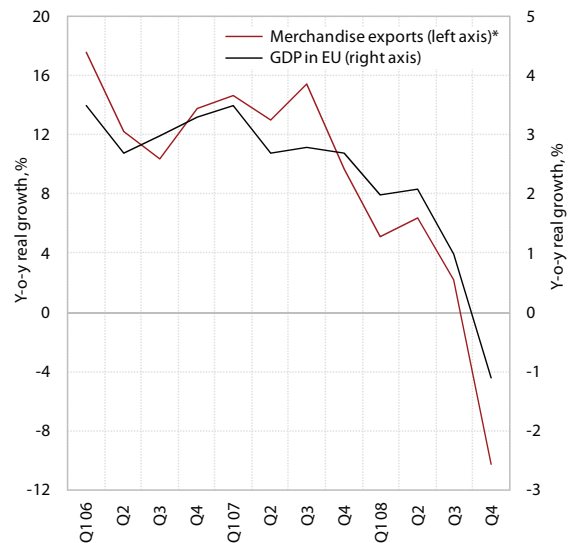


Source: ECB; calculations by IMAD.

Economic developments in Slovenia

On account of the notable decline in **merchandise exports** in November and December, the drop in merchandise exports in Q4 2008 (-9.4%¹) was the largest since data have been available (1996). Nominal merchandise export growth has been slowing gradually since Q4 2007, which goes hand in hand with the slowdown of economic growth in Slovenia's main trading partners and consequent lower import demand. The latter worsened further in the second half of 2008, and in the wake of low growth in Q3 (3.3%), merchandise exports dropped by almost a tenth in Q4, mainly as a result of significant declines in November (-14.1%) and December (-15.3%). Given that some 70% of all merchandise exports are exports to EU countries, the dynamics of Slovenia's merchandise exports is crucially dependent on economic activity in EU Member States. Merchandise exports to EU countries started to decline y-o-y in Q3 (-0.9%), dropping by 12.5% in Q4. Given that the cooling of economic growth in Slovenia's trading partners outside the EU is slower than in the EU, in Q3 growth of our merchandise exports to these countries was still relatively strong (12.7%), while in Q4 these exports also declined y-o-y (-2.2%). Growth of merchandise exports slowed notably in 2008 (1.9%), after four years of vigorous growth (14.5%).

Figure 4: Slovenia's merchandise export growth and GDP in the EU



Source: SORS, Eurostat.

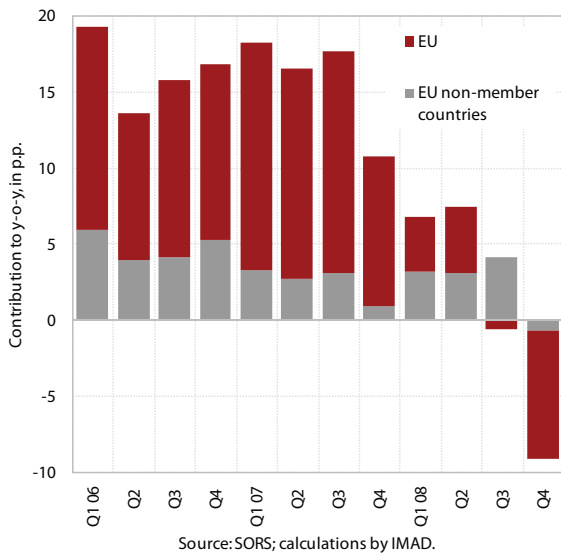
Note: *IMAD's estimate of Q4 merchandise exports.

Merchandise imports saw similar dynamics as exports and also dropped y-o-y in the final quarter of 2008 (-7.1%). Nominal growth in merchandise imports has also been slowing gradually since Q4 2007, similar to merchandise exports; while it was still relatively strong in Q3 2008 (10.1%), it fell steeply in November and December (-13.3%). The drop in imports is related to the slowdown in

¹ According to the external trade statistics.

domestic and foreign demand. A breakdown by purpose shows that after increasing notably in the first nine months of the year (19.1%), imports of investment goods declined on average (by -8.3%) in October and November, as a result of modest domestic investment activity at the end of 2008. Imports of consumer goods, representing just below one third of the value of domestic private consumption, also recorded a sizeable decline (-8.1%). Imports of intermediate goods dropped as well (-1.9% on average), in October and November, amid the declining production activity in manufacturing. After four years of vigorous growth, from Slovenia's accession to the EU to 2007 (15.2%), imports posted a slowdown of growth in 2008, to 6.7%.

Figure 5: Geographic distribution of merchandise exports



The terms of trade improved somewhat in November,² for the first time after deteriorating for a year. Export prices increased by 1.5% y-o-y in November (2.0% in October), while growth of import prices fell considerably for the second month in a row, to 0.6% (2.9% in October), amid the sharp drop in prices of oil and other commodities in November. After worsening slightly again in October, the terms of trade improved by 0.9% y-o-y in November. In the first eleven months of 2008, export price growth was lower (index 101.8) than import price growth (index 105.0), while the terms of trade deteriorated by 3.0% (0.5% in the same period of 2007).

Growth in exports of services remained high (13.9%) in the final quarter of 2008, but posted a decline in December. After witnessing high figures in October in November, nominal growth in exports of services declined y-o-y in December (-0.8%). In Q4 2008, total export growth was mainly underpinned by exports of travel, various professional and technical services and road transport. The contribution of

Figure 6: Terms of merchandise trade

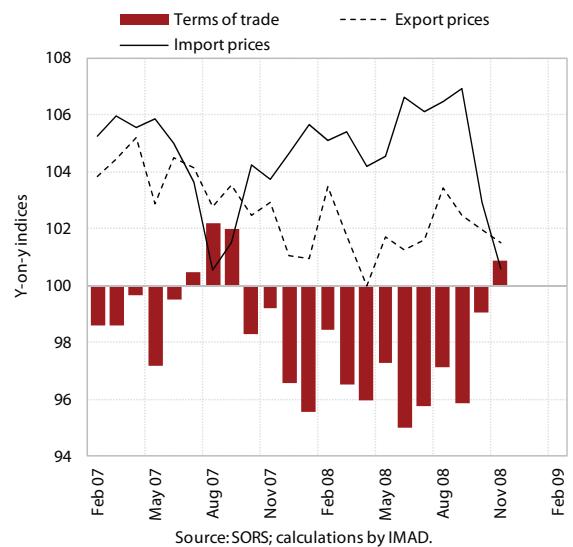
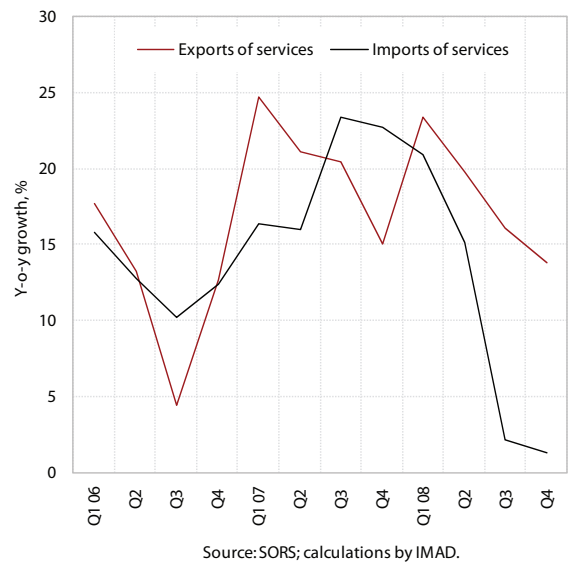


Figure 7: Trade in services



the latter declined relative to Q3, while the contributions of the other two groups notably increased. Growth in services was gradually slowing, but remained high, on average, in the year as a whole (19.4%).

Growth in imports of services moderated further in Q4 (1.3%). After posting modest y-o-y nominal growth in November (0.9%), imports of services picked up again in December (7.6%). While imports of services enjoyed strong growth in the first half of the year (18.1%), they slowed notably in Q3 (2.2%) and even more in Q4. In Q4 2008, growth in imports of services was mainly driven by rises in transport and travel services, while the contribution of the group of other services was negative, largely on account of the decline in imports of

² According to the external trade statistics.

Table 2: Selected monthly indicators of economic activity in Slovenia

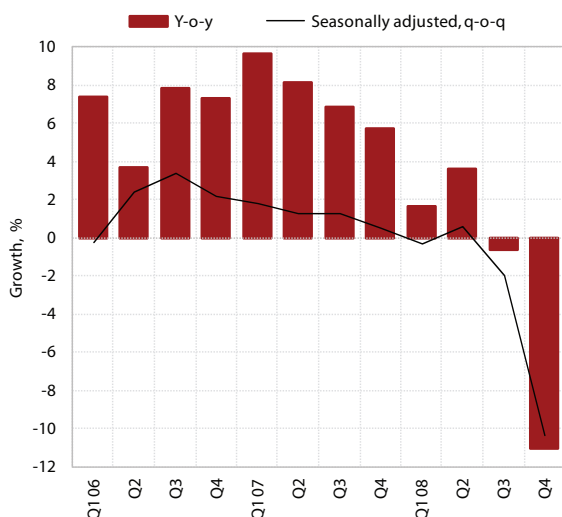
In %	2007	XII 08/ XI 08	XII 08/ XII 07	I-XII 08/ I-XII 07
Exports¹	16.9	-18.8	-12.1	5.2
-goods	16.3	-21.1	-15.0	2.4
-services	20.1	-9.9	-0.8	18.0
Imports¹	18.3	-7.8	-9.7	7.1
-goods	18.1	-12.8	-12.6	6.9
-services	20.1	26.0	7.6	8.5
Industrial production	6.2	-4.0²	-17.5³	-1.5
-manufacturing	7.5	-4.7 ²	-19.9 ³	-1.7
Construction - value of construction put in place	18.2	-9.6²	-4.1³	15.1
Distributive trade - turnover in distributive trade and the sale and repair of motor vehicles	9.5	-1.1²	-0.6³	10.4
Hotels and restaurants - turnover in hotels and restaurants	0.3	-1.3²	-8.4³	-4.0

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

construction services as a consequence of decelerated construction activity at the end of 2008. After posting high figures in 2007 (20.1%), growth in exports of services slowed (8.5%) in 2008.

In December, production activity in **manufacturing** was extremely low, decreasing by more than a tenth year-on-year in the last quarter of 2008. After a significant decline of production activity in November, the shrinkage in December was even more pronounced. The volume of production contracted by 4.7% (seasonally adjusted) compared with November, and by as much as 19.9% (working-day adjusted) compared to December 2007. Mainly due to the last two months of 2008, the

Figure 8: Industrial production in manufacturing

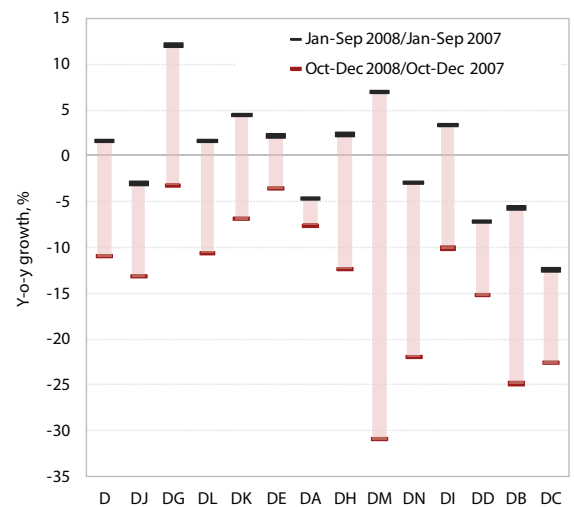


Source: SORS; calculations by IMAD.

quarterly growth was at its lowest since the beginning of measurement (1996), at -11.0% (y-o-y) and -10.3% (q-o-q, seasonally adjusted). Negative quarterly growth was thus recorded for the second successive year; for this reason, the volume of industrial production in manufacturing also declined at the annual level relative to the previous year (by -1.7%).

In the final quarter of 2008, the volume of production declined in all manufacturing subsectors. In Q4, the shrinkage was largest in the manufacture of transport equipment, by over 30%, while the production volume in the textile industry declined by 25%. The textile industry also recorded the largest decline in the number of employees, by as many as 1,902 persons relative to the final quarter of 2007. In total manufacturing, the number of employed persons dropped by 4,973 in the same period, posting the largest decline in December. According to the business tendency data, the indicator of employment expectations improved somewhat in February, after hitting bottom in December 2008. Other indicators of expectations in the manufacturing sector, except expected prices, were also slightly less pessimistic in February, but the current situation indicators deteriorated, most of them again dropping to new lows.

Figure 9: Industrial production in manufacturing by subsectors

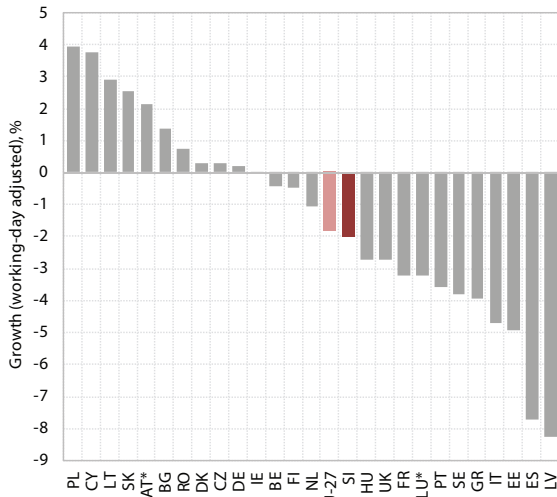


Source: SORS; calculations by IMAD. Note: sub-industries arranged by size (see the list of acronyms).

Similar developments were also seen in the EU-27, but in Slovenia the slowdown of the production volume in manufacturing in the final quarter of the year was more pronounced. Most manufacturing subsectors in Slovenia posted a larger production decline than the comparable industries in the EU-27; the shrinkage was particularly pronounced in the leather industry. Slovenia posted better results than the EU-27 for four industries: in particular, for the chemical industry, which in Slovenia has a somewhat larger share of the pharmaceutical industry, which is, by our estimate, less dependent on cyclical trends, as well

as for the manufacture of non-metal mineral products, which is most dependent on movements in construction, where activity is decelerating at a slower pace than in the EU-27.

Figure 10: Comparison of industrial production in manufacturing in the EU-27 in 2008



Source: Eurostat. Note: *growth in the first eleven months of 2008.

In December, **construction activity** declined. Y-o-y growth posted a significant slowdown in Q4 (1.9%). The value of construction put in place in December was 9.6% lower than in November, according to the seasonally adjusted data, and down 4.1% from December 2007 (working-day adjusted). After posting strong growth at the beginning of the year and slowdowns in Q2 and Q3, construction activity slowed again in Q4. Y-o-y growth in Q4 was nevertheless still positive, which is mainly attributable to relatively high construction activity in October. In Q4, growth slowed in all construction sectors, in residential construction³ to 33.0%, in civil-engineering to 7.0%, while the drop in non-residential construction deepened (-14.0%). In 2008 as a whole, growth in the value of construction put in place remained at a similar level as in 2007, totalling 15.1%.

The most recent data on new contracts and building permits issued in 2008 indicate a further slowdown of activity. According to the construction statistics, the value of the stock of contracts at the end of the year was 8.1% lower than the year before, and the value of new contracts decreased by 8.9% year-on-year in Q4 2008. The slowdown is also suggested by the provisional data on issued building permits, given that in the final quarter, the total planned floor area of all buildings was 16.0% lower than in the same period of 2007, which is due to a

³ In interpreting data on the value of residential construction, it should be noted that these figures exclude the activity of smaller enterprises, where the main activity is judged to be the construction of residential buildings.

Figure 11: Value of construction put in place



Source: SORS; calculations by IMAD.

significant decline in non-residential buildings (by 52.0%); the total planned floor area of residential buildings, in contrast, increased (by 19.0%). Despite the improvement in Q4, the total planned floor area of residential buildings declined by a fifth in 2008, relative to the year before. The total planned area of non-residential buildings decreased by 25%. The largest decline was posted for hotels and similar buildings (-67.0%), while in wholesale and retail trade buildings the fall was considerable as well (34.0%).

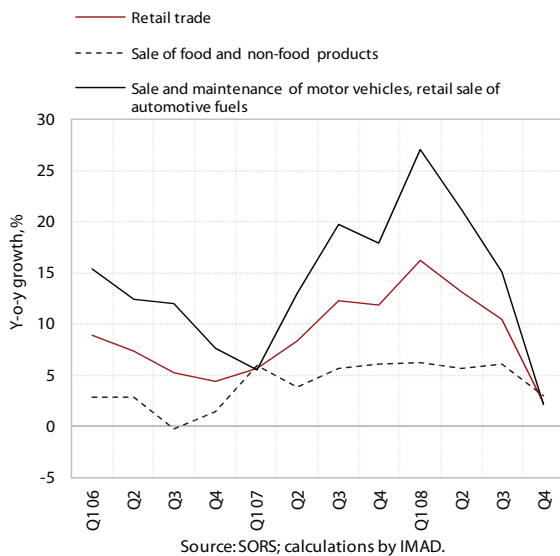
Electricity production rose year-on-year in January, largely on account of increased output of hydroelectric power plants, while the decline in consumption was mainly linked to lower production of aluminium. Electricity production rose by 4.8% year-on-year in January, most notably in hydroelectric power plants (33.5%), while electricity production in thermal power plants and in the nuclear power plant changed marginally (by -2.0% and +0.3%, respectively). Electricity consumption dropped by 7.5% y-o-y, much less than in December (-14.0%). Nearly two-thirds of the decline came from decreased consumption in aluminium production (-53.4%), given the fall in global prices and a considerable decline in orders. Consumption from the distribution network dropped by a mere 1.4% y-o-y in January (9.7% in December). Increased electricity production and lower consumption translated into an almost six times higher surplus (net electricity exports) relative to January last year, which, reaching 174 GWh, accounted for 14.0% of production.

Real turnover in retail trade⁴ declined in December. In Q4, it recorded its weakest y-o-y growth in 2008 as a whole. In December, real turnover also recorded its first year-on-year drop in the year (-0.6%, working-day adjusted). Real turnover in the sale of motor vehicles went down year-on-

⁴ In retail trade, sale and maintenance of motor vehicles and retail sale of automotive fuels (50+52).

year for the third month in a row (-16.9%), given that the number of new car registrations dropped by 28.1%. Real turnover in the retail sale of non-food products recorded its second drop in Q4 (-2.3%). In the retail sale of food, beverages and tobacco, real turnover growth slowed for the second consecutive month (0.6%). All sectors thus posted slower growth in Q4, while real turnover in the retail sale of motor vehicles even declined. Owing to high rates in the first nine months of the year, retail trade nevertheless saw higher annual growth than in 2007 (10.4%). The confidence indicator dropped further in February, according to the seasonally adjusted data.

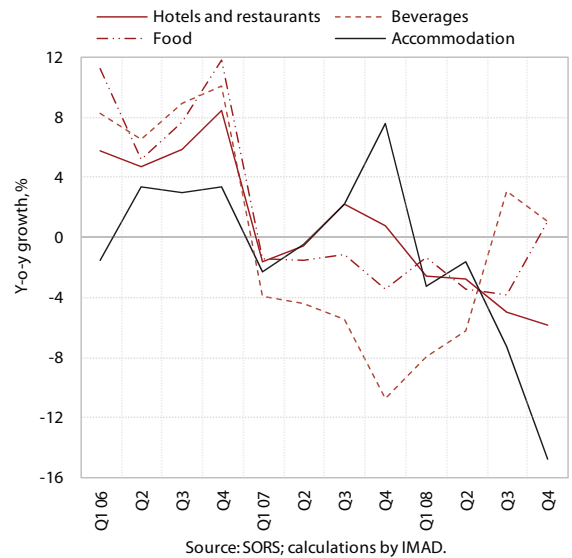
Figure 12: Real turnover in retail trade



In December, activity in **hotels and restaurants** declined again. In Q4, this decline was the largest in 2008 (-5.8%). Real turnover dropped y-o-y for the sixth consecutive month, again mainly on account of the decline in accommodation services (-18.8%), where in Q4 the real turnover drop was greatest in the whole year. Q4 saw the smallest increase in the number of tourists' overnight stays in the whole year (0.6%), given that the number of overnight stays by foreign tourists declined (-4.8%) relative to the same period of 2007, despite December's 6.5% growth. In the year as a whole, the number of overnight stays by foreign tourists dropped by 0.5%, while the number of domestic tourists' overnight stays increased by 5.2%. With 1.8% growth in the number of overnight stays (7.0% in 2007), real turnover in accommodation services dropped by 6.6% in 2008 (1.2% growth in 2007), while the total activity of hotels and restaurants recorded a 4.0% decline.

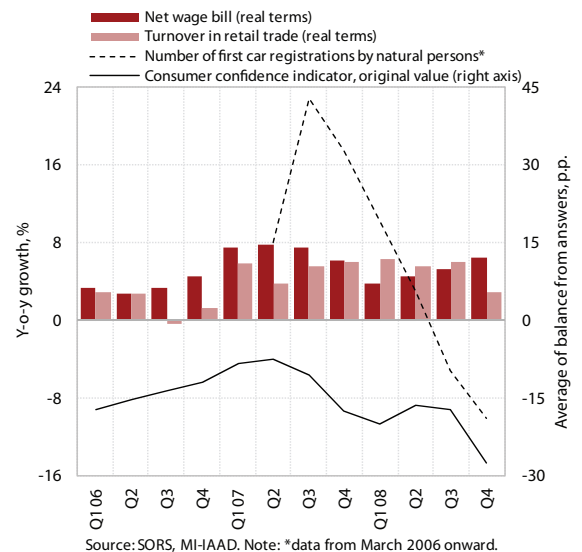
Household consumption started to show more visible signs of moderation at the end of the year. The slowdown of household consumption, which was already suggested by the consumer confidence indicator in previous months, is evidenced by real turnover in retail trade, which decreased by 0.6% y-o-y in December. Similar developments are also expected for the beginning of this

Figure 13: Real turnover in hotels and restaurants



year, given that the number of new car registrations by natural persons declined by as much as one third y-o-y in January (albeit from nearly 25% growth in January last year). The value of the consumer confidence indicator otherwise strengthened more notably in February, rising from its historical lows in the past three months, but consumers are nevertheless still much more pessimistic than in February 2007.

Figure 14: Private consumption indicators



The business sentiment indicator dropped slightly again in February, mainly due to the flagging confidence in the service sector. The service sector, where the sentiment indicator started falling at a later time than in other sectors, saw a deterioration in the values of all current situation indicators, as well as in all indicators of

Box 1: Second package of measures in response to the financial and economic turmoil

The government of the RS adopted the first package of measures to alleviate the consequences of the financial and economic crisis at the end of 2008. The measures were mainly aimed at increasing liquidity in the banking system, cutting public expenditure and keeping jobs by providing additional incentives for the economy. The lending activity of banks is also to be boosted by funds acquired from the sale of the new government benchmark bond in the amount of EUR 1 bn with a maturity of three years, which was issued at the beginning of February 2009.

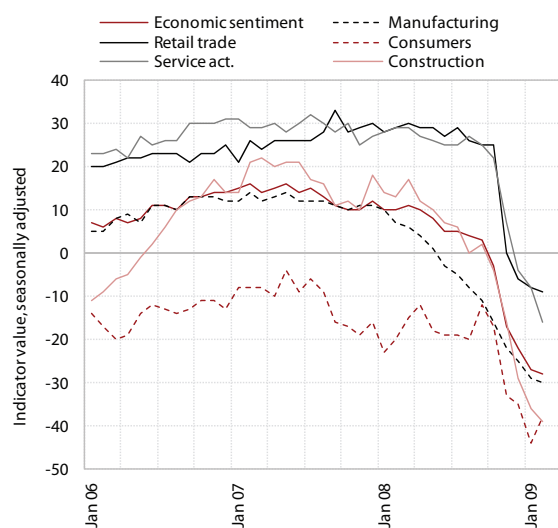
The second stimulus package, which upgraded the first package with concrete measures, was adopted in February 2009. A considerable amount of funds is still aimed at boosting the lending activities of banks to improve liquidity and enhance lending to enterprises, while some of the funds are intended for development-oriented measures. Along with the second package, the government of the RS also adopted savings measures, which will allow for annual savings in the amount of up to EUR 130 m in 2009.

The measures in the second package are temporary (until the end of 2010). The highest permitted amount of state guarantees was already agreed in December and is limited to EUR 12 bn, of which around EUR 1.5 bn is currently reserved, mainly within the framework of additional borrowing of commercial banks and the SID bank borrowing abroad. To revive lending to enterprises, the second package envisages a guarantee scheme for general granting of loans to enterprises (EUR 1 bn) and individual state guarantees for enterprises in the amount of EUR 500 m. Within the measures to improve the capital adequacy, EUR 160 m is earmarked for the recapitalisation of the SID bank (to EUR 300 m).

Besides guarantees and the increase in the capital adequacy of the SID bank, the second package also envisages additional funds in the total amount of about EUR 300 m. The measures will be financed from the integral budget, by the SID bank funds, by redirecting cohesion policy funds and by funds from the EIB credit line. Measures to protect endangered industrial sectors also represent a vital part of the stimulus package. They involve shortening of the payment periods for the VAT reimbursement from 60 to 21 days (EUR 120 m), support for research and development in the area of clean and technologically-advanced industries (EUR 100 m) and low-value aid within the new *de minimis* scheme for SMEs (EUR 20 m). These measures are set to increase the working capital of enterprises and improve their competitive position on the global market. The government also adopted measures to improve labour market operation, stimulate life-long learning and increase social security (EUR 21 m), to promote energy rehabilitation of publicly-owned buildings (up to EUR 20 m) and provide broadband internet access to public institutions (EUR 15 m).

expectations. In other sectors, confidence also fell again, albeit less notably than in previous months. Only the consumer confidence indicator rose, mainly as a result of more optimistic expectations regarding employment in the coming 12 months.

Figure 15: Business tendency



Labour market

The situation in the labour market in terms of **employment and unemployment** is deteriorating. The number of persons in formal employment (employed and self-employed) declined by 6,652 in December (-0.8%), within that two-thirds due to the termination of fixed-term employment contracts. In previous years, the December decline in formal employment was a regular seasonal phenomenon linked to the termination of temporary workers' contracts before the Christmas holidays, as well as to the fact that most public work programmes for the unemployed end in December. In December 2008, the number of such terminations was much higher than in previous years. The number of persons in formal employment declined in almost all activities, most notably in construction and manufacturing. Employment only increased in health and social care, and in other social, community and personal services. The number of registered vacancies and the number of persons hired increased somewhat in January relative to December, but remained around a third lower than the year before. The number of formally employed persons was still 1.8% higher in December 2008 relative to December 2007, despite the decline, while the average number of persons in formal employment in 2008 was 3.0% higher than that in 2007. Broken down by activities, the most notable 2008 increase was, as in previous

Tabela 3: Persons in formal employment by activity

	Numbers in 1,000				Y-o-y growth rates, %			
	XII 08	Q4 08	2008	2007	XII 08/ XII 07	Q4 08/ Q4 07	2008/ 2007	2007/ 2006
PERSONS IN FORMAL EMPLOYMENT - total	880.3	885.1	879.3	854 ^o	1.8	2.3	3.0	3.5
A Agriculture, hunting, forestry	39.9	40.0	40.8	41.4	-0.4	-0.3	-1.4	6.8
B Fishing	0.2	0.2	0.2	0.2	3.2	1.9	-1.6	-6.7
C Mining and quarrying	3.4	3.5	3.6	3.8	-7.3	-6.8	-5.4	-5.6
D Manufacturing	222.7	225.5	228.6	229.9	-3.1	-2.2	-0.6	0.9
E Electricity, gas and water supply	11.5	11.5	11.5	11.4	1.8	1.4	0.3	0.2
F Construction	88.5	90.0	87.0	77.8	9.3	10.2	11.8	11.3
G Wholesale and retail trade, motor vehicle repair	116.6	116.7	115.5	111.7	2.0	2.4	3.4	3.4
H Hotels and restaurants	34.0	34.0	33.5	32.5	3.0	3.0	3.0	3.5
I Transport, storage, communications	58.7	59.0	58.4	55.4	3.1	3.7	5.4	7.3
J Financial intermediation	23.5	23.5	23.1	22.3	4.0	4.1	3.6	2.8
K Real estate, renting and business activities	83.4	83.5	81.3	75.6	7.1	7.3	7.6	8.3
L Public administration and comp. soc. security	50.6	50.8	50.7	50.1	0.4	0.9	1.3	-0.2
M Education	60.5	60.5	59.6	58.7	2.4	2.2	1.5	0.6
N Health and social work	53.0	52.8	52.3	51.3	3.0	2.6	2.0	1.1
O Other community, social and personal services	33.3	33.2	32.7	31.5	3.0	3.0	3.9	3.7
P Private households with employed persons	0.5	0.5	0.5	0.5	10.4	10.3	6.4	0.8

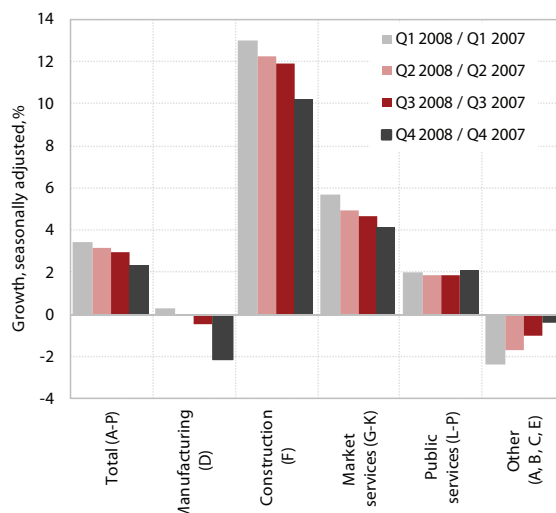
Source: SORS; calculations by IMAD.

quarters, recorded in construction and real estate, renting and business services, while mining, fisheries and agriculture posted declines. In the final quarter of 2008, the number of persons in formal employment according to the labour force survey dropped by 2.2% relative to the previous quarter, and increased by 1.8% year-on-year. The number of persons in formal employment was in 2008, on average, 1.1% higher than in 2007.⁵ Y-o-y growth in the number of employed persons according to the survey is low relative to the high growth of the number of persons in formal employment, chiefly due to a high increase in the number of foreigners among the formally employed, as foreigners are not covered by the labour force survey.

The number of registered unemployed persons rose to 73,911 in January, exceeding by 6.7% the number of the registered unemployed in January 2008. Owing to the decline in the number of the employed and the increase in the number of the unemployed, December's registered unemployment rate rose by 0.3 p.p. to 7.0%. A total of 12,895 persons registered as unemployed in January; within that, 10,381 registered because they lost work, which is more than in December and more than in January last year; the number of the unemployed who were deregistered from the unemployment register was lower than in December and also lower than in January last year. A total of 6,083 persons (2,700 more than in January last year) registered as unemployed after losing

⁵ According to the preliminary calculations by IMAD based on the quarterly data by SORS.

Figure 16: Gains in the number of employed persons by activity

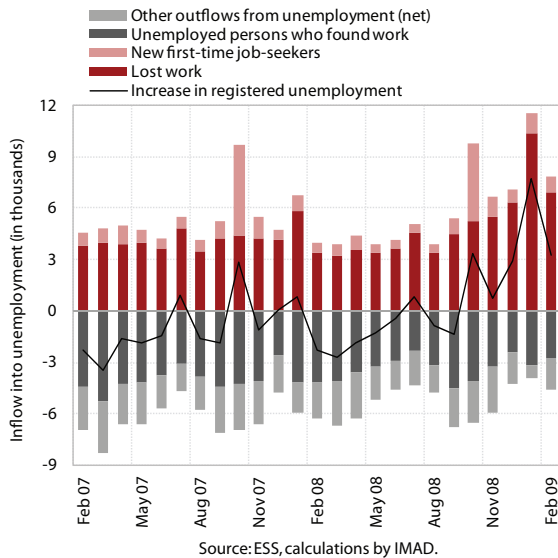


Source: SORS; calculations by IMAD.

temporary jobs, 1,950 lost work for business and 2,348 for other reasons (1,800 more, in total, than in January last year). Altogether, 3,179 unemployed persons found jobs (948 fewer than in January last year) and the number of the unemployed dropped by a further 738 for other reasons in January (1,057 fewer than in January last year). In Q4 2008, the number of the unemployed according to the labour force survey increased as well, to 45,000, 2.3%

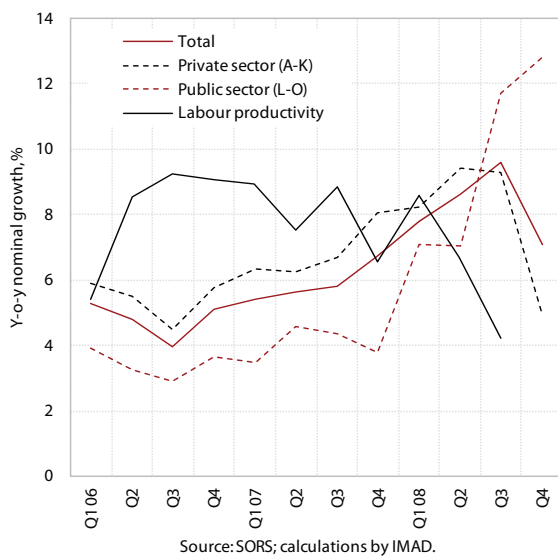
more than in the previous quarter, but still 8.2% less than in the same quarter of 2007. The survey unemployment rate also increased, to 4.3%, 0.2 p.p. more than in the previous and 0.4 p.p. less than in the same quarter of 2007. The average number of the unemployed, according to the labour force survey, reached 46,000 in 2008,⁶ 8.8% less than in 2007, while the survey unemployment rate fell by 0.5 p.p., to 4.4%.

Figure 17: Components of the increase in registered unemployment



Y-o-y growth in gross wages slowed notably in the last quarter of 2008 (7.1%), while in 2008 as a whole, it was, on average, much higher than in 2007. In December, the

Figure 18: Gross wage per employee and labour productivity



⁶ According to the preliminary calculations by IMAD based on the quarterly data by SORS.

Table 4: Labour market indicators

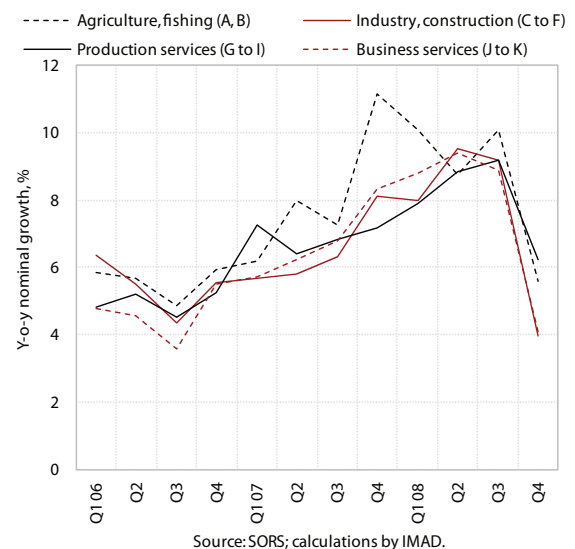
In %	2007	XII 08/ XI 08	XII 08/ XII 07	I-XII 08/ I-XII 07
Labour force	1.6	-0.4	1.5	1.9
Persons in formal employment	3.5	-0.8	1.8	3.0
- Employed in in enterprises and organisations and by those self-employed	3.3	-0.8	1.7	3.1
Registered unemployed	-16.9	4.5	-3.2	-11.4
Average nominal gross wage	5.9	-6.0	8.6	8.3
- private sector	6.9	-7.9	6.7	7.8
- public sector	4.1	-1.3	13.2	9.7
	2007	XII 07	XI 08	XII 08
Rate of registered unemployment, v %	7.7	7.3	6.7	7.0
Average nominal gross wage (in EUR)	1,284.79	1,342.80	1,550.29	1,457.66
Private sector (in EUR)	1,217.14	1,280.12	1,482.97	1,365.45
Public sector (in EUR)	1,485.09	1,529.80	1,753.49	1,731.45

Sources: ESS, SORS; calculations by IMAD.

gross wage per employee declined by a nominal 6.0% compared with the previous month, reaching 8.6% y-o-y growth. As a result of the slowdown in the private sector, total wage growth dropped markedly in Q4. In 2008, the average total gross wage increase was nevertheless significantly higher than the comparable increase in 2007 (5.9%). Owing to the rising average personal income tax rate, net wage growth was half a percentage point slower than gross wage growth. Nominal wage growth started to surpass nominal productivity growth in both sectors in Q2 2008, considerably more in the public sector.

As a consequence of slowing economic activity, growth of wages in the private sector slowed markedly in Q4 2008 (4.9%). December's 7.9% drop in the gross wage in the

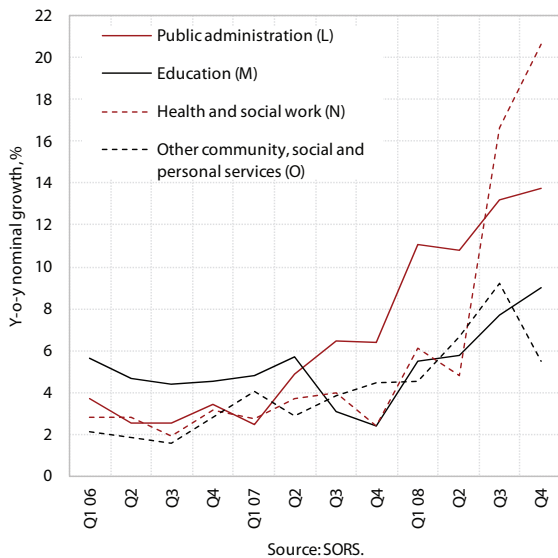
Figure 19: Gross wages in the private sector



Box 2: Agreement on Measures in the Area of Public Sector Wages for the 2009–2010 period

In February, the government and the representative trade unions of the public sector signed the Agreement on Measures in the Area of Public Sector wages for the 2009–2010 period due to the changed macroeconomic situation. The agreed measures will allow for the adjustment of the adopted public sector wage system to the new macroeconomic and fiscal framework and tougher economic conditions. This is a step towards a somewhat better balance between this year's wage rises in the public sector and labour productivity growth, and from the social acceptability aspect, towards diminishing high disparities in the foreseen 2009 wage rises in the public and in the private sectors. These measures will, by our estimate, result in a nearly 3 p.p. lower growth of public sector wages than predicted in the Revised Autumn Forecast by IMAD. With the implementation of the agreed measures, general government expenditure on wages is predicted to decline by EUR 100 m in total according to the first estimates.

The measures mainly pertain to the adjustment of wages in July, disbursement of the third quarter of funds to eliminate wage disparities as well as payment of work performance bonuses and holiday allowances. The general July adjustment of public sector wages will not be carried out this year. The disbursement of the third quarter of funds to eliminate wage disparities is to be postponed from 1 September 2009 to 1 January 2010, while the last quarter of funds will be paid on 1 March 2010 as stipulated by the Collective Agreement for the Public Sector currently in force. Employees and directors in the public sector will not receive regular performance bonuses from April through November this year. The directors who receive regular performance bonuses as a one-off payment will receive 4/12 of the eligible annual amount. In 2009, bonuses for increased workload will be limited to a total of 30% of the public employee's basic wage. The annual holiday allowance will be paid to all employees, in the same amount as last year (EUR 672), i.e. without adjustment to inflation. The negotiating parties also confirmed changes in the classification of some pivotal jobs and job titles and agreed that further negotiations should be carried out in order to eliminate deficiencies of the wage system.

Figure 20: Gross wages in the public sector

private sector is related to the dynamics of extra payments at the end of the year. In December, the number of recipients of year-end payments was notably lower than in November (6.5% of employees, compared with 19.9% in November), and these payments were smaller (13th month payments in December were, on average, more than a fifth lower than in November). Growth in private sector gross wages stood at 6.7% y-o-y in December. In the first half of the previous year, it was still at 8.8%, while in the second half of the year it slowed (7.1%) due to the exceptional moderation in Q4, averaging 7.8% for the year as a whole.

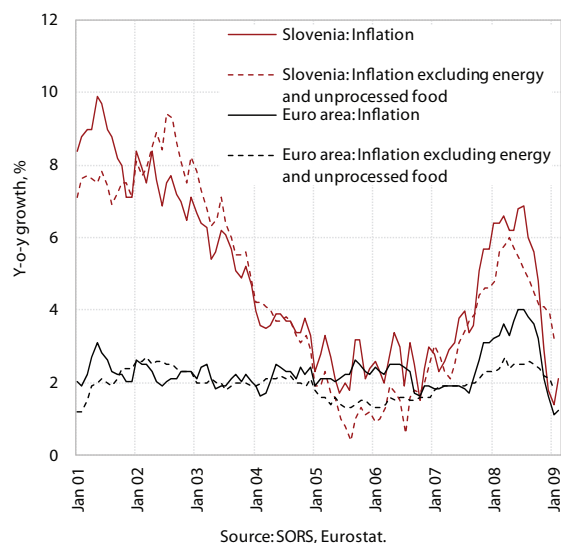
Y-o-y growth of public sector wages in the public sector strengthened further in Q4 2008 (12.8%) and was much stronger than growth of wages in the private sector. In December, the average gross wage in the public sector dropped (by 1.3%), but increased by 13.2% y-o-y. Growth of public sector wages totalled 7.1% in the first half of 2008. In the second half of the year, it accelerated (12.3%), as a result of the beginning of disbursement of funds to eliminate wage disparities, reaching an average of 9.7% for the year as a whole, a much higher figure than in 2007. Given that the volume of funds disbursed to eliminate disparities was highest in the health and social care sector, this sector recorded the highest y-o-y growth rates of wages in the whole period since August 2008 (21.0% in December).

Prices

After slowing for seven months, inflation increased somewhat in February. Reaching 0.5% at the monthly level in February, inflation returned from 1.6% in January to the level of December (2.1%) in year-on-year terms. The gradual slowdown of average inflation continued (from 5.2% in January to 4.9% in February).

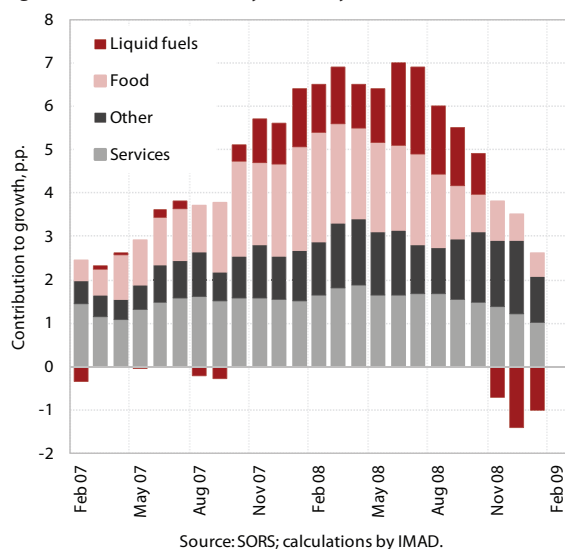
In January, price movement was mainly marked by seasonal factors. In line with expectations, the general level of prices declined, owing to clothing and footwear price drops because of sales. Clothing and footwear prices contributed -1.2 p.p. to monthly deflation. The increase in fruit and vegetable prices was similar to that recorded last year (contribution of 0.4 p.p.). Prices of liquid fuels for transport and heating did not contribute to inflation

Figure 21: Inflation in Slovenia and in the whole euro area



in January, given that they remained unchanged, due to two increases in excise duties on liquid fuels for drive and heating purposes (estimated contribution 0.5 p.p.). Electricity prices rose (11.5%) as a result of the Government's decision to raise network charges and introduce additional contributions to provide support to electricity production from renewable energy sources and high-efficiency cogeneration and to ensure reliable electricity supply from domestic primary energy sources. *Y-o-y growth of prices is slowing in most consumer price*

Figure 22: Breakdown of year-on-year inflation



index groups. A total of 0.6 p.p. of January's 1.6% y-o-y inflation came from food price rises and around -1 p.p., according to our estimate, from oil price rises on account of liquid fuels for transport and heating. In January, the contribution of rises in prices of other goods already dropped somewhat (1.0 p.p.) from the relatively high level of December 2008 (1.5 p.p.), as a consequence of slower growth of gas and district heating prices, as well as prices of clothing and footwear. Amid the slowdown of economic activity, prices of services show signs of moderation in recent months, having contributed 1.0

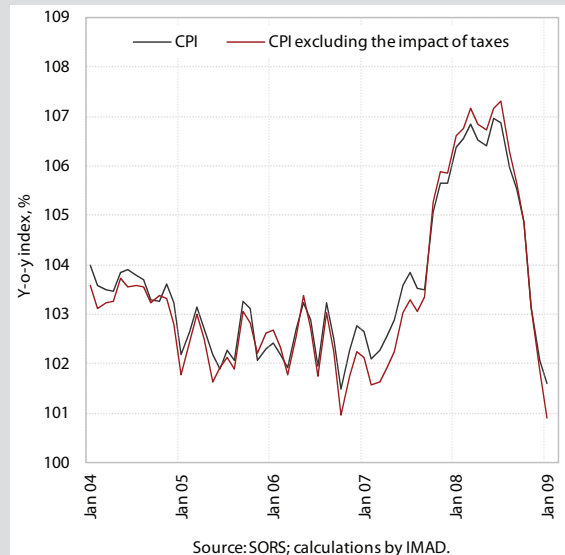
Table 5: Prices

	2008		2009		
	XII 2008/ XII 2007	Φ (I 08–XII 08)/ Φ (I 07–XII 07)	I 2009/ XII 2008	I 2009/ I 2008	Φ (II 08–I 09)/ Φ (II 07–I 08)
Consumer prices (CPI)	2.1	5.7	-0.4	1.6	5.2
Goods	1.3	6.0	-0.7	0.8	5.4
- Fuel and energy	-7.2	10.6	2.6	-7.2	8.7
- Other	3.2	5.0	-1.3	2.3	4.8
Services	3.8	5.0	0.2	3.3	4.9
Consumer prices (HICP)	1.8	5.5	-0.3	1.4	5.1
Administered prices ¹	-7.8	9.6	-0.5	-7.2	7.2
- Energy	-11.9	14.4	-0.8	-12.2	11.6
- Other	0.4	0.1	0.0	0.7	0.1
Core inflation					
- trimmean	2.6	3.9	-0.3	2.0	3.7
- excluding (fresh) food & energy	3.9	4.6	-1.2	2.9	4.5
Consumer prices in the EMU	1.6	3.3	-0.8	1.1	3.1
Producer prices of domestic manufacturers					
- domestic market	3.5	5.6	-0.4	2.3	5.2
- EMU	0.1	2.2	0.7	0.2	2.1

Sources: SORS, Eurostat, calculations by IMAD. Note: ¹ due to annual changes of the administered price index, figures are not directly comparable across years.

Box 3: HICP excluding the impact of taxes

The slowing of inflation decelerated somewhat, owing to the increase in excise duties on gas oil for transport and heating. In view of the rapid lowering of inflation and slowing economic activity and related uncertainty about how to ensure public finance stability, the Government redirected the measures of the counter-cyclical policy of excise duty adjustment from the stabilisation of inflation swings to the stabilisation of budget revenues. It will thus offset part of the oil price reduction on global markets by increasing excise duties on liquid fuels for transport and heating to slow the falling of inflation below the equilibrium level. At the same time it is attempting to compensate somewhat for the waning sources of other general government revenues. In December 2008 and January this year, the Government thus increased excise duties on gas oil for transport and heating, which added approximately 0.7 p.p. to inflation. Had this not been the case, y-o-y growth of the harmonised consumer price index would have totalled 0.7% instead of 1.4%. The Government also raised excise duties on alcohol effective March 1, and adopted a proposal for the Act Amending the Excise Duty Act increasing excise duties on tobacco and tobacco products effective May 1.

Figure 23: Consumer price index growth

Source: SORS; calculations by IMAD.

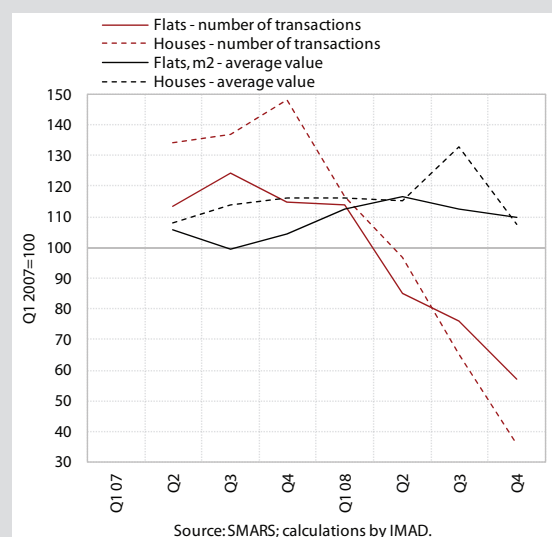
p.p. to y-o-y inflation in January (1.5 p.p. in the previous January).

The slowdown of core inflation strengthened somewhat in January. Year-on-year growth of consumer prices

excluding non-processed food and energy prices (core inflation) dropped over the past few months, to 2.9% in January according to our estimates. Besides weaker growth in processed food prices (from 11.3% in April 2008 to 3.5% in January), the key factor in the slowdown

Box 4: Movements on the real estate market

In February, the Surveying and Mapping Authority of the Republic of Slovenia (SMARS) published indicators for Q4 2008 suggesting that the slowdown on the housing market, which was already perceived in Q3 2008, continues.¹ The decline in the number of transactions is deepening, given that the number of flats sold in Slovenia in Q4 2008 halved relative to the last quarter of 2007. An even more pronounced standstill was recorded for the sale of one- and two-dwelling buildings (family houses), given that in Q4 2008, the number of transactions dropped by half relative to the previous quarter, reaching a mere 25% of the value recorded in Q4 2007. The lowering of economic activity only started to have a more notable impact on the average values of transactions in Q4. The average value of flats sold in Q4 fell somewhat further compared to the previous quarter (by 2.2%), when the upward trend reversed, while it is still increasing year-on-year (by 5.3%), although the increase is gradually diminishing. According to the SMARS data, the drop in the average values of transactions is more pronounced in family houses (an 18.9% decline compared with the previous quarter, and also the first y-o-y decline, by -7.1%).

Figure 24: Trends of average values and the number of transactions

Source: SMARS; calculations by IMAD.

¹ According to the SMARS methodology, it is, by our estimate, more correct to use the term "the average values of transactions" instead of "average prices", because in addition to prices these are also affected by changes in the structure of sold dwellings. SORS, which tries to exclude these structural changes in its analyses, has not yet released its data for Q4 2008. For more see SEM, December 2008.

Table 6: Selected price competitiveness indicators

Average annual growth rates, %	2006	2007	2008	Q I 08	Q II 08	Q III 08	Q IV 08
Real effective exchange rate ¹							
Deflator CPI	0.7	2.3	2.8	4.5	4.2	2.6	-0.1
Deflator PPI ²	-0.8	2.1	1.0	1.4	1.5	0.4	0.3
Components							
Nominal effective exchange rate	0.2	0.8	0.5	1.2	1.1	0.4	-1.1
Relativ CPI	0.5	1.4	2.3	3.2	3.0	2.1	1.0
Relativ PPI ²	-1.0	1.3	0.5	0.2	0.4	0.0	1.5

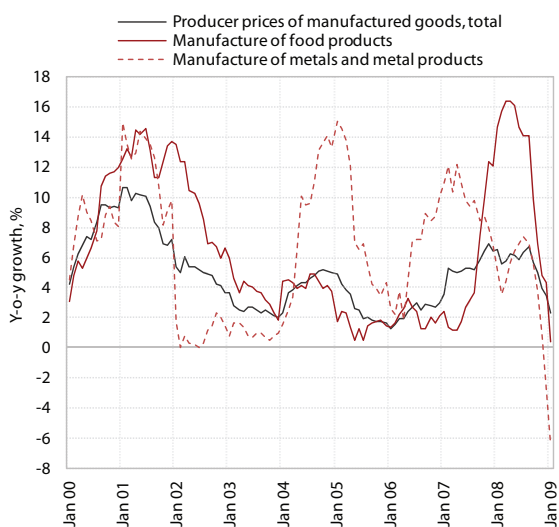
Source: SORS, BS, ECB, OECD; calculations by IMAD.

Notes: ¹against 17 main trading partners: Austria, Belgium, Germany, Italy, France, Netherland, Spain, Denmark, United Kingdom, Sweden, Czech Rep., Hungary, Poland, Slovakia, USA, Switzerland, Japan; ²manufacturing activity on domestic market.

of core inflation was also the moderation of growth in service prices. Core inflation measured by the trimmean method is also slowing at a rapid pace, totalling 2.0% in January, after peaking at 4.7% last July.

Domestic producer prices of manufactured goods on the domestic market dropped in January. They fell by 0.4% relative to December, and were on a downward trend for the fourth consecutive month. Y-o-y growth of prices also continues to slow, standing at 2.3% this January, after reaching 6.7% in August 2008. These movements are largely attributable to the slower price rises in the manufacture of food, beverages and animal feed and in the manufacture of metals and metal products. January 1 otherwise saw important methodology changes with regard to the beginning of the use of the new standard classification of activities (SCA 208), the national variant of the new classification of economic activities NACE Rev2., which, according to the new EU regulation, replaced the previous classification NACE Rev.1.1.

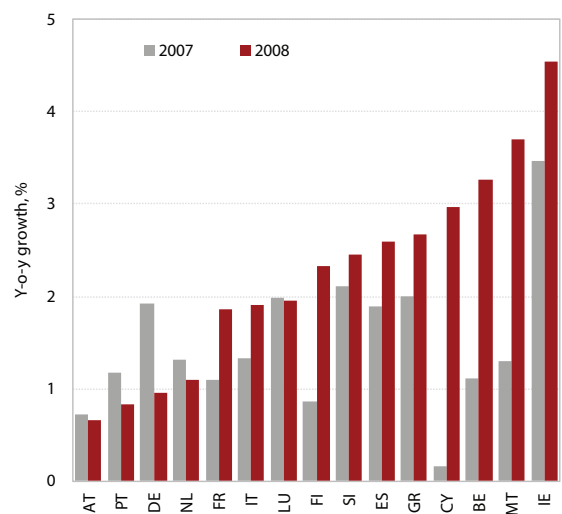
Figure 25: Producer prices of manufactured goods on the domestic market



Source: SORS.

The increased worsening of price competitiveness in 2008 was related to accelerated growth in relative consumer prices.⁷ The increase in the nominal effective exchange rate (0.5%) was lower than in 2007, due to the rapid depreciation of the EUR against the USD, JPY and CHF since August 2007. Amid a gradual slowdown in the second half of the year, growth of relative consumer prices in 2008 increased, owing to accelerated growth in the first six months. Real growth of the effective exchange rate measured by relative consumer prices was, therefore, also stronger (2.8%, against 2.3% in 2007), even though in Q4 the exchange rate was already slightly falling, after posting considerable growth in the first half of the year and slower growth in Q3. Real growth of the effective exchange rate deflated by relative producer prices in manufacturing was much lower (at 1%) in 2008. Relative growth of producer prices was modest in 2008, except in Q4, when the growth of producer prices in manufacturing moderated at a slower pace in

Figure 26: Real effective exchange rates in the euro area, deflated by HICP



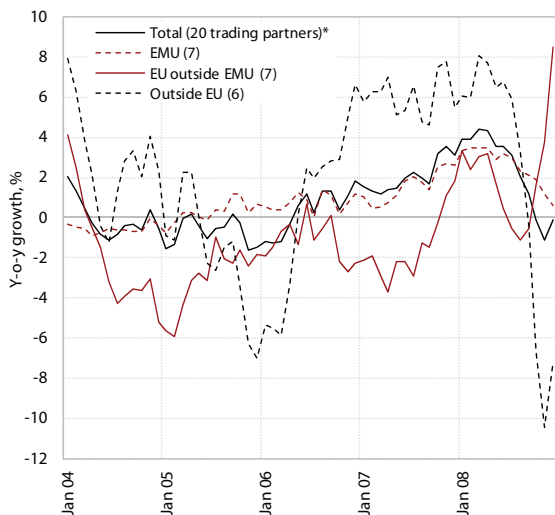
Source: ECB; calculations by IMAD.

⁷ In Slovenia, compared with its trading partners.

Slovenia than in Slovenia's trading partners. In 2008, price competitiveness also deteriorated more notably in most other euro area members. Six Member States recorded higher deterioration of price competitiveness than Slovenia, compared with 2007, when the deterioration was only higher in Ireland.

The dynamics of price competitiveness outside the euro area was, particularly in Q4 2008, strongly influenced by the volatility of the euro on international currency markets. Due to the significant depreciation of the EUR against the USD, JPY and CHF, price competitiveness outside the EU significantly improved. As a result of the concurrent considerable strengthening of the EUR against the GBP, but also against the CZK, PLN, HUF and SEK, price competitiveness against the other EU trading partners, which are not members of the euro area, notably deteriorated. The dynamics of price competitiveness against other euro area members were relatively more stable, thanks to the common currency, which eliminates any foreign exchange risk.

Figure 27: Real effective exchange rates against Slovenia's main trading partners, deflated by CPI

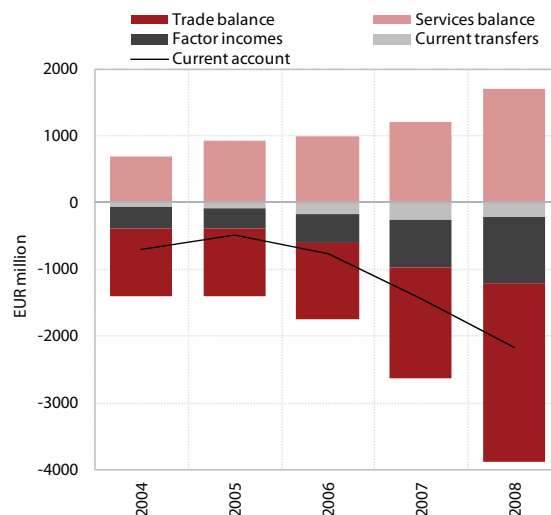


Source: ECB, SORS, OECD; calculations by IMAD. Note: * includes Croatia, Russia and Turkey.

Balance of payments

The **current account** deficit widened in 2008, posting slower growth in the second half of the year. The deficit totalled EUR 2,179 m in 2008 as a whole (5.8% of the estimated GDP) and was EUR 724.6 m higher than in 2007. For the third year in a row, the annual deficit growth was mainly underpinned by the higher merchandise deficit. The factor income deficit was higher as well. The surplus in the services balance widened, while the deficit in current transfers decreased.

Figure 28: Components of the current account balance



Source: BS; calculations by IMAD.

The merchandise deficit was widening notably in the first three quarters of 2008, while in the final quarter its growth slowed; in 2008 as a whole, the merchandise deficit totalled EUR 2,661 m, up EUR 995.6 m from 2007. In addition to the quantity movements of exports and imports, nominal merchandise deficit growth was also largely affected by the deteriorated terms of trade. In the last quarter, the impact of the latter was smaller than in the first three quarters of 2008, by our estimate, due to the falling prices of oil and other primary commodities. According to the available data, the worsened conditions of trade contributed 53.6% to merchandise deficit growth in the first eleven months of 2008 (63.5% in the first three quarters of 2008). The purchasing power of exports or the real value of income from exports, which was still high in the comparable period of 2007 (12.5%), also declined somewhat (-1.1%). According to the balance of payments statistics, Slovenia's deficit with EU countries widened by EUR 886.7 m to EUR 3,848.2 m in 2008, while the surplus in trade with non-EU countries narrowed by EUR 108.9 m to EUR 1,186.6 m. The latter is largely a consequence of developments in Q4, when exports to non-EU members declined, while growth rates of imports were still relatively high.

The surplus in the services balance has been widening gradually since Q2 2008, reaching EUR 1,702.5 m in total in 2008, a 2.5 times higher figure than in 2007. The trade surplus in transport and the trade surplus in travel services were higher in 2008, while the deficit in the group of other services narrowed, after increasing in 2006 and 2007. The trade surplus in transport services mainly went hand in hand with the movement of merchandise trade growth, and was the lowest in Q4 2008. The largest contributions to the annual increase in the trade surplus in transport services came from net exports of road and air transport services, while trade in rail and maritime transport recorded a deficit. The net inflow from travel services

Table 7: Balance of payments

I-XII 2008, EUR m	Inflows	Outflows	Balance ¹	Balance, I-XII 2007
Current account	27,611.0	29,790.6	-2,179.6	-1,454.9
- Trade balance (FOB)	20,278.4	22,939.9	-2,661.5	-1,665.9
- Services	5,064.1	3,361.6	1,702.5	1,193.2
- Income	1,272.8	2,281.2	-1,008.4	-708.5
Current transfers	995.8	1,208.0	-212.2	-273.7
Capital and financial account	4,385.9	-2,114.4	2,271.4	1,712.7
- Capital account	277.5	-370.2	-92.7	-51.9
- Capital transfers	274.5	-361.2	-86.8	-50.5
- Non-produced, non-financial assets	3.0	-9.0	-5.9	-1.4
- Financial account	4,108.4	-1,744.2	2,364.1	1,764.6
- Direct investment	1,234.7	-977.6	257.1	-268.7
- Portfolio investment	634.8	-28.3	606.4	-2,264.5
- Financial derivatives	0.0	5.7	5.7	-21.3
- Other investment	2,217.9	-744.0	1,473.9	4,179.5
- Assets	17.3	-728.6	-711.3	-4,877.1
- Liabilities	2,200.6	-15.4	2,185.2	9,056.6
- Reserve assets	21.0	0.0	21.0	139.6
Net errors and omissions	0.0	-91.8	-91.8	-257.8

Sources: BS. Note: ¹a 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.

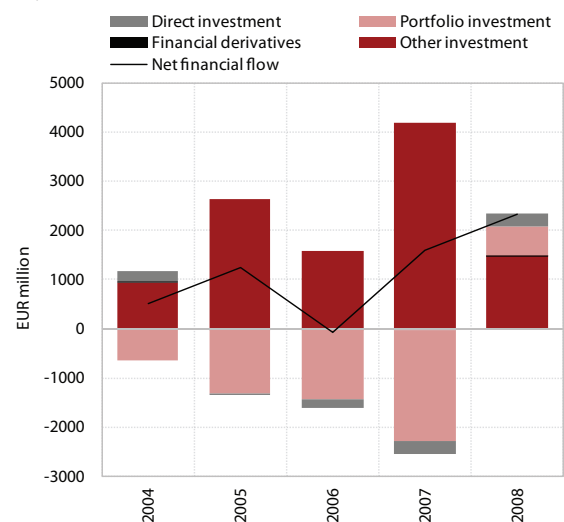
increased further in 2008, particularly in the second half of the year, given that revenue growth (12.7%), which was also underpinned by higher prices in the groups of accommodation and hotels and restaurants, was much faster than growth of expenditure on travel (4.1%). The trade deficit in the group of other services declined chiefly on account of higher net exports of construction and merchanting services.

The factor income deficit was rising in 2008, mainly due to higher net interest payments to the rest of the world, and reached EUR 1008.4 m, up EUR 299.9 m from the year before. Net interest payments on foreign loans were the main driver of factor income deficit growth for the second year in a row. Interest receipts from loans to the rest of the world increased, but payments of interest on foreign loans were even higher, given the stronger borrowing and the gradual interest rate increase in the period to November 2008. Payments of domestic commercial banks still accounted for the largest share in the structure of all net payments of interest on foreign loans. Owing to higher remittances abroad, the labour income balance recorded a deficit of EUR 14.4 m in 2008 (compared with the surplus of EUR 77.9 in 2007).

The deficit in current transfers was at EUR 212.2 m in 2008, down EUR 61.5 m from 2007. The general government deficit was highest in the first half of the year, increasing by EUR 37.1 m to EUR 259.4 m in the year as a whole. The bulk of the general government deficit came from higher net payments of taxes and contributions to the rest of

the world. In 2008, Slovenia's state budget recorded a net deficit against the EU budget for the second year in a row (EUR 64.7 m). Slovenia's receipts from the EU budget totalled EUR 363.2 m (46.4% of planned funds), while its payments amounted to EUR 427.9 m (114.0% of the foreseen Slovenia's liabilities to the EU). In 2008, the current transfers of other sectors recorded a surplus in

Figure 29: Financial transactions of the balance of payments



Source: BS; calculations by IMAD.

insurance premiums and other transfers, compared with the deficit posted in 2007.

International financial transactions (excluding international reserves) reached a net capital inflow of EUR 2,343.1 m in 2008 (EUR 1,625.0 m in 2007). The higher net capital inflow was mainly due to the net inflow from portfolio investment and direct investment, while the net inflow from other investment declined. In Q1 2008, the net capital inflow was posted by the general government, in Q2 by the private sector, and in Q3 and Q4 by the private sector and the BS.

In 2008, a net capital inflow from direct investment was recorded for the first time since 2004 (EUR 257.1 m). Slovenia's direct investment abroad declined last year, compared with the year before, and its structure changed. Investment in equity capital remained at the 2007 level, while financing of affiliated enterprises abroad declined. In terms of structure, equity capital accounted for two-thirds in 2008 (around one half in 2007). Liabilities to affiliated enterprises, which increased by EUR 329.8 m compared with the year before, constituted the bulk of the inflow from direct foreign investment in 2008. Foreign investment enterprises used more debt capital as a source of financing than other enterprises.

The net capital inflow from portfolio investment reached EUR 606.4 m in 2008, in contrast to the high net outflow of EUR 2,264.5 m recorded in 2007.⁸ After still increasing in the first half of 2008, claims from portfolio investment declined in the second half of the year, given that domestic commercial banks and other sectors were selling foreign bonds and notes and money market instruments. The BS was increasingly selling money market instruments in 2008, particularly in Q4, while simultaneously increasing deposits. From Q2 onwards, the government was mainly reducing its debt, following the net capital inflow in Q1 due to the issue of the government bond.

The net capital inflow from other investment achieved EUR 1,473.9 m in 2008 (EUR 4,179.5 m in 2007). On the side of claims, the volume of short-term trade credits was gradually declining after the first quarter, which corresponded to the dynamics of merchandise export growth. Long-term financing of the rest of the world with domestic commercial bank loans, which declined particularly in the second half of the year, reached EUR 534.6 m in 2008 (EUR 1,074.4 m in 2007). The rest of the world made net repayments of short-term loans to Slovenian banks (EUR 86.1 m); the repaid short-term debt thus exceeded the given short-term loans. Claims from currency and deposits were modest in 2008 (EUR 13.4 m). Within the liabilities to the rest of the world, the dynamics of short-term trade credits were similar to the dynamics

of short-term trade credits on the side of claims. Liabilities from short-term credits in 2008 were much lower (EUR 169.9 m) than in 2007 (EUR 505.3 m). Loans raised by domestic commercial banks in the rest of the world and deposits by non-residents, which were still increasing in the first half of the year, moderated in the second half of 2008, largely due to the repayment of short-term loans and limited access to foreign sources. Domestic commercial banks thus borrowed EUR 1,227.3 m abroad, considerably less than in 2007 (EUR 3,354.5 m).

Slovenia's gross external debt, which started to decline in the last two months of the year, totalled EUR 39 bn, and Slovenia's gross external assets in debt instruments EUR 29.6 bn at the end of 2008. Compared with 2007, Slovenia's gross external debt increased by 12.2% and gross external assets in debt instruments by 3.5%. Net external debt amounted to EUR 9.4 bn at the end of 2008 (25.2% of the estimated GDP) and EUR 6.2 bn in 2007 (18.0% in 2007).

Financial markets

The lending activity of banks was also modest in December 2008. The bulk of domestic non-banking sector loans came from household borrowing, while in November, households made net repayments of loans. Corporate and NFI borrowing also strengthened somewhat due to decreased net repayment of foreign loans. In the last month of 2008, the government repaid loans raised with domestic banks. Banks still obtained a large part of the necessary funds to increase liquidity from household deposits, though on account of lower Christmas bonuses and 13th month payments their December growth was more modest than in previous years. For the second successive year, banks made net repayments of foreign loans, in the amount of EUR 96.7 m, which is notably less than a month before, while net repayments in November and December combined totalled as much as EUR 680.2 m.

After the stagnation in November, the volume of domestic bank loans to domestic non-banking sectors recorded 0.2% growth in December. Growth of euro loans (0.2%) was at its lowest since the adoption of the euro. After a sharp decline in the month before, the volume of foreign currency loans strengthened by 0.1% (despite the appreciation of the Swiss franc against the euro), which is a consequence of foreign currency borrowing of households. The y-o-y growth rate of the volume of loans dropped for the eleventh month in a row, reaching 18.1%, the lowest figure in the last two and a half years. In December, banks recorded net lending to domestic non-banking sectors in the amount of EUR 63.5 m, which is slightly over 15% of the monthly average of 2007. The 2008 total net inflow of loans was at EUR 4.836.6 m, just over a quarter less than the year before.

The lending activity was slowing in EMU as a whole. In 2008, the y-o-y growth rate of loans more than halved

⁸ The high net outflow was recorded due to maturing bills and a long-term deposit of commercial bank investment in bonds and notes and money market instruments of the euro area, which exceeded the inflow from securities.

Table 8: Financial market indicators

Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 2007	31. XII 2008	31. XII 2008/ 30. XI 2008	31. XII 2008/ 31. XII 2007	31. XII 2007/ 31. XII 2006
Loans total	26,715.5	31,552.1	0.2	18.1	32.3
Enterprises and NFI	19,378.7	23,138.9	0.1	19.4	36.9
Government	519.2	584.6	-2.0	12.6	-20.7
Households	6,817.7	7,828.6	0.6	14.8	26.7
Consumer credits	2,742.5	2,883.9	-0.2	5.2	19.9
Lending for house purchase	2,667.9	3,395.3	1.8	27.3	36.4
Other lending	1,407.3	1,549.3	-0.5	10.1	23.6
Bank deposits total	12,541.8	13,690.0	1.4	9.2	9.5
Overnight deposits	5,387.7	5,235.1	-1.3	-2.8	-2.5
Short-term deposits	5,112.4	5,644.7	2.3	10.4	15.3
Long-term deposits	1,286.0	1,972.9	8.2	53.4	11.7
Deposits redeemable at notice	755.6	837.2	-2.7	10.8	122.8
Mutual funds ¹	2,924.4	1,501.7	-0.8	-42.7	22.5

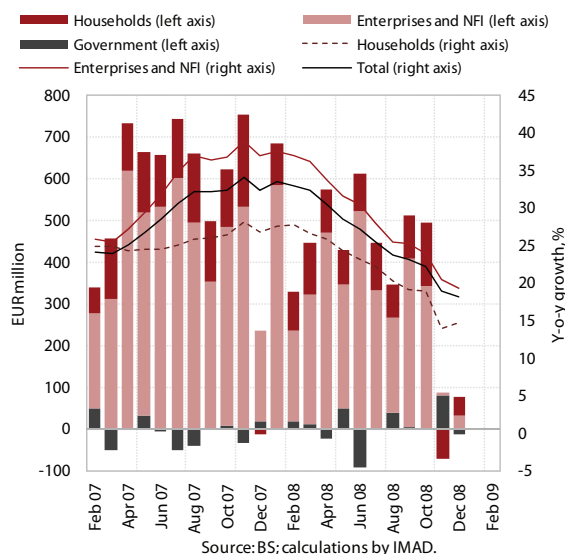
Sources: Monthly Bulletin of the BS, SMA (Securities Market Agency); calculations by IMAD. Note: ¹Data for mutual funds refer to January.

relative to the year before, to 5.3%, hitting its four-year low. The slowdown is thus attributable to weaker growth in household loans (only 1.5% growth compared with 5.9% in 2007), as well as weaker growth in the volume of corporate and NFI loans, which rose by 9.5% last year (15.4% in 2007).

In December, household borrowing was mainly underpinned by housing loans. Their growth lagged only slightly behind the average in 2008. In contrast, households made net repayments of consumer loans and loans for other purposes for the second month in a row. In the currency structure, foreign currency loans again accounted for

a significant share. The y-o-y growth rate of the total volume of household loans otherwise strengthened somewhat at the end of the year,⁹ but was nevertheless nearly 12 p.p. lower than at the end of 2007. A breakdown by purpose shows a decline in the growth rates for all types of loans, most notably consumer loans and loans for other purposes, which recorded the lowest figures since comparable data have been available.¹⁰ Household net borrowing from domestic banks thus totalled EUR 1,010.9 m in the previous year, almost 30% less than in 2007. The decline is a result of a more than two-thirds lower volume of consumer loans and a one-half lower volume of loans for other purposes, which were also most likely an important source of financing the purchase of securities in previous years. Despite the notable slowdown in the number of the real estate market transactions, net borrowing in the form of housing loans, which accounted for almost three-quarters of household loans, strengthened by 2%.

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



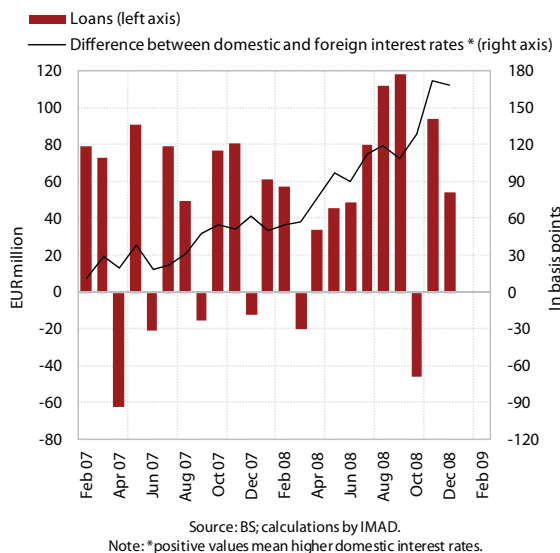
Enterprises and NFI increased net borrowing somewhat in December (EUR 31.5 m), but it nevertheless lagged considerably behind the average monthly level of 2008. This slight increase is only a consequence of somewhat lower net repayment of foreign currency loans, given that net borrowing in the form of euro loans declined somewhat further compared with November. While NFI recorded increased borrowing in previous months, they repaid their loans in December in the net amount of EUR 28.1 m. In terms of structure by purpose, investment loans recorded the largest increase (0.7%), which may be attributed to the drawing of credit lines concluded in the past; this increase was considerably below the level

⁹ As a consequence of last year's net repayment of loans raised for the purchase of NKBM shares.

¹⁰ Since 2005.

recorded in the first ten months of 2008. The volume of working capital loans, in contrast, stagnated, while enterprises and NFI recorded net repayment of loans for other purposes for the second month in a row. Due to the tightened conditions on financial markets, enterprises and NFI cut the volume of net loans raised with domestic banks by more than a quarter. Reaching EUR 3,760.3 m, these loans accounted for more than three-quarters of total net borrowing of domestic non-banking sectors (80% in 2007). Net borrowing in the form of working capital loans recorded the largest decline, by 40%; the volume of investment loans declined by slightly over one fifth, which is a consequence of a very high volume of this type of loans over the last months of 2007. Despite the tightened conditions on international financial markets, enterprises and NFI took out more foreign loans than in the year before, which is most likely linked to the increasing gap between foreign and domestic interest rates for corporate loans. In the last two months of 2008 alone, when the situation was at its worst, their net borrowing amounted to EUR 148.5 m, while the net flow of borrowing abroad in the year as whole reached EUR 642 m, which is up more than a fifth from 2007 and the second highest figure in the last five years (EUR 735.9 m in 2006).

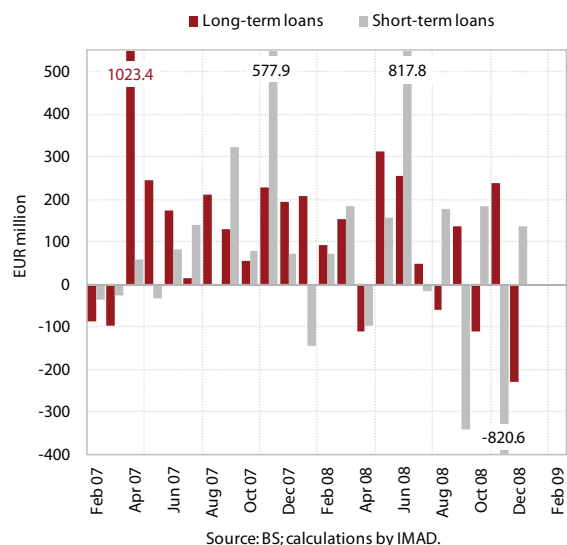
Figure 31: Net borrowing of enterprises abroad and differences between interest rates



Amid the increasingly tighter conditions on international interbank markets, banks made net repayments of loans raised in the rest of the world in December for the second successive month. In contrast to November, banks repaid long-term loans in a net amount of EUR 231.2 m, which is the highest value to date; however, they raised short-term loans in the amount of EUR 134.5 m. Bank borrowing abroad thus dropped by almost two-thirds in 2008, to EUR 1,227.3 m. The net flow of long-term loans recorded an almost 55% decline; the net flow of short-term loans declined by more than three-quarters. The maturity

structure thus improved somewhat in 2008, given that long-term loans accounted for over 75% of all net flows of foreign loans (60% last year). However, this improvement is primarily a result of the fact that a sizable part of short-term loans raised in 2008 fell due in the same year.

Figure 32: Net flows of bank borrowing abroad



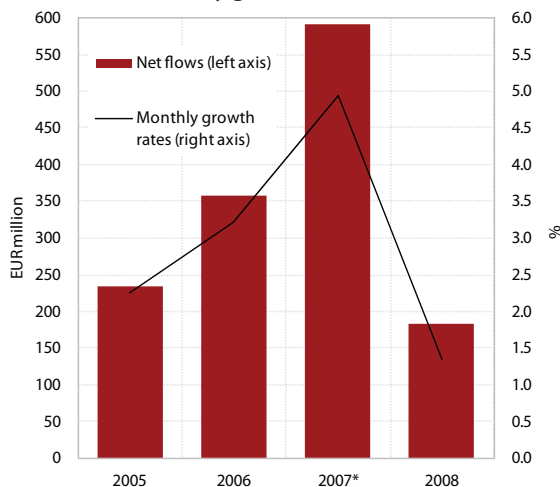
The volume of household deposits in banks recorded 1.4% growth in December, the highest figure in 2008. In December, growth was also impacted by seasonal factors (disbursement of Christmas bonuses and 13th month payments), which were according to our estimate, much more limited due to the increasingly worse situation in the economy, given that December's growth was at its lowest since comparable data have been available.¹¹ Following two months of relatively modest growth, which otherwise exceeded 2%, the volume of long-term deposits strengthened significantly again in December, which allowed banks to compensate for the decrease in the volume of the available assets on international interbank markets. The increase in the volume of short-term deposits was also somewhat higher than in previous months, while the volume of deposits redeemable at notice and the volume of overnight deposits dropped for the third month in a row. Net inflows of household deposits to banks totalled EUR 1,148.2 m in 2008, just over 5% more than in the year before, but a significant part of net inflows also came from capital markets.¹² In the previous year, government deposits gained importance as a source of financing, recording net inflows of EUR 382.2 m, over a third more than in 2007.

In January, the volume of assets in mutual funds managed by domestic administrators recorded a net outflow for the fifth month in a row; January's outflow was the lowest in this period (EUR 5.8 m). The decline in the volume of managed

¹¹ Since 2005.

¹² In this period, net outflows of over EUR 300 m were posted by the mutual funds managed by domestic administrators alone.

Figure 33: December's net flows of household deposits in banks and monthly growth rates in 2005–2008



Source of data: BS; calculations by IMAD, *remarkable 2007 net inflows are also a result of the return of overpayments related to the purchase of NKBM shares.

assets, which was down 0.8% from the end of 2008, was also much smaller than in previous months. Approximately half of this decline came from net outflows, while the other half was linked to the negative situation on capital markets, which softened somewhat in January, given that indices on the Ljubljana Stock Exchange increased for the first time in the past twelve months.

The values of indices on the Ljubljana Stock Exchange mainly increased in January, but the liquidity of the Slovenian capital market nevertheless remained very low. The total January turnover thus posted a mere EUR 36.4 m, just slightly over a third of the average monthly value on the Ljubljana Stock Exchange in 2008, hitting its three and a half year low. Trading in shares dropped in relative terms, by the same percentage as trading in bonds. The market capitalisation on the Ljubljana Stock Exchange picked up by 2.7% in the first month of this year, with a large contribution (1.7%) coming from 4% growth of the market capitalisation of bonds. After the strengthening in January, the main index of the Ljubljana Stock Exchange was generally falling again in February, losing 5.7 of its value, which is somewhat less than the average on developed capital markets, where in February, the value of MSCI World, measured in euros, recorded a 9.7 decline.

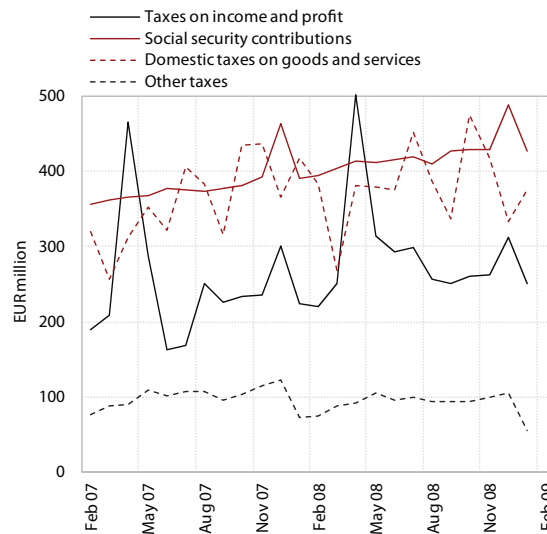
Public finance

In January 2009, revenue from **taxes and social security contributions** increased by a mere 0.3% relative to the year before. According to the data on paid taxes and social security contributions, the payments totalled EUR 1.1 bn.¹³

¹³ Based on the Report on Payments of All Public Revenues, January 2009, Public Payments Administration.

In 2009, general government revenue is being created in a deteriorated macroeconomic environment and the amended tax legislation entered into force in its entirety. Payroll tax was finally abolished and the corporate income tax rate was reduced from 22% to 21%. Investment relief also changed. The government also decided to increase excise duties on liquid fuels for transport and heating, alcohol and cigarettes. January saw a further slowdown of growth in general government revenue, which was already pronounced in November and December 2008, when growth of revenues from all categories of taxes and contributions slowed as a result of the cooling business cycle. In January, revenue from excise duties recorded the fastest increase (16%) compared with the same month last year; its growth was already boosted by the December and January increases in excise duties on liquid fuels for transport and heating. Favourable growth was also recorded by revenue from tax on wages and salaries, specifically revenue from personal income tax (12.9%) and social security contributions (9.5%). Advance payments of corporate income tax are declining from month to month, due to the changed method of their determination, and were 9.6% higher in January than in the comparable period last year. Revenue from value added tax dropped by almost 18% in January, which, with the time-lag in the payment of the tax, already shows signs of reduced economic activity.

Figure 34: Taxes and social security contributions



Source: Public Payments Administration; calculations by IMAD.

According to the **consolidated balance**¹⁴ of the Ministry of Finance for the first eleven months of 2008, general government revenue increased by 10.0% and expenditure by 10.6% relative to the same period of 2007. Consolidated general government revenue (using the cash flow methodology) totalled EUR 13.8 bn, posting substantially

¹⁴ The consolidated balance includes revenues and expenditures of state and local government budgets, and revenues and expenditures of the pension and health funds.

Table 9: Consolidated general government revenues and expenditure

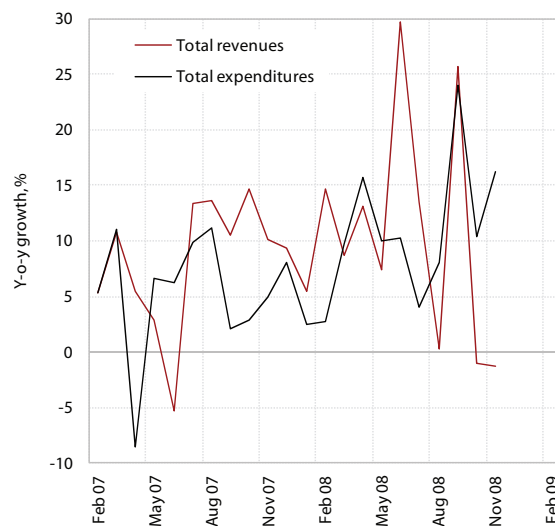
	2007			2008		
	EUR m	% of GDP	Growth, %	I-XI 2008 v mio EUR	XI 08/ XI 07	I-XI 08/ I-XI 07
Revenues - total	14,006.1	40.6	8.1	13,847.6	-1.4	10.0
- Tax revenues	12,757.9	37.0	8.5	12,644.7	-3.6	9.8
- Taxes on income and profit	2,917.6	8.5	6.7	3,129.9	10.9	19.6
- Social security contributions	4,597.9	13.3	8.7	4,600.1	9.5	11.4
- Domestic taxes on goods and services	4,498.6	13.1	10.3	4,370.5	-19.3	6.6
- Receipts from the EU budget	347.9	1.0	-0.1	321.5	108.1	15.2
Expenditure - total	13,915.5	40.4	5.4	13,521.6	16.3	10.6
- Wages and other personnel expenditure	3,276.9	9.5	3.0	3,188.2	10.8	6.6
- Purchases of goods and services	2,212.2	6.4	6.7	2,177.6	15.4	15.2
- Transfers to individuals and households	5,093.3	14.8	4.6	5,146.7	27.7	10.3
- Capital expenditure	1,130.5	3.3	25.4	905.5	-20.6	13.0
- Capital transfers	334.3	1.0	-17.4	357.8	64.1	50.3
- Payment to the EU budget	355.9	1.0	23.6	367.8	5.2	19.6
- Balance	90.6	0.3				

Source: MF; calculations by IMAD.

higher growth in the first eleven months of 2008 than in the comparable period of 2007 (7.9%). In the same period, consolidated general government expenditure totalled EUR 13.5 bn, posting more than double growth relative to the same period in 2007 (5%). In terms of the economic structure of expenditure, the largest y-o-y increase in the first eleven months of 2008 was seen in expenditure on investment and investment transfers (21.5%). Growth of payments to the EU budget (19.6%), and growth of expenditure on goods and services (15.2%) also exceeded total growth. Expenditure on transfers to individuals and households increased by 10.3% in the first eleven months of 2008; within that, expenditure on social security transfers recorded the largest increase (13.9%), largely as a result of the one-off payment of the cost-of-living allowance for pensioners and expenditure on other transfers to individuals and households (18.5%) including free meals for secondary-school pupils introduced at the beginning of the school year in September and free kindergarten care for the second child in a family. Strong growth (14.3%) was also recorded for family benefits and parental allowances, with increases in the number of beneficiaries as well as in their bases (wages). Expenditure on pensions rose by 9.7% y-o-y in the first eleven months of 2008. Its growth strengthened after the 4.6% November adjustment of pensions, disbursed together with payments for the difference accrued from January 2008. Expenditure on transfers to the unemployed dropped by 6.2% y-o-y in the first eleven months; on account of the rising number of beneficiaries, the decline in this expenditure decreases from month to month. In the wake of September's disbursement of the first quarter of funds to adjust public sector wages (on the basis of the act on the elimination of wage disparities), wages, contributions and other personnel expenditure

strengthened somewhat in the first eleven months of 2008, rising by 6.6%. Expenditure on interest declined y-o-y in the first eleven months of 2008 (-6.6%).

Figure 35: Consolidated general government revenue and expenditure



Source: MF; calculations by IMAD.

Broken down by general government budgets, the state budget closed the year 2008 with a slight surplus according to the first preliminary data. State budget revenue reached EUR 8.5 bn in 2008, 9.4% more than in 2007, while state budget expenditure totalled around EUR 8.4 bn, increasing by 9.1% relative to the year before. The state budget closed the year 2008 with a surplus of around EUR 68 m. Both the realised state budget revenue and expenditure

Box 5: Draft supplementary budget for 2009

The government proposed a supplementary budget for 2009. According to this draft supplementary budget, revenues planned in the adopted state budget for 2009 will narrow by around EUR 200 m, and state budget expenditure will increase by around EUR 800 m. According to the foreseen supplementary budget, the state budget will create a notably higher deficit in 2009 than envisaged in the adopted budget. Due to the decline in budget revenues and increase in expenditure, the state budget deficit will widen to EUR 1.1 bn in 2009 (2.9% of the projected¹ GDP), which signifies a counter-cyclical fiscal policy response, given the expected strong slowdown of economic growth.

The draft supplementary budget envisages that state budget revenues will total EUR 8.8 bn and will increase by 2.9% in nominal terms compared with 2008. Due to decelerated economic activity, slowing inflation and somewhat changed tax legislation, revenue from domestic budgetary sources will decline (by just over 3% in nominal terms), but funds received from the EU budget will notably increase (by 140.6%). Domestic budgetary sources will drop in 2009, largely due to lower revenue from corporate income tax, personal income tax and value added tax. The lower forecast of state budget revenues is attributable to the expected deterioration of macroeconomic conditions, and is based on the alternative scenario of our Revised Autumn Forecast of Economic Trends (December 2009). A possible considerable deterioration of macroeconomic developments represents another risk for the level of revenues. Risks are also associated with Slovenia's goals for the utilisation of EU funds which have again been set very high.

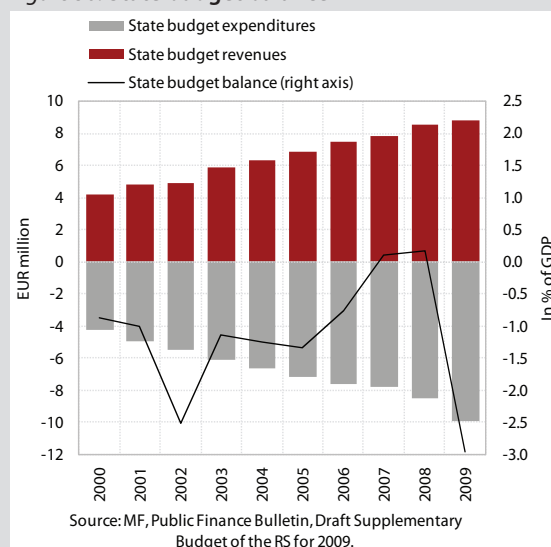
The supplementary budget envisages state budget expenditure in the amount of EUR 9.9 bn, which is almost 17% higher than in 2008. The share of expenditure is expected to increase by 3.0 p.p. relative to GDP, from 22.7% of GDP in 2008 to 25.7% of the projected GDP in 2009. Expenditure on goods and services will slightly decline (by EUR 5.5 m), compared with that in the adopted budget, while all other expenditures will increase. State budget expenditure will mainly increase as a result of measures adopted to revive economic activity, and partly also owing to the legal obligations adopted in 2008 and changed adjustment mechanisms. The largest deviations are expected in expenditure on subsidies (partial subsidising of full-time jobs, restructuring of enterprises, promoting development in the small business sector) and expenditure on transfers to individuals and households (rights and benefits of the unemployed). Expenditure on wages in government bodies and public institutions will also increase, due to the adjustment according to the Public Sector Wage System Act agreed in 2008. Besides expenditure on subsidies, expenditure on investment will be increased as well, to ensure counter-cyclical operation of fiscal policy.

According to the consolidated general government revenue and expenditure of the four accounts, the general government deficit is expected to total 3.4% of projected GDP² in 2009; public debt will, consequently, also increase. With the foreseen expenditure increase, the supplementary budget is mainly counter-cyclically oriented and signifies expansive public finance policy of the government. Given that public funds, agencies and public institutions are also expected to record slight deficits, in 2009 Slovenia will exceed the upper limit (3%) of the general government deficit according to the Stability and Growth Pact (according to the ESA-95).

¹ Revised Autumn Forecast of Economic Trends 2008–2010 (IMAD December 2008).

² Estimate of the general government deficit according to the cash flow methodology, taking into account the draft supplementary budget, along with the envisaged deficits in the health fund and in local government budgets and with the balanced pension fund.

were lower than envisaged in the supplementary budget for 2008. On the revenue side, the largest downward discrepancy was seen in EU funds; some discrepancy was also recorded for revenue from value added tax. The expenditure side shows declines in the realisation of investment and investment transfers, subsidies and expenditure on goods and services. As a result of the

Figure 36: State budget balance

subsequent adjustment of the contribution, more funds were allocated to wages and payments to the EU budget than foreseen in the supplementary budget. Owing to the transfer from the state budget in the amount of EUR 1,166.0, the pension fund balance was in equilibrium at the end of the year, with both revenue and expenditure at around EUR 4.5 bn, 10.2% more than in 2007. On the

revenue side, social security contributions were somewhat higher than envisaged in the financial plan for 2008, while the expenditure side saw higher-than-planned expenditure on pensions and social security transfers to pensioners owing to the cost-of-living allowance for pensioners. The *health fund* closed the year 2008 with a small surplus (EUR 7 m), with revenue and expenditure at around EUR 2.2 bn; revenue increased by 10.3% and expenditure by 13.7%. The realised revenue did not differ much from that projected in the financial plan for 2008, while expenditure was higher than foreseen, particularly expenditure on wages.

The draft supplementary budget for 2009 envisages contributions from the **EU budget** in the amount of EUR

Figure 37: Main consolidated general government expenditure

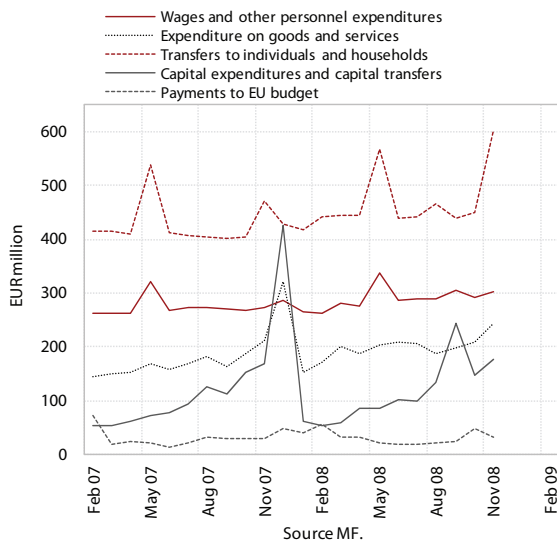
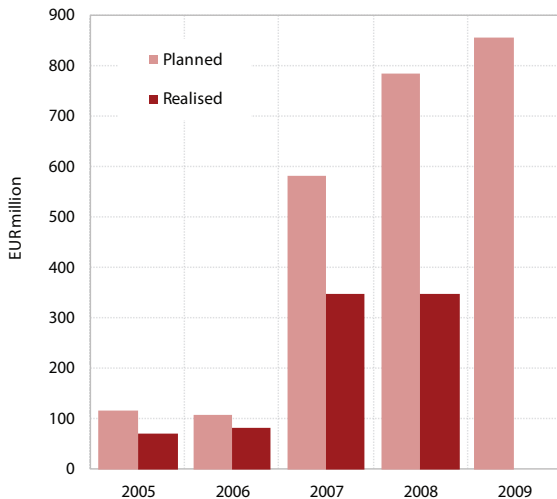


Figure 38: Planned and absorbed funds from the EU budget



Source: MF; calculations by IMAD. Note: excluding refunds received from the EU budget; for 2009, the draft supplementary budget.

873.7 m and payments to the EU budget in the amount of EUR 452.1 m. In contrast to the adopted state budget, the supplementary budget anticipates that the absorption from the EU budget will be, in total, EUR 13 m lower. According to the draft supplementary budget, pre-accession and structural policy funds will increase. Increases are mainly expected for cohesion policy funds and, to some extent, funds foreseen for the common agricultural policy and internal policy. The payments of funds into the EU budget foreseen in the draft supplementary budget are EUR 52.8 m higher than in the adopted budget, in line with the changed system of the European Communities' own resources and the new European budget for 2009.

In January, receipts from the EU budget totalled EUR 7.5 m. The largest share (close to 61.9%) came from structural policy funds, specifically refunds from the European social fund. Almost 30% of revenue came from funds under the heading of market support measures in agriculture, and close to 10% from cohesion policy funds for environmental protection. Unused funds under the PHARE programme in the amount of EUR 133.5 thousand were also returned in January.¹⁵

Payments to the EU budget totalled EUR 32.1 m, which is approximately a twelfth of the funds planned to be paid by Slovenia this year. At the annual level, payments under the heading of GNP also represented the largest share in January, as much as 57.0% of all paid funds.

¹⁵ All projects within the PHARE programme were completed by the end of 2006. Payments were carried out in 2007, but the "retained money" bound to the performance guarantee was paid in 2008. The unused funds have to be returned to the EU budget together with accrued interest. In January, this was done for the PHARE 2003 project.

selected topics

Patent applications to the European Patent Office

A patent is an intellectual property right which is limited by territory and time. The applicant applies for legal protection against disclosure of the invention to the public in a patent application. The invention has to meet the following conditions: it has to be new (no evidence anywhere in the world as to the existence of the invention), it should be inventive (it should not arise from the state of the art prior to the date of filing the patent application), and it should be capable of industrial application. A patent application is a complex document, which has to contain precisely defined components: a request for the grant of a patent, a description of the invention, one or several patent claims, an abstract and drawings (if necessary).¹⁶

The number of patent applications is an indicator of a country's inventive capacity. Patents reflect the technological output or various aspects of the innovation process (cooperation in the area of research and development, diffusion of various (advanced) technologies among industrial activities, but also among countries), as well as competitiveness (patent protection as a business strategy of an enterprise)¹⁷. The propensity to file patent applications differs significantly between various technological areas and is also dependent on the structure of the economy. Countries where high-technology industries prevail boast higher levels of patentability, which is measured as the number of patent applications. However, the structure of enterprises by size also has an impact on the propensity to patent; new, small and medium-sized enterprises, which lack benefits of large-scale production, find it harder to cover patent protection costs.

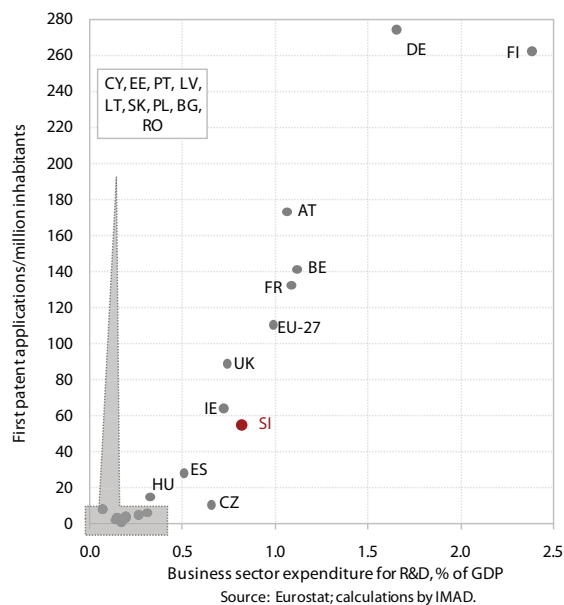
The patent application may be filed with several patent offices, depending on whether or not the applicant wishes to obtain a patent in more than one country. The applicant usually files the application at the national patent office. If he wishes to obtain patent protection in several countries, he can file the applications in individual countries or at regional patent offices (such as the European Patent Office – EPO) or at the World Intellectual Property Organisation (WIPO).

In 2007, important changes were introduced for monitoring patent data, meaning that Eurostat now uses a new methodology of patent statistics, which is very similar to the methodology of the OECD. From 2007 onwards, Eurostat's production of data on patent applications to the EPO, but also on patents granted by the USPTO (the United States Patent and Trademark Office), has been based exclusively on the worldwide statistical patent database PATSTAT, which

¹⁶ Industrial Property Act, Official Gazette no. 51/2006.

¹⁷ In the semi-conductor industry, a patented invention can be surrounded by further patent applications covering incremental variations of the invention with the purpose of making it harder for new competitors to enter into the industry (OECD Patent Statistics Manual, OECD, 2009).

Figure 39: Relationship between the number of first patent applications to the EPO and business sector R&D expenditures, 2004



was developed by the EPO in 2005, using its collection and knowledge of patent data. Data on the number of patent applications to the EPO are thus published by the first year of filing the patent application anywhere in the world (which is the date closest to the date of invention).¹⁸ The basic contents of the patent data based on the first application are thus information on a country's inventive capacity; these data are also internationally comparable. For patent applications to the EPO, all direct applications are taken into account, but among the PCT applications (applications following the procedure laid down by the international Patent Cooperation Treaty – PCT) filed at the EPO, only those that have entered into the regional phase are counted.¹⁹ Data on the number of patent applications filed at the EPO by priority year are based on the nationality of the applicant/inventor. Before 2007, Eurostat published data on the number of EPO filings in the current year. These data are still available in the annual reports of the patent offices (e.g. the Slovenian Intellectual Property Office, EPO); these applications do not necessarily have to be the first applications, as the main purpose of annual reports is fulfilment of administrative tasks related to budgetary planning.²⁰

¹⁸ The first application is the priority patent application at a global level filed at any patent office for legal protection of the invention. After that date, the patent office begins "searching and examining" the filed patent application to check whether the invention fulfils the obligatory criteria and to decide whether the patent will be granted or not in the final phase (Guellec, van Pottelsberghe de la Potterie, 2007, p. 5).

¹⁹ In terms of the legal procedure, there are essential differences between both patent systems (for more see Guellec, van Pottelsberghe de la Potterie, 2007 and PCT Distance Learning Course – Introduction to the Patent Cooperation Treaty, 2009).

²⁰ Annual Report 2007. (2008). Munich: EPO.

Table 10: Patent applications to the EPO by priority year, per million inhabitants

	2000	2001	2002	2003	2004	Growth (2000–2004), %	2005 ¹
EU-27	106.1	104.7	103.3	105.1	110.5	1.0	105.7
Austria	147.0	148.5	156.7	161.8	173.0	4.1	183.1
Belgium	126.1	115.9	122.7	124.2	141.2	2.9	129.1
Bulgaria	0.9	2.0	1.9	2.7	2.4	27.6	1.4
Cyprus	10.4	22.6	7.9	9.4	8.2	-5.8	17.0
Czech Republic	6.5	7.0	8.6	11.3	10.9	13.8	7.3
Denmark	175.9	166.9	171.0	186.1	185.4	1.3	174.6
Estonia	4.1	7.1	4.2	7.9	6.4	12.1	5.6
Finland	270.1	263.5	238.9	240.5	261.9	-0.8	267.6
France	119.9	118.7	118.5	125.9	132.4	2.5	119.2
Greece	5.0	6.5	6.7	7.9	5.9	4.3	6.5
Ireland	57.7	63.5	55.7	55.4	64.2	2.7	64.1
Italy	70.0	69.4	72.7	74.9	78.6	2.9	76.1
Latvia	3.1	2.0	2.7	3.6	4.2	8.3	5.7
Lithuania	1.3	0.9	0.8	3.8	4.0	31.4	1.3
Luxembourg	182.7	169.7	135.9	197.4	248.8	8.0	194.9
Hungary	11.8	9.5	11.8	12.4	15.1	6.3	7.8
Malta	11.8	13.9	10.1	13.4	11.3	-1.3	21.6
Netherlands	215.9	240.5	211.1	210.5	220.5	0.5	173.3
Germany	268.2	264.2	259.7	261.7	274.1	0.5	275.0
Poland	1.1	1.5	2.1	2.9	3.1	28.7	3.0
Portugal	4.1	3.9	3.6	5.9	5.4	6.7	7.4
Romania	0.3	0.5	0.5	0.8	1.0	36.3	0.7
Slovakia	2.1	2.3	4.3	5.7	3.6	15.0	5.8
Slovenia	25.5	24.1	37.7	38.2	55.0	21.2	32.2
Spain	19.8	21.3	22.6	22.2	28.2	9.3	29.3
Sweden	256.5	234.4	221.9	217.9	242.7	-1.4	184.8
United Kingdom	100.8	93.7	91.5	89.9	89.1	-3.1	91.4

Source: Science and technology: Patent statistics – Eurostat, 2009.

Note: ¹ estimated data on the number of direct applications to the EPO

The second change pertains to the availability of data that are now published with a longer time delay; data for the last year (2005) are estimates. Data on patent applications have been criticised as outdated, and for good reasons. These data are always conditional on legal procedures, which in the case of patent applications to the EPO always take several years. The patent application is normally published and its contents become public within 18 months from the day when the first application was filed at the EPO (direct applications). The methodology of nowcasting of patent statistics is built on the assumption that the number of direct EPO filings in 2005 can be estimated on the basis of the relationship between direct applications to the EPO and PTC applications in the regional phase in the period 2001–2004. The estimated data are only informative and the final data are usually revised upward. In addition, an ex-post revision of data is made at any extraction of new

(raw) data from the EPO database. At IMAD, we therefore comment on the final data on patent applications filed at the EPO, which is also consistent with the latest OECD studies on nowcasting of patent statistics,²¹ which indicates the difficulties in estimating both the level as well as the growth in the number of patent applications, particularly in countries where the level of patentability is low.

The number of Slovenian patent applications filed with the European Patent Office is increasing from year to year. In 2004, Slovenia filed, at the EPO, 55 first patent applications per million inhabitants, reaching 13th place among the EU-27 countries. Based on estimates, it occupied the same place

²¹ Dernis, H. (2007). Nowcasting Patent Indicators. STI Working Paper 2007/3. Paris: OECD.

in 2005, but with a lower number of patent applications (see table). It was ranked above all new members, but also above certain old Member States (Spain, Portugal and Greece), which allocate a considerably smaller share of GDP to research and development than Slovenia (2004: 1.4%). Slovenia was rapidly increasing the number of the first patent applications at the EPO in 2000–2004, which also contributed to the narrowing of Slovenia's gap behind the European average. According to OECD studies, there is a strong positive correlation between the number of triadic patents²² and business sector R&D expenditures.²³

²² Patent families, consisting of patent applications, filed at the EPO and Japanese Patent Office (JPO), and patents granted by the USPTO (OECD Patent Statistics Manual, OECD, 2009).

²³ *Compendium of patent statistics, 2008.*

statistical appendix

MAIN INDICATORS	2003	2004	2005	2006	2007	2008	2009	2010
						Revised Autumn forecast 2008		
						estimate	forecast	forecast
GDP (real growth rates, in %)	2.8	4.3	4.3	5.9	6.8	4.1	1.1	3.1
GDP in EUR million (current prices and current exchange rate)	25,752	27,162	28,704	31,013	34,471	37,403	38,905	41,435
GDP per capita, in EUR (current prices and current exchange rate)	12,900	13,599	14,346	15,446	17,076	18,464	19,151	20,345
GDP per capita (PPS) ¹	17,000	18,400	19,500	20,700	22,000	-	-	-
GDP per capita (PPS EU27=100) ¹	82	85	87	88	89	-	-	-
Gross national income (current prices and current exchange rate)	25,553	26,848	28,460	30,645	33,792	36,432	37,895	40,379
Gross national disposable income (current prices and current exchange rate)	25,583	26,803	28,316	30,429	33,531	36,135	37,602	40,253
Rate of registered unemployment	10.9	10.3	10.2	9.4	7.7	6.7	7.7	8.1
Standardised rate of unemployment (ILO)	6.7	6.3	6.5	6.0	4.9	4.6	5.2	5.4
Labour productivity (GDP per employee)	3.2	4.0	4.5	4.2	3.7	1.3	2.5	2.8
Inflation, ² year average	5.6	3.6	2.5	2.5	3.6	5.7	1.1	3.0
Inflation, ² end of the year	4.6	3.2	2.3	2.8	5.6	2.2	3.0	3.0
INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS								
Exports of goods and services ³ (real growth rates, in %)	3.1	12.4	10.6	12.5	13.8	5.8	1.5	4.8
Exports of goods	4.4	12.8	10.3	13.4	13.1	3.2	1.3	4.1
Exports of services	-2.5	10.9	12.0	8.6	17.0	17.6	2.4	7.5
Imports of goods and services ³ (real growth rates, in %)	6.7	13.3	6.6	12.2	15.7	6.5	0.5	5.3
Imports of goods	7.3	14.6	6.8	12.7	15.1	6.0	0.1	5.3
Imports of services	2.8	5.6	5.5	8.8	19.7	10.4	3.1	5.5
Current account balance, in EUR million	-196	-720	-498	-771	-1,455	-2,266	-1,630	-1,717
As a per cent share relative to GDP	-0.8	-2.6	-1.7	-2.5	-4.2	-6.1	-4.2	-4.1
Gross external debt, in EUR million	13,225	15,343	20,508	24,034	34,358	38,997 ⁴	-	-
As a per cent share relative to GDP	51.4	56.5	71.4	77.5	99.7	-	-	-
Ratio of USD to EUR	1.128	1.242	1.244	1.254	1.371	1.460	1.270	1.270
DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS								
Private consumption (real growth rates, in %)	3.3	2.7	2.6	2.9	5.0	3.4	2.8	3.8
As a % of GDP*	56.0	55.0	54.4	53.0	52.2	52.6	52.5	52.7
Government consumption (real growth rates, in %)	2.2	3.4	3.3	4.1	2.5	3.9	2.2	2.6
As a % of GDP*	19.0	18.9	19.0	18.8	17.7	18.2	18.9	19.2
Gross fixed capital formation (real growth rates, in %)	8.1	5.6	3.8	10.4	11.9	7.0	-2.0	5.0
As a % of GDP*	24.0	24.9	25.3	26.3	27.5	28.0	26.5	26.8
Sources of data: SORS, BS, Eurostat-New Cronos, estimate, calculations and forecasts by IMAD. Notes: ¹ Measured in purchasing power standard; ² Consumer price index; ³ Balance of payments statistics (exports F.O.B., imports F.O.B.); real growth rates are adjusted for inter currency changes and changes in prices on foreign markets; ⁴ End December 2008; *Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64).								

PRODUCTION	2006	2007	2008	2007				2008				2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
INDUSTRIAL PRODUCTION, y-o-y growth rates, %															
Industry, total	6.1	6.2	-1.5	8.4	6.9	5.9	3.8	1.6	3.4	-0.9	-10.0	7.6	8.9	8.5	12.7
C Mining and quarrying	10.4	3.6	-1.6	9.4	13.3	0.7	-6.7	9.8	-5.2	-6.9	-3.6	-14.8	10.2	34.3	23.5
D Manufacturing	6.5	7.5	-1.7	9.7	8.1	6.8	5.7	1.7	3.6	-0.6	-11.0	9.1	10.6	9.3	14.0
E Electricity, gas & water supply ¹	-0.9	-11.1	1.1	-8.1	-14.9	-5.0	-15.9	-3.3	7.1	-2.1	3.5	0.2	-11.9	-13.0	-10.9
CONSTRUCTION,² real indices of construction put in place, y-o-y growth rates, %															
Construction, total	15.3	18.4	15.1	35.5	31.5	16.7	2.8	32.5	16.5	16.6	1.9	37.4	30.9	38.1	34.7
Buildings	14.0	15.7	10.9	22.6	31.5	9.9	5.6	37.2	7.9	12.4	-4.8	27.8	12.7	27.6	26.8
Civil engineering	16.8	24.9	18.3	67.0	35.2	26.1	2.4	28.3	23.0	19.6	7.0	64.1	75.0	63.1	49.7
TRANSPORT, tonne-km in m, y-o-y growth rates, %															
Tonne-km in road transport	9.8	13.4	-	7.0	0.1	30.2	19.1	26.7	23.5	7.7	-	-	-	-	-
Tonne-km in rail transport	3.9	6.8	-	14.9	12.1	5.8	-3.7	-5.3	-2.9	2.9	-	-	-	-	-
Distributive trades, y-o-y growth rates, %															
Total real turnover*	6.3	9.7	10.1	6.0	8.3	12.3	11.8	15.7	13.1	10.5	2.3	1.9	6.0	9.5	8.9
Real turnover in retail trade	1.6	5.5	5.1	6.4	3.8	5.7	6.0	5.8	5.7	6.2	3.0	3.5	2.4	12.3	6.0
Real turnover in the sale and maintenance of motor vehicles and in retail sale of automotive fuel	11.7	14.2	15.6	5.6	13.0	19.6	18.2	26.5	21.1	15.3	2.0	0.3	9.6	6.8	11.9
Nominal turnover in wholesale trade & commission trade	10.5	16.1	17.4	19.7	15.0	15.1	15.2	20.7	24.2	21.5	5.3	19.6	19.0	20.2	21.7
TOURISM, y-o-y growth rates, %															
Total, overnight stays	2.0	7.0	1.8	4.8	10.1	6.8	5.5	4.2	1.0	1.8	0.6	1.7	7.2	5.4	19.7
Domestic tourists, overnight stays	1.9	4.9	5.2	0.5	13.7	2.3	5.5	4.8	4.6	4.7	7.2	-8.4	5.4	2.3	23.4
Foreign tourists, overnight stays	2.0	8.4	-0.5	9.0	7.9	9.8	5.5	3.6	-1.3	0.1	-4.8	8.9	9.8	8.4	17.6
Turnover in hotels and restaurants	6.1	0.4	-4.1	-1.4	-0.5	2.3	0.9	-2.7	-2.8	-4.9	-5.9	-3.1	-2.0	0.5	-0.8
AGRICULTURE, y-o-y growth rates, %															
Purchase of agricultural products, SIT bn, since 2007 in EUR m	106.7	492.2	529.9	101.3	109.7	120.8	160.3	117.9	125.6	134.1	152.3	32.2	31.1	37.9	37.5
BUSSINES TENDENCY (indicator values**)															
Sentiment indicator	10	13	2	15	15	13	11	10	8	4	-14	15	16	14	15
Confidence indicator															
- in manufacturing	10	12	-5	13	13	12	11	8	1	-8	-21	12	14	12	13
- in construction	4	17	3	19	21	15	13	15	10	3	-16	14	21	22	20
- in services	26	29	22	30	29	30	27	29	26	26	8	31	29	29	30
- in retail trade	22	27	23	24	26	29	29	29	28	27	6	21	26	24	26
Consumer confidence indicator	-14	-11	-20	-8	-8	-10	-17	-19	-16	-17	-28	-8	-8	-8	-10
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.															

2007								2008												2009		
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	
3.2	5.4	8.7	8.0	1.5	10.0	1.6	-0.7	0.5	7.9	-2.9	9.1	-0.8	2.4	-2.0	-6.9	5.5	-2.8	-13.9	-14.3	-	-	
8.8	8.3	-5.8	18.9	-9.7	-2.0	-4.6	-15.2	18.8	14.5	0.0	4.3	-13.0	-7.1	13.5	-32.2	4.1	-3.1	-16.9	15.3	-	-	
4.3	6.9	10.0	8.4	2.5	11.8	3.0	1.7	0.6	8.2	-3.0	9.4	-0.6	2.2	-2.4	-5.9	5.7	-2.9	-14.8	-16.7	-	-	
-16.1	-17.4	-5.1	-1.7	-8.2	-10.9	-14.3	-21.5	-7.2	0.3	-2.2	7.1	3.1	11.1	-0.7	-6.6	0.9	0.0	3.7	6.6	-	-	
48.6	17.4	20.0	31.6	4.1	10.0	7.4	-11.8	38.8	41.3	21.2	23.1	13.6	14.0	18.5	10.4	20.8	10.7	-3.6	-4.1	-	-	
55.1	17.3	21.1	17.3	-5.4	1.9	19.7	-4.1	55.0	43.6	19.1	11.8	4.8	7.9	1.9	14.7	20.9	6.6	-13.2	-7.9	-	-	
45.2	17.4	19.3	52.7	13.5	16.1	-0.1	-18.0	23.8	39.2	23.0	32.0	20.0	18.8	31.7	7.3	20.7	13.1	4.5	-0.6	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.5	6.5	10.6	12.9	13.4	16.8	11.7	7.0	18.1	23.8	7.2	17.4	11.8	10.3	12.6	5.8	12.8	2.8	1.0	3.1	-	-	
4.5	1.2	4.7	4.7	7.9	9.4	4.5	4.3	6.4	14.9	-1.8	8.2	4.8	4.1	7.6	2.8	7.9	4.0	3.4	1.7	-	-	
14.8	12.3	17.1	22.6	19.3	24.4	19.2	10.5	31.4	33.4	17.0	27.4	19.2	17.1	18.1	9.3	18.2	2.2	-0.7	4.8	-	-	
15.5	8.4	19.6	12.7	13.2	19.5	19.2	7.5	21.6	30.1	12.3	32.0	21.0	19.7	23.4	11.8	28.6	12.1	2.8	0.9	-	-	
7.6	6.0	6.0	9.6	3.6	4.6	8.3	4.0	2.9	9.0	0.5	-8.5	14.0	-2.4	3.6	3.2	-3.2	-2.1	-4.4	8.7	0.8	-	
8.6	12.0	0.9	7.2	-3.7	4.2	2.6	9.6	12.1	11.7	-8.5	8.5	10.5	-2.1	1.1	8.9	3.9	6.0	4.4	11.0	5.0	-	
7.0	2.1	9.8	11.0	7.8	4.8	13.7	-0.9	-2.6	5.6	8.9	-18.3	16.2	-2.6	5.3	-0.2	-6.8	-7.4	-11.9	6.5	-2.0	-	
-2.0	1.2	0.5	4.7	1.7	1.3	0.1	1.1	-3.4	2.6	-6.7	-3.1	1.7	-6.6	-4.7	-5.6	-4.4	-3.2	-5.7	-8.4	-	-	
38.4	33.8	38.3	41.8	40.7	46.2	53.1	61.0	38.5	39.3	40.0	42.6	43.0	39.9	44.5	42.2	47.4	49.0	45.3	58.1	-	-	
16	14	15	13	11	10	10	12	10	10	11	10	8	5	5	4	3	-3	-17	-22	-27	-28	
14	12	12	12	11	10	11	11	10	7	6	4	1	-3	-5	-8	-11	-16	-22	-25	-29	-30	
21	21	17	16	11	12	10	18	14	13	17	12	10	7	6	0	2	-4	-16	-29	-36	-39	
28	30	32	30	28	30	25	27	28	29	29	27	26	25	25	27	25	22	7	-4	-8	-16	
26	26	26	28	33	28	29	30	28	29	30	29	29	27	29	26	25	25	0	-6	-8	-9	
-4	-9	-6	-9	-16	-17	-19	-16	-23	-20	-15	-12	-18	-19	-19	-20	-12	-17	-33	-35	-44	-38	

LABOUR MARKET	2006	2007	2008	2007				2008				2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
FORMAL LABOUR FORCE (A=B+E)	910.7	925.3	942.5	919.1	923.5	924.6	934.2	937.7	940.9	942.2	949.2	918.0	919.2	920.0	921.6
PERSONS IN FORMAL EMPLOYMENT (C+D)¹	824.8	854.0	879.3	841.8	852.7	856.1	865.4	870.8	879.4	881.7	885.1	838.0	841.5	845.8	849.0
In agriculture, forestry, fishing	38.9	41.6	41.0	43.1	42.0	41.0	40.3	41.9	41.2	40.6	40.2	43.0	43.1	43.1	41.9
In industry, construction	313.3	322.9	330.6	317.4	322.2	324.8	327.3	327.3	331.5	333.2	330.5	316.2	317.8	318.3	320.5
Of which: in manufacturing	227.9	229.9	228.6	229.4	230.2	229.6	230.4	230.0	230.2	228.6	225.5	228.9	229.6	229.7	230.0
in construction	69.9	77.8	87.0	72.8	76.8	80.0	81.7	82.2	86.2	89.5	90.0	72.1	73.0	73.3	75.3
In services	472.6	489.5	507.7	481.3	488.5	490.3	497.8	501.6	506.7	507.9	514.4	478.8	480.7	484.4	486.6
Of which: in public administration	50.2	50.1	50.7	49.7	50.1	50.2	50.3	50.6	50.7	50.9	50.8	49.8	49.7	49.7	49.9
in education, health-services, social work	109.1	110.0	111.9	109.9	110.2	109.3	110.6	111.3	111.9	111.1	113.3	109.5	109.9	110.2	110.4
FORMALLY EMPLOYED¹	741.6	766.0	789.9	753.1	764.7	768.6	777.8	781.2	790.3	792.7	795.3	749.5	752.9	757.0	761.3
In enterprises and organisations	675.1	696.1	717.6	685.8	695.0	697.5	706.2	710.4	718.0	719.8	722.0	682.8	685.6	689.0	692.4
By those self-employed	66.5	69.9	72.3	67.3	69.8	71.1	71.6	70.8	72.2	73.0	73.2	66.7	67.3	68.0	68.9
SELF-EMPLOYED AND FARMERS	83.3	87.9	89.4	88.7	87.9	87.6	87.6	89.6	89.2	88.9	89.8	88.5	88.6	88.8	87.8
REGISTERED UNEMPLOYMENT	85.8	71.3	63.2	77.3	70.9	68.4	68.8	66.8	61.4	60.5	64.1	80.0	77.7	74.2	72.6
Female	47.0	39.1	33.4	42.0	39.3	38.0	37.3	35.6	32.8	32.1	33.0	43.2	42.1	40.7	40.2
By age: under 26	18.2	11.9	9.1	14.0	11.6	10.3	11.7	10.3	8.4	7.7	10.0	15.1	14.2	12.8	12.2
aged over 50	21.8	22.2	21.9	22.4	22.2	22.1	22.2	22.6	21.9	21.7	21.6	22.4	22.5	22.4	22.3
Unskilled	33.7	28.0	25.4	30.4	27.7	27.0	26.9	26.8	24.6	24.3	25.8	31.6	30.7	29.0	28.2
For more than 1 year	41.9	36.5	32.3	38.8	36.7	35.5	35.0	34.0	32.5	31.9	31.0	39.6	39.0	37.9	37.4
Those receiving benefits	22.7	16.6	14.4	19.1	16.8	15.8	14.7	15.0	13.6	13.9	15.1	19.9	19.1	18.3	17.2
RATE OF REGISTERED UNEMPLOYMENT, E/A, in %	9.4	7.7	6.7	8.4	7.7	7.4	7.4	7.1	6.5	6.4	6.8	8.7	8.4	8.1	7.9
Male	7.7	6.2	5.6	6.9	6.1	5.9	6.0	6.0	5.4	5.4	5.8	7.2	7.0	6.6	6.3
Female	11.5	9.6	8.1	10.3	9.6	9.3	9.0	8.6	7.9	7.8	7.9	10.6	10.3	10.0	9.8
FLOWS OF FORMAL LABOUR FORCE	5.2	21.5	13.7	8.7	5.4	0.6	6.7	5.7	4.2	1.9	1.9	6.7	1.2	0.8	1.6
New unemployed first-job seekers	18.6	14.7	12.5	2.9	2.4	2.3	7.2	2.2	1.8	1.9	6.5	1.3	0.8	0.9	1.0
Redundancies	63.8	52.5	53.0	15.4	11.6	12.6	12.9	12.5	10.7	12.5	17.4	7.6	3.8	4.0	4.0
Registered unemployed who found employment	57.4	49.1	41.7	14.8	12.1	11.3	10.9	12.4	9.7	9.9	9.6	5.1	4.4	5.2	4.2
Other outflows from unemployment (net)	39.2	28.0	26.1	7.6	6.9	6.2	7.4	6.4	6.3	5.9	7.4	2.0	2.5	3.1	2.4
Increase in number of work permits for foreigners	7.8	15.3	24.6	3.9	4.9	4.3	2.2	6.0	9.5	7.0	2.1	0.3	1.2	2.5	3.6
Retirements ²	20.6	20.7	22.5	5.2	4.7	5.0	5.9	5.4	4.8	6.3	6.1	2.0	1.8	1.4	1.7
Deaths ²	2.4	2.4	2.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2
Others who found employment ²	36.7	37.9	22.5	14.3	9.1	4.5	9.9	8.8	3.3	4.5	6.0	9.1	3.5	1.8	0.8
REGISTERED VACANCIES³	19.0	20.2	20.0	20.5	21.0	20.4	19.1	21.6	21.1	21.5	15.9	20.0	17.8	23.6	20.6
For a fixed term, in %	75.3	76.5	74.5	76.7	77.5	77.2	74.4	73.0	74.0	76.5	74.7	77.1	75.1	77.5	76.9
WORK PERMITS FOR FOREIGNERS	48.3	60.2	81.1	52.6	59.3	63.0	65.8	68.7	79.0	86.3	90.5	51.0	52.2	54.7	58.3
As % of labour force	5.3	6.5	8.6	5.7	6.4	6.8	7.0	7.3	8.4	9.2	9.5	5.6	5.7	5.9	6.3
NEW JOBS	155.9	160.0	162.7	39.1	40.7	38.7	41.5	40.9	41.0	42.7	38.1	13.5	11.6	13.9	14.4

Sources of data: SORS, PDII, ESS. Notes: 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.

2007												2008											
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12				
923.6	925.4	924.5	923.1	926.0	934.0	935.8	932.8	936.6	937.9	938.5	939.1	940.8	942.7	941.4	940.5	944.6	950.7	950.3	946.5				
852.9	856.2	854.4	854.6	859.4	864.5	867.4	864.4	867.3	870.9	874.2	876.6	879.6	882.0	879.9	879.8	885.3	888.1	886.9	880.3				
42.0	42.0	41.0	41.0	41.0	40.4	40.3	40.2	41.8	41.9	42.1	41.2	41.2	41.2	40.6	40.6	40.7	40.3	40.2	40.1				
322.3	323.9	324.3	324.4	325.7	327.7	328.4	325.7	326.0	327.1	328.8	330.3	331.4	332.8	332.7	332.7	334.1	333.9	331.6	326.1				
230.2	230.3	229.8	229.3	229.7	230.7	230.9	229.7	229.8	229.9	230.4	230.3	230.1	230.2	229.0	228.5	228.5	227.6	226.1	222.7				
76.8	78.3	79.1	79.9	80.9	81.8	82.4	80.9	81.2	82.2	83.3	84.8	86.2	87.5	88.7	89.2	90.6	91.2	90.4	88.5				
488.6	490.3	489.1	489.2	492.7	496.4	498.7	498.5	499.6	502.0	503.4	505.2	507.0	508.0	506.5	506.6	510.6	513.9	515.1	514.1				
50.1	50.2	50.2	50.2	50.2	50.3	50.3	50.4	50.6	50.7	50.5	50.6	50.7	50.9	50.7	50.8	51.0	50.9	50.8	50.6				
110.1	110.2	109.0	108.7	110.1	110.6	110.8	110.5	110.9	111.4	111.5	111.7	112.0	111.9	110.6	110.4	112.3	113.0	113.4	113.5				
764.9	768.1	767.0	767.1	771.6	777.0	779.7	776.7	777.9	781.3	784.3	787.6	790.5	792.8	791.1	790.9	796.1	798.5	797.0	790.2				
695.1	697.5	696.2	696.1	700.1	705.2	707.7	705.9	707.8	710.5	713.0	715.8	718.2	720.2	718.5	718.2	722.6	724.6	723.4	718.1				
69.8	70.6	70.8	71.0	71.5	71.8	72.0	70.8	70.2	70.8	71.3	71.8	72.3	72.6	72.7	72.7	73.5	74.0	73.5	72.2				
88.0	88.1	87.3	87.5	87.8	87.5	87.7	87.7	89.4	89.6	89.9	89.1	89.2	89.2	88.8	88.9	89.2	89.6	89.9	90.0				
70.7	69.3	70.1	68.5	66.7	69.5	68.4	68.4	69.2	67.0	64.3	62.4	61.2	60.7	61.6	60.7	59.3	62.6	63.4	66.2				
39.2	38.5	39.3	38.1	36.7	38.0	37.1	36.7	36.9	35.7	34.3	33.5	32.6	32.4	33.0	32.3	31.1	32.7	32.6	33.7				
11.5	11.1	11.1	10.4	9.5	12.2	11.6	11.2	11.1	10.3	9.5	8.8	8.4	8.1	8.1	7.8	7.3	9.8	9.9	10.2				
22.3	22.0	22.2	22.1	22.0	22.1	22.1	22.3	22.8	22.7	22.3	22.0	21.9	21.8	21.9	21.7	21.4	21.4	21.5	21.9				
27.7	27.1	27.2	27.0	26.7	27.0	26.8	27.1	27.6	26.9	25.9	25.0	24.6	24.3	24.3	24.3	24.3	24.9	25.5	27.0				
36.8	36.0	35.8	35.6	35.0	35.3	35.0	34.7	34.7	34.0	33.3	32.7	32.5	32.2	32.1	31.8	31.6	31.4	30.9	30.8				
16.9	16.3	16.3	16.0	15.2	14.8	14.5	14.7	15.6	15.1	14.2	13.7	13.6	13.4	13.9	13.9	13.7	14.1	14.4	16.8				
7.7	7.5	7.6	7.4	7.2	7.4	7.3	7.3	7.4	7.1	6.9	6.6	6.5	6.4	6.5	6.5	6.3	6.6	6.7	7.0				
6.1	6.0	6.0	5.9	5.8	6.0	6.0	6.1	6.2	6.0	5.7	5.5	5.4	5.4	5.4	5.4	5.3	5.6	5.7	6.1				
9.6	9.4	9.6	9.3	9.0	9.2	9.0	8.9	8.9	8.6	8.3	8.1	7.9	7.8	8.0	7.8	7.5	7.9	7.9	8.1				
2.0	1.8	-0.9	-1.4	2.9	8.0	1.8	-3.0	3.8	1.4	0.6	0.6	1.7	2.0	-1.3	-0.9	4.1	6.1	-0.5	-3.8				
0.7	0.6	0.7	0.6	1.0	5.3	1.2	0.6	0.9	0.6	0.7	0.8	0.5	0.5	0.5	0.5	0.9	4.6	1.2	0.8				
4.0	3.7	4.9	3.5	4.2	4.5	4.3	4.1	5.8	3.4	3.3	3.6	3.4	3.6	4.6	3.4	4.5	5.2	5.5	6.6				
4.1	3.7	3.0	3.8	4.4	4.3	4.1	2.5	4.1	4.2	4.1	3.6	3.2	2.9	2.3	3.1	4.5	4.0	3.2	2.4				
2.5	2.0	1.6	1.9	2.7	2.6	2.5	2.2	1.8	2.1	2.5	2.6	2.0	1.7	2.0	1.6	2.3	2.5	2.7	2.2				
1.7	-0.5	2.2	1.6	0.5	1.7	0.3	0.2	-0.2	2.4	3.8	4.2	2.8	2.5	2.3	2.9	1.9	1.7	0.1	0.3				
1.6	1.4	1.6	1.1	2.3	2.2	2.1	1.6	2.4	1.4	1.7	1.7	1.6	1.5	1.6	2.2	2.6	2.3	2.0	1.8				
0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2				
3.3	5.0	-0.7	-0.9	6.1	5.5	4.6	-0.3	7.1	1.7	0.1	-0.4	1.7	2.0	-0.8	-0.7	6.0	4.3	2.7	-1.1				
19.3	23.1	18.8	19.7	22.8	24.4	18.7	14.2	22.4	22.8	19.8	21.6	21.6	20.2	19.8	20.1	24.7	19.7	15.7	12.3				
79.1	76.6	78.4	77.1	76.5	76.4	75.2	69.8	71.9	73.0	74.2	72.7	74.4	74.9	76.9	76.8	76.0	74.9	75.6	73.1				
60.1	59.5	61.7	63.3	63.9	65.6	65.9	66.1	65.8	68.3	72.1	76.3	79.1	81.6	83.8	86.7	88.6	90.3	90.4	90.7				
6.5	6.4	6.7	6.9	6.9	7.0	7.0	7.1	7.0	7.3	7.7	8.1	8.4	8.7	8.9	9.2	9.4	9.5	9.5	9.6				
13.4	13.0	11.8	9.9	16.9	18.2	13.6	9.7	14.5	13.0	13.4	15.4	13.1	12.5	12.7	10.4	19.6	17.8	11.4	8.9				

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2006	2007	2008	2007				2008				2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %															
Total	4.8	5.9	8.3	5.4	5.6	5.8	6.7	7.8	8.6	9.6	7.1	6.4	4.8	5.0	5.9
Private sector (A to K)	5.4	6.9	7.8	6.3	6.3	6.7	8.1	8.3	9.4	9.3	4.9	7.7	5.8	5.5	6.9
Agriculture, fishing (A, B)	5.6	8.2	8.6	6.2	8.0	7.3	11.2	10.1	8.8	10.1	5.6	8.2	5.3	5.1	9.4
A Agriculture	5.6	8.2	8.8	6.4	8.0	7.3	11.0	10.2	8.8	10.1	5.9	8.4	5.5	5.5	9.4
B Fishing	7.9	8.0	3.7	-3.8	8.2	8.2	17.5	6.8	7.7	9.5	-4.9	3.3	-2.7	-11.4	9.9
Industry, construction (C to F)	5.5	6.5	7.5	5.7	5.8	6.3	8.1	8.0	9.5	9.2	4.0	7.5	5.1	4.5	6.7
C Mining and quarrying	4.5	7.0	13.6	3.6	4.3	6.0	13.4	10.1	14.1	16.1	14.2	4.2	3.2	3.4	3.3
D Manufacturing	5.5	6.8	7.5	5.9	5.9	6.8	8.4	8.2	9.7	9.3	3.5	7.8	5.3	4.5	7.1
E Electricity, gas & water supply	5.6	6.2	8.9	3.0	5.0	5.5	10.7	9.0	9.4	9.3	8.1	4.6	2.8	1.6	4.2
F Construction	6.2	6.5	7.5	7.1	6.7	5.6	6.6	7.5	9.5	9.1	4.5	8.4	6.4	6.6	7.5
Production services (G to I)	5.0	7.0	7.9	7.3	6.4	6.8	7.2	7.9	8.9	9.2	6.2	8.0	6.7	7.1	7.4
G Distributive trades	5.6	7.6	7.7	8.0	7.4	7.5	7.4	7.4	9.0	8.8	6.1	9.1	6.7	8.3	8.6
H Hotels & restaurants	4.4	6.0	8.7	4.0	5.3	5.4	8.7	10.1	10.3	10.1	4.8	3.9	2.7	5.4	4.4
I Transport, storage & communications	3.6	5.7	7.9	6.7	4.4	5.6	5.9	7.7	7.9	9.4	6.8	6.9	7.9	5.3	5.4
Business services (J to K)	4.7	6.8	7.6	5.7	6.2	6.8	8.3	8.8	9.4	8.9	4.1	7.0	5.2	5.0	5.4
J Financial intermediation	7.2	7.3	5.8	7.9	7.8	5.7	7.4	8.1	8.8	8.2	-0.2	8.7	9.1	6.0	6.5
K Real estate	3.9	7.2	8.9	5.3	6.1	7.8	9.4	9.5	10.1	9.6	6.7	6.8	4.0	5.1	5.6
Public services (L to O)	3.5	4.1	9.7	3.5	4.6	4.4	3.8	7.1	7.0	11.7	12.8	3.6	2.8	4.2	4.1
L Public administration	3.1	5.1	12.2	2.5	4.9	6.5	6.4	11.1	10.8	13.2	13.8	2.6	1.7	3.2	3.8
M Education	4.8	3.9	7.0	4.8	5.7	3.1	2.4	5.5	5.8	7.7	9.0	4.9	4.5	4.9	5.5
N Health & social work	2.7	3.2	12.2	2.7	3.7	4.0	2.4	6.1	4.8	16.7	20.6	3.2	1.9	3.0	3.2
O Other community, social & personal services	2.1	3.9	6.4	4.1	2.9	3.9	4.5	4.5	6.7	9.2	5.5	2.9	2.3	7.0	2.9
INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %															
Effective exchange rate, ¹ nominal	0.2	0.8	0.5	0.9	0.7	0.6	1.2	1.2	1.1	0.4	-1.1	0.7	1.0	0.9	0.8
Real (relative consumer prices)	0.7	2.3	2.8	1.4	1.8	2.3	3.7	4.5	4.2	2.6	-0.1	1.6	1.3	1.2	1.4
Real (relative producer prices) ²	-0.8	2.1	0.9	2.1	2.0	2.2	2.1	1.4	1.5	0.4	0.3	2.3	2.2	1.9	1.8
USD/EUR	1.2557	1.3706	1.4706	1.3105	1.3482	1.3745	1.4494	1.4998	1.5620	1.5038	1.3168	1.2999	1.3074	1.3242	1.3516
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.															
Notes: Data on the monthly gross wage per employee for 2004 and beyond calculated according to the new methodology were published in September 2005. ¹ Change of methodology: the calculation of domestic currency's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted; a rise in the index value indicates an appreciation of domestic currency and vice versa. ² Producer prices in manufacturing activities															

2007								2008												
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
5.8	5.2	6.9	5.7	4.9	6.6	7.1	6.5	6.1	9.3	8.0	9.5	7.6	8.8	8.7	9.8	11.2	9.2	3.9	8.6	
6.4	5.5	7.6	6.8	5.6	8.2	8.4	7.6	6.9	9.4	8.5	10.7	8.2	9.5	10.1	7.2	10.7	7.7	1.0	6.7	
8.6	6.0	8.5	8.8	4.6	8.4	15.1	9.5	8.5	15.2	6.8	9.4	8.9	8.1	12.7	6.3	11.4	9.2	-0.9	9.7	
8.7	5.9	8.5	8.7	4.6	7.9	15.2	9.5	8.7	15.5	6.7	9.6	8.9	7.9	12.7	6.3	11.4	9.8	-0.8	9.8	
5.3	9.5	8.6	12.4	3.5	30.6	13.0	10.0	2.5	4.4	14.0	-1.3	10.2	14.8	12.5	5.7	10.4	-11.5	-7.2	5.7	
5.8	5.0	7.3	6.3	5.5	7.8	8.7	7.8	6.2	9.8	8.1	11.2	8.2	9.2	10.8	6.3	10.6	8.1	-1.1	5.9	
4.7	4.8	6.6	3.9	7.5	9.5	10.2	21.6	5.9	10.4	14.1	12.3	17.7	12.3	17.5	10.2	20.5	38.5	-5.0	14.9	
5.7	5.1	7.5	6.9	6.0	7.9	9.2	8.0	6.1	10.2	8.5	11.2	8.4	9.5	10.8	6.5	10.7	6.8	-1.1	5.5	
3.0	7.7	3.5	5.2	7.7	11.1	11.2	9.6	8.1	10.8	8.3	12.1	8.5	7.7	14.1	6.9	7.4	20.9	1.9	4.9	
8.1	4.5	8.5	5.3	3.1	6.7	7.4	5.6	7.3	8.6	6.6	11.9	7.3	9.5	9.9	6.0	11.4	7.4	-0.7	7.4	
6.0	5.9	7.5	7.1	5.9	7.2	6.7	7.7	7.3	8.2	8.1	9.7	7.8	9.1	8.9	8.4	10.3	7.6	5.1	6.2	
6.8	6.7	7.8	7.8	7.0	7.1	8.3	6.7	6.5	8.8	7.0	10.1	8.0	8.9	9.2	7.0	10.1	7.9	4.1	6.6	
5.1	6.5	6.5	6.0	3.8	7.6	10.5	8.0	10.6	11.0	8.7	10.9	11.1	8.9	10.5	9.1	10.8	7.7	1.9	5.3	
4.1	3.8	6.9	5.7	4.0	6.6	2.6	9.1	7.5	5.9	9.6	8.3	6.2	9.2	7.4	10.7	10.1	6.9	7.7	5.7	
7.4	5.8	8.2	7.2	5.1	10.1	8.7	6.3	7.4	9.3	9.8	10.4	8.0	9.9	9.3	7.0	10.5	6.2	-0.6	7.7	
9.9	7.0	8.5	7.1	1.6	13.9	8.0	1.0	6.7	6.7	10.7	12.0	6.6	7.9	6.9	6.5	11.1	0.9	-6.6	8.0	
6.8	5.8	8.4	7.6	7.3	8.7	9.8	9.6	8.1	10.8	9.6	10.0	9.1	11.3	10.7	7.6	10.6	8.9	3.8	7.8	
4.7	4.9	5.8	3.5	3.8	3.3	3.9	4.1	4.5	9.6	7.2	7.0	6.7	7.5	5.8	16.5	12.8	13.1	12.2	13.2	
5.2	5.7	8.7	4.9	5.9	5.9	6.5	6.9	6.8	14.3	12.0	12.0	10.0	10.4	7.6	18.9	13.3	12.9	16.0	12.4	
6.4	5.1	4.3	2.6	2.4	2.3	2.6	2.2	3.1	7.8	5.6	5.7	5.6	6.0	5.0	10.8	7.3	8.0	9.4	9.6	
3.4	4.3	5.4	3.3	3.3	2.1	2.0	3.0	3.6	8.0	6.7	3.8	4.4	6.2	4.8	24.2	21.2	20.8	20.1	21.0	
1.9	3.9	4.5	3.1	4.0	3.0	5.1	5.3	5.0	6.9	1.8	5.9	6.7	7.3	6.0	11.1	10.5	12.1	-3.2	9.2	
0.7	0.6	0.6	0.5	0.7	1.1	1.3	1.1	1.3	1.0	1.4	1.4	1.1	0.9	0.8	0.6	-0.1	-1.3	-1.7	-0.4	
1.7	2.3	2.5	2.2	2.0	3.6	3.9	3.6	4.4	4.3	4.7	4.7	3.9	3.9	3.5	2.6	1.6	0.3	-0.7	0.0	
2.1	2.1	2.1	2.4	2.1	2.4	2.3	1.8	1.5	1.2	1.5	2.4	1.3	0.9	0.7	0.9	-0.3	-1.0	-0.2	2.0	
1.3511	1.3419	1.3716	1.3622	1.3896	1.4227	1.4684	1.4570	1.4718	1.4748	1.5527	1.5750	1.5557	1.5553	1.5770	1.4975	1.4369	1.3322	1.2732	1.3449	

PRICES	2006	2007	2008	2007				2008				2007				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4	5
CPI, y-o-y growth rates, %	2.5	3.6	5.7	2.3	3.0	3.6	5.4	6.6	6.6	6.1	3.3	2.7	2.1	2.3	2.6	2.9
Food, non-alcoholic beverages	2.3	7.8	10.1	3.7	6.5	8.2	12.6	14.0	12.0	9.8	4.9	4.0	3.0	3.9	6.3	6.3
Alcoholic beverages, tobacco	3.7	6.5	3.2	5.5	6.0	8.0	6.5	5.4	5.0	0.7	2.1	5.5	5.4	5.6	5.7	6.2
Clothing and footwear	-0.5	2.1	4.4	1.8	0.9	3.3	2.5	4.9	5.2	2.1	5.2	3.6	2.6	-0.5	-0.7	1.0
Housing, water, electricity, gas	5.3	2.6	9.7	-0.2	1.0	2.2	7.6	10.5	11.4	11.5	5.3	-0.1	-0.9	0.4	1.0	0.4
Furnishings, household equipment	4.1	4.5	5.8	5.0	5.2	3.6	4.0	4.5	5.5	6.5	6.7	5.1	5.3	4.7	4.8	5.2
Medical, pharmaceutical products	-1.7	1.1	2.9	1.5	1.4	1.1	0.4	-0.5	1.7	4.9	5.8	0.9	1.4	2.3	1.4	1.1
Transport	1.3	0.3	1.9	-0.2	0.8	-0.9	1.6	2.9	2.9	4.1	-2.2	-0.4	-0.9	0.6	0.4	0.4
Communications	0.3	0.3	0.6	0.0	0.4	0.6	0.3	2.2	1.9	0.1	-1.7	1.4	-0.7	-0.6	-0.3	0.2
Recreation and culture	2.1	3.6	4.4	2.5	2.5	4.6	4.7	4.6	5.0	4.8	3.2	2.9	2.6	2.2	1.4	3.0
Education	3.1	1.9	5.2	1.1	0.6	2.2	3.6	4.7	5.4	4.8	6.1	0.5	1.5	1.1	-1.1	1.4
Catering services	4.5	7.3	9.6	6.9	6.6	7.0	8.7	9.3	10.0	10.4	8.7	6.9	7.1	6.7	6.6	6.8
Miscellaneous goods & services	4.1	3.6	3.9	4.2	3.1	3.7	3.4	3.9	4.5	3.8	3.4	5.0	4.7	3.0	2.9	3.1
HCPI	2.5	3.8	5.5	2.6	3.3	3.7	5.5	6.5	6.4	6.2	3.1	2.8	2.3	2.6	2.9	3.1
Core inflation (trim mean)	2.8	2.3	3.9	1.6	2.0	2.5	3.1	4.4	4.4	4.1	2.8	2.0	1.3	1.5	1.7	1.9
Core inflation (excluding fresh food and energy)	1.1	2.6	4.6	1.9	1.9	2.9	3.9	4.7	4.9	4.7	4.0	2.3	1.9	1.5	1.5	1.9
PRODUCER PRICE INDICES, y-o-y growth rates, %																
Total	2.3	4.2	3.8	4.3	4.7	4.1	3.6	3.4	3.7	5.1	3.2	3.9	4.6	4.5	4.7	4.8
Domestic market	2.4	5.5	5.6	4.7	5.1	5.5	6.5	6.0	6.1	6.2	4.2	3.5	5.1	5.0	4.9	5.1
Non-domestic market	2.1	3.0	2.2	4.0	4.3	2.9	0.7	0.9	1.5	3.9	2.3	4.1	4.0	4.0	4.4	4.4
euro area	2.4	5.1	2.2	7.0	7.4	4.8	1.5	1.4	1.7	4.2	1.5	7.0	6.8	7.4	7.7	7.7
non-euro area	1.6	-0.5	2.1	-0.7	-0.7	-0.3	-0.5	0.1	1.0	3.4	3.9	-0.4	-0.4	-1.2	-0.7	-0.8
Import price indices	5.8	4.0	1.3	7.0	6.6	2.4	0.1	-0.2	0.3	3.8	1.4	7.8	6.6	6.7	7.0	6.7
PRICE CONTROL,¹ y-o-y growth rates, %																
Energy prices	8.0	0.6	12.4	-2.0	-0.1	-1.6	6.2	13.1	16.9	21.1	-1.2	-0.4	-4.6	-0.8	-0.3	-1.0
Oil products	10.3	-0.9	11.7	-4.0	-2.2	-4.3	7.4	14.8	17.4	21.1	-5.7	-2.0	-7.5	-2.3	-2.6	-3.3
Basic utilities	-2.6	-2.3	0.6	-6.3	-6.2	-3.7	8.4	1.4	1.3	-1.3	1.1	-7.4	-5.8	-5.8	-6.5	-6.0
Transport & communications	1.5	0.6	-0.4	0.7	0.6	0.6	0.6	0.5	0.6	-1.3	-1.3	0.7	0.8	0.6	0.6	0.6
Other controlled prices	2.6	2.9	1.8	3.0	2.6	3.0	3.0	1.4	1.7	1.7	2.4	2.4	3.3	3.4	3.1	2.4
Direct control – total	7.0	3.1	8.6	1.9	3.2	1.6	5.9	9.5	11.7	13.7	-0.2	2.8	0.0	2.8	3.1	2.6
Source of data: SORS, calculations and estimates IMAD. Note: ¹ the structure of groups varies, data published are not directly comparable to those published previously. The electricity market was liberalized on 1 July 2007. Data from July 2007 onwards are not comparable.																

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

BALANCE OF PAYMENTS	2006	2007	2008	2007				2008				2007			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
BALANCE OF PAYMENTS, in EUR m															
Current account	-771	-1,455	-2,180	-96	-216	-480	-663	-512	-480	-456	-731	17	-109	-3	-105
Goods ¹	-1,151	-1,666	-2,662	-242	-359	-401	-664	-494	-678	-746	-743	-82	-80	-80	-134
Exports	17,028	19,798	20,278	4,783	5,027	4,927	5,062	5,138	5,413	5,125	4,602	1,471	1,514	1,798	1,586
Imports	18,179	21,464	22,940	5,025	5,386	5,328	5,726	5,633	6,091	5,871	5,345	1,553	1,594	1,878	1,720
Services	993	1,193	1,703	275	366	354	198	355	469	545	333	123	56	97	116
Exports	3,572	4,291	5,064	897	1,038	1,307	1,049	1,108	1,243	1,518	1,195	321	254	323	347
Imports	2,580	3,098	3,362	622	672	953	851	752	774	973	862	198	198	226	230
Income	-440	-708	-1,008	-52	-188	-356	-112	-221	-235	-293	-259	-16	-16	-20	-74
Receipts	872	1,169	1,273	234	293	298	344	294	325	313	341	76	75	82	93
Expenditure	1,312	1,877	2,281	286	481	654	456	515	560	607	600	92	91	102	167
Current transfers	-173	-274	-212	-76	-34	-78	-86	-152	-37	39	-62	-7	-69	0	-14
Receipts	785	905	996	197	237	219	252	194	265	277	260	51	59	87	75
Expenditure	958	1,178	1,208	273	271	296	338	347	301	238	322	58	128	87	89
Capital and financial account	1,092	1,713	2,271	281	177	339	915	421	827	459	565	-187	220	249	22
Capital account	-131	-52	-93	15	-27	-32	-8	-2	-21	-42	-27	18	6	-9	0
Financial account	1,223	1,765	2,364	266	204	371	923	423	848	501	592	-205	214	258	22
Direct investment	-174	-269	257	-248	-64	-4	47	148	-27	-86	223	-114	-135	2	-43
Domestic abroad	-687	-1,319	-978	-326	-296	-439	-257	-158	-324	-332	-163	-107	-157	-62	-148
Foreign in Slovenia	513	1,050	1,235	79	232	435	304	306	297	246	386	-8	22	64	104
Portfolio investment	-1,442	-2,264	606	-624	-1,204	377	-814	301	-1,127	180	1,252	-902	-152	430	-414
Financial derivatives	-13	-21	6	2	-2	-12	-10	2	0	3	0	6	-4	1	0
Other investment	1,571	4,179	1,474	1,080	1,484	-22	1,636	53	1,922	403	-905	620	628	-168	425
Assets	-1,939	-4,877	-711	-2,413	-455	-1,405	-605	-994	-199	370	111	-734	-836	-843	-847
Commercial credits	-442	-394	-224	-385	-180	32	139	-508	-166	-7	458	-27	-164	-194	-97
Loans	-733	-1,890	-491	-372	-456	-435	-627	53	-441	162	-264	-21	-90	-261	-48
Currency and deposits	-743	-2,601	-13	-1,675	182	-990	-118	-530	366	235	-85	-754	-575	-345	-685
Other assets	-21	7	17	18	0	-12	1	-9	42	-19	3	68	-7	-43	-16
Liabilities	3,510	9,057	2,185	3,493	1,939	1,383	2,241	1,047	2,121	33	-1,016	1,355	1,464	675	1,272
Commercial credits	479	503	170	269	55	-88	268	177	300	70	-377	-172	218	223	-19
Loans	2,064	3,840	1,841	32	1,554	910	1,345	640	1,468	234	-500	146	-52	-62	1,021
Deposits	998	4,727	190	3,208	338	567	613	253	346	-272	-137	1,406	1,282	521	279
Other liabilities	-30	-14	-15	-16	-7	-6	16	-22	7	2	-2	-25	16	-6	-9
International reserves ²	1,281	140	21	55	-11	32	64	-81	80	1	21	185	-123	-7	55
Statistical error	-321	-258	-92	-185	39	141	-252	91	-347	-3	167	170	-110	-245	84
EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m															
Export of investment goods	1,680	1,933	N/A	456	508	466	504	523	578	595	N/A	136	134	185	159
Intermediate goods	9,368	10,438	N/A	2,609	2,670	2,560	2,593	2,752	2,894	2,731	N/A	811	835	963	854
Consumer goods	5,709	7,014	N/A	1,647	1,746	1,790	1,858	1,754	1,816	1,648	N/A	503	521	623	545
Import of investment goods	2,565	3,004	N/A	658	736	740	870	772	928	859	N/A	198	211	249	229
Intermediate goods	11,319	12,874	N/A	3,152	3,212	3,162	3,344	3,416	3,662	3,542	N/A	1,006	987	1,159	1,016
Consumer goods	4,456	5,609	N/A	1,238	1,446	1,413	1,508	1,457	1,514	1,467	N/A	359	402	477	478
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.															

2007								2008											
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
-100	-10	-230	-93	-158	-173	-184	-306	-215	-181	-116	-117	-235	-127	-194	-145	-117	-234	-151	-346
-146	-79	-89	-117	-195	-180	-191	-293	-189	-139	-167	-167	-289	-222	-264	-296	-186	-269	-185	-290
1,729	1,712	1,741	1,478	1,708	1,855	1,781	1,426	1,637	1,724	1,778	1,886	1,737	1,791	1,836	1,366	1,923	1,854	1,536	1,212
1,874	1,791	1,830	1,595	1,903	2,035	1,973	1,719	1,826	1,863	1,944	2,053	2,026	2,012	2,101	1,662	2,109	2,123	1,721	1,501
119	130	94	141	119	79	56	63	109	102	145	149	143	177	155	205	185	153	142	38
337	354	443	465	399	382	307	360	372	351	384	413	386	444	522	521	476	442	396	357
218	224	349	324	280	303	251	297	264	249	240	264	243	267	367	316	291	289	254	319
-43	-71	-210	-102	-44	-45	-28	-39	-72	-74	-76	-74	-75	-87	-91	-99	-103	-93	-85	-81
100	100	97	91	110	112	112	120	97	96	100	108	109	108	108	102	103	115	112	113
143	171	307	193	154	157	139	159	169	170	176	181	183	195	199	201	206	209	197	194
-30	10	-25	-15	-38	-27	-22	-37	-63	-70	-19	-26	-15	4	6	45	-12	-25	-24	-13
65	96	70	89	59	74	85	93	56	63	75	76	86	102	93	108	77	76	86	98
95	87	96	104	97	101	106	130	119	133	94	102	101	98	87	62	89	101	109	111
-66	221	323	19	-2	139	286	491	97	247	78	228	329	271	189	236	34	-79	289	354
-7	-20	-11	3	-24	7	5	-20	6	2	-10	6	-6	-21	-11	2	-33	-6	29	-50
-59	240	334	16	21	132	281	511	91	245	88	221	335	292	200	234	67	-74	261	404
-100	79	96	45	-145	99	-103	50	40	11	96	-50	-1	24	-90	96	-92	-20	86	157
-116	-32	-154	-61	-224	6	-159	-104	-43	-40	-76	-155	-132	-37	-210	-26	-96	-75	-18	-71
17	111	250	107	79	93	56	154	83	51	172	105	130	61	120	122	4	55	104	228
-620	-169	234	119	24	-360	-490	36	17	688	-404	-426	-457	-244	134	-207	253	379	657	216
0	-2	-7	-5	-1	-11	0	1	3	3	-3	1	0	0	2	0	1	0	0	0
726	333	-121	-136	235	384	901	351	30	-494	517	612	777	533	227	241	-65	-466	-465	26
481	-89	-605	-360	-439	-302	-372	70	139	-955	-178	395	183	-776	124	-95	342	-449	2	558
-10	-73	31	155	-154	-233	-18	390	-76	-224	-208	-23	-96	-46	16	144	-168	-40	127	370
-213	-194	-214	-148	-74	-131	-136	-359	174	-41	-80	17	-205	-253	257	-377	282	-284	73	-53
701	165	-408	-371	-211	53	-217	45	27	-685	129	352	493	-480	-154	140	249	-135	-203	253
3	13	-14	3	-1	8	-1	-6	14	-5	-18	48	-9	3	5	-2	-22	9	5	-12
245	423	484	225	674	686	1,273	282	-108	461	695	217	595	1,309	103	336	-407	-16	-467	-532
89	-15	59	-303	156	163	97	8	-78	106	150	94	214	-8	29	-95	136	-3	-130	-244
301	232	231	254	425	209	881	254	116	215	309	-175	511	1,132	108	225	-100	37	-494	-44
-140	199	188	281	98	328	299	-14	-134	150	236	294	-128	180	-40	206	-438	-51	159	-244
-5	6	7	-8	-6	-14	-4	34	-13	-10	0	4	-2	5	6	0	-5	0	-1	0
-65	-1	132	-8	-91	20	-28	72	0	37	-118	85	16	-21	-73	104	-30	33	-17	5
166	-211	-93	74	160	34	-101	-185	118	-65	39	-110	-93	-144	5	-91	83	313	-139	-8
176	174	166	140	160	180	165	159	146	178	199	194	193	191	202	151	241	197	178	N/A
921	895	918	778	864	959	927	707	892	934	927	1,015	925	953	977	755	998	978	812	N/A
592	610	619	520	651	679	653	526	561	580	613	635	578	604	607	411	630	635	508	N/A
265	242	246	199	295	303	299	268	248	251	273	316	312	301	293	225	341	285	270	N/A
1,119	1,077	1,105	955	1,102	1,161	1,185	998	1,116	1,144	1,156	1,224	1,219	1,219	1,292	1,028	1,222	1,300	1,005	N/A
494	475	478	424	511	576	492	440	466	473	518	515	501	498	519	403	546	540	438	N/A

MONETARY INDICATORS AND INTEREST RATES	2006	2007	2008	2007								
				1	2	3	4	5	6	7	8	9
SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m												
Claims of the BS on central government	16.6	67	68	69	69	69	68	68	68	68	68	67
Central government (S. 1311)	776.6	2,367	2,162	3,184	3,219	2,944	2,748	2,574	2,465	2,408	2,342	2,345
Other government (S. 1312, 1313, 1314)	24.9	118	211	108	106	107	105	107	107	107	110	111
Households (S. 14, 15)	1289.4	6,818	7,829	5,428	5,488	5,633	5,748	5,892	6,015	6,157	6,323	6,468
Non-financial corporations (S. 11)	3236.0	18,105	21,151	14,086	14,250	14,660	15,142	15,426	15,788	16,274	16,720	17,004
Non-monetary financial institutions (S. 123, 124, 125)	368.1	2,305	2,814	1,554	1,563	1,574	1,761	1,747	1,911	2,034	2,083	2,205
Monetary financial institutions (S. 121, 122)	1158.7	2,401	3,663	3,505	2,770	2,267	2,033	2,257	2,211	2,218	2,439	2,448
Claims on domestic sectors, TOTAL												
In domestic currency	2298.2	26,555	32,116	21,761	21,634	21,726	22,297	23,089	23,558	24,146	24,892	25,310
In foreign currency	3149.0	1,990	2,370	1,048	1,100	1,160	1,248	1,335	1,456	1,560	1,638	1,699
Securities, total	1286.8	3,570	3,343	5,055	4,662	4,299	3,992	3,577	3,484	3,492	3,488	3,573
SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m												
Deposits in domestic currency, total	2,903.4	20,029	23,156	17,823	17,912	17,914	18,066	18,367	18,446	18,880	19,299	19,386
Overnight	1,178.6	6,887	6,593	6,645	6,598	6,648	6,676	6,849	6,953	7,047	6,881	6,907
With agreed maturity – short-term	1,251.2	8,913	10,969	7,673	7,837	7,639	7,758	7,777	7,592	7,867	8,331	8,247
With agreed maturity – long-term	292.4	2,857	4,198	2,486	2,492	2,560	2,569	2,573	2,693	2,728	2,790	2,874
Short-term deposits redeemable at notice	181.2	1,372	1,396	1,019	985	1,067	1,063	1,168	1,208	1,238	1,297	1,358
Deposits in foreign currency, total	1,454.5	559	489	634	614	607	597	615	610	605	628	608
Overnight	552.7	218	214	311	293	285	264	280	274	270	278	269
With agreed maturity – short-term	545.5	248	198	240	239	237	251	248	249	242	258	248
With agreed maturity – long-term	318.3	56	41	64	64	62	60	61	60	61	62	60
Short-term deposits redeemable at notice	38.0	37	36	19	18	23	22	26	27	32	30	31
INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %												
New deposits in domestic currency												
Households												
Overnight deposits	0.32	0.36	0.42	0.33	0.33	0.33	0.34	0.34	0.34	0.35	0.35	0.37
Time deposits with maturity of up to one year	2.96	3.36	4.45	2.83	2.91	3.01	3.07	3.15	3.26	3.36	3.41	3.61
New loans to households in domestic currency												
Housing loans, 5-10 year fixed interest rate	4.56	5.80	6.88	5.16	5.44	5.50	5.35	5.37	5.36	5.79	5.98	6.16
New loans to non-financial corporations in domestic currency												
Loan over EUR 1 million, 1-5 year fixed interest rate	4.64	5.76	6.03	5.49	6.53	-	-	4.86	5.12	6.49	-	5.76
INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %												
Main refinancing operations	2.78	3.85	3.85	3.50	3.50	3.75	3.75	3.75	4.00	4.00	4.00	4.00
INTERBANK INTEREST RATES												
EURIBOR												
3-month rates	3.58	4.28	4.63	3.75	3.82	3.89	3.98	4.07	4.15	4.22	4.54	4.74
6-month rates	3.58	4.35	4.72	3.89	3.94	4.00	4.10	4.20	4.28	4.36	4.59	4.75
LIBOR CHF												
3-month rates	1.51	2.55	2.58	2.15	2.21	2.26	2.32	2.41	2.55	2.72	2.80	2.82
6-month rates	1.65	2.65	2.69	2.26	2.32	2.36	2.44	2.54	2.70	2.85	2.86	2.90

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

2007			2008											
10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
67	67	67	67	67	66	66	66	65	66	66	67	69	69	68
2,348	2,374	2,367	2,412	2,397	2,392	2,123	2,162	2,052	2,030	2,069	2,046	2,058	2,176	2,162
114	112	118	123	124	124	128	129	133	136	143	178	184	181	211
6,607	6,830	6,818	6,918	7,009	7,133	7,235	7,318	7,409	7,521	7,603	7,705	7,857	7,785	7,829
17,269	17,748	18,105	18,570	18,754	18,938	19,351	19,616	20,064	20,404	20,619	20,872	21,134	21,092	21,151
2,367	2,396	2,305	2,390	2,411	2,494	2,558	2,568	2,736	2,726	2,729	2,798	2,815	2,845	2,814
2,460	2,580	2,401	2,455	2,432	2,444	2,624	2,375	2,386	2,403	2,400	2,737	2,965	2,963	3,663
25,864	26,596	26,555	27,164	27,406	27,768	28,503	28,871	29,380	29,805	30,108	30,888	31,444	31,594	32,116
1,789	1,900	1,990	2,117	2,192	2,280	2,276	2,259	2,263	2,228	2,271	2,344	2,512	2,371	2,370
3,511	3,544	3,570	3,586	3,529	3,477	3,239	3,038	3,137	3,188	3,184	3,104	3,059	3,077	3,343
19,579	19,558	20,029	20,088	20,674	20,779	20,774	20,613	21,144	21,341	21,465	21,992	22,177	22,385	23,156
6,695	6,573	6,887	6,924	6,557	6,787	6,711	6,841	7,071	6,744	6,703	6,918	6,666	6,577	6,593
8,689	8,723	8,913	8,899	9,862	9,745	9,734	9,292	9,439	9,936	9,929	10,038	10,530	10,659	10,969
2,820	2,817	2,857	2,845	2,803	2,814	2,926	3,046	3,170	3,241	3,378	3,519	3,555	3,727	4,198
1,375	1,445	1,372	1,420	1,452	1,433	1,403	1,434	1,464	1,420	1,455	1,517	1,426	1,422	1,396
589	585	559	571	560	520	529	527	488	491	502	493	537	551	489
255	260	218	248	240	226	222	225	218	220	228	218	244	247	214
241	226	248	229	237	220	224	224	196	192	190	196	213	227	198
60	57	56	55	48	45	45	42	42	43	42	43	44	42	41
33	42	37	39	35	29	38	36	32	36	42	36	36	35	36
0.42	0.40	0.40	0.44	0.41	0.41	0.43	0.46	0.46	0.48	0.48	0.48	0.51	0.52	0.42
3.89	3.83	4.04	4.08	3.95	4.03	4.14	4.20	4.30	4.40	4.39	4.53	4.65	4.56	4.45
6.45	6.44	6.58	6.75	6.40	6.61	6.53	6.53	6.63	6.71	6.95	6.99	7.10	7.17	6.88
5.59	-	6.25	5.63	6.32	5.47	6.63	6.91	6.53	6.94	6.76	7.24	6.03
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	3.75	3.25	2.50
4.69	4.64	4.85	4.48	4.36	4.6	4.78	4.86	4.94	4.96	4.97	5.02	5.11	4.24	3.29
4.66	4.63	4.82	4.5	4.36	4.59	4.8	4.9	5.09	5.15	5.16	5.22	5.18	4.29	3.37
2.79	2.75	2.77	2.70	2.74	2.83	2.85	2.78	2.84	2.79	2.75	2.78	3.00	1.97	0.91
2.89	2.85	2.84	2.77	2.77	2.87	2.93	2.89	2.98	2.94	2.89	2.92	3.09	2.16	1.08

PUBLIC FINANCE	2005	2006	2007	2007				2008			2007				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	1	2	3	4	5
CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m															
GENERAL GOVERNMENT REVENUES															
TOTAL REVENUES	11,976.1	12,958.7	14,006.1	3,063.2	3,454.0	3,429.1	4,059.8	3,369.3	4,005.7	3,857.5	1,060.6	958.7	1,043.9	1,293.0	1,172.5
Current revenues	11,517.2	12,395.3	13,467.2	2,955.0	3,374.9	3,332.1	3,805.1	3,274.0	3,881.0	3,733.8	1,034.4	926.2	994.4	1,272.6	1,158.0
Tax revenues	10,884.0	11,762.0	12,757.9	2,828.7	3,199.7	3,123.6	3,606.0	3,110.0	3,702.0	3,472.0	994.5	883.2	951.0	1,219.0	1,094.2
Taxes on income and profit	2,241.9	2,735.3	2,917.7	587.7	914.3	646.3	769.4	694.4	1,106.5	806.5	188.2	189.9	209.7	462.9	288.3
Social security contributions	3,987.7	4,231.2	4,598.0	1,083.4	1,123.7	1,139.1	1,251.8	1,203.1	1,254.2	1,272.9	358.4	360.5	364.6	371.1	371.9
Taxes on payroll and workforce	526.2	472.9	418.1	96.1	99.7	101.5	120.9	59.4	62.2	63.5	32.8	32.1	31.1	32.8	32.4
Taxes on property	170.4	189.1	206.4	22.2	58.0	67.3	59.0	27.5	62.6	69.6	6.2	7.9	8.1	10.7	27.2
Domestic taxes on goods and services	3,914.7	4,077.3	4,498.6	1,017.6	973.0	1,135.5	1,372.5	1,099.4	1,181.7	1,227.8	403.2	286.9	327.6	332.5	363.3
Taxes on international trade & transactions	39.1	50.7	117.1	21.5	30.7	33.2	31.7	25.6	33.7	31.0	5.5	6.3	9.7	8.9	11.0
Other taxes	4.0	5.4	2.1	0.3	0.4	0.7	0.7	0.6	1.0	0.7	0.3	-0.3	0.3	0.1	0.2
Non-tax revenues	633.3	633.3	709.2	126.3	175.2	208.6	199.1	164.0	179.0	261.8	39.9	43.0	43.4	53.6	63.8
Capital revenues	113.4	166.8	136.6	19.7	15.2	39.6	62.1	28.0	26.9	28.8	7.5	6.1	6.1	6.0	4.1
Grants	9.1	5.4	11.9	2.1	2.8	2.0	5.0	2.0	2.1	3.1	0.7	0.4	1.0	0.7	0.7
Transferred revenues	34.0	42.8	42.5	0.2	1.4	0.4	40.5	1.2	0.9	0.6	0.1	0.0	0.0	0.3	1.0
Receipts from the EU budget	302.4	348.4	348.0	86.2	59.6	55.1	147.1	64.0	94.8	91.3	17.9	26.0	42.3	13.4	8.7
GENERAL GOVERNMENT EXPENDITURES															
TOTAL EXPENDITURES	12,275.7	13,208.7	13,915.5	3,201.2	3,392.6	3,240.0	4,081.8	3,388.2	3,792.4	3,628.8	983.7	1,108.8	1,108.7	1,061.8	1,242.4
Current expenditures	5,353.9	5,689.0	5,950.9	1,482.0	1,448.5	1,362.2	1,658.2	1,575.9	1,581.7	1,513.7	489.3	473.2	519.5	506.4	506.3
Wages, salaries and other personnel expenditures	3,016.3	3,180.3	3,276.9	785.8	851.7	814.4	825.0	812.0	898.9	884.1	262.1	262.1	261.6	261.8	321.9
Expenditures on goods and services	1,911.0	2,073.2	2,212.2	490.3	482.6	518.0	721.3	530.9	597.2	594.5	192.1	146.0	152.2	155.1	169.3
Interest payments	372.1	376.4	357.0	197.5	105.3	17.5	36.7	221.0	69.8	12.9	32.4	62.4	102.7	87.1	12.0
Reserves	54.6	59.0	104.8	8.3	8.9	12.3	75.2	12.1	15.8	22.2	2.6	2.7	3.0	2.4	3.1
Current transfers	5,598.6	5,925.8	6,143.9	1,457.2	1,665.6	1,456.0	1,565.1	1,489.6	1,856.2	1,567.3	434.9	507.9	514.4	468.2	639.5
Subsidies	381.2	402.9	423.4	104.4	137.9	88.3	92.8	60.5	243.0	57.7	6.7	54.8	42.8	10.0	39.7
Current transfers to individuals and households	4,628.6	4,871.5	5,093.3	1,219.0	1,359.2	1,211.1	1,304.0	1,303.5	1,448.9	1,344.8	388.1	415.5	415.5	409.2	537.7
Current transfers to non-profit institutions, other current domestic transfers	563.1	624.1	595.3	130.9	158.4	145.3	160.8	118.3	150.7	153.2	39.7	35.5	55.6	48.5	54.7
Current transfers abroad	25.7	27.4	32.0	2.9	10.2	11.3	7.6	7.2	13.6	11.6	0.3	2.1	0.5	0.6	7.3
Capital expenditures	654.2	901.4	1,130.5	133.4	162.9	266.9	567.3	149.0	215.9	350.0	44.7	46.3	42.4	46.6	55.6
Capital transfers	383.4	404.6	334.3	28.6	55.0	69.3	181.4	30.6	62.3	130.8	6.5	9.4	12.7	16.5	19.3
Payments to the EU budget	285.6	287.9	355.9	100.0	60.6	85.6	109.8	143.2	76.2	67.0	8.3	71.9	19.7	24.1	21.6
SURPLUS / DEFICIT	-299.6	-250.0	90.6	-	-	-	-	-	-	-	-	-	-	-	-

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

BS – Bank of Slovenia, **CAPS** – Collective Agreement for the Public Sector, **CPI** – consumer price index, **ECB** – European Central Bank, **EC** – European Commission, **EPO** – European Patent Office, **ESS** – Employment Service of Slovenia, **ESA** – European system of accounts, **FED** – Federal Reserve System, **GDP** – Gross domestic product, **GNI** – gross national income, **VAT** – value added tax, **HICP** – harmonised index of consumer prices, **IAAD** – Internal Administrative Affairs Directorate, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **MNZ** – Ministry of the Interior, **NFI** – non-monetary financial institutions, **NKBM** – Nova kreditna banka Maribor, **OECD** – Organization for Economic Cooperation and Development, **PCT** – Patent Cooperation Treaty, **PPA** – Public Payments Administration of the Republic of Slovenia, **SID** – Slovene Export and Development Bank Inc., Ljubljana, **SCA** – Standard classification of activities, **SMARS** – Surveying and Mapping Authority of the Republic of Slovenia, **SORS** – Statistical Office of the Republic of Slovenia, **USPTO** – United States Patent and Trademark Office, **WIPO** – World Intellectual Property Organization

Acronyms of Standard Classification of Activities (SCA)

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

Acronyms of Countries

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

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