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**Director:** Boštjan Vasle, MSc

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

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**Language Editor:** Terry Troy Jackson

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

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

**DTP:** Bibijana Cirman Naglič

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

## In the spotlight

**International institutions revised upwards their autumn forecasts for economic growth in our main trading partners, while emphasising that the recovery will be slow and fairly uncertain.** In light of a gradual improvement of certain indicators over the last few months (world trade, situation on financial markets, sentiment indicators), and particularly the positive effects on economic growth of fiscal and monetary stimulus measures by governments and central banks, international institutions (EC, IMF) revised upwards their autumn forecasts for our main trading partners, especially for the coming year. However, given the temporary nature of these stimulus measures, they point out that the recovery will still be sluggish and uncertain, and marked particularly by further unemployment growth.

**Data on economic activity in Slovenia indicate stabilisation, or even a slight improvement in certain sectors in the summer months, but the values of main indicators were nevertheless significantly lower y-o-y in August.**

According to seasonally adjusted data, the values of nominal merchandise exports and the volume of production in manufacturing increased in the last four months, except in July. The values of real turnover in retail trade and hotels and restaurants remained at approximately the same level, while the value of construction put in place continued to decline. The values of all five indicators remained up to one fifth lower y-o-y. The solvency of enterprises has been deteriorating notably since October 2008, given that in the first nine months of this year 40.7% more legal entities had outstanding matured liabilities for more than five days in a month, and the average value of their outstanding matured liabilities was nearly 75% higher than in the similar period last year. The value of the sentiment indicator declined in October for the first time since March, particularly due to lower consumer confidence.

**The number of persons in employment continued to decline in August. Unemployment growth accelerated further in October, with the number of registered unemployed reaching 94,591 by the end of the month.**

The number of employed persons declined by 0.2% in August (seasonally adjusted), being 3.0% lower than a year before. The number of employed persons continued to decline most notably in manufacturing and was 11.5% lower than in August 2008. In October, the number of registered unemployed increased by 6,255, largely due to a seasonal inflow of first-time job-seekers, but also a higher number of people who became unemployed after their companies went bankrupt. It was more than one half higher than in the same period last year.

**The average gross wage per employee dropped in August due a decline in private sector wages; in the public sector, a new agreement was reached in October on measures regarding public sector wages in the following two years.**

In the private sector, the average gross wage per employee declined (-1.2%) in all activities (except in hotels and restaurants), while the average gross wage in the public sector increased by 0.8%; wage rises were recorded in all activities, except in education. Due to unacceptable differences between the foreseen wage rises in the public and private sectors, and the negative impact the elimination of disparities would have had on the government budgetary position, had it been carried out according to the February agreement, the government reached a new agreement with trade unions in October, according to which the average public sector gross wage would increase by 3.1% next year, by our estimate (compared with 10.3% as foreseen by the February agreement). However, after all disparities have been eliminated, wage growth will be much higher than estimated before the beginning of the wage reform if there are no further interventions in the wage system; in addition to movements across wage brackets and promotions, this is also a consequence of other wage-forming elements in the structure of wages (overtime work and payments in arrears), particularly in health activities.

**Y-o-y consumer price growth remained at around 0% in the last three months.** Consumer prices increased by 0.1% in October, but they remained unchanged y-o-y. This price movement in the last few months is largely a consequence of significant y-o-y commodity price drops, which were reflected in a great negative y-o-y contribution of prices of liquid fuels for transport and heating, and low economic activity, which is also softening price pressures in other price groups. Growth in services prices is, as expected, declining at the slowest pace. October saw negative price growth (-0.1%) throughout the euro area. Y-o-y inflation is estimated to increase somewhat by the end of the year, mainly due to the base effect or the decline in oil prices in the last two months of 2008, which will start to have an opposite effect to that of recent months.

**After four months of surplus, the current account balance slipped into a deficit in August, largely due to the greatest monthly deficit in merchandise trade this year.** The merchandise trade balance slid into a deficit in August, though a much narrower one than last year. However, due to the different structure of the economic activity

decline, this year saw changes in the balance of merchandise trade by purpose, where in the first eight months, the greatest deficit declines were posted for trade in investment goods and trade in intermediate goods, while the surplus in consumer goods increased. The current account was balanced in the first eight months of the year, while running a deficit of EUR 1.4 bn in the same period last year.

**Lending activity of Slovenian banks also remained modest in September; the volume of government deposits strengthened significantly again, as the government invested the bulk of proceeds from the third bond issuance this year in short-term bank deposits.** Y-o-y growth of loans has dropped below 5.0%. In the first nine months of 2009, banks recorded net lending to domestic non-banking sectors in the amount of EUR 878.6 m, only slightly more than one fifth of what was recorded in the same period last year. The bulk came from household borrowing (housing and consumer loans), while corporate borrowing remained modest. In September, the government strengthened the volume of its bank deposits again, with proceeds from the third bond issuance (EUR 1.5 bn) accounting for a significant portion of funds. Even more than in Slovenia, the lending activity is slowing in the euro area as a whole; in September, the volume of loans recorded its first negative y-o-y growth.

**The y-o-y decline in paid taxes and social security contributions was somewhat smaller in the summer months, but was still relatively high in the first nine months of the year.** In the first nine months of the year, revenues from taxes and social security contributions were 7.6% lower than in the same period last year and only revenues from excise duties and social security contributions increased y-o-y. According to non-consolidated data, the general government deficit climbed to EUR 1,031 m in the first eight months of his year.

**current economic trends**



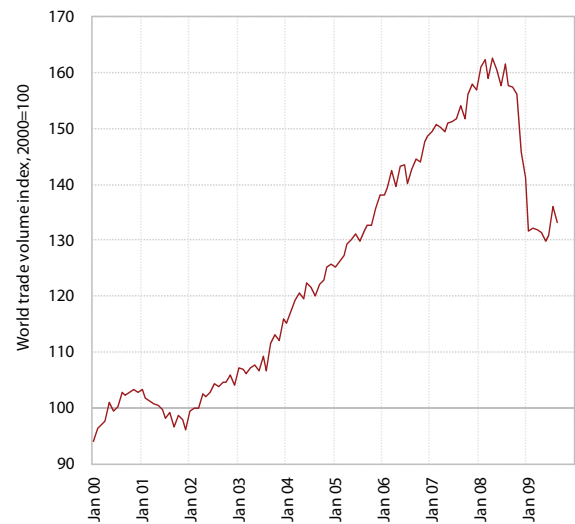
## International environment

The international institutions (EC, IMF, Consensus) revised upwards their autumn forecasts for this year and the next, in comparison to what they expected in the spring, emphasising that the recovery will be slow and uncertain, as well as, a particularly jobless one. Developed economies are already showing the first signs of stabilisation or economic recovery, mainly as a result of extensive measures in response to the crisis. In the G20 group, the fiscal policy measures alone account for 2.0% of GDP this year and 1.5% of GDP in 2010. The EC and IMF thus significantly revised upwards their autumn forecasts for economic growth in 2010. The EC forecasts a 4% GDP decline for this year and 0.7% growth for 2010. The forecasts by international institutions for this year are already fairly uniform; disparities in the forecasts for 2010 are greater. What is characteristic of the latest forecasts is that they all anticipate further unemployment growth, even if the economy is set to recover next year; unemployment in the euro area is expected to climb from 9.5% this year to 11.5% next year (having totalled 9.7% in September) according to the EC. According to the EC estimate, the time lag between the GDP decline and unemployment growth is largely a result of extensive measures aimed at preserving jobs. There is little leeway in keeping or even increasing the measures, given that numerous countries have already seen a significant deterioration in their fiscal stance. The EC projects a general government deficit of more than 6.5% for the euro area this year, while the deficits in the US and some other countries will widen by more than 10%, according to the IMF forecasts. Despite the deteriorated public finance position, a premature withdrawal of fiscal stimulus packages represents one of the main risks to economic activity next year. The short-term indicators of economic activity are otherwise improving slightly in the euro area: for example, industrial production in manufacturing increased in August, for the fourth month in a row. Confidence indicators are also improving, reaching values posted before the deepening of the crisis in September 2008. In the third quarter, the US posted 3.5% growth (q-o-q, annualised), boosted by

government measures to revive domestic consumption (new car stimulus measures and tax credits for home purchases).

The current economic crisis is characterised by a great decline in trade flows; a slight improvement over the last months is one of the main reasons for more optimistic global economic forecasts. According to seasonally adjusted data, the falling of the CPB world trade volume index slowed notably in the second quarter (-0.9%) of 2009, after a significant decline in the last quarter of 2008 (-7.0%) and in the first quarter this year (-10.7%). In August, world trade was still 15.4% lower than what was recorded when the crisis deepened in September last year. Thus far, the volume of world trade has dropped twice as much as it did in the equivalent period during the crisis of the 1930s, which means (according to the EC) that this time it will take longer to return to pre-crisis levels. According to the EC estimates, it took approximately two years in the past, while it is expected to take at least three years this time. Among the reasons for this sizeable world trade

Figure 1: World trade volume index



Source: CPB.

Table 1: IMAD assumptions and forecasts by international institutions for economic growth

	2009				2010				2011		
	IMAD Sep 09	IMF Oct 09	CONS Oct 09	EC Nov 09	IMAD Sep 09	IMF Oct 09	CONS Oct 09	EC Nov 09	IMAD Sep 09	CONS Oct 09	EC Nov 09
EMU	-3.9	-4.2	-3.9	-4.0	0.4	0.3	1.1	0.7	1.6	1.5	1.5
EU	-4.2	-4.2	-4.0	-4.1	0.2	0.5	0.9	0.7	1.6	N/A	1.6
DE	-4.8	-5.3	-5.0	-5.0	0.9	0.8	1.4	1.2	1.5	1.7	1.7
IT	-5.2	-5.1	-5.0	-4.7	-0.2	0.2	0.5	0.7	0.9	1.0	1.4
AT	-3.5	-3.8	-3.6	-3.7	0.0	0.3	-0.1	1.1	1.6	N/A	1.5
FR	-2.1	-2.4	-2.1	-2.2	0.6	0.3	1.2	1.2	1.7	1.5	1.5
UK	-4.7	-4.4	-4.3	-4.6	-0.3	0.9	1.3	0.9	1.8	1.8	1.9
ZDA	-2.8	-2.7	-2.5	-2.5	0.9	1.5	2.6	2.2	3.0	3.1	2.0

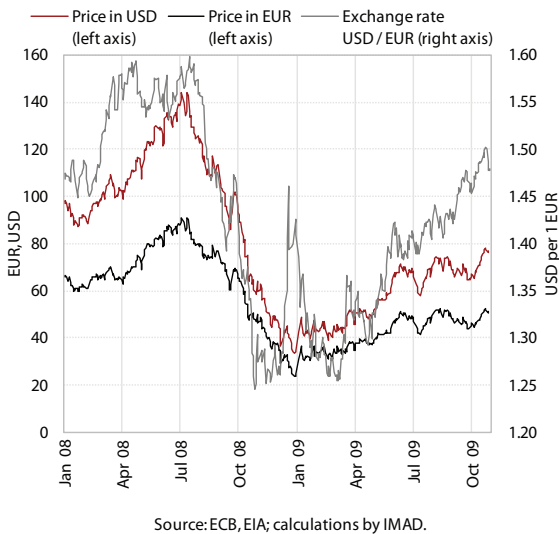
Source: IMAD Autumn Forecast of Economic Trends (September 2009). IMF World Economic Outlook (October 2009). Consensus Forecasts (October 2009). European Commission Autumn Forecast (November 2009).



decline, the international institutions mainly quote (amid significantly lower demand) the internationalisation of production chains, because of which the crisis has spread so rapidly across the global economy as a whole. Among the less important reasons they cite a limited availability of trade finance, which was considered the main factor in the world trade decline at the beginning of the crisis. Despite certain signs of a slight recovery in recent months, the prospects for world trade growth remain modest. After an almost 12% decline in the volume of world trade this year, the EC and IMF forecast that world trade will increase only by 2.5% to 3.9%.

At the beginning of October, oil prices again started to increase more rapidly, while the growth of non-fuel commodity prices is slowing. The average monthly price of Brent crude oil was up 7.4% to USD 72.77/barrel in October. Oil prices in US dollars were up 7.6% in October, while oil prices in euros rose by 6.0%. In the same period, the dollar depreciated against the euro by 1.7%. The non-fuel commodity price index recorded slower growth in recent months and declined by 3.1% in September, according to the IMF data. The value of the metal price index dropped as well. In the first half of 2009, its growth was boosted particularly by an increase in inventories in China. Despite a 1.8% decline in September, the index is 33.7% higher than at the beginning of the year.

Figure 2: Movements of the price of Brent crude oil and the USD/EUR exchange rate



In October, the dollar continued to depreciate against the euro, falling to its record lows. The average exchange rate of the euro was USD 1.4816 to EUR 1 in October, up 1.7% from September or 10.2% from December 2008. In the last month, the value of the euro also appreciated strongly against the British pound sterling (2.7% to 0.9156 GBP to 1 EUR), while the values of the Japanese yen and the Swiss franc remained practically unchanged. As expected, none of the main central banks changed their key interest rates

in October, and they remained at record lows (ECB 1.0%, FED 0.0%, BoE 0.5%). In October, the value of the three-month EURIBOR remained at approximately the same level as in September, totalling 0.738%.

## Economic activity in Slovenia

The seasonally adjusted value of merchandise exports and industrial production in manufacturing increased slightly in August. Real turnover in retail trade and in hotels and restaurants remained roughly unchanged, while the value of construction put in place continues to drop.<sup>1</sup> According to seasonally adjusted data, the value of nominal merchandise exports and the volume of industrial

Figure 3: Values of short-term indicators of economic activity in Slovenia

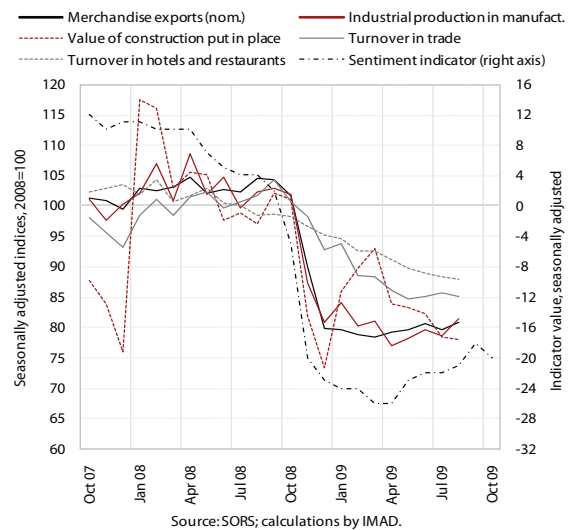
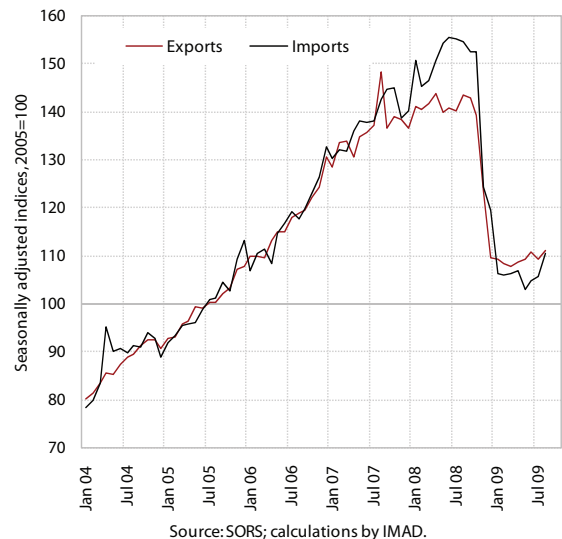


Figure 4: Merchandise exports and imports



<sup>1</sup> All seasonally adjusted data in the Economic Mirror are calculations by IMAD.

production in manufacturing increased slightly in August, after July's drop. The value of construction put in place, on the other hand, declined in August, for the fifth month in a row. Real turnover in retail trade and real turnover in hotels and restaurants remained at approximately the same level in August as in previous months. In July, the values of nominal merchandise exports, the volume of production in manufacturing and construction put in place remained about one fifth lower y-o-y, while

real turnovers in retail trade and hotels and restaurants dropped by more than 15% and 10%, respectively. The sentiment indicator declined in October for the first time since March.

**Merchandise trade** has been increasing in recent months, but its growth is still modest.<sup>2</sup> According to seasonally adjusted data, imports strengthened at the monthly level for the third month in a row (4.4%). Exports, which had

**Box 1: Merchandise market shares in the EU**

After declining at a significantly slower pace in the first quarter, the market share of Slovenian merchandise in the EU increased again in the second quarter. Before the market share decline in 2008, which was particularly pronounced in the second half of the year, Slovenia had been continually increasing its market share on the internal EU market for seven years.

Looking at the main SITC groups, the increase in the Slovenian merchandise market share in the EU in the second quarter of this year was mainly underpinned by chemical products and machinery and transport equipment. The share of the former largely increased as a result of higher market shares of medicinal and pharmaceutical products, which (unlike most of the other manufacturing sub-sectors) did not face shrinkage of demand on EU markets during the international economic crisis.<sup>1</sup> The increase in the share of machinery and transport equipment was mainly driven by higher exports of road vehicles under the impact of measures to stimulate car purchases in certain countries of the EU. The market share of manufactured goods, accounting for more than 90% in the structure of merchandise exports, consequently also ceased to decline in the second quarter. However, the market shares of the remaining two manufacturing sectors, manufactured goods classified chiefly by material<sup>2</sup>, and miscellaneous manufactured articles,<sup>3</sup> continued to decline in the second quarter. These declines were mainly due to falling market shares of iron and steel, other metal products and furniture, prefabricated buildings and clothing. Miscellaneous manufactured articles, which mainly include labour-intensive products, have seen their market share in the EU (which had already been falling for several years) shrink further over the last year, which shows the weight of this sector's internal weaknesses, which were only aggravated by the international economic crisis. In addition to manufactured goods, higher market shares than a year before were also reached by the sectors of food and beverages, and raw materials, which represent a mere tenth of Slovenia's merchandise exports to the EU. Growth in the market share of food and beverages was mainly impacted by growing exports of feeding stuff for animals, while the market share of raw materials also increased due to higher electricity exports.

Figure 5: Market shares in the EU

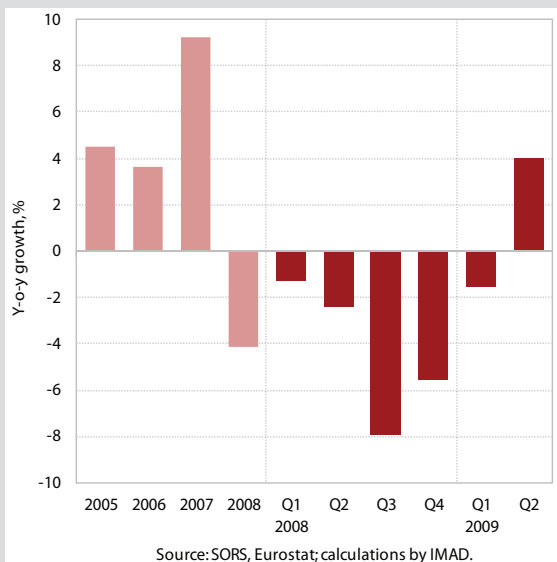
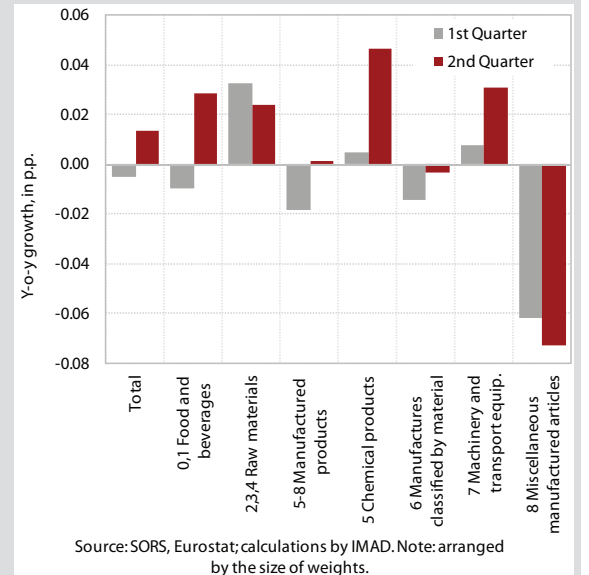


Figure 6: Market shares in the EU according to SITC in the first half of 2009



<sup>1</sup> Exports of medicinal and pharmaceutical products to the EU increased y-o-y in the second half of 2008 and in the first half of 2009.

<sup>2</sup> Sector 6 according to SITC: leather, rubber, paper, wood, textile and metals.

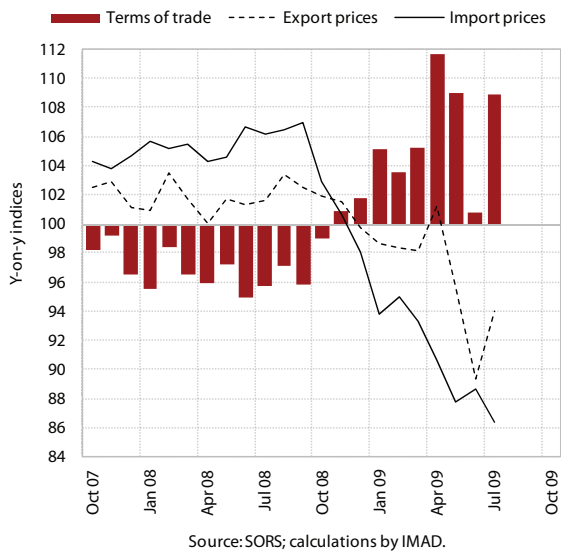
<sup>3</sup> Sector 8 according to SITC: prefabricated buildings, furniture, clothing, footwear, other consumer goods.

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

already been rising modestly between April and June this year, increased again (1.6%), after dropping in July. Merchandise exports were 19.8% lower y-o-y in August, with exports to non-EU countries again recording a more significant decline (by 22.0%) than exports to EU Member States (by 18.7%). Merchandise imports, which dropped even more noticeably than exports during the crisis as a result of lower foreign and domestic demand, were 26.4% lower y-o-y in August (imports from the EU dropped by 25.0% and imports from the non-EU countries by 31.2%). In the first eight months of this year, merchandise exports declined by 22.6% y-o-y and imports by 29.9%.

**The terms of merchandise trade improved significantly in July.**<sup>3</sup> The terms of merchandise trade have been improving since energy and commodity prices started to drop (November 2008). Slovenian producer prices in the euro area have been declining since February. Posting increasingly slower growth since the beginning of this year, producer prices also dropped in non-euro countries y-o-y in July. Given that in July, the y-o-y drop of export prices was much less pronounced than in June (6.0%) and that import prices recorded a stronger decline (13.6%), the terms of merchandise trade improved by a high of 8.9%. In the first seven months, they improved by 6.3%, but the purchasing power of income from exports was 15.1% lower y-o-y due to a greater drop in the volume of exports in the first seven months of 2009.

Figure 7: Terms of merchandise trade



The decline in the exports of **services** slowed y-o-y in the last three months, while the decline in services imports was somewhat stronger. Exports of services were by a nominal 12.9% lower y-o-y in August and by 15.1% in the first eight months of this year. Y-o-y drops were diminishing steadily in the recent three months, largely as a result of lower drops in exports of transport and certain business services. Imports of services were 12.6% lower y-o-y

Table 2: Selected monthly indicators of economic activity in Slovenia

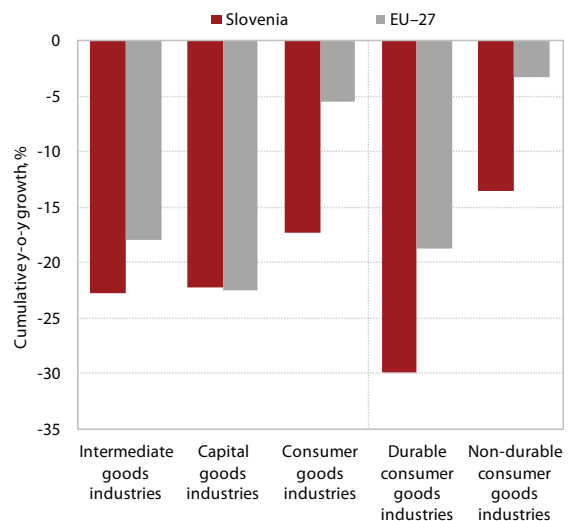
in %	2008	VIII 09/ VII 09	VIII 09/ VIII 08	I-VIII 09/ I-VIII 08
<b>Exports<sup>1</sup></b>	<b>4.8</b>	<b>-19.0</b>	<b>-18.2</b>	<b>-21.2</b>
-goods	1.3	-23.8	-20.2	-22.7
-services	21.6	-3.6	-12.9	-15.1
<b>Imports<sup>1</sup></b>	<b>6.4</b>	<b>-15.0</b>	<b>-24.3</b>	<b>-27.4</b>
-goods	5.7	-14.9	-26.6	-29.8
-services	10.8	-15.4	-12.6	-10.8
Industrial production	-1.2	3.5 <sup>2</sup>	-16.2 <sup>3</sup>	-20.8 <sup>3</sup>
-manufacturing	-1.3	3.7 <sup>2</sup>	-19.8 <sup>3</sup>	-22.2 <sup>3</sup>
Construction -value of construction put in place	15.7	-0.6 <sup>2</sup>	-19.6 <sup>3</sup>	-19.4 <sup>3</sup>
Distributive trade - turnover in distributive trade and the sale and repair of motor vehicles	10.4	-0.7 <sup>2</sup>	-16.5 <sup>3</sup>	-13.4 <sup>3</sup>
Hotels and restaurants - turnover in hotels and restaurants	-2.7	-0.4 <sup>2</sup>	-10.7 <sup>3</sup>	-10.5 <sup>3</sup>

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

in August, having declined by 10.8% in the first eight months of this year. Y-o-y drops in services imports are more volatile, having strengthened somewhat in the past three months. Y-o-y drops in imports of transport services were smaller; much more noticeable declines were recorded for imports of various professional and technical, and construction services.

After the volume of **industrial production in manufacturing** had remained roughly unchanged in the previous three months, production activity strengthened in August. It was 3.7% higher (seasonally adjusted) compared to July, but 19.8% lower (working-day adjusted) relative to August last year. In the first eight months, production activity

Figure 8: Industrial production in manufacturing by main industrial groupings in the first eight months of 2009

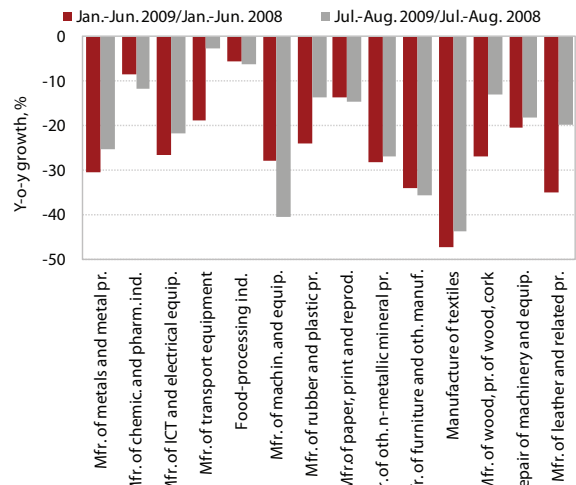


<sup>3</sup> According to the external trade statistics.

was 22.2% lower y-o-y (working-day adjusted), while it dropped by 17.8% in the EU as a whole. The stronger production decline in Slovenia compared with the EU average was mainly underpinned by low-technology, labour-intensive industries (particularly the textile and leather industries and the manufacture of furniture), whose products are mainly classified as consumer goods. These movements are indicative of the lower competitiveness levels of these industries in Slovenia (see the box above); in the period of economic boom, these industries managed to keep a relatively high share in the structure of value added in manufacturing, also through economic policy support.

A smaller y-o-y production drop in August than in the first half of the year as a whole was mainly due to more favourable movements in some export-oriented industries with higher technology intensity. The manufacture of metals and metal products, ICT and electrical equipment, motor vehicles and other transport equipment, as well as rubber and plastic products contributed less than one third to the production volume decline in August,

Figure 9: Industrial production in manufacturing by sub-industries

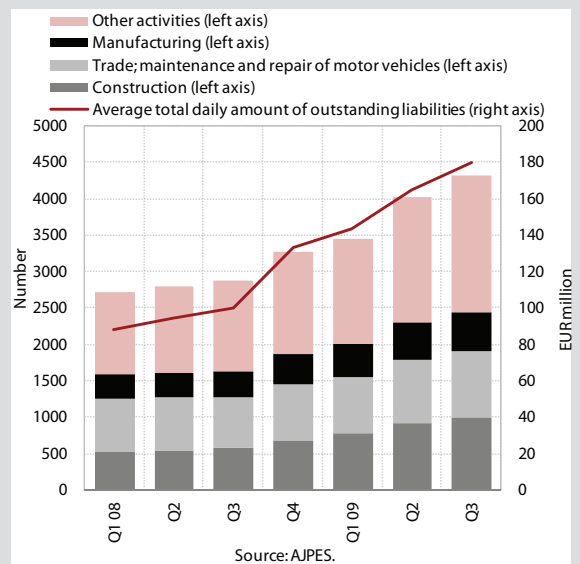


Source: SORS; calculations by IMAD. Note: industrial groups, arranged in order of ascending weight.

**Box 2: (In)solvency**

The number of legal entities recording outstanding matured liabilities for more than five consecutive days in a month and the average daily amount of their outstanding matured liabilities were increasing gradually in the first nine months this year. In September 2009, there were as many as 4,541 legal entities that had outstanding matured liabilities for more than five consecutive days in a month, which is 1,460 (47.4%) more than in September last year. The average daily amount of their outstanding matured liabilities totalled EUR 181 m, 70.7% more than in September 2008. The number of legal entities with matured liabilities that were outstanding for more than five consecutive days in a month increased most notably in construction. Their share in the structure of the total number of legal entities under consideration increased to 23.1% in September this year, while their share in the average daily amount of all outstanding matured liabilities rose to 25.1%. In the first nine months of 2009, 3,935 legal entities, on average, had outstanding matured liabilities for more than five consecutive days in a month (40.7% more than in the same period last year), within that more than one fifth in construction and in the sale, maintenance and repair of motor vehicles, and 10% each in manufacturing and in professional, scientific and technical activities. The average daily amount of their outstanding matured liabilities in the average monthly amount of EUR 163 m was higher by almost three quarters than in the same period last year.

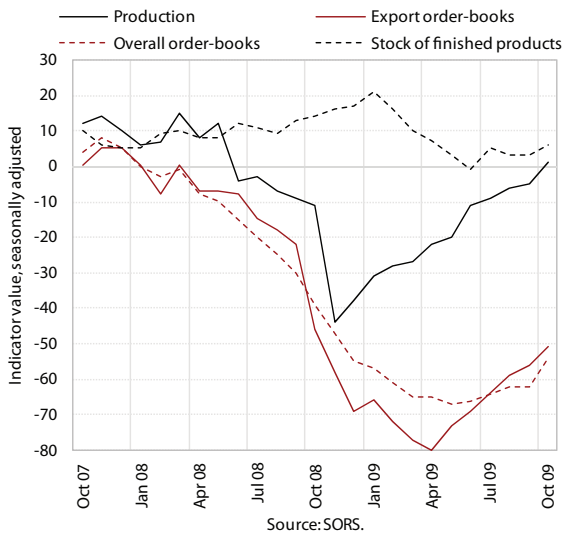
Figure 10: Legal entities with outstanding matured liabilities for more than five consecutive days in a month and average total amount of outstanding liabilities



Source: AJPES.

Altogether, 188 bankruptcy procedures were launched in the first nine months of this year, the most in manufacturing (45) and the sale, maintenance and repair of motor vehicles (42), construction (24), professional, scientific and technical activities (21), and hotels and restaurants (14). Bankruptcy procedures were mainly launched against small enterprises, but a few were also filed against large enterprises. In the first nine months of this year, 34 personal bankruptcy procedures were filed against sole proprietors, the most in construction (10), hotels and restaurants (9), and the sale, maintenance and repair of motor vehicles (6). Only one compulsory settlement procedure was filed against a legal entity in September. In the first nine months of this year as a whole, eight compulsory settlement procedures were filed against legal entities and none against sole proprietors.

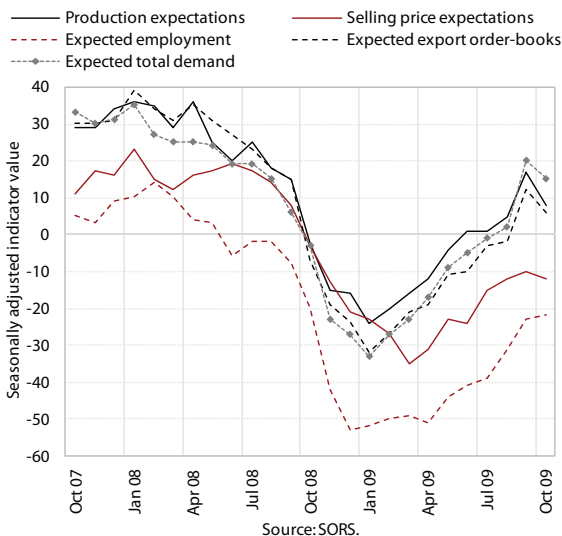
Figure 11: Business trends in manufacturing – situation indicators



compared with more than one half in the first half of the year. The manufacture of motor vehicles and other transport equipment is the only manufacturing industry where movements were slightly more favourable than in the EU in the first eight months of the year (as a result of measures taken in certain countries of the EU to stimulate car purchases). This sector posted the smallest y-o-y production activity decline in August (-0.4%), besides the food industry. The production decline was greatest once again in the textile and leather industries, while deepening most notably in the manufacture of other machinery and equipment whose contribution to the production drop increased the most.

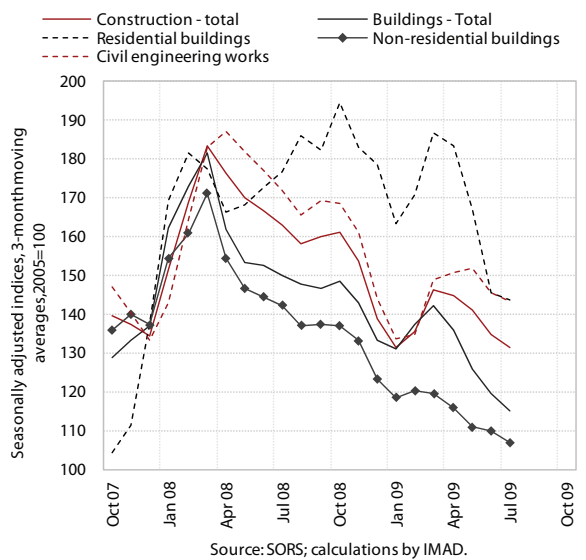
The prospects for the coming months deteriorated slightly according to the data on business trends in manufacturing, but the values of the situation indicators improved. The

Figure 12: Business trends in manufacturing – expectation indicators



indicators of expectations, which had been improving in previous months, remained at approximately the same level in October as in September, while the values of situation indicators improved (except for the stocks of finished products). The overall order-books indicator improved the most, but is still low. The indicator of new orders improved most notably also according to the quarterly data on business trends. For the first time in four quarters, the share of enterprises posting increases in new orders in the last three months exceeded the share of those where new orders declined. Also in the third quarter, more than half of the enterprises surveyed cited insufficient domestic and foreign demand as the main factor limiting production. Capacity utilisation thus remains low (72.4%, seasonally adjusted, SORS), but it increased somewhat in the third quarter.

Figure 13: Value of construction put in place



**Construction activity** dropped in August for the fifth successive month. According to seasonally adjusted data, the value of construction put in place dropped by 0.4% in August, being 16.0% lower than in March, when it had started to decline. It dropped by roughly one fifth from what was recorded in the same month last year. Activity in non-residential construction was still relatively low, despite strengthening in August. Over the last few months, activity declined the least in civil engineering and the most in the construction of residential buildings.<sup>4</sup> Judging from new orders and business trend indicators, construction activity will continue to decline.

The share of road transport in total inland freight transport increased further this year, amid a greater decline in freight transport by rail. The volumes of road freight transport and rail freight transport dropped by 10% and 25% y-o-y, respectively, in the first half of 2009. Rail transport

<sup>4</sup> In interpreting the figure on the value of residential construction put in place, it should be noted that it excludes the activity of smaller enterprises, where, by our estimate, the main activity is the construction of buildings.



declined by approximately the same figures in the first and second quarters of the year and posted similar drops for national transport and international transport, while the volume of road freight transport fell somewhat less in the second quarter than in the first. It was 7.6% lower y-o-y (12.7% in the first quarter), with a significantly larger decline in national transport (-19.2%) than in international transport (-8.3%). Amid a greater fall in the volume of rail freight transport, the share of road freight transport in inland freight transport climbed above 85.0% in the second quarter of 2009 (having already exceeded the EU average in 2005).

Road freight transport and rail freight transport were also the main factors in the total decline of transport activities. Road

Figure 14: Volumes of road freight transport and rail freight transport

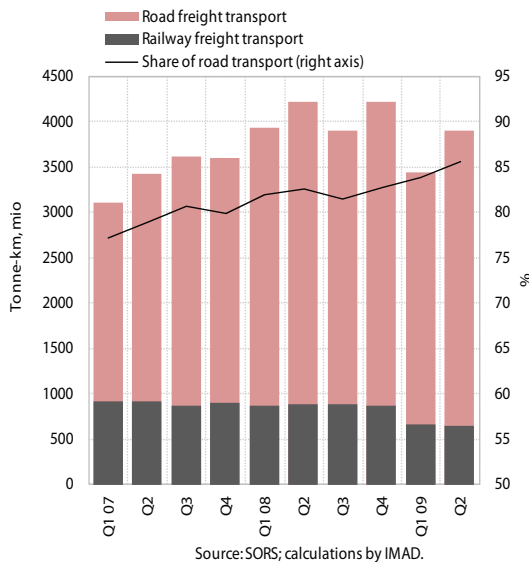
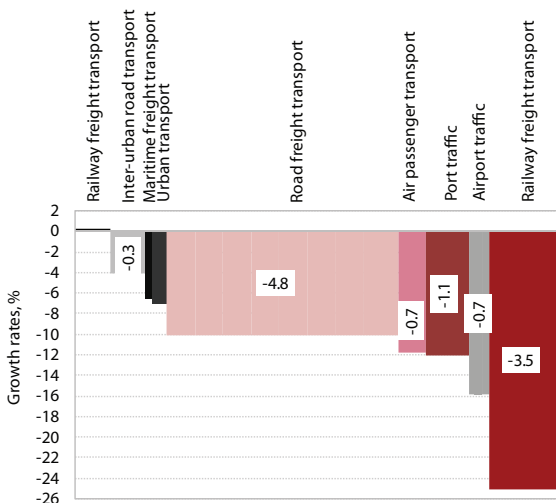


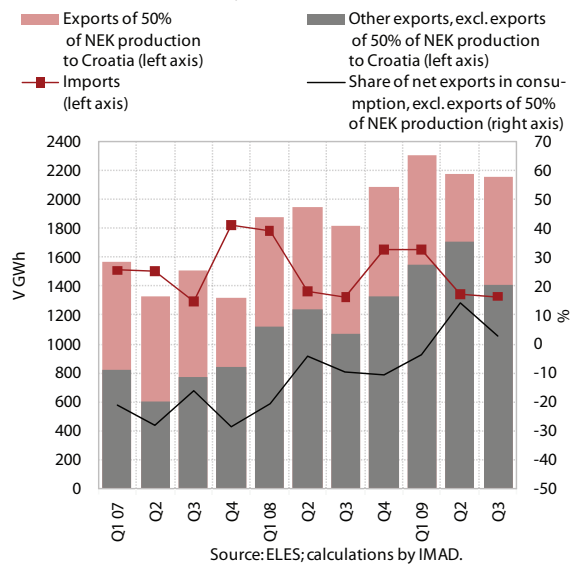
Figure 15: Contributions to the decline in transport activity in the first half of 2009



freight transport and rail freight transport are the most important transport activities in the sector, accounting for 48.0% and 14.1% shares of value added in 2008. This is also why they made the greatest contributions (4.8 p.p. and 3.5 p.p., respectively) to the total y-o-y decline in the volume of transport activities in the first half of 2009 (10.8%). Air transport and airport traffic contributed slightly less than 1.0 p.p. each to the decline. These two activities continued to decline strongly y-o-y in the first half of the year (falling by 20.9% and 14.7%, respectively); in addition to the recession, this was also due to the effect of the high base due to the Slovenian presidency of the EU last year, and the decline rates had already diminished significantly by August 2009 (to 4.3% and 5.5%, respectively).

In September, electricity output was again somewhat higher y-o-y, while consumption dropped approximately by the percentage of this year's average monthly decline. Electricity output was 3.2% higher y-o-y in September. Production in hydroelectric plants increased significantly again (by 75.0%). In the first nine months, electricity production remained unchanged y-o-y.<sup>5</sup> In September, electricity consumption was 12.6% lower than in the same period last year, similar to the average of the first nine months. More than half of the shrinkage in demand still came from lower electricity consumption in the metal industry. With lower demand due to the recession, Slovenia recorded a high electricity surplus in the first nine months this year (exceeding 21.6% of production). Electricity exports accounted for 3.1% of electricity production in the first nine months of this year, even if we exclude the exports to Croatia of half of the electricity generated by the nuclear power plant (NEK) (determined on the basis of Croatia's stake in the joint venture for the

Figure 16: Net electricity exports



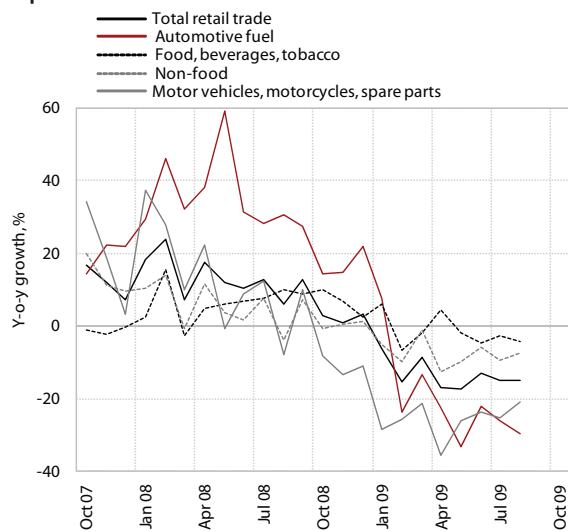
<sup>5</sup> Production in hydroelectric power plants increased by around 35.5%, while production in the nuclear power plant was around 11.2% lower due to this year's regular monthly overhaul; electricity generated in thermal power plants also declined, by 10.9%, due to lower demand.

power plant construction). While Slovenia had seen very high net electricity imports in two quarters of 2007 (over 28% of consumption) according to this calculation, the supply-demand balance was favourable in the second quarter of this year, which is also reflected in an additional surplus of the rest of electricity exports over imports (totalling 14% of consumption).

In August, total real turnover in **retail trade**<sup>6</sup> remained at approximately the same level for the third month in a row (seasonally adjusted), while still posting a sizeable decline y-o-y (-15.0%). In August, the y-o-y turnover declines deepened further in specialised stores selling automotive fuels and in the sale of food, beverages and tobacco. Smaller turnover declines than in previous months were recorded for the sale of non-food products and the sale of motor vehicles, which was, however, a consequence of last year's y-o-y drops in turnover in August (after the increases recorded in previous months) rather than a sign that turnover had started to decline at a slower pace. In the first eight months, total turnover in retail trade was more than 13% lower y-o-y. In this period, the greatest declines in turnover were recorded for the sale and repair of motor vehicles (by one quarter) and in specialised stores selling automotive fuels (by one fifth), while increases were only posted for specialised stores selling pharmaceutical, medicinal and cosmetic products (by nearly 4%) and specialised stores selling textile, clothing and leather products (by slightly more than 2%).

Nominal turnover in **wholesale trade** declined again in August; at the y-o-y level, the decline remained at the high level of previous months. Nominal turnover in wholesale trade was more than a quarter lower in August, being more than one fifth lower in the first eight months as a whole than in the same period last year.

Figure 17: Turnover in retail trade and in the sale and repair of motor vehicles

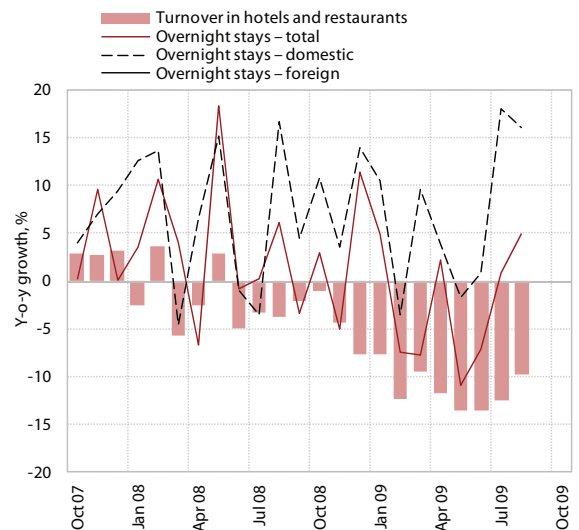


Source: SORS; calculations by IMAD.

<sup>6</sup> In total retail trade, sale and repair of motor vehicles (47+45).

Turnover in **hotels and restaurants** remained roughly unchanged in August (seasonally adjusted), posting a somewhat smaller y-o-y decline. A lower level of turnover this year compared with August last year is most probably attributable to the non-tourist part of this sector (household food and beverage purchases), given that the number of tourist overnight stays was 5.0% higher after declining or stagnating for three months. Turnover may have also been lower due to a different structure of tourists, given that the number of domestic tourists increased (by 16.0%), while the number of overnight stays by foreign tourists remained at the level of last year. Total real turnover was more than a tenth lower y-o-y in the first eight months of this year.

Figure 18: Tourist overnight stays and turnover in hotels and restaurants

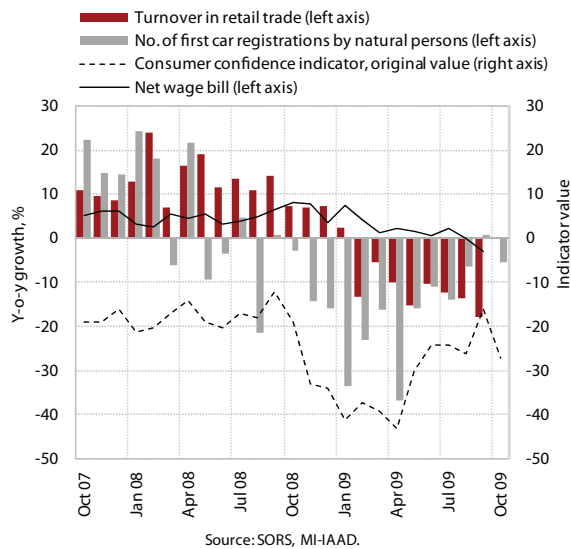


Source: SORS; calculations by IMAD.

Amid a relatively large surge in consumer optimism, household borrowing in the form of consumer loans increased in September. Households raised a net EUR 18.7 m in consumer loans, the highest figure since last October (see Financial Markets). In September, natural persons registered 550 more new passenger cars than in August, but the number of new passenger registrations was approximately equal to this year's monthly average. Turnover in retail trade was lower than a month before, despite higher borrowing; compared with September last year, it posted the greatest decline (by 17.8%) since data have been available (January 2001). However, the high optimism seen in September was only short-term, dropping to the level of August (10 points lower) as early as in October. Amid deteriorating economic prospects, the indicators of expectations for the next 12 months deteriorated the most (financial and economic situation, unemployment and major purchases in the next 12 months).<sup>7</sup> The number of new passenger car registrations

<sup>7</sup> Unlike the stated indices, the balance showing major purchases is not included in the confidence indicator.

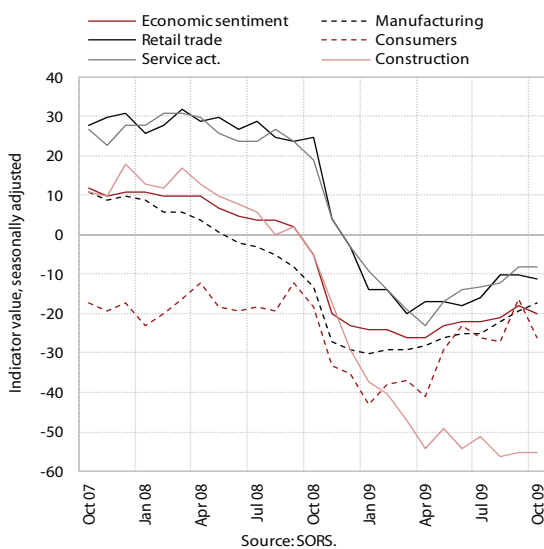
Figure 19: Household consumption indicators



was more than 3% higher than in September, but 5.0% lower than in October last year.

The value of the **sentiment indicator** declined in October for the first time since March, mainly due to the decline of the consumer confidence indicator. After falling in October, the value of the sentiment indicator was 15 points lower than what was recorded in the same month last year. Besides the consumer confidence indicator, the confidence indicator also dropped slightly in retail trade, while the indicator values remained unchanged in construction and services sectors; in manufacturing, the indicator was slightly higher.

Figure 20: Business tendency



## Labour market

**Employment** continued to decline also in August. According to seasonally adjusted data, the total number of employed persons dropped by 2,168 (0.2%). Also in August, the number of employed persons dropped the most in manufacturing, while notable declines were also posted in financial and insurance services, education, transport, construction and hotels and restaurants. The number of employed persons dropped by 3.0% y-o-y, already being lower than two years before.

The number of registered **unemployed** increased in September and October. At the end of October, the number of registered unemployed totalled 94.591, being 51.1%

Table 3: Labour market indicators

in %	2008	VIII 09/ VII 08	VIII 09/ VIII 08	I-VIII 09/ I-VIII 08
Labour force	-0.6	-0.3	0.1	0.6
Persons in formal employment	3.1	-0.3	-3.0	-1.6
- Employed in enterprises and organisations and by those self-employed	3.1	-0.3	-3.6	-1.9
Registered unemployed	11.4	-0.4	45.2	30.4
Average nominal gross wage	8.3	-0.6	0.7	4.3
- private sector	7.8	-1.2	0.7	2.0
- public sector	9.8	0.8	-0.6	9.5
	2008	VIII 09	VII 09	VIII 09
Rate of registered unemployment, in %	6.7	6.5	9.4	9.4
Average nominal gross wage (in EUR)	1,391.43	1,405.00	1,424.23	1,415.08
Private sector (in EUR)	1,315.49	1,301.57	132.66	1,310.16
Public sector (in EUR)	1,642.58	1,750.54	1,726.24	1,739.82

Sources: ESS, SORS; calculations by IMAD.

Figure 21: Components of registered unemployment

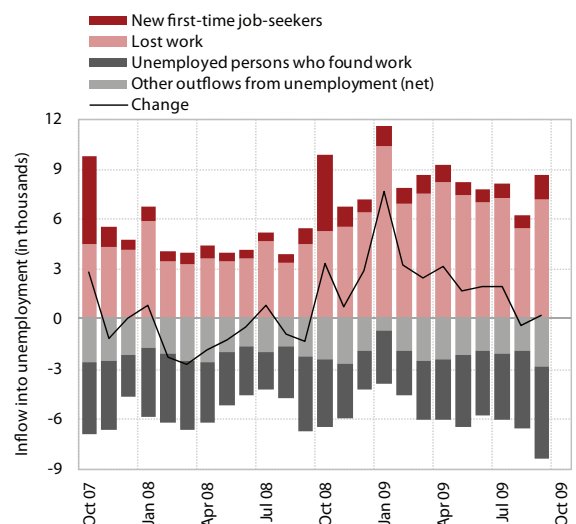




Table 4: Persons in formal employment by activity

	Number in 1,000			Y-o-y growth rates, %			
	2008	XII 08	VIII 09	2008/2007	VIII09/XII 08	VIII09/VII 09	VIII 09/VIII 08
A Agriculture, forestry and fishing	39.7	38.8	37.9	-1.8	-2.2	0.0	-3.4
B Mining and quarrying	3.6	3.4	3.3	-5.2	-2.9	-0.4	-6.4
C Manufacturing	222.4	216.3	196.5	-0.5	-9.1	-0.6	-11.5
D Electricity, gas, steam and air conditioning supply	7.7	7.7	8.0	-1.1	2.8	0.6	3.6
E Water supply sewerage, waste management and remediation activities	8.8	9.0	9.1	4.7	1.9	0.0	2.7
F Construction	87.9	89.5	86.9	12.2	-2.9	-0.3	-3.7
G Wholesale and retail trade, repair of motor vehicles and motorcycles	115.8	116.9	114.0	3.5	-2.4	-0.1	-1.2
H Transportation and storage	51.2	51.4	49.4	5.4	-4.0	-0.6	-4.1
I Accommodation and food service activities	33.8	34.3	34.1	1.7	-0.5	-0.5	1.2
J Information and communication	21.9	22.4	22.4	4.8	0.1	-0.4	2.3
K Financial and insurance activities	24.3	24.6	24.3	4.2	-1.4	-1.3	-0.3
L Real estate activities	4.2	4.3	4.4	9.6	1.9	-0.6	3.7
M Professional, scientific and technical activities	42.8	44.4	45.1	7.1	1.5	1.1	4.8
N Administrative and support service activities	26	26.0	25.6	5.2	-1.7	0.6	-2.7
O Public administration and defence, compulsory social security	51	50.8	51.7	1.3	1.7	-0.1	1.3
P Education	60	61.0	60.4	1.5	-0.9	-0.5	3.3
Q Human health and social work activities	51	51.6	52.2	2.7	1.1	-0.1	2.5
R Arts, entertainment and recreation	13.8	14.0	14.1	6.5	0.4	0.0	2.2
S Other service activities	12.8	13.1	13.4	1.3	1.9	0.2	4.2
T Activities of households as employers, undifferentiated goods - and services - producing activities of households for own use	0.5	0.5	0.6	6.4	9.7	0.2	7.8

Source: SORS, calculations by IMAD.

higher than in October last year. The number of people who registered as unemployed increased in September compared to August due to the typical autumn inflow of first-time job-seekers who finished school and a higher number of persons losing jobs due to bankruptcy and

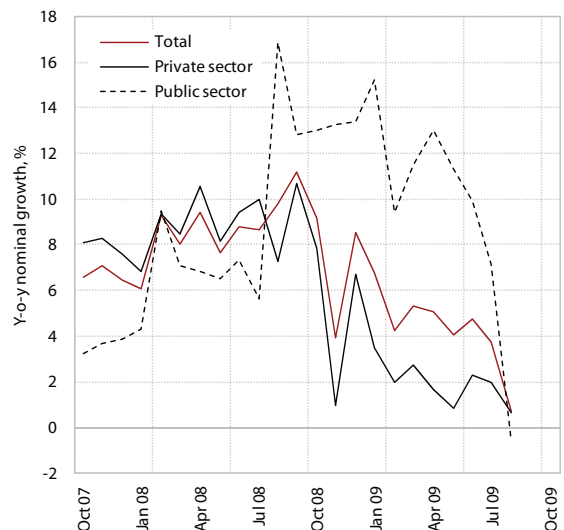
Figure 22: Number of registered unemployed (seasonally adjusted data)



Source: ESS; calculations by IMAD.

termination of fixed-term contracts. In September, the outflow from unemployment was 2.7% lower than the inflow. As in the previous five months (since April), the number of unemployed persons who found jobs was higher y-o-y also in September. This increase is also due to a higher number of the unemployed persons

Figure 23: Nominal gross wage per employee



Source: SORS; calculations by IMAD.

who became self-employed with the assistance of the Employment Service of Slovenia. In October, the number of unemployed increased by 6,255 (7.1%) compared to September, largely due to a high inflow of first-time job-seekers (up 300.9% from September) and a higher number of people who became unemployed after their companies went bankrupt (up 398.5% from September).

*Quarterly unemployment growth slowed slightly in the third quarter of 2009, but remained high.* The average number of registered unemployed was 8.1% higher in the third quarter than in the second, according to seasonally adjusted data, having increased by 15.1% and 12.6%, respectively, in the first two quarters of the year. In the third quarter, the inflow into unemployment due to job loss dropped (by 2,600 persons), while the outflow from

unemployment increased, as 2,328 more unemployed persons found work as in the previous quarter and 18.2% more were deleted from the unemployment register for reasons other than employment. However, the difference between this year and the same period last year is widening, given that in the third quarter of 2008, the number of unemployed increased by a mere 0.8% (seasonally adjusted). The average number of registered unemployed was thus 45.7% higher in the third quarter compared with the same period last year.

*The average wage per employee dropped in August, posting much faster growth in the public than in the private sector in the first eight months.* The gross wage per employee dropped in nominal terms in August (-0.6%), and was already only 0.7% higher y-o-y; with prices remaining

### Box 3: Signing the Annex to the Collective Agreement for the public sector

*The foreseen wage growth arising from the adopted wage reform for the public sector represented a great risk that macroeconomic relationships will deteriorate in this period of economic crisis.* In January this year, the second quarter of funds was disbursed according to the Collective Agreement for the Public Sector. The remaining two quarters were to be paid in September this year and in March 2010, with a safeguard mechanism postponing disbursement if real growth in public sector wages exceeded total labour productivity growth by more than 0.5 p.p. In February this year, the government and the trade unions managed to reach the Agreement on Measures Regarding Public Sector Salaries for the 2009–2010 Period due to the Changed Macroeconomic Situation and Annex I to the Collective Agreement for the Public Sector, according to which the third quarter was postponed to 1 January 2010 and the fourth to 1 March 2010 (in line with the incorporated safeguard clause). Moreover, it was agreed that there would be no regular wage adjustment in July this year and that regular performance bonuses would be abolished temporarily (from April until December this year).

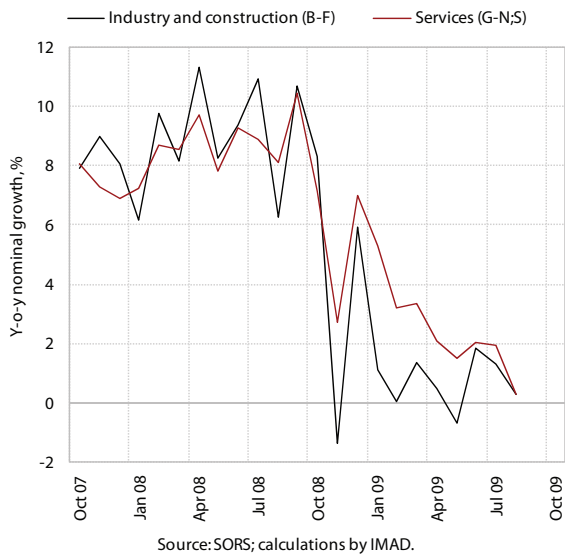
*The movement of public sector wages is one of the main risks for economic movement next year, as these wages were to increase by a nominal 10.3% in 2010 under the wage policy agreement for the public sector adopted in February 2009, which would additionally jeopardise the public finance position.* In the Autumn Forecast of Economic Trends 2009, IMAD reduced further its forecast of economic growth for this year and the next, given the deepening recession, citing the movement of public sector wages as one of the main risks. Amid the exceptionally deteriorating macroeconomic conditions, the Government reached with the trade unions a new Agreement on Measures Regarding Public Sector Salaries for the Period December 2009–November 2011 and Annex II to the Collective Agreement for the Public Sector. The payment of the remaining quarters of funds to eliminate wage disparities was shifted to October 2010 and October 2011. Furthermore, only half of the inflation projected in the Spring Forecast of Economic Trends for 2010 (IMAD) will be taken into account in July's general adjustment in 2010 and the temporary abolishment of regular performance bonuses remains in place. How wages will be adjusted in July 2011 will be set by May 2010. October's agreement means a significantly lower growth in public sector wages in 2010 compared to that agreed upon in February. However, according to the estimate based on the agreement of October, wage growth will nevertheless be higher than what was expected in the Autumn Forecast on the basis of the initial negotiating position of the government and the Draft Budget Memorandum.

Table 5: Comparison of the forecasts for the gross wage per employee

		2008	2009	2010		
			Autumn forecast (Sept. 2009)	Autumn forecast (Sept. 2009)	Agreement October 09	Agreement February 09
Nominal growth, %	Gross wage per employee	8.3	2.9	2.1	2.6	5.0
	Private sector	7.8	0.8	2.4		
	Public sector	9.8	7.0	1.0	3.1	10.3
	Labour productivity	4.5	-1.0	3.1		
Real growth, %	Gross wage per employee	2.5	1.9	0.6	1.1	3.4
	Private sector	2.0	-0.2	0.9		
	Public sector	3.9	5.9	-0.5	1.5	8.7
	Labour productivity	0.7	-5.0	2.5		

Source: SORS, calculations and forecasts by IMAD.

Figure 24: Nominal gross wage in the public sector

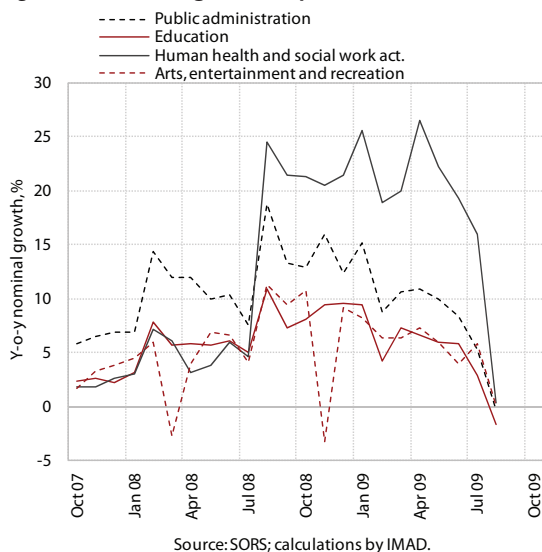


unchanged, the same figures were also posted for real wages. The gross wage increased by 4.3%, on average, in the first eight months relative to the same period last year; wage rises in the public sector were much faster than in the private sector.

The minimum wage underwent regular adjustment in August. The number of minimum wage recipients was at the average of 2008. The minimum wage is typically adjusted for the expected y-o-y price rises in August; it totalled EUR 597.43 after this year's increase (1.4%). Altogether, 21,056 persons received the minimum wage in August (half of them working in manufacturing and construction), which is at the level of the last year's average (-0.2%).

In the private sector, the average wage per employee dropped in August in all activities except hotels and restaurants,

Figure 25: Gross wages in the public sector



posting significantly lower y-o-y growth (0.7%). In August, the starting-level and the lowest basic wages should have been adjusted by 2.3% according to the collective agreement in force, but were adjusted by a lower percentage or not at all, given the economic difficulties, while the 1.2% decline in the gross wage per employee is also attributable to the two fewer working days in that month. In the first eight months, the private sector gross wage increased by 2.0%, being mainly driven by wage rises in market services (2.3%), which were significantly higher than in industry and construction (0.7%).<sup>8</sup>

In the public sector, the average wage per employee increased in August; one year after the first disbursement of wages according to the new system, its y-o-y growth dropped significantly due to the base effect. The average gross wage in this sector was 0.8% higher<sup>9</sup> compared to the previous month, but was 0.6% lower y-o-y due to the base effect. In the first eight months of the year, the gross wage in the public sector increased much faster (9.5%) than in the private sector. The highest growth was recorded in health and social work (18.1 %) and the lowest in education (5.0%).<sup>10</sup>

## Prices

Consumer prices increased by 0.1% in October, but remained unchanged from October last year. According to the first Eurostat data, y-o-y price growth was -0.1% in the euro area in October.

Y-o-y consumer price growth has been hovering around 0.0% in recent months. While declining steadily up to June 2009 from its high levels of mid-2008, inflation turned negative in July and has been hovering around zero since then. The rapid decline of inflation in Slovenia and in the entire euro area up to July this year was under a significant influence of oil price movements on the world market, which was directly reflected in a high negative y-o-y contribution of prices of liquid fuels for transport and heating to inflation. The contribution of these fuels will have (assuming the present oil prices on the world market) a great impact on inflation dynamics, as it will turn positive in the coming months. Food prices also declined in a similar way in the period when oil prices were falling on the world market, which was to a lesser extent also reflected in retail sale. Oil and food price movements thus contributed -0.5 p.p. and -0.1 p.p. y-o-y, respectively, to -0.1% price growth in September. However, cost pressures from the international environment softened also as a result of lower prices of other commodities.

<sup>8</sup>In the first half of the year, industry and construction activities posted much lower y-o-y wage rises than market services, while wage rises in the last three months were fairly equal.

<sup>9</sup>Particularly in recreational, cultural and sporting activities (2.2%), followed by health and social work (1.4%) and public administration (1.0%), while it stagnated in education (-0.1%).

<sup>10</sup>In 2002–2006, education recorded much higher gross wage rises than other public sector activities, being the only activity in this sector that managed to negotiate wage supplements in this period.

Table 6: Prices

in %	2008		2009		
	XII 2008/ XII 2007	Φ (I 08–XII 08)/ Φ (I 06–XII 07)	IX 09/ VII 09	IX 09/ IX 08	Φ (X 08–IX 09)/ Φ (X 06–IX 07)
Consumer prices (CPI)	2.1	5.7	-0.2	-0.1	1.4
Goods	1.3	6.0	0.8	-1.1	0.6
- Fuel and energy	-7.2	10.6	0.4	-4.4	-4.8
- Other	3.2	5.0	0.9	-0.5	1.6
Services	3.8	5.0	-2.3	2.0	3.2
Consumer prices (HICP)	1.8	5.5	-0.1	0.0	1.3
Administered prices <sup>1</sup>	-7.8	9.6	0.1	-5.8	-5.4
- Energy	-11.9	14.4	0.2	-11.1	-9.6
- Other	0.4	0.1	0.0	2.6	1.4
Core inflation					
- trimmean <sup>2</sup>	2.7	2.6	0.0	1.1	1.7
- excluding (fresh) food & energy	3.9	4.6	-0.2	0.9	2.7
Consumer prices in the EMU	1.6	3.3	0.0	-0.3	0.7
Producer prices of domestic manufacturers					
- domestic market	3.1	5.6	0.3	-1.6	0.9
- EMU	-0.1	2.1	0.6	-4.8	-2.4

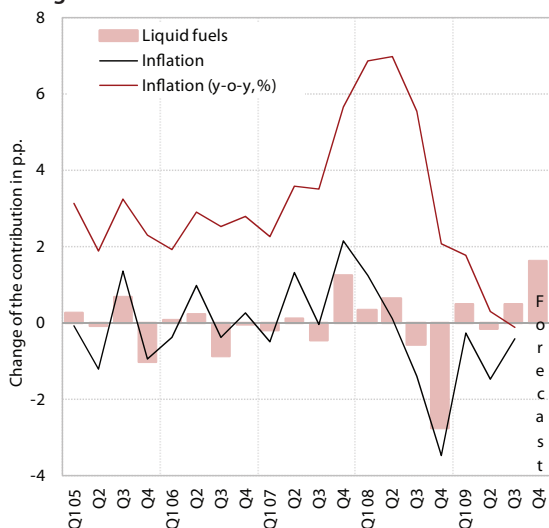
Sources: SORS, Eurostat, calculations by IMAD. Note: <sup>1</sup> due to annual changes of the administered price index, figures are not directly comparable across years. <sup>2</sup>The measure of core inflation ("Trimm mean") is optimised on monthly basis, hence some minor revisions of historical data are possible.

The impact of weaker demand as a result of the economic crisis has become an increasingly important factor in consumer price movements over the last few months. The decline in foreign demand resulted in lower economic activity in Slovenia, which was reflected through slower wage rises and labour market adjustment (and consequent lower domestic demand) in the softening of price pressures also in other groups of products and services included the consumer price index. The slowest

decline is, as expected, recorded for price growth in most services, which totalled 2.0% y-o-y in Slovenia. Y-o-y deflation was therefore 0.6 p.p. lower. Growth in services prices is also slowing throughout the euro area, where it dropped to 1.8% in September, from a relatively high level of August last year (2.7%).

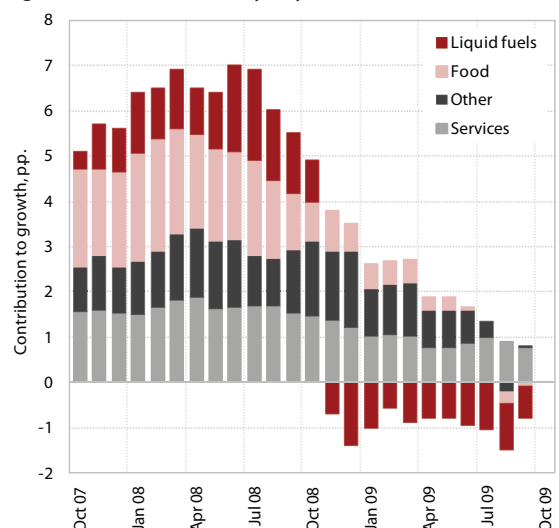
The negative growth of the producer prices of manufactured goods shows signs of moderation. While in the previous period of favourable economic trends, the movements

Figure 26: Group's contribution to y-o-y inflation change



Source: SORS; calculations by IMAD.

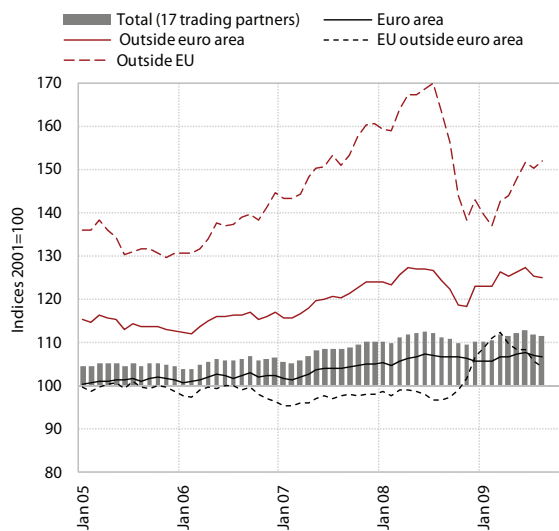
Figure 27: Breakdown of y-o-y inflation



Source: SORS; calculations by IMAD.

of the domestic producer prices of manufactured goods for sale on the domestic market were mainly under the influence of rising commodity prices in the international environment (particularly food, oil and metal prices), commodity price declines contributed (as did consumer price declines) to slower producer price growth in the period of the crisis. Specifically, in the time of economic boom, prices rose fastest in the manufacture of food and beverages and in the manufacture of metals and metal products. However, during the economic crisis their growth slowed, turning negative this year, which had a crucial impact on the measured deflation in producer prices as a whole, which totalled -1.6% in September (-3.2% in manufacturing). Data for the last few months show that negative price growth in the manufacture of food and beverages and in the manufacture of metals and metal products is slowing; price rises in other index groups also continue to slow. The movement of the producer prices of imported manufactured goods in the last two years was also primarily impacted by commodity prices in the international environment. In recent months, the negative y-o-y growth of imported goods started to slow.

Figure 28: Real effective exchange rates of euro area members



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

*Price rises in business services are slowing.* In recent years, the movement of prices in business services was, by our estimate, more a consequence of cyclical economic activity than cost shocks from the international environment. The relatively weak economic activity during the economic crisis contributed to a slowdown of the prices rises in business services, which declined from a relatively high level in the last quarter of 2007 (5.0%) to 0.3% in the second quarter this year (the latest figure).

*After the deterioration in the period from December to June, the **price competitiveness** of Slovenia's economy improved in July and August.* The real effective exchange

rate as measured by relative consumer prices dropped at the monthly level (by 0.2%), after having strengthened somewhat in the period from December 2008 to June 2009. Given the similar dynamics last year, it was only slightly higher than a year before in August and in the first eight months as a whole (by 0.2% and 0.1%, respectively). The relatively stable price competitiveness movements of this year are due to consumer price growth stabilising at similar levels as in Slovenia's trading partners, while the nominal effective exchange rate was relatively stable as well.

*At the aggregate level, this year's greater fluctuations of the euro had little influence on the price competitiveness of the economy.* Specifically, the share of Slovenia's foreign trade with its trading partners from the euro area, where the common currency eliminates any exchange rate risk, is the highest.<sup>11</sup> Since the second quarter, the impacts of the appreciation of the euro against some currencies outside the EU (particularly against the USD and JPY) have been offset in great part by the effects of its depreciation against EU currencies (particularly the PLN, HUF, CZK and GBP) and a consequent improvement in price competitiveness against Slovenia's EU trading partners outside the euro area (see International Environment). Movements in the period to the second quarter were just the opposite.

## Balance of payments

*In August, the balance of payments recorded the highest merchandise trade deficit this year, and the **current account** balance turned into a deficit after for four months of surplus.* With a higher drop of merchandise exports than imports, the deficit in merchandise trade increased (EUR 133.5 m). The deficit increase in August may also be partly seasonal in nature, which is also characteristic of previous years. Even though the merchandise deficit of August is the highest this year, it is still well below that recorded last year, as is the cumulative deficit for the period from January to August (EUR 245.3); in the same period last year, the merchandise deficit totalled EUR 1,717.6 m and was also the main contributor to the current account deficit.

*The August flows of other balances did not deviate much from those recorded in previous months.* The *factor income balance* recorded a similar deficit in August as in July. The deficit in the factor income balance has been narrowing steadily since the first quarter of 2009, when it was highest this year. Its decline was mainly due to net interest payments on foreign loans, which are declining more notably than net interest receipts from investment in debt securities. In the first quarter, the *balance of current transfers* also recorded the greatest deficit this

<sup>11</sup> In the narrower group of 17 trading partners, included in the calculation of the effective exchange rate, the share of Slovenia's trading partners from the euro area totals around 64%, the share of EU trading partners outside the euro area around 14%, and the share of non-EU trading partners 13%.

Table 7: Balance of payments

I-VIII 09, EUR m	Inflows	Outflows	Balance <sup>1</sup>	Balance, I-VIII 08
Current account	14,485.8	14,486.3	-0.5	-1,414.8
- Trade balance (FOB)	10,493.8	10,739.1	-245.3	-1,717.6
- Services	2,848.6	2,011.6	837.0	1,099.0
- Income	663.8	1,123.3	-459.5	-672.8
Current transfers	479.7	612.3	-132.6	-123.5
Capital and financial account	-114.0	-12.0	-126.0	1,773.6
- Capital account	148.4	-118.2	30.2	-12.2
- Capital transfers	147.4	-112.1	35.3	-10.4
- Non-produced, non-financial assets	1.0	-6.1	-5.1	-1.8
- Financial account	-262.4	106.2	-156.2	1,785.8
- Direct investment	-8.2	-457.3	-465.5	148.6
- Portfolio investment	2,766.8	29.7	2,796.5	-919.8
- Financial derivatives	-29.1	13.1	-16.0	38.1
- Other investment	-3,127.3	520.7	-2,606.6	2,489.3
- Assets	0.0	520.7	520.7	-1,132.7
- Liabilities	-3,127.3	0.0	-3,127.3	3,622.0
- Reserve assets	135.4	0.0	135.4	29.7
Net errors and omissions	126.4	0.0	126.4	-358.7

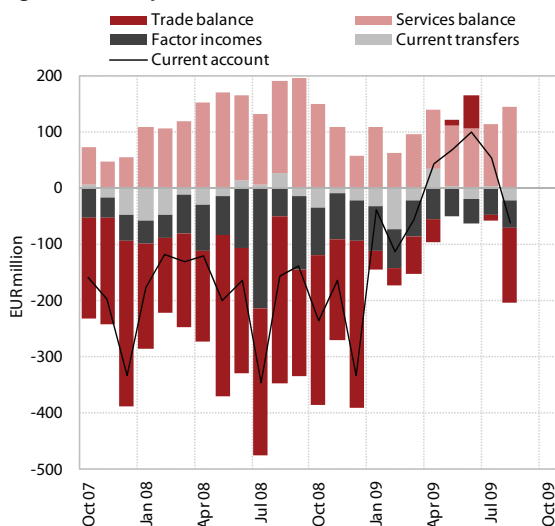
Sources: BS. Note: <sup>1</sup>a minus sign (-) in the balance indicates a surplus of imports over exports in the current account and a rise in assets in the capital and financial account and the central bank's international reserves.

year, particularly due to the general government sector. The cumulative balance of current transfers was positive from April to July, due to the surplus of the state budget against the EU budget. August saw a net outflow of funds from the state budget to the EU budget, which reduced the August balance of current transfers relative to July. In the first eight months of this year, the deficit in current transfers was almost at the same level as in the same period last year. The *services balance* also ran a surplus in August, the widest this year due to a seasonal

increase in trade in travel services. At the y-o-y level, the services balance posted lower y-o-y surpluses than last year in August and in the first eight months of this year, mainly due to a smaller surplus in trade in travel and road transport services, which is closely related to the dynamics of merchandise trade.

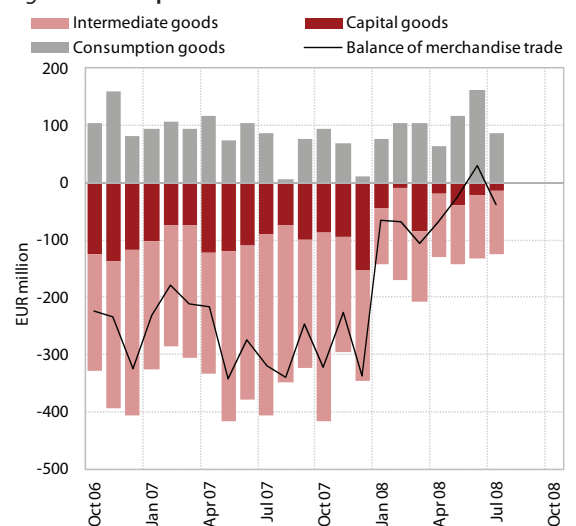
*The decline in foreign demand and lower domestic activity are also reflected in changed flows of merchandise trade by purpose. As a result of shrinking investment activity and*

Figure 29: Components of the current account balance



Source: BS.

Figure 30: Components of merchandise trade balance



Source: SORS; calculations by IMAD.

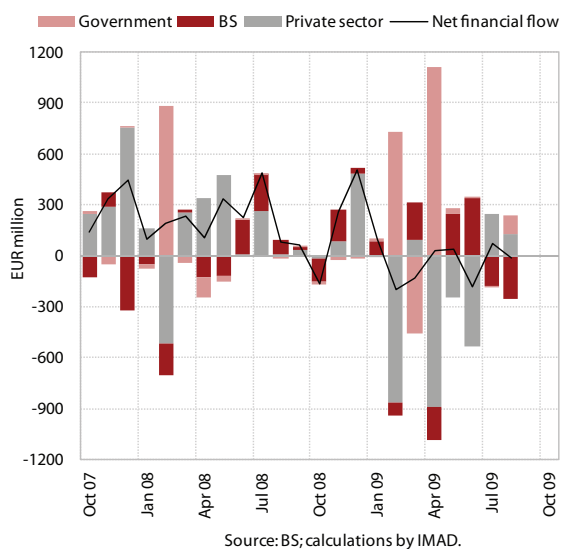


energy and commodity price drops, the trade deficits in investment goods and intermediate goods have already posted most notable y-o-y declines since the beginning of this year, with imports of these goods dropping much more than exports. Slovenia still runs a surplus in consumer goods trade, which has even widened somewhat during the economic crisis, mainly due to a pronounced y-o-y decline in passenger car imports (by 44.8% in the first seven months of this year).

*The net capital flow of international financial transactions (excluding monetary reserves) in August was among the lowest this year, being also much lower than last year in the first eight months as a whole.* The net capital outflow totalled EUR 10.5 m in August (a net inflow of EUR 83.7 m in August last year). It was underpinned by the net outflow of the capital of the BS, due to increased investment in foreign debt securities and a decline in liabilities to the TARGET system.<sup>12</sup> This net capital outflow was higher than the net capital inflow of the general government, due to increased foreign investment in general government debt securities and a higher net capital inflow of the private sector as a result of direct and other investments. International financial transactions (excluding monetary reserves) posted a net capital outflow of EUR 291.6 m in the first eight months of this year (a net inflow of EUR 1,756.1 m in the same period last year).

*In August, the highest financial transaction flows were recorded for assets and liabilities of commercial banks. Direct investment saw net inflows in the amount of EUR 60.6 m in August, while having posted net outflows in most of the previous months. This was a result of net indebtedness of domestic companies to foreign affiliated companies, while equity capital flows were modest.*

Figure 31: Financial transactions of the balance of payments by sector



<sup>12</sup> Real-time gross settlement system by the Eurosystem, used for the settlement of central bank operations, large-value interbank funds transfers as well as other euro payments.

*Portfolio investment* posted net outflows in the amount of EUR 111.6 m. The banking sector increased investment in bonds, notes and money market instruments. The net investment of non-residents in general government debt securities increased as well. January, February, April and July saw high net inflows of portfolio investment, due to the sale of the money market instruments of commercial banks, the issuance of two government bonds and a state-guaranteed NLB bond. *Other investment* saw a modest net inflow of EUR 32.2 m, but recorded high financial flows on the side of assets and liabilities. On the side of assets, the greatest decline was posted for deposits of domestic commercial banks in banks abroad, given that they transferred part of tied assets (EUR 647.9 m) from July's issuance of the NLB bond from accounts abroad. Regarding liabilities, the highest outflow was recorded for non-resident deposits in Slovenian banks (EUR 319.1 m), while the BS repaid part of its liabilities to the net position of the TARGET account for the second month in a row.

*The general government increased its debt this year due by issuing bonds, while the private sector, particularly domestic commercial banks, made net repayments of the debt that had increased in previous years.* Net general government borrowing increased this year to finance increased general government consumption and the measures adopted to stimulate lending activity. General government gross external debt rose by EUR 1,469 m from the end of 2008, while gross external assets in debt instruments declined by a mere EUR 81 m. The net external debt of the private sector diminished in this period. The greatest decline was posted for the external debt of commercial banks (EUR 1,333 m), while their gross assets declined by EUR 528 m.

## Financial markets

*Lending activity also remained modest in September.* Slovenian banks recorded net lending in the amount of EUR 82.1 m in September. Household borrowing accounted for by far the greatest share, but government borrowing increased as well. Enterprises and NFI, in contrast, posted the highest monthly net repayment of loans raised at domestic banks so far. Sources of finance on international interbank markets remain fairly limited and banks continue to repay loans taken out abroad. The volume of government bank deposits strengthened again in September, as the government raised EUR 1.5 bn in loans, depositing nearly two thirds of them in banks. Inflows of household deposits to banks are increasingly modest.

*The monthly increase in the total volume of domestic bank loans to domestic sectors has not exceeded 1.0% since October last year, while it dropped below 5.0% y-o-y in September.* In the first three quarters of 2009, banks recorded net lending to domestic non-banking sectors in the amount of EUR 878.6 m, only slightly more than a fifth of what was recorded in the comparable period of 2008. After being negative in July and August, the net

Table 8: Financial market indicators

Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 08	30. IX 08	30. IX 09/ 31. VIII 09	30. IX 09/ 31. XII 08	30. IX 09/ 30. IX 08
Loans total	31,549.10	32,427.72	0.3	2.8	4.7
Enterprises and NFI	23,137.53	23,378.77	-0.3	1.0	2.7
Government	584.61	818.35	8.3	40.0	57.8
Households	7,826.96	8,230.60	1.2	5.2	6.8
Consumer credits	2,883.95	2,895.89	0.7	0.4	-0.3
Lending for house purchase	3,395.30	3,752.88	1.6	10.5	15.9
Other lending	1,547.71	1,581.82	1.1	2.2	1.2
Bank deposits total	13,689.07	14,127.29	0.0	3.2	4.7
Overnight deposits	5,249.44	5,623.43	-0.1	7.1	3.8
Short-term deposits	5,644.79	5,358.67	-1.0	-5.1	-1.8
Long-term deposits	1,957.65	2,574.87	1.3	31.5	48.2
Deposits redeemable at notice	837.19	570.31	5.5	-31.9	-35.3
Mutual funds	1,513.38	1,807.06	3.3	19.4	-14.0

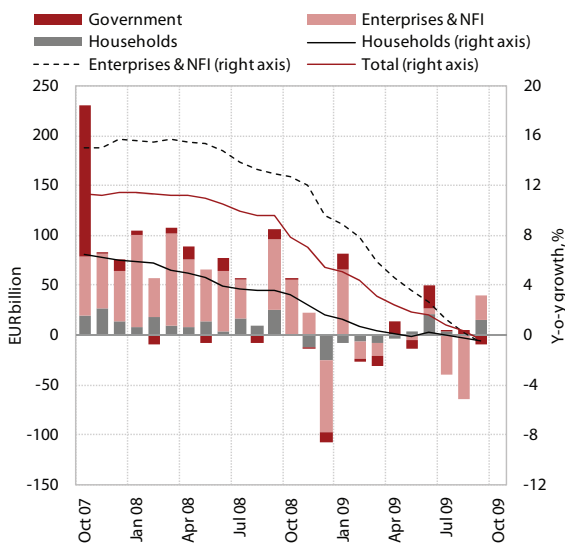
Sources: Monthly Bulletin of the BS, SMA (Securities Market Agency); calculations by IMAD.

flow of loans in the euro area strengthened in September, rising to EUR 30.2 bn. The y-o-y growth rate of total loans nonetheless declined by another 0.7 p.p. and was negative for the first time (-0.4%). Corporate and NFI borrowing, in particular, recorded a major change. After repaying loans in a net amount of more than EUR 100 bn in the previous two months, enterprises and NFI borrowed a net EUR 24.6 bn in September, which is the second highest figure this year, reaching close to 60% of the monthly average in 2008. Despite a relatively favourable September, the general picture shows that in the first three quarters of this year, the slowdown of the lending activity in the euro area was even more pronounced than in Slovenia. The total net flow of loans was negative, posting less than EUR

1 bn, while enterprises repaid their loans in a net amount of EUR 42.6 bn.

The volume of **net household borrowing** was also relatively high in September, at EUR 95.1 m, reaching the second highest level this year. Housing loans continue to account for the greatest share, with net flows hovering between EUR 50 m and EUR 60 m for the third month in a row. A significant upswing was also posted by net borrowing in the form of consumer loans, which was at EUR 18.7 m in September, the highest figure this year. In the first three quarters of 2009, banks recorded lending to households in the amount of EUR 403.6 m, close to 45 % of the figure from the comparable period of 2008. The decline is a result of a halt in bank lending in the form of foreign currency loans, which were repaid by households in a net amount of EUR 147.7 m in the first three quarters this year (in the same period last year, net flows totalled EUR 340 m). Part of the demand for these loans was thus most probably redirected to euro loans, given that in the first three quarters of this year, net flows of euro loans were slightly higher than in the comparable period last year.

Figure 32: Net flows and growth of loans in the euro area



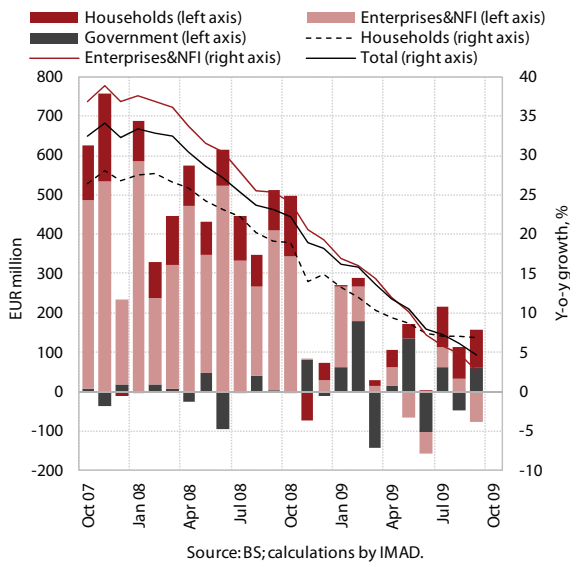
Source: ECB; calculations by IMAD.

Following two successive months of positive **net corporate and NFI borrowing**, enterprises and NFI net repaid loans again in September, this time in an amount of EUR 76.0 m, the highest thus far. This is the sole result of net repayment of working capital loans, which was at EUR 116.6 m, while net borrowing for investment totalled almost EUR 30 m and borrowing for other purposes slightly over EUR 10 m, both values exceeding this year's monthly average. Up to September, the guarantee scheme for enterprises had not contributed to any major increase in financing the economy yet. This can most probably be explained by banks being more cautious when granting loans, given the global economic crisis, but we also estimate that there



was a quality shift in demand. Specifically, enterprises are in dire need of financial resources to bridge liquidity problems. Given that these loans are normally not intended for financing development projects, which create new cash flow, banks are all the more cautious when granting this type of loans, requiring higher collateral and particularly higher interest rates to accommodate the additional risk, and thus deterring many a potential borrower from obtaining a loan. Enterprises and NFI thus borrowed a net EUR 241.2 m from domestic banks in the first three quarters of the year, a mere 7.1 % of the volume in the comparable period last year.

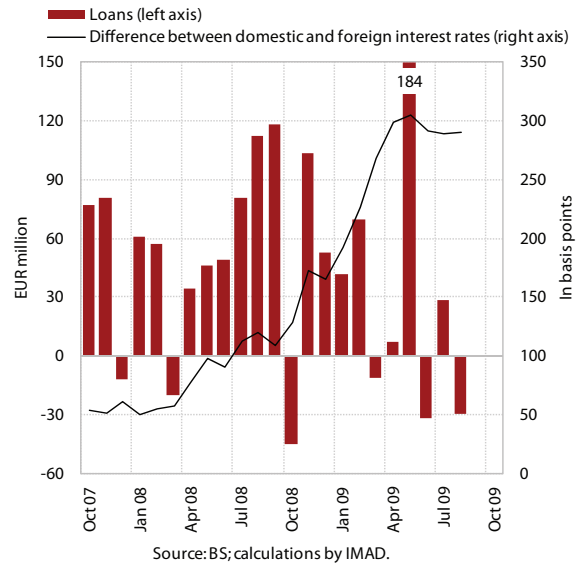
Figure 33: Net flows and growth of domestic bank loans to domestic non-banking sectors



In August, enterprises and NFI repaid foreign loans in a net amount of EUR 30.0 m. Long-term as well as short-term loans posted negative net flows. Given the strong net borrowing in the same month of last year (EUR 112.2 m), the relationships changed significantly as well. The volume of net loans thus totalled EUR 257.6 m in the first eight months of this year and was already almost two fifths lower than in the same period last year. This strong decline is largely a consequence of a sizeable net repayment of short-term loans (EUR 85.6 m), while borrowing in the form of long-term loans is still slightly above what was recorded in the comparable period last year, but the growth rate slowed notably over the last three months. The share of foreign financing thus dropped to 45.0% in August and was more than 5 p.p. lower than a month earlier. The interest rates for corporate and NFI borrowing are significantly higher in Slovenia than the euro area average, hovering at 290 basis points in August,<sup>13</sup> according to the Bank of Slovenia. In August, banks thus made net repayments of long-term as well as short-term loans taken out abroad. However, both posted

<sup>13</sup> Interest rates for loans above EUR 1 m with a variable or up to 1 year with a fixed interest rate.

Figure 34: Net bank borrowing abroad and differences in interest rates



fairly modest net outflows, EUR 38.9 m in total, only one seventh of the monthly average in the first eight months of this year. In this period, banks repaid a net EUR 2.1 bn of loans, while the net inflow still posted EUR 2 bn in the same period last year.

The growth rate of household **deposits** in banks also continued to decline in September. It fell below 5% y-o-y for the first time since comparable data have been available,<sup>14</sup> while it was still at approximately 10% as recently as at the beginning of the year. This low growth was in large part due to the decline in short-term deposits (some of which were also moved to long-term deposits) and deposits redeemable at notice. The latter increased by a full 5.5% at the monthly level in September, but were still more than 35% lower than what was recorded in September last year. Net inflows of household deposits in banks thus totalled EUR 438.2 m in the first three quarters of this year, down by as much as one half from the comparable period last year. There were several reasons for this strong decline. One is certainly the decline of household receipts. Another is a prominent drop in interest rates on deposits, while the third reason might lie in movements on capital markets. Inflows from capital markets, where the values of assets recorded a significant decline, accounted for an important share of inflows to bank deposits last year, while this year the effect of these inflows is just the opposite due to positive movements.

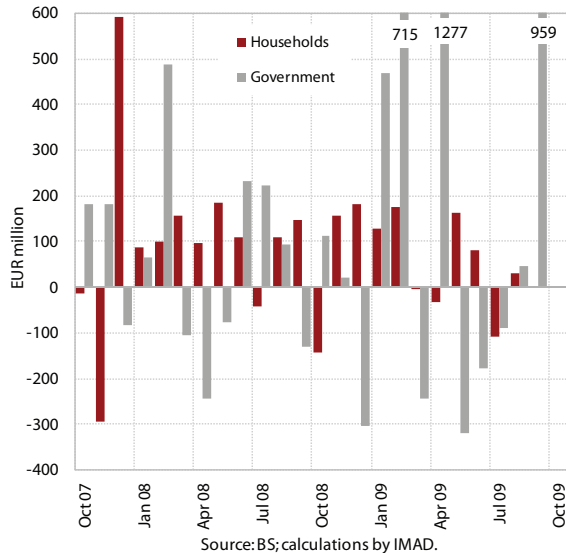
In September, the government strengthened the volume of bank deposits again, with bond proceeds accounting for a significant portion of deposited funds. The volume of government bank deposits thus exceeded EUR 4 bn by the end of the month and was by a factor of 1.5 higher than at the end of the previous year. At the monthly level, net flows reached EUR 958.6 m. This time, the government

<sup>14</sup> Since 2005.

deposited a significant portion of its deposits short-term, as the volume of short-term deposits increased by more than EUR 730 m, and the volume of long-term deposits only by slightly more than EUR 200 m.

For the third month in a row, **mutual funds** of domestic administrators recorded a positive net flow in September, which was, at EUR 5.9 m, at the highest monthly level this year. This movement is in great part attributable to favourable movements on capital markets, as the bulk of net inflows came from stock mutual funds. Mutual funds managed by domestic administrators recorded a modest positive net flow in the first three quarters this year (EUR 1.2 m), while the same period last year saw a net outflow of EUR 188.1 m. The volume of assets in mutual funds increased for the third month in a row, this time by more than 3%, having strengthened by close to one fifth since the end of the previous year.

Figure 35: Net inflows of household deposits in banks



Posting record highs in August, the turnover on the Ljubljana Stock Exchange slowed once again in September and was roughly the same (EUR 67.5 m) as the average turnover recorded in previous months. Also this time, the bulk came from the turnover in shares, while the turnover in bonds (EUR 13.7 m) recorded its highest value in the last six months. In September, the market capitalisation of securities listed on the Ljubljana stock exchange recorded its first monthly increase (by a full 9.0%) in the third quarter. Once again, the increase was primarily underpinned by a 16.3% increase in the market capitalisation of bonds coming from the issuance of new government bonds at the beginning of September, while the increase in the market capitalisation of shares was moderate, at 1.7%. The value of the SBI20 index rose in October for the second month in a row, despite significantly negative movements in the second half of the month, but its growth was, at 1.9%, nearly half lower than a month before. On the other hand, on international capital markets there was a break in the string of consecutive monthly increases recorded

Figure 36: Movement of the SBI20 and other main indices



in the entire third quarter of the year. In October, the MSCI World index, measured in euros, thus recorded a 2.8% decline. Among the main indices, stagnation was only reported for the main index of the New York Stock Exchange, while other indices declined in the range between 1.0% and 5.0%.

## Public finance

In the first nine months of this year, revenue from **taxes and social security contributions** dropped by 7.6% relative to the same period last year. According to the data on paid taxes and social security contributions,<sup>15</sup> payments totalled EUR 9.7 bn. The slowdown of general government revenue growth continued for most categories of taxes and contributions. Only revenues from excise duties and social security contributions increased y-o-y in the first nine months of the year (15.8 % and 2.1 %, respectively), while all other taxes declined. The government continued to implement the policy of raising duties on all excise products (thereby increasing revenue from excised duties), but in August and September, their growth was somewhat slower. Social security contributions follow the wage bill dynamics, but their growth is slowing as well. Revenue from personal income tax declined by 4.0% y-o-y in the first nine months, largely due to higher tax refunds based on final personal income tax assessments for 2008, as well as significantly lower inflows from taxes on income from entrepreneurial profits and income from capital gains. Growth in revenue from tax on income from employment is slowing as well (3.6% y-o-y growth). Prepayments of corporate income tax declined further in September relative to August, reaching only slightly more than half of the 2008 value in the first nine months,

<sup>15</sup> Based on the Report on Payments of All Public Revenues, January–September 2009, Public Payments Administration.

**Box 4: Main aggregates of the general government sector (ESA 95)**

According to the revised SORS data, the **general government deficit** totalled 1.8% of GDP in 2008, having deteriorated notably relative to 2007, when the balance was almost level. SORS published revised data on the main aggregates of the general government for 2005–2008. The main corrections pertain to the revision of the assessed corporate income taxes for 2007 and 2008, while for 2008 new estimates were made for expenditure on gross fixed capital formation and deficits of public agencies, funds and public institutions. In the revision, four new units were included in the general government sector: Radio and TV Slovenia, Dwelling Fund Slovenia, Consultancy and Management Corporation (CMC) and CMC Real Estate. According to the revised data, the deficit for 2008 is 0.9 p.p. higher than before the revision: as the share of revenue in GDP remained unchanged compared with the year before, the total recorded deficit reflects the higher share of total general government expenditure. The revision annulled the previously reported surplus for 2007 amounting to 0.5% of GDP. In 2008, the general government deficit was mainly generated at the central government level (EUR 461 m), and partly also at the level of local governments (EUR 213 m). The social security funds recorded a minimum surplus. The deficit at the local government level (municipalities) increased, in particular, compared with previous years and was the highest since 2000. According to the Ministry of Finance, the general government deficit (according to the ESA-95 methodology) for 2009 will be estimated at 5.9% of GDP and consolidated general government debt at 34.2% of GDP.

In 2008, **general government revenue** increased by a nominal 7.4% to EUR 15.8 bn (42.4% of GDP). Among the main categories, social security contributions increased the most in 2008 (10.3%), while taxes on income and wealth and taxes on production and exports were increasing at a significantly slower pace (5.2% and 3.5%, respectively).

**General government expenditure** increased by 12.0% in 2008, to EUR 16.4 bn (44.2% of GDP). Expenditure on goods and services and the compensation of employees increased more than total expenditure (by 15.5% and 12.9%, respectively), while increases in expenditure on investment (10.5%) and expenditure on social benefits in cash and in kind (10.1%) were slower.

After the revision, the consolidated **general government debt** at the end of 2008 is estimated at 22.5% of GDP (EUR 8,337 m), which is 0.3 p.p. of GDP less than according to the initial estimate, which is due to the inclusion of four new units in the general government sector (which posted surpluses at the end of 2008).<sup>1</sup> General government debt declined by 0.8 p.p. of GDP relative to the end of 2007, and by 4.5 p.p. relative to the end of 2005. This debt was mainly generated at the central government level and to a lesser degree at the level of local government units. Central government debt declined in 2008, while local government debt increased.

Table 9: **General government sector revenue, expenditure and deficit, in % of GDP**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total general government revenue	43.0	43.6	43.9	43.7	43.6	43.8	43.2	42.4	42.4
Total general government expenditure	46.7	47.6	46.3	46.4	45.8	45.2	44.5	42.4	44.2
General government debt	26.8	27.4	28.1	27.5	27.2	27.0	26.7	23.3	22.5
Deficit - net borrowing (-)	-3.7	-4.0	-2.5	-2.7	-2.2	-1.4	-1.3	0.0	-1.8
Of which:									
Central government	-3.2	-3.7	-2.1	-2.5	-2.1	-2.2	-1.3	-0.1	-1.2
Local government	0.0	0.0	-0.2	-0.1	-0.1	0.0	-0.1	-0.1	-0.6
Social security funds	-0.5	-0.2	-0.1	-0.1	-0.1	0.8	0.1	0.2	0.0

Source: SORS, Main aggregates of the general government, 2000-2005, for 2000-2004, Non-financial sector accounts; calculations by IMAD, ESA-95. methodology

<sup>1</sup> Radio and TV Slovenia, Dwelling Fund Slovenia, Consultancy and Management Corporation (CMC) and CMC Real Estate.

as taxpayers can request a prepayment reduction based on deteriorated current business performance and this year's lower statutory tax rate (21.0 %). Revenue from value-added tax was almost 10.8 % lower in the first nine months of the year, following the economic activity decline amid other problems regarding the timing of tax payments and tax refunds.

According to non-consolidated data for August, *state budget* revenue declined by 13.4% y-o-y in the first eight months, while state budget expenditure increased by

12.2% in the same period. The state government deficit climbed to EUR 1,031 m in the first eight months. *The health fund* also posted a deficit (EUR 79.9 m) at the end of the first eight months, given that revenue increased by 4.3 % and expenditure by as much as 15.8 %. With the transfer from the state budget in the amount of EUR 960 m, the *pension fund* was more or less balanced at the end of the first eight months of the year; revenue and expenditure rose by 7.8 % and 7.7 %, respectively. The total balance of *local government budgets* was negative in the first seven months. Local government budgets

Table 10: Drawing of cohesion policy funds according to the financial perspective for 2007–2013 (as at 30 September 2009)

	In EUR m				% with regard to eligibility 07–09			
	OP ETID*	OP SRDP*	OP HRD*	OP*, total	OP ETID*	OP SRDP*	OP HRD*	OP*, total
Eligibility 2007–2009	434.0	869.7	362.0	1,665.7				
Confirmed operations	304.4	886.4	325.5	1,516.2	70.1	101.9	89.9	91.0
Signed contracts	117.9	707.2	321.7	1,146.8	27.2	81.3	88.9	68.8
Executed payments	90.6	250.8	44.5	385.9	20.9	28.8	12.3	23.2
Submitted expense claims	81.3	143.0	8.0	232.3	18.7	16.4	2.2	13.9
Certified expense claims	79.7	9.2	3.2	92.1	18.4	1.1	0.9	5.5

Source: Slovenian Government Office for Local Self-Government and Regional Policy; calculations by IMAD.

Note: \*OP ETID – Operational programme of environmental and transport infrastructure development, OP SRDP – Operational programme for strengthening regional development potentials, OP HRD – operational programme for human resource development.

Figure 37: Taxes and social security contributions

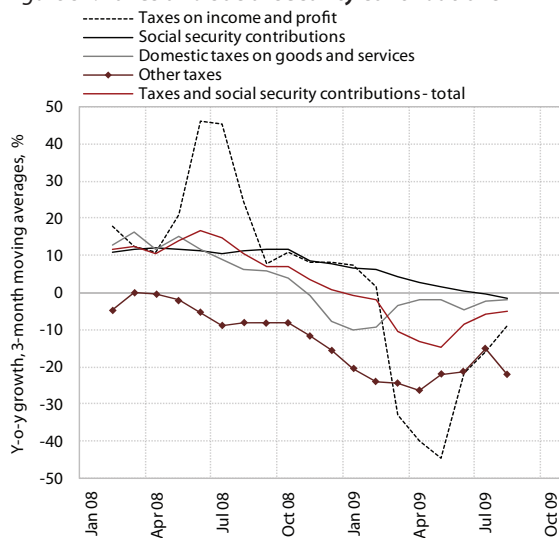
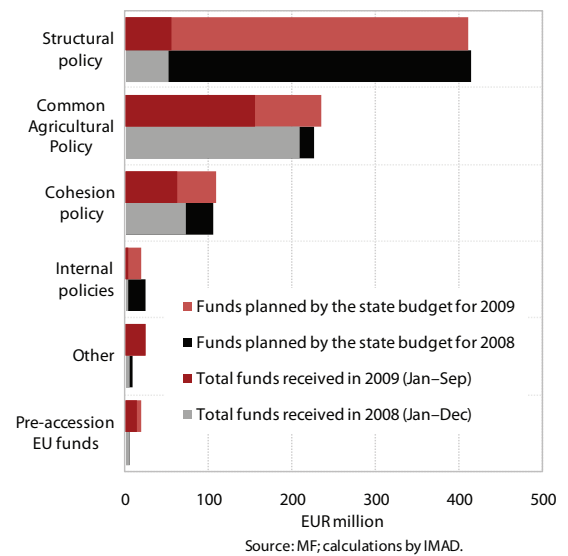


Figure 38: Planned and absorbed EU funds



posted a deficit of slightly above EUR 50 m, with revenues increasing by 3.8 % and expenditures by 13.6% y-o-y.

The absorption of Cohesion Policy funds according to the financial perspective for 2007–13 accelerated in the third quarter, but refunds into the state budget remained low. According to the data from the Slovenian Government Office for Local Self-Government and Regional Policy (GOLR)<sup>16</sup> according to operational programmes, the measures adopted at the EU and national levels<sup>17</sup>, to enhance cohesion policy funds absorption mainly contributed to improvements in procedures for approving operations and projects and signing contracts. The actual payments of cohesion policy funds according to the new financial perspective increased as well, but they still account for a very low percentage of the funds Slovenia is entitled to utilise in the 2007–2009 period

as a whole. The submitted claims for refunds from the EU budget increasingly follow the actual payments, even if there are still significant lags that should be eliminated as soon as possible. Certified refund claims and actual refunds into the state budget remain very low, particularly in the operational programmes for strengthening regional development potentials (RD) and human resource development (HRD). The reason may lie in administrative barriers,<sup>18</sup> which should be eliminated as soon as possible.

In September, refunds from the EU budget into the state budget were somewhat lower than in August. Receipts from the European Regional Development Fund accounted for the bulk of refunds (more than 50%), while refunds from the Cohesion Fund and refunds under the Common Agricultural Policy were somewhat lower. Given that the receipts from the EU budget to the state budget were again much lower than the payments of Slovenia's obligations against the EU budget, the net surplus dropped to a mere EUR 1.3 m in the January–September period.

<sup>16</sup> According to GOLR, which conducts in-depth monitoring of the allocation and use of cohesion policy funds, which account for the bulk of funds Slovenia receives from the EU budget. The Ministry of Finance, however, includes data on the actual refunds into the state budget (see Economic Issues 2009).

<sup>17</sup> See SEM, April 2009.

<sup>18</sup> See Economic Issues 2009.



**selected topics**





## Effects of the new wage system on wages and individual wage-forming components by public sector activity

*The new wage system has already resulted in a significant increase in the average gross earnings per employee in the public sector after the disbursement of the first two quarters of funds to eliminate wage disparities. We made a detailed analysis of increases according to activities and certain wage-forming components on the basis of statistical data for the January–July 2009 period in comparison with the same period in 2008. The reason why it is appropriate to compare these two seven-month periods is that the changes in the wage calculation brought about by the new wage system, which was introduced in August 2008, impacted the level of wages in the first seven months this year, while there was no such effect in the same period of last year. The statistical data give insight into the structure of earnings according to the share of earnings without overtime work and without payments in arrears, the share of earnings for overtime work and the share for payments in arrears (which also include extraordinary payments).*

*An analysis of the seven-month period shows deviations from the preliminary estimates of the effects that the introduction of the new wage system will have on earnings. Before signing the collective agreement for the public sector and sectoral collective agreements, the Ministry of Public Administration estimated the financial consequences of the new system, anticipating the highest wage rises in health and social work (particularly to eliminate disparities in the earnings of nurses), followed by arts, entertainment and recreation, and by other activities. An analysis of statistical data shows that after the elimination of all wage disparities, the actual wage growth would be much higher than estimated, with a great increase in public sector wages not only as a result of movements across wage brackets and promotions, but also of the increase in other wage-forming components. Specifically, the data show a significant increase in gross earnings for overtime work and payments in arrears, which mainly include extraordinary payments (for example a supplement for increased workload).*

*The average gross wage in the public sector was 11.1% higher y-o-y in the first seven months this year, which was mainly due to the 23.4% increase in health activities. Wage rises were significantly lower in residential care (14.2%) and social work activities without accommodation (17.0%), but still higher than wage rises in public administration (9.8%) and significantly higher than in education (6.0%) and arts, entertainment and education (6.3%).*

*Gross earnings per hour increased more than gross earnings per overtime hour. In the public sector, gross earnings per overtime hour increased by 63.3%, but the increases varied significantly according to activity. The greatest increase, by nearly 80%, was recorded in health and social work. Within that, gross earnings per overtime hour*

*increased most notably in hospital activity (by 94.5%). In social work, the value of overtime work declined significantly in residential care activities for people with mental retardation (-56.5%), while it increased in other areas of social work. In public administration, gross earning for overtime work increased by nearly 33%, in arts, entertainment and recreation by slightly more than 14%, while they dropped by around 12% in education, though solely due to a significant decline in the value of overtime work in higher education (were these activities excluded, the increase would total around 30%).*

*Amid this exceptional increase in gross earnings per overtime hour, the share of paid overtime hours in total paid hours declined somewhat this year (from 2.2% last year to 2.0% this year). The share of overtime payment recipients declined as well. The workload in public administration declined y-o-y in the first seven months this year, given that last year the volume of work was significantly higher due to the Slovenian presidency of the EU. With few exceptions, other activities also posted a decline in the share of overtime hours in total hours and overtime payment recipients this year. A significant increase was thus recorded for the share of overtime hours in total paid hours and the share of overtime payment recipients in residential care activities for people with mental retardation (i.e. where the value of overtime work posted a significant decline). Both shares also increased in mental and dental practice activities, which are health activities; in hospital activities, the share of overtime hours in total paid hours declined, while the share of overtime payment recipients increased. In arts, entertainment and recreations activities, the share of overtime hours in total paid hours and overtime payment recipients increased in artistic creation and museums.*

*The share of funds for overtime payments increased the most in health activities. Even though the share of paid overtime hours in total hours and the share of overtime payment recipients declined, the share of funds for overtime payments in the structure of gross earnings increased to 3.2% (from 2.4% last year). Looking at the total structure of funds for gross earnings, the share for these payments increased the most in health activities (from 8.8% in 2008 to 11.6%), but it also rose in public administration. In other activities and in social work, the share of funds for overtime payments declined, most notably in education.*

*Gross earnings for payments in arrears, which do not represent a great share in the structure of gross earnings (0.14% in the period of January–July last year), have increased significantly this year, to 0.38%, by more than by a factor of 1.5. Payments in arrears also include extraordinary payments, such as the supplement for increased workload that is paid in arrears. The changes are mainly due to the fact that the new wage system introduced a supplement for increased workload, which had previously only been used in public administration. Among individual activities, the share of payments in arrears increased*



Table 11: Structure of gross earnings in the public sector for the January–July 2009 period compared with the January–July 2008 period

SCA	jan-jul	Average gross earnings per employee		Jan-Jul 09/Jan-Jul 08		Average gross earnings per hour		Jan-Jul 09/Jan-Jul 08		Share of overtime hours in total hours		Share of overtime payment recipients		Average gross arrears per recipient		Jan-Jul 09/Jan-Jul 08		Share of recipients of arrears		Share of funds for gross earnings for work in total funds for gross earnings		Share of funds for gross earnings for arrears in total funds for gross earnings				
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008			
Total public sector		1,752	1,577	11.1	10.4	9.3	12.0	63.3	2.0	2.2	-9.5	14.7	15.7	-5.9	56.4	108.9	-48.2	11.7	2.1	462.9	3.2	2.4	32.0	0.4	0.1	162.6
O84 Public administration		1,791	1,631	9.8	10.6	9.6	10.6	32.8	1.2	1.3	-9.2	16.5	17.6	-6.1	21.6	36.2	-40.2	4.3	0.8	456.0	1.4	1.3	9.1	0.1	0.0	202.9
O84.1 Administration of the State		1,862	1,712	8.7	11.1	10.2	9.2	24.1	0.6	0.6	-12.9	7.8	8.7	-10.5	20.7	35.0	-40.8	7.2	1.3	455.1	0.6	0.7	-1.1	0.1	0.0	202.1
O84.2 Provision of services to the community as a whole		1,727	1,556	11.0	10.2	9.1	11.9	36.5	1.9	2.0	-7.0	25.7	26.7	-3.7	25.1	59.4	-57.7	1.9	0.1	2195.2	2.3	2.0	13.5	0.0	0.0	773.6
O84.3 Compulsory social sec. act.		1,741	1,594	9.2	10.4	9.5	9.9	11.9	0.3	0.6	-5.0	3.3	7.0	-5.3	34.5	-100.0	0.0	0.0	3.7	-100.0	0.3	0.7	-55.4	0.0	0.1	-100.0
P85 Education		1,721	1,624	6.0	10.4	9.8	6.4	12.6	0.3	0.4	-14.3	3.5	5.0	-29.8	35.6	65.7	-45.8	16.8	2.9	483.9	0.4	0.5	-29.3	0.3	0.1	198.5
P85.1 Pre-primary education		1,349	1,264	6.7	8.1	7.6	7.0	11.5	0.1	0.1	-11.6	1.4	1.5	-5.3	29.5	32.9	-10.4	12.6	2.2	470.2	0.1	0.1	37.7	0.3	0.1	378.6
P85.2 Primary education		1,721	1,619	6.3	10.4	9.7	6.7	7.0	0.2	0.2	-3.0	2.3	4.2	-4.9	22.9	38.8	-41.0	19.4	1.8	1003.2	0.1	0.2	-13.8	0.3	0.0	512.6
P85.3 Secondary education		1,867	1,775	5.2	11.4	10.8	5.5	10.6	0.2	0.3	-3.5	2.7	3.9	-3.0	29.6	61.3	-51.6	19.2	2.2	768.4	0.2	0.3	-25.3	0.3	0.1	299.4
P85.4 Higher education		2,196	2,064	6.4	13.3	12.3	7.7	14.3	1.4	1.4	-0.7	11.9	15.2	-21.8	30.9	29.1	6.0	9.8	6.8	43.8	1.5	2.3	-36.3	0.1	0.1	43.3
Q Human health and social work a		1,758	1,452	21.1	10.1	8.2	23.0	79.1	5.2	5.7	-8.9	29.4	29.6	-0.4	82.0	93.9	-12.7	13.9	0.9	1429.2	9.3	7.0	32.6	0.6	0.1	1,002.5
Q86 Human health activities		1,968	1,594	23.4	11.1	8.8	26.0	81.5	7.1	7.7	-8.3	39.7	39.3	1.0	93.8	158.7	-40.9	13.9	0.6	2345.5	11.6	8.8	32.2	0.7	0.1	1,070.8
Q86.1 Hospital activities		1,999	1,595	25.4	11.0	8.6	28.7	94.5	8.3	9.5	-12.9	43.6	43.0	1.4	56.9	215.5	-73.6	14.9	0.2	6729.5	13.7	10.4	31.7	0.4	0.0	1,338.4
Q86.2 Medical and dental practice a.		1,947	1,609	21.1	11.2	9.2	22.2	45.2	5.1	4.5	14.0	33.8	33.1	2.0	176.2	93.7	88.1	12.2	1.2	936.4	8.4	6.2	35.5	1.1	0.1	1,510.6
Q86.9 Other human health activities		1,737	1,510	15.0	10.2	8.7	16.6	30.3	3.4	3.8	-10.5	28.6	32.1	-11.0	137.6	419.5	-67.2	12.2	1.1	1003.7	5.1	5.1	0.1	1.0	0.3	214.9
Q87 Residential care activities		1,209	1,059	14.2	7.2	6.3	14.9	7.2	8.1	-11.0	0.6	5.2	5.6	-5.8	34.6	17.7	95.4	14.1	1.4	927.2	0.6	0.6	-1.1	0.4	0.0	1,656.7
Q87.2 Residential care activities for mental retardation		1,406	1,223	15.0	8.4	7.3	14.3	14.3	1.7	0.7	134.2	11.4	9.4	22.0	10.8			11.0			1.3	1.4		0.1	0.0	
Q87.3 Residential care activities for the elderly and disabled		1,150	1,003	14.7	6.9	6.0	15.6	5.6	0.3	0.4	-21.4	4.0	5.0	-20.1	39.9	19.0	110.1	14.7	1.7	777.4	0.4	0.4	6.1	0.5	0.0	1,507.5
Q87.9 Other residential care activities		1,376	1,241	10.9	8.3	7.4	12.2	34.8	0.2	0.2	-8.0	1.5	1.7	-11.1	23.0	4.3	432.2	17.5	1.8	870.6	0.2	0.2	10.5	0.3	0.0	4,557.1
Q88 Social work act. without accommodation		1,425	1,218	17.0	8.6	7.4	16.8	11.2	9.3	20.4	0.4	6.1	-20.4	4.9	121.3	74.8	62.2	12.7	2.7	377.2	0.5	0.7	-21.8	1.1	0.2	561.4
Q88.1 Social work act. without accommodation for the elderly and disabled		1,289	1,079	19.4	7.9	6.6	19.2	9.2	7.6	21.2	0.4	3.8	5.4	-30.1	252.0	38.7	551.9	10.2	2.3	338.4	0.4	0.6	-25.9	2.0	0.1	2,293.6
Q88.9 Other social work act. without accommodation		1,510	1,350	11.8	9.1	8.1	11.7	12.1	10.6	14.6	0.5	5.6	6.8	-18.3	63.7	101.3	-37.2	14.3	3.0	377.2	0.6	0.8	-23.0	0.6	0.2	168.1
R Arts, entertainment and recreation		1,703	1,602	6.3	10.3	9.6	7.2	9.4	8.2	14.3	0.4	5.2	-15.9	197.0	225.0	-12.4	8.5	9.2	-6.8	0.4	0.5	-19.7	1.0	1.3	-23.2	
R90 Creative, arts and entertainment activities		1,657	1,412	17.4	9.8	8.3	18.4	10.5	7.7	36.2	0.4	4.4	-7.4	162.1	99.5	62.9	9.0	15.6	-42.2	0.4	0.5	-18.3	0.9	1.1	-19.8	
R91 Libraries, archives, museums		1,639	1,492	9.9	9.9	8.9	10.9	11.2	10.0	11.4	0.4	5.6	-23.3	62.1	138.2	-55.0	12.5	9.0	39.5	0.4	0.5	-24.6	0.5	0.8	-43.0	
R93 Sports activities and amusement and recreation activities		1,237	1,160	6.6	7.5	7.0	7.3	7.8	6.9	12.3	0.6	7.2	-17.4	306.9	213.0	44.1	12.6	12.5	0.7	0.6	0.8	-22.6	3.1	2.3	36.1	

Source: SORS; calculations for the public sector (from O to R according to SCA 2008) by IMAD.

Note: As the number of paid hours increased somewhat more slowly than employment, the increase in the average gross earnings per hour is somewhat higher than the increase in the average earnings per employee.

most notably in health activities (from 0.06% in 2008 to 0.66% in 2009) and residential care activities (from 0.02% last year to 0.40% this year). Given the limited funds, the average amount per recipient declined, as the number of recipients increased. The number of recipients was much higher this year, perhaps also as a consequence of the temporary abolishment of regular performance bonuses, which probably translated into a somewhat faster increase in the number of recipients of payments in arrears. Looking at activities, the amounts per recipient dropped by approximately one half in public administration, education and health activities, while health activities saw the greatest increase in the share of recipients. Both the amount per recipient and the share of recipients increased in social work (residential care and social care activities without accommodation), while both declined in arts, entertainment and recreation.

*Wage rises have thus far already come close to the growth that was, according to the estimate of the Ministry of Public Administration, supposed to be achieved after disparities have been eliminated.* When the sectoral collective agreements were signed, it was estimated that wages would increase by close to 24% in health activities, 21% in social work, 18% in arts, entertainment and recreation, 12% in public administration, and by around 7% in education. According to the present statistical data, which already take into account the first two quarters of funds to eliminate wage disparities in the public sector, wage rises have already come close to these estimates. In addition to the effect of the elimination of wage disparities, the statistical data on earnings also include the effect of wage rises due to other wage-forming components. While the effects of individual overtime payments on earnings can be monitored separately, it is impossible to determine the separate effects of payments included in payments in arrears, or the effects of promotions and reassignments to more demanding jobs, which are included in the basic wage. The above-estimated percentage has already been achieved in full in health activities, while in social work the percentage is around 4 p.p. lower than the estimate. In public administration, the increase is slightly more than 2 p.p. lower (9.8%) than estimated, in education approximately 1 p.p. (6.0%), while the increase in art, entertainment and recreation activities (with a significantly lower number of public sector employees than recorded by the statistical data) has not reached the above estimate. These data also indicate that it is necessary to rethink the agreed changes and that possible new agreements should not only aim at increasing components that influence wage growth.

## The UN Human Development Report 2009

*The latest global Human Development Report explores migration flows and mobility.*<sup>19</sup> It deals with migration flows by applying the model of pull and push factors. This model, which is essentially based on economic factors, is expanded to include the socio-cultural and political factors. Applying a human development approach, the report analyses migration flows from the perspective of an individual as well as from the perspective of the areas of origin and destination. Thereby it draws attention to the often overlooked facts that migration affects every facet of human development; that it has both positive and negative implications, which reflect both at the macro level of countries, as well as at the micro level of individuals and their social networks. Furthermore, migration also has positive and negative effects on the places of destination as well as of origin. Similar to the prior research, this report finds migration to be driven by a number of causal factors; these are coupled with macro factors at the level of the countries of origin, as well as personal circumstances and characteristics of migrants.<sup>20</sup> It shows that most people migrate in search of a better life – that is, of better opportunities and improved prospects.

*The findings of the report challenge and cast new light on common misconceptions about the dynamics of movement.* First, contrary to commonly held beliefs, the share of world migrants has been stable for nearly 50 years, representing around 3% of global population. Second, movements between developing and developed countries represents only one third of all international migration. The bulk of international migration flows occur between developing countries or between developed countries. Third, at the global level, internal migration is much more frequent than international migration; using a conservative definition, the share of the internal migrants is four times as high as the share of those who have moved internationally. Fourth, there is a positive correlation between human development and emigration flows: nearly three quarters of all international migrants move to a country with a higher human development than in their country of origin.<sup>21</sup> Fifth, it is people from the poorest countries who have the most to gain from migrating. It is estimated that a family migrating from Nicaragua to Costa Rica increases the probability that their child will be enrolled in school by 22%.<sup>22</sup> However, poverty is one of the key obstacles to emigration, and people from the poorest countries move less. Sixth, small countries have the highest emigration rates, regardless of the level of human development. Indeed, the top 13 emigration countries in the world are small island states that are remote from

<sup>19</sup> Human Development Report 2009. For definitions of terms and detailed analysis of Slovenian migration flows see the Social Overview 2008, IMAD.

<sup>20</sup> See Social Overview 2008: 73.

<sup>21</sup> See HDR 2009: 23.

<sup>22</sup> See HDR 2009: 10.

Table 12: Distribution of international migration, 1960–2005

Migration	Immigration					Emigration
	Annual rate of growth (%)	Share of population (%)		Proportion female (%)		Emigration rate (%)
	1960-2005	1960	2005	1960	2005	2000-2002
<b>By region</b>						
World	1.1	2.6	3.0	47.0	49.2	3.0
Africa	1.7	3.2	1.9	43.1	47.8	2.9
Asia	0.7	1.7	1.4	46.6	47.1	1.7
Europe	2.9	3.0	8.8	49.0	52.9	7.3
Latin America and the Caribbean	0.2	2.8	1.2	44.6	48.4	5.0
Northern America	2.8	6.7	13.6	50.8	50.3	1.1
OECD	2.6	4.1	8.4	48.7	51.1	3.9
EU-27	2.8	3.5	8.5	49.1	51.4	5.7
<b>By human development category</b>						
Very high HDI	3.1	4.6	11.1	48.6	50.9	3.4
High HDI	1.1	2.8	3.8	47.2	50.5	6.0
Medium HDI	0.6	1.7	0.8	46.1	46.8	1.9
Low HDI	1.6	3.9	2.3	45.0	48.9	3.9
<b>Slovenia</b>	<b>N/A</b>	<b>N/A</b>	<b>8.4</b>	<b>N/A</b>	<b>46.8</b>	<b>5.2<sup>1</sup></b>

Source: Human Development Report 2009, Statistics, Table A: Human movement: snapshots and trends.  
Note: <sup>1</sup>The international movement rate was 7.6% in 2000–2002.

Table 13: Regional distribution of international migrants, 1960 and 2010

Migration	1960			2010		
	Total migrants (millions)	Share of world migrants (%)	Share of population (%)	Total migrants (millions)	Share of world migrants (%)	Share of population (%)
<b>By region</b>						
World (excluding the former Soviet Union and former Czechoslovakia)	<b>74.1</b>		<b>2.7</b>	<b>188.0</b>		<b>2.8</b>
Africa	9.2	12.4	3.2	19.3	10.2	1.9
Northern America	13.6	18.4	6.7	50.0	26.6	14.2
Latin America and the Caribbean	6.2	8.3	2.8	7.5	4.0	1.3
Asia	28.5	38.4	1.7	55.6	29.6	1.4
Europe	14.5	19.6	3.5	49.6	26.4	9.7
Oceania	2.1	2.9	13.5	6.0	3.2	16.8
<b>By human development category</b>						
Very high HDI	31.1	41.9	4.6	119.9	63.8	12.1
High HDI	10.6	14.2	3.2	23.2	12.3	3.0
Medium HDI	28.2	38.1	1.7	35.9	19.1	0.8
Low HDI	4.3	5.8	3.8	8.8	4.7	2.1

Source: Human Development Report 2009, Table 2.1: Regional distribution of international migrants, 1960–2010, p. 30.

world markets (such as Antigua and Barbuda, Grenada, Saint Kitts and Nevis). Seventh, approximately half of the international migrants are women (48%). This share has been stable since 1960, which runs counter the theory of the feminisation of migration. However, the gender structure did change somewhat between 1960 and 2005: the share of women moving to the EU increased from 48% to 52% of the population, while the share of

those going to Asia dropped from 47% to 45%. Eighth, “involuntary” migration still represents a high share of all movements; political refugees and fugitives account for about 7% of the world’s migrants. Approximately half a million of them seek asylum in developed countries, 14 million live outside their countries of origin, most often in refugee camps of neighbouring countries, while some 26 million of people have been internally displaced. Another

vulnerable group consists of people (mainly young women) who have been trafficked. And lastly, there are increasingly large temporary flows of people; in the OECD countries, temporary migrants account for more than a third of all arrivals per year. Most of these temporary migrants move for work-related reasons.

*Migration has positive and negative implications, and its effects are visible at places of destination and origin, as well as at the level of individuals. Notwithstanding, they also depend on the profile of migrants.* At places of destination, migration can influence demographic, economic and socio-cultural changes (e.g. the composition of the population, flows of information and ideas, technical innovation, enhancing cultural diversity and enriching local markets). In the destination countries, the negative impacts are often shown as increased intolerance and discrimination, populist and racial movements, and exploitation of the foreign work force. Migration also has positive and negative impacts in the countries of origin. With some regions being more critical than the others, the impacts of migration are greatest in the most exposed regions: when it comes to brain and capital drains, the impacts are negative. However, the nature of changes is mainly linked to who moves, how emigrants fare abroad and the extent of inflows of their knowledge and ideas, and remittances. If emigrants stay connected to their origin countries, emigration may have positive effects, at a country level, particularly over the longer term: inflows of part of their income (in the form of remittances) accelerate consumption in the countries of origin, thus contributing to better education and improved health. Over the longer term, they may have far-reaching effects on social norms, economic and cultural changes, such as job creation, flow of ideas, behaviour changes, etc. At a level of an individual, the effects depend on the personal circumstances and characteristics of migrants. Negative consequences of migration tend to be more frequent among the poorest and those with lower levels of formal education, as their decisions to move are often based on misleading prior information on opportunities and prospects outside their countries of origin. Due to their personal situation, they tend to be more vulnerable and more often fall victims of exploitation and discrimination in destination countries, which is why they are often trapped in a vicious circle of poverty. The consequences of migration are also reflected in the disintegration of social networks, with migrants feeling lonely, unwelcome, inferior and facing identity crises. The report thus stresses that models of costs estimates and impacts of migration should comprise as many factors as possible, from emotional costs (for example, families living together-apart), vulnerability and exposure of migrants to hazardous health conditions, to financial costs.

*Numerous countries have inadequate migrations policies, according to the report.* In view of the freedom of movement and the right to long-term residence, these policies are mainly problematic in the area of admissions and treatment of immigrants: they often fail to respond to

migration flows and local needs and demand for services (e.g. in households), imposing disproportionately high administrative costs by cumbersome procedures to obtain documentation and not encouraging the integration of immigrants. Due to inadequate policies and their implementation and monitoring, migrants frequently fall victims to exploitation and discrimination, and are hit hardest by the recession in many countries.<sup>23</sup> The report asserts that migration policies reflect a lack of political will and decisive action on the part of the governments. Moreover, public debates on the consequences and costs of migration are largely absent. This is why it emphasises that policy makers should always ponder and weigh up the rights to the freedom of movement and the needs of the economy and demographic and social aspects on the one hand, and social and societal costs of migration on the other.<sup>24</sup>

*The Slovenian migration policy also faces numerous challenges.* IMAD analysed Slovenian migration trends in Social Overview 2008. Thereby, we drew special attention to the need for a comprehensive migration policy, which has yet to be developed, even though Slovenia already faces numerous problems regarding internal and international migration. In terms of attitudes towards immigrants, Slovenia's migration policy is considered average (as measured by the Migrant Integration Policy Index – MIPEX).<sup>25</sup> It is closest to the optimum policy in the field of anti-discrimination policies and policies associated with family reunion (approx. 80% of the optimum score), and farthest away in the field of policies regulating political participation (20%) and access to nationality (40%).<sup>26</sup>

## Selected indicators of human development

*In Slovenia, the values of the human development index (HDI), the gender-related development index (GDI) and the gender empowerment measure (GEM) increased between 2008 and 2009.* Human development is high, and men and women have almost equal access to health, income and education. Nevertheless, economic and political power is still unevenly distributed by gender. Similar conclusions can also be drawn for other countries with high levels of human development. It should be emphasised that these indices, based on 2007 data, do not reflect the effects of the global economic crisis.

*The human development index (HDI) assesses wellbeing in three dimensions of human development: education, health and income.*<sup>27</sup> This year's HDI was calculated for 182

<sup>23</sup> See HDR 2009: 40–3.

<sup>24</sup> See Social Overview 2008: 74–6.

<sup>25</sup> MIPEX measures integration policies for immigrants in 28 European countries in six policy areas which shape migrants' integration in the society (see Social Overview 2008: 83–4).

<sup>26</sup> See Social Overview 2008: 84 (Figure 44).

<sup>27</sup> See SEM, January 2008.

Table 14: Human development indicators, EU-27, 2009<sup>1</sup>

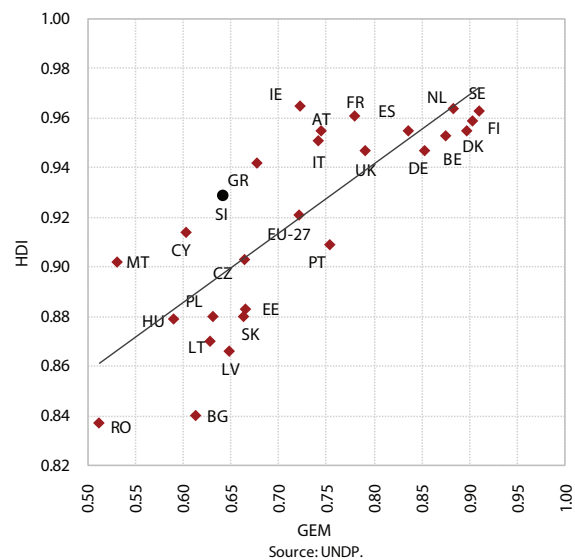
	HDI <sup>2</sup>	GDI <sup>2</sup>	GEM <sup>2</sup>
Austria	0.955	0.930	0.744
Belgium	0.953	0.948	0.874
Bulgaria	0.840	0.839	0.613
Cyprus	0.914	0.911	0.603
Czech Republic	0.903	0.900	0.664
Denmark	0.955	0.947	0.896
Estonia	0.883	0.882	0.665
Finland	0.959	0.954	0.902
France	0.961	0.956	0.779
Germany	0.947	0.939	0.852
Greece	0.942	0.936	0.677
Hungary	0.879	0.879	0.590
Ireland	0.965	0.948	0.722
Italy	0.951	0.945	0.741
Latvia	0.866	0.865	0.648
Lithuania	0.870	0.869	0.628
Luxembourg	0.960	0.943	N/A
Malta	0.902	0.895	0.531
Netherlands	0.964	0.954	0.882
Poland	0.880	0.877	0.631
Portugal	0.909	0.907	0.753
Romania	0.837	0.836	0.512
Slovakia	0.880	0.877	0.663
Slovenia	0.929	0.927	0.641
Spain	0.955	0.949	0.835
Sweden	0.963	0.956	0.909
United Kingdom	0.947	0.943	0.790
Average <sup>3</sup>	0.921	0.915	0.721 <sup>4</sup>
St. dev.	0.04	0.04	0.12
Mediana	0.942	0.930	0.699
IRQ	0.075	0.069	0.209

Source: (2001–2009) *Human Development Report*. Oxford, New York: Oxford University Press, UNDP.

Notes: <sup>1</sup>Indices for the current year are calculated based on data of two years before. Index values in the table thus refer to 2007. <sup>2</sup>Indices range between 0 and 1. <sup>3</sup>Non-weighted average. <sup>4</sup>Excluding Luxembourg.

countries and the top ranked countries are Norway and Australia, and among the EU countries, Ireland and the Netherlands. Slovenia improved its HDI this year, and was ranked 29<sup>th</sup> (last year: 26<sup>th</sup> out of 179 countries). The life expectancy index increased again (from 0.878 to 0.886), as did the gross domestic product index (from 0.922 to 0.933), while the education index remained unchanged (0.969). Eight EU-27 countries are among the countries with very high human development (HDI  $\geq$  0.955), while Slovenia is, along with the rest of the EU countries, in the group of countries with high human development (HDI  $\geq$  0.833).

Figure 39: The HDI and GEM in the EU-27, 2009



The distribution of countries according to the gender-related development index (GDI) is somewhat different. The GDI measures development in the same dimension as the HDI, but is adjusted to account for inequalities between men and women. The lower the difference between the HDI and GDI, the smaller the gender gap in access to basic human resources; the higher the gender inequality in the three dimensions, the lower the GDI. Given that inequalities in access persist in most countries, the GDI is, in principle, lower than the HDI (but not necessarily the ranking). Australia tops the list, followed by Norway in second position. Among the EU countries, the top ranked countries were Sweden and France. In 2009 relative to 2008, the Slovenian GDI rose from 0.920 to 0.927 and represents 99.7% of the HDI. Slovenia was placed 24<sup>th</sup>, which means that 131 out of the 155 analysed countries had a less favourable HDI to GDI ratio than Slovenia. Only the shares of estimated earned income disaggregated by gender increased in 2008–2009, while other indicators remained unchanged.

The gender empowerment measure (GEM) is another indicator to assess gender inequality. It measures economic participation and decision-making (the share of women in senior and executive positions and the share of women in professional and technical positions), political participation (the share of women's parliamentary seats), and decision-making and power over economic resources (the estimated male-to-female earned income ratio based on data on the share of population by gender, the female and male shares of the economically active population, the ratio of female-to-male wages in the non-agricultural sector and GDP per capita in purchasing power parities). The GEM ranges between 0 and 1: 1 as a maximum achievable score indicates that women and men are equally empowered (the male and female shares in the above-mentioned spheres of public life are equal and income is evenly distributed by gender). The distribution of countries changes considerably compared to the HDI

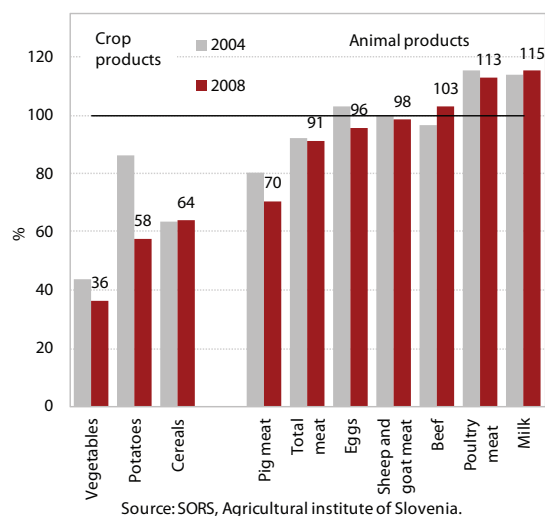


and GDI and the index value is, in principle, the lowest among the three. No country has reached the maximum value so far; the highest values are in Scandinavian countries, which are generally considered as the most egalitarian societies. The GEM was the highest in Sweden, Norway and Finland, while in Denmark it dropped below 0.900. Slovenia's GEM (0.641, last year 0.625) is still far below the maximum score: women occupy 34% of all senior and executive positions (last year 33%). In technical and professional positions, this ratio is somewhat more favourable, with women representing more than half of the employed (56%), while the lowest share of women (10%) was recorded in decision-making positions. The share of women in the Slovenian parliament is below the global average (19%) and considerably lower than in Scandinavian countries (43%; IPU 2009 data base). In terms of political representation of women, Slovenia can thus be compared with Arab countries, which, on average, have the lowest female representation in the world (9.7% in 2009). The ratio of male-to-female income did not change significantly in the two years (from 0.62 to 0.61). It was most favourable in Norway (0.77), which indicates that the countries are still far from the maximum achievable score.

## Self-sufficiency for agricultural commodities

Slovenia is striving to achieve the highest possible level of basic food security, which is also one of the main aims of its agricultural and food policy. The basic goal of the agricultural policy is to produce safe, high-quality and affordable food in order to ensure food security and reach the highest possible self-sufficiency level for agro-food products.<sup>28</sup> The food policy also pursues this

Figure 40: Self-efficiency rate for basic agricultural commodities and products in Slovenia in 2004 and 2008



goal: to promote supply and demand for high-quality and nutritious food, which is produced locally and in a sustainable way, and thus improve the access of the population to local, sustainably produced food.<sup>29</sup> In addition to general strategically vital independence from foreign trade, which would be of paramount importance particularly in times of disrupted supply, local production brings further benefits, such as a productive countryside and employment for the local population, as well as easy and quick delivery obviating the need for long-distance transport, which burdens the environment and simultaneously diminishes the quality of food.

*The level of self-sufficiency for basic agricultural commodities differs in Slovenia, being lower for crops and higher for animal products.* In Slovenia, food balance sheets (used to calculate self-sufficiency rates for crops) are made for individual sorts of cereals, cereals in total, and potatoes and vegetables.<sup>30</sup> Self-sufficiency rates for these crops are very low, but fluctuate from year to year depending on how the harvest is impacted by the weather. In the last five years as a whole, the self-sufficiency rate for vegetables was less than 40%, for cereals less than 60%<sup>31</sup>, and for potatoes around 70%. None of these products saw their self-sufficiency rates increase over the past five years: self-sufficiency for cereals remained more or less unchanged (due to lower consumption), while self-sufficiency for vegetables and particularly for potatoes dropped. With regards to animal products, balance sheets for Slovenia are made for all kinds of meat, meat in total, and eggs and milk. In all these categories, except pork and to a certain extent eggs, self-sufficiency was relatively good and stable in the observed period. In all analysed years, surpluses were recorded for milk and poultry meat supply, while the last three years also saw surpluses in the supply of beef.

*Self-sufficiency for vegetables is of particular concern, being exceptionally low and even deteriorating.* Areas allocated to vegetables are modest in Slovenia, accounting for less than 2% in the structure of arable land use. The demand for vegetables is increasing, but is not matched by production. Approximately 78,000 tonnes of vegetables were produced in 2008, around 5% less than in 2004 and around 11% less than in 2005. Slightly more than one half was produced by market producers and the rest by non-market producers. The structure of total production is fairly uniform. Only four types of vegetables are grown on more than one half of arable land (white

<sup>29</sup> Resolution on the National Nutritional Policy Programme 2005–2010, Official Gazette of the RS, No. 39/2005.

<sup>30</sup> There is no calculation of the self-sufficiency rate for Slovenian agro-food products as a whole, as food balance sheets were made for individual agricultural products. In addition to the above-mentioned ones, these products are sugar and rice (where Slovenia has practically no own production). The self-sufficiency rate is calculated as a ratio of domestic production to domestic consumption (which is intended for human food, processing or used for animal feed). The rate of self-sufficiency below 100 means a deficit, while the rate above 100 means a surplus in domestic production.

<sup>31</sup> Only one quarter of cereal production was used for human food; cereals are mainly used for animal feed.

<sup>28</sup> Agriculture Act, Official Gazette of the RS, No. 45/2008.

cabbage, beans, lettuce, onion: in 2008, they accounted for around 20%, 16%, 11% and 6% of total arable land, respectively), with three of them (white cabbage, lettuce and onion) making up more than one half of production: in 2008, they contributed around 34%, 11% and 7%, respectively, to total vegetable production. With less than one tenth of protected areas, production is mainly carried out outdoors. Supply is thus highly dependent on weather conditions, being also limited to the short time of the season. It is therefore little surprise that the market is becoming increasingly dependent on imports. Net imports totalled over 138,000 tonnes in 2008, up 29% from what was registered in 2004. Vegetable cultivation thus represents an ever greater window of opportunity for development of Slovenia's agriculture and rural areas, given that it also yields good results on small areas (with high labour intensity) and that domestic supply lags increasingly behind demand.

Compared to other EU countries, Slovenia ranks at the tail end in terms of self-sufficiency for crops, while it is in the middle regarding self-sufficiency for meat. Even if EU Member States fail to report on their food balance sheets regularly, rough comparisons can be made. Only a handful of countries post lower self-sufficiency for crops than Slovenia: Portugal, the Netherlands and Belgium for cereals (and Malta, where cereals are not grown), Luxembourg, Malta, Portugal and Ireland for potatoes, and only Germany for vegetables. The highest surpluses in cereals were recorded for France, in potatoes for Belgium (around 100%), and in vegetables for Portugal, Hungary and Spain (around 50%). In terms of self-sufficiency for meat, Slovenia is placed approximately in the middle of member states. Surpluses are highest in Denmark (as high as 300%), while Latvia, Luxembourg and Bulgaria are at the bottom of the list; however, the self-sufficiency rates exceed 50% also in these countries. In this light, Slovenia's self-sufficiency rate for meat (somewhat above 90%) is not very high, but it is nevertheless highly important to improve domestic production and local supply of food of plant origin. We could thus make better use of our natural resources, increase value added in agriculture, at the same time improving nutrition with fresh agricultural produce, which would also have a positive impact on population health.

## Milk prices

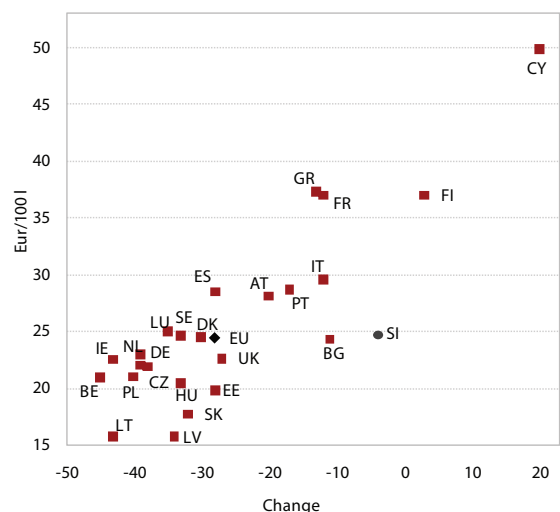
In Slovenian agriculture, the falling of producer prices of milk is at the centre of attention this year. Milk prices declined notably, after recording significant growth the year before. According to the latest statistical data, the price of milk totalled EUR 0.25/l in August, nearly 28% less than at the beginning of 2008, when it was highest, and was at the same level as in mid-2000. According to the dairy farm data, it finally bottomed out in August, starting to rise in the autumn months. This is in line with expectations, given that milk prices are typically lowest in summer, after which time they start to rise, reaching

their peak values by the end of the calendar year. It can be assumed that the period of extreme decline has come to an end and that the price will continue to rise in the following months.

In Slovenia, the producer price of milk nevertheless declined less than the EU average, and is at the level of the average price in the EU. Being 4.0% lower in the first quarter of this year in Slovenia compared with the last quarter of 2007, it dropped by as much as 28.0%, on average, in the EU. It decreased in all countries, except Finland and Cyprus. In three countries (Belgium, Lithuania and Ireland) it even dropped by more than 40.0%. Greater price drops than in Slovenia were also recorded in the neighbouring Member States, which are Slovenia's main partners in foreign trade in milk: 33% in Hungary, 20% in Austria, 12% in Italy. Following these drops, the milk price in Slovenia hovers around the average price in the EU: the price of milk totalled EUR 24.7/100 l in Slovenia in May and EUR 24.4/100 l, on average, in the EU. The highest prices were recorded by producers in Cyprus (EUR 49.9/100 l), followed by Greece, France and Finland (around EUR 37/100 l), and the lowest in certain east European countries (Lithuania and Latvia around EUR 16/100 l). The prices in Italy and Austria, the countries to which Slovenia net exports raw milk, were higher (by 21.3% and 15.2%, respectively), while in Hungary, from which raw milk is imported in net, the milk price was lower (by 16.4%).

The common agricultural policy provides different forms of financial assistance to milk producers, which continues to rise in times of the milk production crisis caused by disparities between the increases in supply and demand. Milk prices in the EU declined as a direct consequence of lower prices of milk on world markets. Prices fell owing to higher global production (in New Zealand, Australia, Argentina and Brazil) and a concurrent decline in demand related to the economic crisis. Being a crucial agricultural sector, milk

Figure 41: Producer prices of milk in May 2009 and changes in Q1 2009/Q4 2007 in the EU



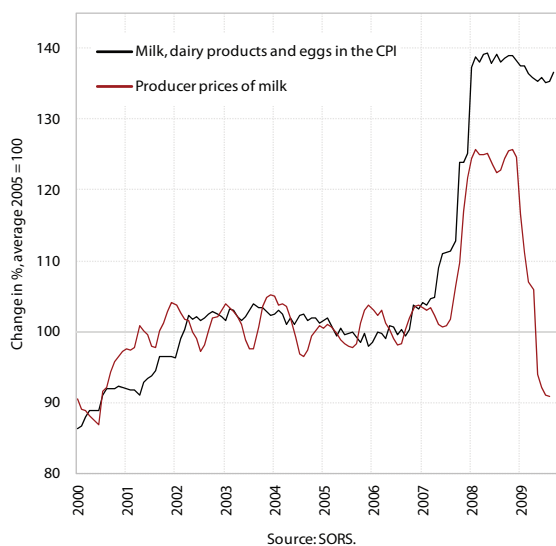
Source: Communication from the Commission to the Council, Dairy market situation 2009, July 2009.

production is supported by different forms of financial assistance. The common agricultural policy provides various forms of support for producers (advanced direct payments, income support measures) and production (private storage aid, export refunds, intervention buying), as well as the growth in demand and restructuring of the dairy sector.<sup>32</sup> Slovenian producers were also granted one-off financial assistance to weather the crisis, in the amount of EUR 2 m. It should be taken into account that in this situation, the conditions of production also had a beneficial effect in Slovenia, even though under usual circumstances they do not contribute to better business results in this sector. Specifically, a significant number of agricultural holdings also earn income from other (non-agricultural) activities, because besides milk production, most agricultural holdings are also engaged in other activities. They can thus offset worse business results in this sector by earnings from other activities, thereby making it easier to tide over a crisis.

*The falling of producer prices always raises the question of when we can expect consumer prices to follow suit.* With producer prices of milk plummeting in Slovenia over the past year (as in other countries of the EU), the prices of milk, dairy products and eggs in the CPI have remained at the exceptionally high level of the beginning of 2008. According to the Commission of the European Communities, the distribution of value-added in the dairy food chain (between producers, processors and

retailers) is unfair and the dairy supply chain does not function efficiently. The Commission points out that more attention should be paid to enhancing transparency and supporting a fairer market operation. The dialogue between all actors in the food chain should be stimulated further, also through adoption of a European-wide code of conduct as recommended by the High Level Group on the Competitiveness of the Agro-Food Industry. Higher effectiveness and efficiency of the dairy supply chain seems essential to increase its competitiveness, to soften the fall in producer prices and to ensure that price changes are passed on to consumers.

**Figure 42: Comparison of producer price growth and milk, dairy products and eggs in the CPI, Slovenia, monthly, the average of 2005=100**



<sup>32</sup> Financial supports are becoming an increasingly important part of agricultural producer income. After the agricultural policy reform in 2007, the dairy sector is no longer entitled to direct financial assistance, while in 2006, financial assistance accounted for around 12% of the value of milk production at basic prices, according to the Economic Accounts for Agriculture. The system of how the financial assistance was changed with the reform is fairly complicated, making direct recalculation impossible. In 2008, total subsidies already accounted for more than 60% of total agriculture's factor income.





# **statistical appendix**



MAIN INDICATORS	2004	2005	2006	2007	2008	2009	2010	2011
						Autumn forecast 2009		
						estimate	forecast	forecast
GDP (real growth rates, in %)	4.3	4.5	5.8	6.8	3.5	-7.3	0.9	2.5
GDP in EUR million (current prices and current exchange rate)	27,162	28,750	31,055	34,568	37,135	35,870	36,386	38,058
GDP per capita, in EUR (current prices and current exchange rate)	13,599	14,369	15,467	17,123	18,367	17,657	17,866	18,647
GDP per capita (PPS) <sup>1</sup>	18,700	19,600	20,700	22,200	23,100	-	-	-
GDP per capita (PPS EU27=100) <sup>1</sup>	86.4	87.4	87.6	89.2	92.1	-	-	-
Gross national income (current prices and current fiksni exchange rate)	26,760	28,506	30,683	33,854	36,278	35,244	35,527	37,004
Gross national disposable income (current prices and current fiksni exchange rate)	26,716	28,362	30,467	33,627	35,993	35,065	35,441	36,783
Rate of registered unemployment	10.3	10.2	9.4	7.7	6.7	9.1	10.6	10.9
Standardised rate of unemployment (ILO)	6.3	6.5	6.0	4.9	4.4	5.7	6.7	7.3
Labour productivity (GDP per employee)	4.0	4.7	4.2	3.7	0.7	-5.0	2.5	3.4
Inflation, <sup>2</sup> year average	3.6	2.5	2.5	3.6	5.7	1.0	1.5	2.5
Inflation, <sup>2</sup> end of the year	3.2	2.3	2.8	5.6	2.1	1.9	2.0	2.7
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>								
Exports of goods and services <sup>3</sup> (real growth rates, in %)	12.4	10.6	12.5	13.7	2.9	-17.9	4.1	6.8
Exports of goods	12.8	10.3	13.4	13.8	0.0	-19.0	3.6	6.5
Exports of services	10.9	12.0	8.6	13.2	16.2	-13.5	6.1	7.8
Imports of goods and services <sup>3</sup> (real growth rates, in %)	13.3	6.6	12.2	16.3	2.9	-19.8	1.8	4.9
Imports of goods	14.6	6.8	12.7	15.8	2.6	-21.9	1.3	4.8
Imports of services	5.6	5.5	8.8	19.7	4.9	-6.1	4.4	5.6
Current account balance, in EUR million	-720	-498	-771	-1,646	-2,287	-82	10	29
As a per cent share relative to GDP	-2.6	-1.7	-2.5	-4.8	-6.2	-0.2	0.0	0.1
Gross external debt, in EUR million	15,343	20,496	24,067	34,752	38,997	38,518 <sup>4</sup>	-	-
As a per cent share relative to GDP	56.7	71.4	77.6	100.8	105.0	-	-	-
Ratio of USD to EUR	1.242	1.244	1.254	1.371	1.46	1.27	1.27	1.27
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS</b>								
Private consumption (real growth rates, in %)	2.7	2.6	2.9	6.7	2.0	-2.0	0.0	1.0
As a % of GDP*	55.0	54.2	52.8	52.7	52.7	53.7	53.8	53.2
Government consumption (real growth rates, in %)	3.4	3.4	4.0	0.7	6.2	3.2	-1.5	0.0
As a % of GDP*	18.9	19.0	18.8	17.3	18.1	20.1	19.7	19.4
Gross fixed capital formation (real growth rates, in %)	5.6	3.7	9.9	11.7	7.7	-21.0	-2.0	3.0
As a % of GDP*	24.9	25.5	26.5	27.7	28.9	23.7	23.2	23.3
Sources of data: SORS, BS, Eurostat-New Cronos, estimate, calculations and forecasts by IMAD. Notes: <sup>1</sup> Measured in purchasing power standard; <sup>2</sup> Consumer price index; <sup>3</sup> Balance of payments statistics (exports F.O.B., imports F.O.B.); real growth rates are adjusted for inter currency changes and changes in prices on foreign markets; <sup>4</sup> End August 2009; *Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64).								

PRODUCTION	2006	2007	2008	2007			2008				2009		2007					
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	8	9	10	11	12	
<b>INDUSTRIAL PRODUCTION, y-o-y growth rates, %</b>																		
Industry B+C+D	5.7	7.2	-1.4	7.5	7.5	5.3	6.4	8.4	3.3	-7.7	-18.7	-24.2	9.3	3.8	11.0	3.0	1.3	
B Mining and quarrying	7.5	5.5	-0.6	18.5	8.1	-7.3	13.8	3.5	7.1	-1.2	-6.1	-13.8	30.6	-7.2	-0.9	-5.9	-16.4	
C Manufacturing	6.2	8.5	-1.6	8.8	8.2	7.2	6.9	8.7	3.7	-8.4	-20.3	-25.4	9.6	4.7	12.7	4.4	4.0	
D Electricity, gas & steam supply <sup>1</sup>	-1.0	-11.1	2.1	-14.8	-5.0	-15.9	-2.3	8.2	-1.1	4.5	-3.6	-9.1	-1.6	-8.2	-10.9	-14.4	-21.5	
<b>CONSTRUCTION,<sup>2</sup> real indices of construction put in place, y-o-y growth rates, %</b>																		
Construction, total	15.7	18.5	15.7	32.6	16.2	0.2	32.5	17.0	15.7	4.2	-19.2	-19.0	33.5	2.3	7.3	6.2	-14.3	
Buildings	17.1	14.3	11.5	31.0	7.3	4.2	37.8	7.3	11.5	-2.0	-20.8	-21.8	17.1	-8.7	0.5	18.4	-5.4	
Civil engineering	14.6	21.9	18.9	33.8	23.3	-2.6	28.0	24.3	18.6	8.9	-17.6	-17.2	48.5	10.5	11.7	-2.3	-21.0	
<b>TRANSPORT, tonne-km in m, y-o-y growth rates, %</b>																		
Tonne-km in road transport	9.8	13.4	18.4	0.1	30.2	19.1	26.7	23.5	7.7	17.2	-12.7	-7.6	-	-	-	-	-	
Tonne-km in rail transport	3.9	6.8	-2.3	12.1	5.8	-3.7	-5.3	-2.9	2.9	-3.6	-24.1	-26.0	-	-	-	-	-	
<b>Distributive trades, y-o-y growth rates, %</b>																		
Total real turnover*	6.3	9.7	10.1	8.3	12.3	11.8	15.7	13.1	10.5	2.3	-10.2	-15.7	12.9	13.4	16.8	11.7	7.0	
Real turnover in retail trade	2.7	6.1	12.2	3.2	7.8	9.6	14.0	15.5	12.7	7.2	-5.7	-11.7	6.3	12.8	11.0	9.5	8.5	
Real turnover in the sale and maintenance of motor vehicles	17.8	19.2	6.2	21.3	24.8	17.9	22.0	9.6	5.6	-9.9	-24.0	-28.1	32.7	16.0	32.7	17.7	3.4	
Nominal turnover in wholesale trade & commission trade	10.5	16.1	17.1	15.0	15.1	15.2	20.7	23.9	20.9	4.8	-16.4	-23.8	12.7	13.2	19.5	19.2	7.5	
<b>TOURISM, y-o-y growth rates, %</b>																		
Total, overnight stays	2.0	7.0	1.8	10.1	6.8	5.5	4.2	1.0	1.8	0.6	-3.3	-3.8	9.6	3.6	4.6	8.3	4.0	
Domestic tourists, overnight stays	1.9	4.9	5.2	13.7	2.3	5.5	4.8	4.6	4.7	7.2	5.2	2.3	7.2	-3.7	4.2	2.6	9.6	
Foreign tourists, overnight stays	2.0	8.4	-0.5	7.9	9.8	5.5	3.6	-1.3	0.1	-4.8	-11.0	-7.9	11.0	7.8	4.8	13.7	-0.9	
Turnover in hotels and restaurants	6.7	2.3	-2.8	1.2	4.0	2.9	-1.8	-1.6	-3.1	-4.4	-9.9	-12.2	6.6	2.8	2.8	2.6	3.2	
<b>AGRICULTURE, y-o-y growth rates, %</b>																		
Purchase of agricultural products, SIT bn, since 2007 in EUR m	106.7	492.2	529.9	109.7	120.8	160.3	117.9	125.6	134.1	152.3	105.4	105.9	41.8	40.7	46.2	53.1	61.0	
<b>BUSSINES TENDENCY (indicator values**)</b>																		
Sentiment indicator	10	13	1	15	13	11	10	7	3	-16	-25	-24	14	12	12	10	11	
Confidence indicator																		
- in manufacturing	10	12	-5	13	12	10	7	1	-5	-23	-29	-26	12	11	11	9	10	
- in construction	4	17	3	22	15	13	14	10	3	-17	-41	-52	17	11	11	10	18	
- in services	27	29	22	30	30	26	30	27	25	7	-14	-18	30	27	27	23	28	
- in retail trade	22	27	23	26	29	30	29	29	26	9	-16	-17	28	34	28	30	31	
Consumer confidence indicator	-14	-11	-20	-8	-10	-18	-20	-16	-16	-29	-39	-31	-8	-16	-17	-19	-17	
Source of data: SORS. Notes: <sup>1</sup> Only companies with activity of electricity supply are included. <sup>2</sup> The survey covers all larger construction enterprises and some other enterprises that perform construction work. *Total real turnover in retail trade, the sale and repair of motor vehicles, and retail sale of automotive fuels; **Seasonally adjusted data.																		

2008												2009									
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
5.2	12.9	1.7	14.8	3.8	6.8	2.0	-2.0	9.3	0.5	-11.7	-13.2	-17.9	-21.7	-16.5	-29.3	-21.9	-21.3	-20.1	-16.9	-	-
23.1	18.8	3.6	9.5	-4.4	5.6	34.4	-19.2	14.4	-1.0	-14.7	18.8	-6.0	-3.1	-8.9	-21.7	-10.3	-8.1	4.2	13.1	-	-
5.8	13.6	2.0	15.6	4.2	6.7	1.7	-1.2	9.8	0.8	-12.5	-15.4	-19.4	-23.8	-17.7	-30.8	-23.2	-22.1	-21.3	-18.4	-	-
-6.3	1.2	-1.2	8.1	4.2	12.2	0.2	-5.5	1.9	1.0	4.7	7.5	-5.6	-1.9	-3.2	-9.9	-5.3	-11.8	-10.1	-8.0	-	-
39.4	40.5	21.4	22.8	13.8	15.4	15.9	8.6	22.4	15.1	-2.3	-3.6	-26.9	-22.7	-9.7	-20.4	-20.8	-15.9	-20.8	-19.6	-	-
56.3	44.8	18.6	10.5	3.1	8.9	0.2	10.7	24.2	12.0	-11.5	-6.9	-32.7	-17.3	-12.7	-18.0	-23.5	-23.4	-23.2	-26.9	-	-
23.9	36.8	23.8	32.4	21.7	20.4	28.0	7.0	21.3	17.0	5.4	-0.6	-20.3	-27.5	-7.3	-22.0	-19.1	-10.7	-19.4	-14.1	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1	23.8	7.2	17.4	11.8	10.3	12.6	5.8	12.8	2.8	1.0	3.1	-6.2	-15.6	-8.8	-16.9	-17.3	-13.1	-15.1	-14.9	-	-
12.8	23.8	7.0	16.2	19.1	11.4	13.4	10.8	13.8	7.3	7.0	7.1	2.2	-13.4	-5.4	-9.9	-15.3	-10.3	-12.1	-13.7	-17.8	-
34.7	26.3	9.4	22.0	-1.1	9.0	12.3	-7.4	10.6	-7.4	-12.5	-10.1	-27.5	-24.5	-20.4	-34.6	-25.6	-23.1	-25.4	-20.2	-25.7	-
21.6	30.1	12.3	31.9	20.6	19.2	22.9	11.2	28.0	11.6	2.1	0.5	-17.0	-19.2	-13.2	-24.9	-25.3	-20.9	-27.4	-25.2	-	-
2.9	9.0	0.5	-8.5	14.0	-2.4	3.6	3.2	-3.2	-2.1	-4.4	8.7	3.6	-6.1	-6.9	3.6	-11.4	-1.8	-0.8	-1.0	-4.0	-
12.1	11.7	-8.5	8.5	10.5	-2.1	1.1	8.9	3.9	6.0	4.4	11.0	9.6	-1.5	10.7	4.3	-2.2	4.4	13.3	9.0	2.0	-
-2.6	5.6	8.9	-18.3	16.2	-2.6	5.3	-0.2	-6.8	-7.4	-11.9	6.5	-0.6	-12.5	-20.5	3.0	-16.9	-6.3	-10.3	-7.0	-7.0	-
-2.5	3.6	-5.7	-2.5	2.9	-5.0	-3.3	-3.8	-2.1	-1.1	-4.3	-7.6	-7.6	-12.3	-9.5	-11.7	-13.5	-13.6	-12.4	-9.8	-	-
38.5	39.3	40.0	42.6	43.0	39.9	44.5	42.2	47.4	49.0	45.3	58.1	32.9	32.6	39.9	36.3	35.5	34.1	35.9	33.8	-	-
11	10	10	10	7	5	4	4	2	-5	-20	-23	-24	-24	-26	-26	-23	-22	-22	-21	-18	-20
9	6	6	4	1	-2	-3	-5	-8	-13	-27	-29	-30	-29	-29	-28	-26	-25	-25	-22	-19	-17
13	12	17	13	10	8	6	0	2	-5	-17	-29	-37	-40	-47	-54	-49	-54	-51	-56	-55	-55
28	31	31	30	26	24	24	27	24	19	4	-3	-9	-14	-19	-23	-17	-14	-13	-12	-8	-8
26	28	32	29	30	27	29	25	24	25	4	-3	-14	-14	-20	-17	-17	-18	-16	-10	-10	-11
-23	-20	-16	-12	-18	-19	-18	-19	-12	-18	-33	-35	-43	-38	-37	-41	-29	-23	-26	-27	-16	-26

LABOUR MARKET	2006	2007	2008	2007			2008				2009		2007			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	8	9	10	11
<b>FORMAL LABOUR FORCE (A=B+E)</b>	910.7	925.3	942.5	923.5	924.6	934.2	937.7	940.9	942.2	949.2	945.9	945.6	923.1	926.0	934.0	935.8
<b>PERSONS IN FORMAL EMPLOYMENT (B=C+D)<sup>1</sup></b>	824.8	854.0	879.3	852.7	856.1	865.4	870.8	879.4	881.7	885.1	869.0	861.0	854.6	859.4	864.5	867.4
In agriculture, forestry, fishing	37.7	40.4	39.7	40.8	39.9	39.2	40.8	39.9	39.2	38.9	37.8	38.0	39.9	39.9	39.3	39.3
In industry, construction	310.9	321.9	330.4	321.4	324.1	326.8	327.1	331.2	333.0	330.4	317.4	309.3	323.6	325.2	327.1	327.9
Of which: in manufacturing	221.7	223.6	222.4	223.9	223.4	224.2	224.0	224.0	222.3	219.1	209.5	201.4	223.1	223.5	224.4	224.7
in construction	69.5	78.4	87.9	77.5	80.6	82.5	83.2	87.1	90.5	91.1	87.8	87.6	80.5	81.5	82.5	83.1
In services	476.2	491.6	509.1	490.5	492.1	499.4	503.0	508.3	509.4	515.9	513.8	513.7	491.1	494.3	498.1	500.3
Of which: in public administration	50.4	50.3	51.0	50.3	50.4	50.6	50.8	51.0	51.1	51.0	51.1	51.5	50.4	50.4	50.5	50.5
in education, health-services, social work	108.0	108.8	111.1	109.0	108.2	109.8	110.7	111.0	110.1	112.4	113.2	114.1	107.6	109.1	109.7	109.9
<b>FORMALLY EMPLOYED (C)<sup>1</sup></b>	741.6	766.0	789.9	764.7	768.6	777.8	781.2	790.3	792.7	795.3	779.7	770.8	767.1	771.6	777.0	779.7
In enterprises and organisations	675.1	696.1	717.6	695.0	697.5	706.2	710.4	718.0	719.8	722.0	709.9	701.9	696.1	700.1	705.2	707.7
By those self-employed	66.5	69.9	72.3	69.8	71.1	71.6	70.8	72.2	73.0	73.2	69.8	68.8	71.0	71.5	71.8	72.0
<b>SELF-EMPLOYED AND FARMERS (D)</b>	83.3	87.9	89.4	87.9	87.6	87.6	89.6	89.2	88.9	89.8	89.3	90.3	87.5	87.8	87.5	87.7
<b>REGISTERED UNEMPLOYMENT (E)</b>	85.8	71.3	63.2	70.9	68.4	68.8	66.8	61.4	60.5	64.1	76.9	84.6	68.5	66.7	69.5	68.4
Female	47.0	39.1	33.4	39.3	38.0	37.3	35.6	32.8	32.1	33.0	38.4	41.6	38.1	36.7	38.0	37.1
By age: under 26	18.2	11.9	9.1	11.6	10.3	11.7	10.3	8.4	7.7	10.0	12.2	13.1	10.4	9.5	12.2	11.6
aged over 50	21.8	22.2	21.9	22.2	22.1	22.2	22.6	21.9	21.7	21.6	24.1	25.6	22.1	22.0	22.1	22.1
Unskilled	33.7	28.0	25.4	27.7	27.0	26.9	26.8	24.6	24.3	25.8	31.2	33.6	27.0	26.7	27.0	26.8
For more than 1 year	41.9	36.5	32.3	36.7	35.5	35.0	34.0	32.5	31.9	31.0	31.0	30.4	35.6	35.0	35.3	35.0
Those receiving benefits	22.7	16.6	14.4	16.8	15.8	14.7	15.0	13.6	13.9	15.1	22.8	27.4	16.0	15.2	14.8	14.5
<b>RATE OF REGISTERED UNEMPLOYMENT, E/A, in %</b>	9.4	7.7	6.7	7.7	7.4	7.4	7.1	6.5	6.4	6.8	8.1	8.9	7.4	7.2	7.4	7.3
Male	7.7	6.2	5.6	6.1	5.9	6.0	6.0	5.4	5.4	5.8	7.3	8.1	5.9	5.8	6.0	6.0
Female	11.5	9.6	8.1	9.6	9.3	9.0	8.6	7.9	7.8	7.9	9.2	10.0	9.3	9.0	9.2	9.0
<b>FLOWS OF FORMAL LABOUR FORCE</b>	5.2	21.5	13.7	5.4	0.6	6.7	5.7	4.2	1.9	1.9	-0.8	-0.1	-1.4	2.9	8.0	1.8
New unemployed first-job seekers	18.6	14.7	12.5	2.4	2.3	7.2	2.2	1.8	1.9	6.5	3.2	2.6	0.6	1.0	5.3	1.2
Redundancies	63.8	52.5	53.0	11.6	12.6	12.9	12.5	10.7	12.5	17.4	24.8	22.5	3.5	4.2	4.5	4.3
Registered unemployed who found employment	57.4	49.1	41.7	12.1	11.3	10.9	12.4	9.7	9.9	9.6	9.5	11.8	3.8	4.4	4.3	4.1
Other outflows from unemployment (net)	39.2	28.0	26.1	6.9	6.2	7.4	6.4	6.3	5.9	7.4	5.2	6.5	1.9	2.7	2.6	2.5
Increase in number of work permits for foreigners	7.8	15.3	24.6	4.9	4.3	2.2	6.0	9.5	7.0	2.1	1.9	-4.8	1.6	0.5	1.7	0.3
Retirements <sup>2</sup>	20.6	20.7	22.5	4.7	5.0	5.9	5.4	4.8	6.3	6.1	5.4	5.3	1.1	2.3	2.2	2.1
Deaths <sup>2</sup>	2.4	2.4	2.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2
Others who found employment <sup>2</sup>	24.8	14.4	16.0	9.1	4.5	9.9	8.8	3.2	4.4	6.0	4.0	13.1	-0.9	6.1	5.5	4.6
<b>REGISTERED VACANCIES<sup>3</sup></b>	19.0	20.2	20.0	21.0	20.4	19.1	21.6	21.1	21.5	15.9	13.4	13.4	19.7	22.8	24.4	18.7
For a fixed term, in %	75.3	76.5	74.5	77.5	77.2	74.4	73.0	74.0	76.5	74.7	74.9	77.9	77.1	76.5	76.4	75.2
<b>WORK PERMITS FOR FOREIGNERS</b>	48.3	60.2	81.1	59.3	63.0	65.8	68.7	79.0	86.3	90.5	91.5	90.2	63.3	63.9	65.6	65.9
As % of labour force	5.3	6.5	8.6	6.4	6.8	7.0	7.3	8.4	9.2	9.5	9.7	9.5	6.9	6.9	7.0	7.0
<b>NEW JOBS</b>	155.9	160.0	162.7	40.7	38.7	41.5	40.9	41.0	42.7	38.1	27.5	27.3	9.9	16.9	18.2	13.6

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

2007	2008												2009							
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
932.8	936.6	937.9	938.5	939.1	940.8	942.7	941.4	940.5	944.6	950.7	950.3	946.5	946.2	945.9	945.7	946.1	945.3	945.6	944.1	941.6
864.4	867.3	870.9	874.2	876.6	879.6	882.0	879.9	879.8	885.3	888.1	886.9	880.3	872.2	868.7	866.0	863.2	860.8	859.1	855.6	853.5
39.2	40.7	40.8	40.8	39.9	39.9	39.8	39.3	39.2	39.2	38.9	38.9	38.8	37.8	37.8	37.8	38.0	38.0	38.0	37.9	37.9
325.3	325.8	327.1	328.5	330.0	331.2	332.6	332.5	332.5	333.9	333.7	331.5	325.9	320.1	317.4	314.7	311.8	309.1	307.1	305.3	303.8
223.5	223.7	224.0	224.2	224.1	223.9	224.0	222.7	222.2	222.2	221.3	219.8	216.3	211.8	209.6	207.0	203.6	201.2	199.2	197.8	196.5
81.8	82.1	83.1	84.2	85.8	87.1	88.4	89.7	90.2	91.6	92.2	91.5	89.5	88.3	87.7	87.5	87.8	87.5	87.5	87.2	86.9
499.9	500.9	503.1	504.9	506.8	508.6	509.6	508.1	508.1	512.2	515.5	516.5	515.6	514.4	513.6	513.5	513.5	513.7	514.0	512.4	511.8
50.7	50.9	50.9	50.7	50.9	50.9	51.1	50.9	51.0	51.2	51.1	51.1	50.8	51.2	51.0	51.3	51.4	51.5	51.6	51.7	51.7
109.7	110.3	110.8	111.0	111.2	111.0	110.9	109.7	109.4	111.4	112.0	112.5	112.6	112.8	113.2	113.7	114.0	114.2	114.1	113.0	112.6
776.7	777.9	781.3	784.3	787.6	790.5	792.8	791.1	790.9	796.1	798.5	797.0	790.2	783.0	779.5	776.6	773.3	770.5	768.5	764.5	762.1
705.9	707.8	710.5	713.0	715.8	718.2	720.2	718.5	718.2	722.6	724.6	723.4	718.1	712.6	709.7	707.3	704.3	701.7	699.8	696.5	694.6
70.8	70.2	70.8	71.3	71.8	72.3	72.6	72.7	72.7	73.5	74.0	73.5	72.2	70.4	69.7	69.3	69.0	68.8	68.7	68.0	67.5
87.7	89.4	89.6	89.9	89.1	89.2	89.2	88.8	88.9	89.2	89.6	89.9	90.0	89.2	89.3	89.5	90.0	90.3	90.6	91.1	91.4
68.4	69.2	67.0	64.3	62.4	61.2	60.7	61.6	60.7	59.3	62.6	63.4	66.2	73.9	77.2	79.7	82.8	84.5	86.5	88.5	88.1
36.7	36.9	35.7	34.3	33.5	32.6	32.4	33.0	32.3	31.1	32.7	32.6	33.7	37.2	38.5	39.5	40.8	41.5	42.5	43.5	43.2
11.2	11.1	10.3	9.5	8.8	8.4	8.1	8.1	7.8	7.3	9.8	9.9	10.2	11.7	12.3	12.7	13.2	13.1	13.0	13.0	30.1
22.3	22.8	22.7	22.3	22.0	21.9	21.8	21.9	21.7	21.4	21.4	21.5	21.9	23.6	24.1	24.5	25.1	25.7	26.1	26.6	26.8
27.1	27.6	26.9	25.9	25.0	24.6	24.3	24.3	24.3	24.3	24.9	25.5	27.0	30.1	31.4	32.2	33.0	33.5	34.2	34.7	34.7
34.7	34.7	34.0	33.3	32.7	32.5	32.2	32.1	31.8	31.6	31.4	30.9	30.8	31.2	31.0	30.7	30.4	30.3	30.5	30.7	31.0
14.7	15.6	15.1	14.2	13.7	13.6	13.4	13.9	13.9	13.7	14.1	14.4	16.8	20.9	22.8	24.5	25.9	27.6	28.7	28.9	-
7.3	7.4	7.1	6.9	6.6	6.5	6.4	6.5	6.5	6.3	6.6	6.7	7.0	7.8	8.2	8.4	8.8	8.9	9.1	9.4	9.4
6.1	6.2	6.0	5.7	5.5	5.4	5.4	5.4	5.4	5.3	5.6	5.7	6.1	6.9	7.3	7.6	7.9	8.1	8.3	8.5	8.5
8.9	8.9	8.6	8.3	8.1	7.9	7.8	8.0	7.8	7.5	7.9	7.9	8.1	9.0	9.3	9.5	9.8	10.0	10.2	10.5	10.4
-3.0	3.8	1.4	0.6	0.6	1.7	2.0	-1.3	-0.9	4.1	6.1	-0.5	-3.8	-0.3	-0.2	-0.2	0.3	-0.7	0.3	-1.5	-2.5
0.6	0.9	0.6	0.7	0.8	0.5	0.5	0.5	0.5	0.9	4.6	1.2	0.8	1.2	1.0	1.1	1.1	0.8	0.8	0.8	0.7
4.1	5.8	3.4	3.3	3.6	3.4	3.6	4.6	3.4	4.5	5.2	5.5	6.6	10.4	6.9	7.5	8.2	7.4	7.0	7.3	5.5
2.5	4.1	4.2	4.1	3.6	3.2	2.9	2.3	3.1	4.5	4.0	3.2	2.4	3.2	2.7	3.6	3.7	4.3	3.9	4.0	4.6
2.2	1.8	2.1	2.5	2.6	2.0	1.7	2.0	1.6	2.3	2.5	2.7	2.2	0.7	1.9	2.5	2.4	2.2	1.9	2.1	1.9
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	0.0	0.5	1.4	-0.6	-1.5	-2.7	-1.2	-1.9
1.6	2.4	1.4	1.7	1.7	1.6	1.5	1.6	2.2	2.6	2.3	2.0	1.8	2.3	1.6	1.5	1.9	1.7	1.7	1.4	2.4
0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
-0.3	7.1	1.6	0.0	-0.4	1.7	2.0	-0.8	-0.7	6.0	4.3	2.7	-1.1	1.3	1.7	1.1	3.9	3.7	5.5	2.1	2.7
14.2	22.4	22.8	19.8	21.6	21.6	20.2	19.8	20.1	24.7	19.7	15.7	12.3	13.7	12.2	14.2	12.0	13.9	14.5	14.7	12.3
69.8	71.9	73.0	74.2	72.7	74.4	74.9	76.9	76.8	76.0	74.9	75.6	73.1	72.0	75.0	77.5	77.2	77.8	78.7	80.0	82.1
66.1	65.8	68.3	72.1	76.3	79.1	81.6	83.8	86.7	88.6	90.3	90.4	90.7	90.7	91.2	92.6	92.1	90.6	87.8	86.6	84.7
7.1	7.0	7.3	7.7	8.1	8.4	8.7	8.9	9.2	9.4	9.5	9.5	9.6	9.6	9.6	9.8	9.7	9.6	9.3	9.2	9.0
9.7	14.5	13.0	13.4	15.4	13.1	12.5	12.7	10.4	19.6	17.8	11.4	8.9	10.2	8.1	9.3	10.0	8.8	8.5	8.7	6.8



WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2006	2007	2008	2007			2008				2009		2007				
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	5	6	7	8	9
<b>GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %</b>																	
Activity - Total	4.8	5.9	8.3	5.6	5.8	6.7	7.8	8.6	9.9	7.1	5.5	4.6	5.8	5.2	6.9	5.7	4.9
A Agriculture, forestry and fishing	5.6	8.3	9.2	7.4	7.0	11.4	10.3	9.3	10.8	6.7	1.2	1.6	7.7	5.4	8.4	9.0	3.6
B Mining and quarrying	4.5	6.4	13.6	3.8	5.3	12.6	9.4	13.8	16.0	14.8	5.6	2.4	4.3	4.2	6.1	3.3	6.6
C Manufacturing	5.6	7.0	7.6	6.1	7.0	8.6	8.2	9.7	9.3	3.4	0.0	-0.5	6.0	5.2	7.6	7.1	6.2
D Electricity, gas, steam and air conditioning supply	5.5	6.2	9.4	4.9	5.2	11.1	9.3	10.1	9.8	8.8	7.9	7.8	2.4	9.5	2.0	5.0	8.5
E Water supply sewerage, waste management and remediation activities	3.7	7.1	7.8	5.6	6.8	10.0	8.3	9.1	9.0	5.2	4.2	3.2	5.5	3.7	7.7	6.1	6.8
F Construction	6.4	6.6	7.6	6.7	5.7	6.7	7.7	9.6	9.1	4.3	1.2	1.0	7.8	4.6	8.6	5.4	3.3
G Wholesale and retail trade, repair of motor vehicles and motorcycles	5.3	7.6	7.8	7.4	7.5	7.5	7.5	9.0	8.8	6.1	4.4	2.3	6.9	6.8	7.9	7.8	6.9
H Transportation and storage	3.6	6.0	8.5	4.6	5.7	7.7	8.7	8.5	10.4	6.6	2.3	2.1	5.4	3.4	6.4	5.3	5.4
I Accommodation and food service activities	4.1	5.3	8.4	5.1	4.6	7.8	9.3	9.6	10.0	4.9	3.4	1.7	4.6	5.7	5.7	4.9	3.2
J Information and communication	3.9	5.7	7.3	5.4	5.7	4.6	6.8	7.8	8.7	6.2	3.7	3.1	4.1	6.2	7.6	6.3	3.2
K Financial and insurance activities	8.6	7.4	6.1	7.8	6.2	7.6	8.6	8.8	8.2	0.0	2.0	-3.8	10.1	6.8	8.9	7.7	2.2
L Real estate activities	4.6	7.0	6.0	7.8	7.4	5.6	6.8	8.6	5.3	3.6	1.6	0.0	7.7	8.9	8.6	7.7	5.9
M Professional, scientific and technical activities	4.9	7.0	8.4	6.8	7.1	8.9	9.7	8.6	9.1	6.4	4.0	3.3	7.1	6.2	8.0	6.7	6.6
N Administrative and support service activities	2.5	7.5	9.5	5.9	9.4	9.8	8.6	11.4	10.2	8.0	6.6	2.1	6.6	5.9	8.9	9.7	9.5
O Public administration and defence, compulsory social security	2.9	5.1	12.2	4.9	6.5	6.4	11.1	10.8	13.2	13.7	11.5	9.8	5.2	5.7	8.7	4.9	5.9
P Education	4.8	3.9	7.0	5.6	3.1	2.4	5.5	5.8	7.7	9.0	6.9	6.1	6.3	5.1	4.2	2.6	2.4
Q Human health and social work activities	2.4	3.1	12.0	3.7	4.0	2.1	5.5	4.3	16.8	21.0	21.4	22.6	3.6	4.3	5.4	3.4	3.2
R Arts, entertainment and recreation	1.3	3.6	5.4	2.3	4.0	3.0	2.4	5.8	8.3	5.1	7.0	5.7	0.8	4.4	5.0	3.2	3.7
S Other service activities	1.5	3.3	8.1	2.9	3.0	5.1	6.6	8.6	8.5	8.8	4.1	1.0	2.6	2.9	3.8	2.2	2.9
<b>INDICATORS OF OVERALL COMPETITIVENESS, y-o-y growth rates, %</b>																	
Effective exchange rate, <sup>1</sup> nominal	0.2	0.8	0.5	0.7	0.6	1.2	1.2	1.1	0.4	-1.1	-0.3	-0.3	0.7	0.6	0.6	0.5	0.7
Real (relative consumer prices)	0.7	2.3	2.8	1.8	2.3	3.7	4.5	4.2	2.6	-0.1	0.4	0.0	1.7	2.3	2.5	2.2	2.0
Real (relative producer prices) <sup>2</sup>	-0.6	2.4	1.0	2.2	2.3	1.8	1.2	1.0	-0.1	0.7	2.3	2.6	2.2	2.1	2.3	2.4	2.1
USD/EUR	1.256	1.371	1.471	1.348	1.374	1.449	1.500	1.562	1.504	1.317	1.302	1.362	1.351	1.342	1.372	1.362	1.390
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.																	
Notes: <sup>1</sup> Change of methodology: the calculation of domestic currency's effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted; a rise in the index value indicates an appreciation of domestic currency and vice versa. <sup>2</sup> Producer prices in manufacturing activities																	

2007			2008												2009							
10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
6.6	7.1	6.5	6.1	9.3	8.0	9.5	7.6	8.8	8.7	9.8	11.2	9.2	3.9	8.6	6.8	4.2	5.3	5.1	4.1	4.7	3.8	0.7
7.4	16.1	10.2	8.3	16.1	6.7	10.3	9.7	7.9	13.5	6.3	12.9	11.3	-0.1	10.2	1.1	-3.3	6.1	2.0	-1.8	4.7	-0.4	-0.3
8.8	9.4	20.6	5.2	9.7	13.3	11.8	17.0	12.5	17.3	10.0	20.7	39.0	-4.7	16.0	10.1	5.3	1.7	4.3	-5.9	9.4	2.3	6.2
8.1	9.4	8.2	6.0	10.2	8.5	11.3	8.4	9.6	11.0	6.4	10.8	6.7	-1.4	5.7	0.1	-0.5	0.4	-0.4	-1.3	0.1	0.1	-0.6
12.1	9.9	11.8	8.4	10.2	9.3	13.2	9.6	7.8	15.3	8.3	6.2	25.2	2.2	3.2	9.4	6.1	8.1	7.6	5.5	10.3	5.6	2.9
8.2	12.6	8.5	7.2	9.8	8.1	10.7	6.8	9.8	10.5	5.5	11.3	14.0	-1.0	4.8	4.4	3.6	4.6	3.5	1.0	5.2	1.6	1.2
6.7	7.7	5.5	7.5	8.8	6.7	11.9	7.5	9.5	10.0	6.0	11.3	7.3	-1.0	7.2	1.7	-0.6	2.5	0.5	-0.9	3.4	2.9	0.6
7.1	8.5	6.9	6.5	8.8	7.1	10.0	8.0	8.9	9.1	7.0	10.2	8.0	3.9	6.6	6.1	3.5	3.6	1.5	2.9	2.4	1.6	1.5
6.2	8.6	8.2	8.9	8.5	8.6	8.3	7.0	10.2	7.8	13.1	10.2	7.1	7.5	5.2	3.9	2.4	0.6	2.9	2.2	1.1	2.0	-4.8
7.0	8.8	7.5	9.8	10.4	7.9	9.5	10.3	8.9	10.3	9.0	10.7	7.5	2.0	5.4	3.9	3.0	3.2	3.4	0.4	1.3	1.4	0.6
8.1	-2.6	10.1	3.3	6.4	10.5	8.9	6.1	8.3	7.9	8.1	10.3	7.8	5.5	5.4	6.9	1.8	2.5	3.4	2.5	3.4	2.5	0.0
13.8	8.0	1.8	7.4	7.9	10.6	11.8	6.4	8.5	7.1	6.3	11.4	1.2	-6.3	8.1	3.8	0.6	1.7	-4.2	-5.4	-1.6	2.0	0.5
5.0	7.6	3.9	6.3	8.3	5.8	10.1	8.3	7.5	4.7	4.6	6.7	4.5	1.5	5.0	2.9	1.4	0.6	1.3	-0.6	-0.5	1.9	1.4
8.3	10.0	8.3	9.2	10.5	9.3	8.7	7.9	9.2	9.9	7.3	10.3	9.3	1.8	8.8	3.1	4.3	4.7	4.6	2.2	3.3	2.0	1.1
9.7	10.2	9.6	8.7	9.5	7.7	10.8	11.2	12.2	11.1	8.3	11.2	8.4	8.6	7.1	9.1	5.1	5.5	3.2	1.6	1.4	0.0	-0.1
5.9	6.5	6.9	6.8	14.3	12.0	12.0	10.0	10.4	7.6	18.8	13.3	12.9	16.0	12.3	15.2	8.8	10.7	11.0	10.0	8.4	5.3	-0.3
2.3	2.6	2.2	3.1	7.8	5.6	5.7	5.7	6.1	5.0	10.9	7.3	8.0	9.4	9.6	9.3	4.2	7.3	6.6	6.0	5.7	2.9	-1.7
1.8	1.8	2.6	3.1	7.2	6.1	3.2	3.8	6.0	4.6	24.5	21.5	21.3	20.5	21.4	25.5	18.9	20.0	26.5	22.2	19.3	16.0	0.4
1.7	3.3	3.8	4.5	5.9	-2.8	3.9	6.9	6.6	4.1	11.3	9.4	10.7	-3.2	9.1	8.2	6.4	6.3	7.2	6.0	4.0	5.8	0.1
2.9	7.4	4.9	6.6	6.2	6.9	10.3	8.8	6.7	9.0	8.0	8.3	9.0	6.3	11.3	2.6	5.3	4.3	0.8	1.0	1.2	0.9	0.8
1.1	1.3	1.1	1.3	1.0	1.4	1.4	1.1	0.9	0.8	0.6	-0.1	-1.3	-1.7	-0.4	-0.4	-0.3	-0.1	-0.6	-0.3	0.1	-0.1	0.2
3.6	3.9	3.6	4.4	4.3	4.7	4.7	3.9	3.9	3.5	2.6	1.6	0.3	-0.7	0.0	-0.1	0.5	0.8	-0.2	0.1	0.3	-0.4	0.2
2.2	2.0	1.2	1.2	1.0	1.4	2.1	0.8	0.0	-0.1	0.3	-0.6	-0.8	0.2	2.6	2.2	2.1	2.6	2.1	2.5	3.3	3.3	2.5
1.423	1.468	1.457	1.472	1.475	1.553	1.575	1.556	1.555	1.577	1.498	1.437	1.332	1.273	1.345	1.324	1.279	1.305	1.319	1.365	1.402	1.409	1.427

PRICES	2006	2007	2008	2007		2008				2009			2007				
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	7	8	9	10	11
<b>CPI, y-o-y growth rates, %</b>	2.5	3.6	5.7	3.6	5.4	6.6	6.6	6.1	3.3	1.8	0.7	-0.2	3.8	3.5	3.5	5.1	5.7
Food, non-alcoholic beverages	2.3	7.8	10.1	8.2	12.6	14.0	12.0	9.8	4.9	3.2	0.9	-0.7	7.6	6.9	10.0	13.3	11.7
Alcoholic beverages, tobacco	3.7	6.5	3.2	8.0	6.5	5.4	5.0	0.7	2.1	3.0	7.2	8.5	8.1	8.5	7.6	6.4	6.6
Clothing and footwear	-0.5	2.1	4.4	3.3	2.5	4.9	5.2	2.1	5.2	1.8	1.2	-2.2	2.7	4.1	3.1	1.8	3.5
Housing, water, electricity, gas	5.3	2.6	9.7	2.2	7.6	10.5	11.4	11.5	5.3	1.7	-2.1	-3.5	1.9	3.2	1.4	6.7	8.2
Furnishings, household equipment	4.1	4.5	5.8	3.6	4.0	4.5	5.5	6.5	6.7	6.1	4.5	3.5	4.5	3.3	3.0	3.6	4.1
Medical, pharmaceutical products	-1.7	1.1	2.9	1.1	0.4	-0.5	1.7	4.9	5.8	8.7	5.3	1.4	2.0	0.7	0.8	0.8	0.5
Transport	1.3	0.3	1.9	-0.9	1.6	2.9	2.9	4.1	-2.2	-3.7	-4.5	-4.1	0.9	-1.6	-1.9	0.4	2.5
Communications	0.3	0.3	0.6	0.6	0.3	2.2	1.9	0.1	-1.7	-4.3	-4.7	-4.3	1.2	1.2	-0.7	-0.7	-0.2
Recreation and culture	2.1	3.6	4.4	4.6	4.7	4.6	5.0	4.8	3.2	3.0	3.6	2.8	4.4	4.9	4.5	4.9	4.6
Education	3.1	1.9	5.2	2.2	3.6	4.7	5.4	4.8	6.1	5.1	3.0	2.7	1.4	1.4	3.7	3.6	3.6
Catering services	4.5	7.3	9.6	7.0	8.7	9.3	10.0	10.4	8.7	6.3	4.9	4.0	6.5	6.9	7.6	7.9	9.6
Miscellaneous goods & services	4.1	3.6	3.9	3.7	3.4	3.9	4.5	3.8	3.4	3.8	3.3	4.4	3.3	4.0	3.8	3.0	3.6
HCPI	2.5	3.8	5.5	3.7	5.5	6.5	6.4	6.2	3.1	1.7	0.6	-0.2	4.0	3.4	3.6	5.1	5.7
Core inflation (trim mean*)	1.5	2.1	2.6	2.3	2.5	2.7	2.7	2.6	2.4	2.0	1.4	1.0	2.2	2.3	2.4	2.4	2.5
Core inflation (excluding fresh food and energy)	1.1	2.6	4.6	2.9	3.9	4.7	4.9	4.7	4.0	3.1	2.6	1.2	2.6	2.9	3.0	3.7	4.0
<b>PRODUCER PRICE INDICES, y-o-y growth rates, %</b>																	
Total	2.3	4.2	3.8	4.1	3.6	3.4	3.7	5.1	3.2	1.1	-1.5	-3.1	4.4	4.2	3.9	3.8	3.5
Domestic market	2.4	5.5	5.6	5.5	6.5	6.0	6.1	6.2	4.2	1.5	-0.4	-1.5	5.3	5.2	5.9	6.4	6.9
Non-domestic market	2.1	3.0	2.2	2.9	0.7	0.9	1.5	3.9	2.3	0.8	-2.6	-4.5	3.5	3.1	2.0	1.2	0.3
euro area	2.4	5.1	2.2	4.8	1.5	1.4	1.7	4.2	1.5	-0.6	-4.5	-6.0	5.6	4.9	3.9	2.2	1.2
non-euro area	1.6	-0.5	2.1	-0.3	-0.5	0.1	1.0	3.4	3.9	3.5	1.1	-1.7	0.0	0.3	-1.1	-0.4	-1.1
Import price indices	5.8	4.0	1.3	2.5	0.1	-0.2	0.3	3.8	1.4	-2.1	-4.6	-4.7	3.0	3.6	0.8	-0.2	0.0
<b>PRICE CONTROL,<sup>1</sup> y-o-y growth rates, %</b>																	
Energy prices	8.0	0.6	12.4	-1.6	6.2	13.1	16.9	21.1	-1.2	-12.9	-17.7	-17.3	1.3	-2.6	-3.6	2.2	8.4
Oil products	10.3	-0.9	11.7	-4.3	7.4	14.8	17.4	21.1	-5.7	-16.3	-18.9	-15.9	-0.8	-5.5	-6.6	2.1	10.3
Basic utilities	-2.6	-2.3	0.6	-3.7	8.4	1.4	1.3	-1.3	1.1	1.7	0.9	0.8	-6.0	0.7	-5.7	14.3	6.5
Transport & communications	1.5	0.6	-0.4	0.6	0.6	0.5	0.6	-1.3	-1.3	-1.2	-1.1	2.5	0.6	0.6	0.6	0.6	0.6
Other controlled prices	2.6	2.9	1.8	3.0	3.0	1.4	1.7	1.7	2.4	2.4	6.8	5.6	2.2	3.8	3.0	3.0	2.9
Direct control – total	7.0	3.1	8.6	1.6	5.9	9.5	11.7	13.7	-0.2	-7.8	-10.9	-10.9	4.3	2.9	-2.3	3.9	7.1

Source of data: SORS, calculations and estimates IMAD. Note: \*In line with methodology, the measure of core inflation ("Trim mean") is optimised on monthly basis, hence some minor revisions of historical data are possible. <sup>1</sup> the structure of groups varies, data published are not directly comparable to those published previously. The electricity market was liberalized on 1 July 2007. Data from July 2007 onwards are not comparable.

2007	2008												2009								
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9
5.6	6.4	6.5	6.9	6.5	6.4	7.0	6.9	6.0	5.5	4.9	3.1	2.1	1.6	2.1	1.8	1.1	0.7	0.3	-0.6	0.0	-0.1
12.9	13.9	14.6	13.5	12.3	12.1	11.6	12.2	10.1	7.2	5.3	5.6	3.8	3.5	3.1	2.9	2.0	0.6	0.0	-1.3	-0.4	-0.4
6.6	5.7	5.5	5.1	4.8	5.0	5.1	-0.2	0.5	1.8	2.1	2.1	2.0	2.2	2.7	4.0	4.3	8.4	9.0	9.1	8.6	7.7
2.1	2.9	4.8	6.7	7.0	4.6	4.1	0.8	1.7	3.7	6.0	4.6	4.8	2.3	0.6	2.3	0.5	1.9	1.1	-1.3	-1.7	-3.6
8.0	11.7	9.6	10.4	9.4	11.4	13.4	13.6	10.4	10.5	9.0	4.8	2.4	0.8	3.0	1.2	0.1	-2.3	-4.0	-4.9	-3.5	-2.2
4.3	4.0	4.3	5.2	5.7	5.7	5.2	5.9	6.4	7.3	7.0	6.7	6.5	6.5	6.7	5.1	4.7	4.2	4.5	4.0	4.0	2.5
0.0	-0.9	-1.2	0.5	1.4	1.7	1.9	4.5	5.0	5.1	5.2	5.4	6.7	9.5	9.8	6.9	5.4	5.5	5.1	1.9	1.7	0.7
1.9	2.8	2.7	3.1	2.1	2.4	4.4	4.9	3.7	3.6	2.6	-3.6	-5.4	-5.1	-2.5	-3.6	-3.5	-4.7	-5.2	-5.6	-3.5	-3.1
1.9	1.0	2.8	2.9	2.8	1.5	1.5	0.7	0.5	-0.9	-0.9	0.0	-4.3	-3.7	-4.7	-4.6	-5.2	-4.4	-4.4	-4.1	-4.2	-4.6
4.7	4.1	4.9	4.9	5.4	4.4	5.3	5.6	4.9	4.0	2.8	3.2	3.6	2.8	2.8	3.4	3.3	3.6	4.1	3.0	2.7	2.7
3.6	3.4	3.8	7.0	7.0	4.6	4.6	4.6	4.6	5.0	6.0	6.1	6.1	6.0	6.3	3.2	3.2	3.0	3.0	3.0	3.0	2.2
8.6	9.2	9.4	9.4	10.1	9.9	10.1	10.7	10.4	10.0	9.7	8.8	7.7	6.5	6.3	6.1	5.1	4.8	4.7	4.4	4.2	3.3
3.6	3.6	3.8	4.2	4.7	4.5	4.5	4.0	3.7	3.6	3.4	3.2	3.4	3.4	3.7	4.2	3.3	3.1	3.5	4.5	4.4	4.3
5.7	6.4	6.4	6.6	6.2	6.2	6.8	6.9	6.0	5.6	4.8	2.9	1.8	1.4	2.1	1.6	1.1	0.5	0.2	-0.6	0.1	0.0
2.5	2.6	2.8	2.7	2.9	2.7	2.6	2.7	2.5	2.5	2.4	2.5	2.3	2.1	2.1	1.9	1.6	1.3	1.3	1.0	1.0	0.9
4.0	4.2	4.9	5.1	5.3	4.9	4.7	5.1	4.7	4.5	4.1	3.9	3.9	3.2	2.8	3.1	2.6	2.6	2.6	1.4	1.3	0.9
3.4	3.5	3.4	3.3	3.3	3.5	4.4	4.9	5.5	4.8	4.2	3.3	2.2	1.9	1.1	0.3	-0.5	-1.6	-2.4	-3.0	-3.3	-2.8
6.4	6.5	5.6	5.7	6.1	6.1	5.9	6.3	6.7	5.7	5.0	4.0	3.5	2.3	1.2	0.8	0.2	-0.7	-0.7	-1.3	-1.7	-1.6
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	1.6	1.0	-0.1	-1.2	-2.5	-4.0	-4.7	-4.9	-4.0
1.0	1.0	2.1	1.1	0.5	0.9	3.7	4.1	4.8	3.8	3.1	1.4	0.1	0.2	-0.3	-1.7	-3.1	-4.1	-6.2	-6.7	-6.4	-4.8
0.1	-0.2	-0.1	0.5	0.4	1.3	1.1	2.5	3.3	4.3	3.9	5.1	2.7	4.2	3.5	2.9	2.5	0.5	0.2	-0.6	-2.0	-2.4
0.5	-0.7	-0.1	0.1	-0.3	0.5	0.8	3.5	3.3	4.7	3.7	1.6	-1.0	-2.4	-1.3	-2.7	-3.8	-4.8	-5.2	-4.7	-5.0	-4.5
7.9	12.4	12.1	14.8	11.9	15.5	23.2	24.8	20.0	18.4	14.1	-4.3	-12.7	-15.0	-8.9	-14.6	-14.5	-18.0	-20.1	-21.5	-16.3	-13.9
9.8	14.0	14.1	16.4	12.6	15.3	24.1	25.5	20.0	17.7	12.2	-9.4	-18.9	-19.5	-11.2	-17.9	-15.6	-19.4	-21.2	-20.9	-14.8	-11.5
4.8	2.8	0.7	0.7	1.3	1.3	1.3	1.3	-5.7	0.7	0.7	0.8	1.6	1.6	1.7	1.9	1.0	0.7	0.8	0.8	0.8	0.8
0.6	0.5	0.4	0.6	0.6	0.6	0.6	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.1	-1.1	-1.1	-1.1	2.5	2.5	2.5
2.9	2.1	1.2	1.0	1.2	1.9	1.9	1.1	1.6	2.4	2.4	2.4	2.4	2.3	2.4	2.4	6.2	7.1	7.1	7.1	4.9	4.9
6.6	9.3	8.8	10.4	8.5	10.8	15.7	16.3	12.2	12.4	9.7	-2.2	-7.8	-9.4	-5.0	-9.0	-8.6	-11.2	-12.9	-13.7	-10.2	-8.6

BALANCE OF PAYMENTS	2006	2007	2008	2007			2008				2009		2007			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	8	9	10	11
<b>BALANCE OF PAYMENTS, in EUR m</b>																
Current account	-771	-1,646	-2,287	-274	-538	-692	-425	-486	-642	-733	-207	214	-112	-173	-160	-197
Goods <sup>1</sup>	-1,151	-1,666	-2,650	-359	-401	-664	-489	-668	-751	-743	-130	29	-117	-195	-180	-191
Exports	17,028	19,798	20,048	5,027	4,927	5,062	5,084	5,349	5,038	4,577	3,943	4,080	1,478	1,708	1,855	1,781
Imports	18,179	21,464	22,698	5,386	5,328	5,726	5,573	6,017	5,789	5,320	-4,073	-4,051	1,595	1,903	2,035	1,973
Services	993	1,047	1,609	330	306	167	334	475	487	314	265	320	124	105	67	46
Exports	3,572	4,145	5,040	1,002	1,259	1,018	1,053	1,299	1,480	1,209	928	1,057	447	385	371	297
Imports	2,580	3,098	3,431	672	953	851	719	824	993	895	-664	-737	324	280	303	251
Income	-440	-789	-1,039	-207	-376	-135	-150	-259	-394	-236	-212	-150	-109	-51	-52	-35
Receipts	872	1,169	1,264	293	298	343	266	326	335	336	252	249	91	110	111	111
Expenditure	1,312	1,957	2,303	501	674	478	416	585	729	572	-464	-399	200	160	164	146
Current transfers	-173	-239	-206	-38	-67	-60	-120	-33	16	-69	-129	16	-10	-33	5	-17
Receipts	785	941	783	233	230	278	144	190	229	220	119	247	93	65	107	89
Expenditure	958	1,180	989	271	296	338	264	223	213	289	-248	-231	104	97	101	106
Capital and financial account	1,092	1,920	2,395	240	384	982	435	741	632	588	-127	-28	39	7	171	311
Capital account	-131	-52	-43	-27	-32	-8	-8	3	-8	-30	-5	40	3	-24	7	5
Financial account	1,223	1,972	2,438	267	416	990	443	738	640	618	-123	-68	36	31	164	305
Direct investment	-174	-210	381	-40	9	56	114	-142	128	281	-132	-303	51	-142	103	-100
Domestic abroad	-687	-1,317	-932	-295	-438	-256	-125	-450	-236	-122	-129	-323	-61	-224	8	-162
Foreign in Slovenia	513	1,106	1,313	255	447	312	239	308	364	402	-3	20	112	82	96	62
Portfolio investment	-1,442	-2,255	575	-1,203	378	-806	305	-1,152	165	1,257	873	1,169	120	24	-360	-483
Financial derivatives	-13	-15	46	0	-20	12	30	4	5	6	-23	-1	-7	-7	4	4
Other investment	1,571	4,313	1,415	1,521	17	1,665	75	1,947	340	-947	-954	-979	-120	246	397	912
Assets	-1,939	-4,741	-562	-419	-1,365	-574	-978	-187	388	215	805	-277	-345	-427	-290	-360
Commercial credits	-442	-400	-143	-180	29	136	-518	-170	-9	554	51	4	155	-156	-233	-17
Loans	-733	-1,895	-541	-456	-441	-627	51	-442	158	-308	277	-73	-148	-74	-131	-137
Currency and deposits	-743	-2,454	117	217	-942	-85	-502	385	258	-23	471	-210	-355	-196	66	-207
Other assets	-21	7	5	0	-12	1	-9	40	-19	-7	7	2	3	-1	8	-1
Liabilities	3,510	9,054	1,977	1,940	1,382	2,239	1,054	2,134	-48	-1,162	-1,759	-703	225	673	687	1,273
Commercial credits	479	499	-67	55	-89	266	179	309	-19	-537	-380	-89	-303	155	163	97
Loans	2,064	3,841	1,868	1,554	910	1,345	644	1,472	242	-490	-517	-1,320	254	426	210	881
Deposits	998	4,727	190	338	567	613	253	346	-272	-137	-858	700	281	98	328	299
Other liabilities	-30	-13	-13	-7	-6	16	-22	7	2	1	-5	6	-8	-6	-14	-4
International reserves <sup>2</sup>	1,281	140	21	-11	32	64	-81	80	1	21	114	46	-8	-91	20	-28
Statistical error	-321	-273	-108	34	154	-290	-10	-255	10	146	334	-186	74	166	-11	-113
<b>EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m</b>																
Export of investment goods	1,680	1,936	2,241	508	466	505	523	576	598	544	444	465	140	159	181	166
Intermediate goods	9,368	10,436	10,760	2,670	2,559	2,597	2,752	2,893	2,730	2,385	1,981	2,006	778	864	959	928
Consumer goods	5,709	7,035	6,808	1,746	1,791	1,850	1,753	1,817	1,648	1,590	1,477	1,570	522	650	678	651
Import of investment goods	2,565	3,031	3,441	736	755	882	773	928	862	878	581	545	214	295	305	302
Intermediate goods	11,319	12,875	13,735	3,212	3,163	3,348	3,417	3,668	3,543	3,107	2,366	2,329	955	1,104	1,163	1,186
Consumer goods	4,456	5,601	5,870	1,446	1,412	1,506	1,459	1,520	1,475	1,416	1,192	1,227	424	510	575	490

Sources of data: BS, SORS. Notes: <sup>1</sup> exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports; <sup>2</sup> reserve assets of the BS.

2007	2008												2009							
	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7
-335	-178	-117	-130	-120	-201	-165	-347	-157	-138	-236	-164	-334	-37	-112	-58	43	70	100	54	-61
-293	-188	-134	-166	-160	-285	-223	-263	-298	-190	-266	-180	-297	-33	-31	-66	-40	12	58	-10	-133
1,426	1,618	1,710	1,757	1,866	1,716	1,767	1,809	1,339	1,891	1,841	1,532	1,204	1,216	1,296	1,430	1,309	1,337	1,434	1,403	1,069
1,719	1,806	1,844	1,923	2,026	2,002	1,990	2,071	1,637	2,080	2,107	1,711	1,501	-1,249	-1,328	-1,496	-1,349	-1,326	-1,376	-1,413	-1,202
53	109	106	118	152	170	152	124	166	196	149	107	58	107	63	95	106	108	105	109	144
350	339	335	378	422	433	444	516	487	478	446	372	392	311	281	336	348	348	361	440	424
297	230	229	260	270	263	291	391	320	281	296	264	334	-204	-218	-242	-242	-240	-256	-331	-280
-48	-41	-41	-69	-82	-70	-107	-214	-50	-130	-83	-82	-71	-78	-71	-63	-56	-52	-43	-49	-48
120	88	88	90	111	106	108	111	115	109	108	105	124	88	83	81	80	83	86	82	81
167	128	129	159	193	177	215	325	165	239	191	187	195	-166	-154	-145	-136	-135	-128	-131	-129
-48	-59	-48	-13	-31	-15	12	5	25	-14	-36	-9	-24	-34	-73	-23	34	2	-20	4	-23
83	32	54	58	38	58	93	64	106	58	54	80	86	29	40	49	112	75	60	70	44
130	91	102	71	69	73	81	59	82	73	90	89	110	-63	-113	-72	-78	-72	-80	-66	-67
500	86	228	121	192	346	202	411	187	34	-130	279	439	90	-117	-101	20	101	-148	13	16
-20	-9	0	2	5	-3	1	-6	-1	-1	4	39	-73	-8	-2	5	-2	-2	44	-3	-2
521	95	228	120	188	349	201	417	188	35	-134	239	512	98	-115	-106	23	102	-193	16	18
53	32	-13	95	-49	-9	-84	125	51	-48	-40	85	235	55	-62	-126	-42	-175	-86	-91	61
-102	-32	-25	-68	-160	-128	-163	-116	-34	-86	-81	-9	-32	-24	-51	-53	-96	-208	-20	7	-12
155	65	11	163	111	119	78	241	85	38	41	94	267	80	-10	-73	54	33	-66	-98	73
36	16	692	-403	-452	-457	-243	134	-207	238	387	658	212	410	559	-96	1,005	282	-118	866	-112
4	10	10	10	1	1	1	2	2	2	2	2	2	-10	-13	0	0	4	-5	0	8
356	36	-497	536	602	797	548	229	238	-127	-516	-489	58	-354	-685	85	-936	-71	28	-706	32
76	147	-960	-165	384	194	-766	112	-79	355	-435	19	632	122	593	90	-212	-819	754	-687	679
386	-79	-226	-212	-25	-98	-47	16	147	-172	-43	132	465	146	-45	-50	23	41	-61	-7	72
-359	175	-44	-80	17	-205	-254	255	-377	280	-286	73	-95	34	218	25	35	-49	-59	-57	59
56	37	-684	145	346	506	-468	-164	153	269	-115	-191	283	-69	410	129	-270	-810	869	-622	542
-6	14	-5	-18	46	-9	3	5	-2	-22	9	5	-22	11	10	-15	-1	-2	5	0	6
279	-111	463	702	218	603	1,314	117	317	-482	-81	-508	-574	-476	-1,278	-5	-724	748	-726	-19	-647
6	-81	105	155	93	220	-4	38	-116	59	-67	-182	-287	-377	-5	2	-36	-33	-21	7	-89
254	117	217	311	-173	512	1,133	112	228	-98	37	-483	-44	-101	28	-444	-329	348	-1,339	14	-69
-14	-134	150	236	294	-128	180	-40	206	-438	-51	159	-244	5	-1,303	441	-361	434	627	-10	-491
34	-13	-10	0	4	-2	5	6	0	-5	0	-2	2	-3	2	-4	2	-1	5	-30	3
72	0	37	-118	85	16	-21	-73	104	-30	33	-17	5	-4	86	31	-5	62	-11	-53	29
-165	92	-111	9	-72	-145	-37	-64	-30	104	366	-115	-105	-53	228	158	-64	-171	48	-67	45
159	147	178	199	193	192	191	203	152	243	201	185	158	128	153	163	172	143	150	148	N/A
710	891	934	927	1015	925	953	976	756	998	981	816	589	646	639	696	649	655	702	723	N/A
522	561	580	612	635	578	603	607	411	629	638	511	441	429	492	556	478	524	568	517	N/A
276	248	252	274	316	312	300	294	226	342	289	279	310	172	161	248	190	183	172	162	N/A
998	1,116	1,145	1,156	1,225	1,222	1,221	1,291	1,029	1,222	1,309	1,017	782	745	802	819	761	757	811	833	N/A
441	466	474	519	518	503	500	520	404	551	544	441	431	353	388	452	415	407	406	430	N/A

MONETARY INDICATORS AND INTEREST RATES	2006	2007	2008	2007								2008		
				5	6	7	8	9	10	11	12	1	2	3
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m</b>														
Claims of the BS on central government	16.6	67	68	68	68	68	68	67	67	67	67	67	67	66
Central government (S. 1311)	776.6	2,367	2,162	2,574	2,465	2,408	2,342	2,345	2,348	2,374	2,367	2,412	2,397	2,392
Other government (S. 1312, 1313, 1314)	24.9	118	212	107	107	107	110	111	114	112	118	123	124	124
Households (S. 14, 15)	1289.4	6,818	7,827	5,892	6,015	6,157	6,323	6,468	6,607	6,830	6,818	6,918	7,009	7,133
Non-financial corporations (S. 11)	3236.0	18,105	21,149	15,426	15,788	16,274	16,720	17,004	17,269	17,748	18,105	18,570	18,754	18,938
Non-monetary financial institutions (S. 123, 124, 125)	368.1	2,305	2,815	1,747	1,911	2,034	2,083	2,205	2,367	2,396	2,305	2,390	2,411	2,494
Monetary financial institutions (S. 121, 122)	1158.7	2,401	3,666	2,257	2,211	2,218	2,439	2,448	2,460	2,580	2,401	2,455	2,432	2,444
<b>Claims on domestic sectors, TOTAL</b>														
In domestic currency	2298.2	26,555	32,113	23,089	23,558	24,146	24,892	25,310	25,864	26,596	26,555	27,164	27,406	27,768
In foreign currency	3149.0	1,990	2,370	1,335	1,456	1,560	1,638	1,699	1,789	1,900	1,990	2,117	2,192	2,280
Securities, total	1286.8	3,570	3,346	3,577	3,484	3,492	3,488	3,573	3,511	3,544	3,570	3,586	3,529	3,477
<b>SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn; since 1 January 2007 in EUR m</b>														
Deposits in domestic currency, total	2,903.4	20,029	23,129	18,367	18,446	18,880	19,299	19,386	19,579	19,558	20,029	20,088	20,674	20,779
Overnight	1,178.6	6,887	6,605	6,849	6,953	7,047	6,881	6,907	6,695	6,573	6,887	6,924	6,557	6,787
With agreed maturity – short-term	1,251.2	8,913	10,971	7,777	7,592	7,867	8,331	8,247	8,689	8,723	8,913	8,899	9,862	9,745
With agreed maturity – long-term	292.4	2,857	4,157	2,573	2,693	2,728	2,790	2,874	2,820	2,817	2,857	2,845	2,803	2,814
Short-term deposits redeemable at notice	181.2	1,372	1,396	1,168	1,208	1,238	1,297	1,358	1,375	1,445	1,372	1,420	1,452	1,433
Deposits in foreign currency, total	1,454.5	559	490	615	610	605	628	608	589	585	559	571	560	520
Overnight	552.7	218	215	280	274	270	278	269	255	260	218	248	240	226
With agreed maturity – short-term	545.5	248	198	248	249	242	258	248	241	226	248	229	237	220
With agreed maturity – long-term	318.3	56	41	61	60	61	62	60	60	57	56	55	48	45
Short-term deposits redeemable at notice	38.0	37	36	26	27	32	30	31	33	42	37	39	35	29
<b>INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %</b>														
<b>New deposits in domestic currency</b>														
<b>Households</b>														
Overnight deposits	0.32	0.36	0.43	0.34	0.34	0.35	0.35	0.37	0.42	0.40	0.40	0.44	0.41	0.41
Time deposits with maturity of up to one year	2.96	3.36	4.45	3.15	3.26	3.36	3.41	3.61	3.89	3.83	4.04	4.08	3.95	4.03
<b>New loans to households in domestic currency</b>														
Housing loans, 5-10 year fixed interest rate	4.56	5.80	6.88	5.37	5.36	5.79	5.98	6.16	6.45	6.44	6.58	6.75	6.40	6.61
<b>New loans to non-financial corporations in domestic currency</b>														
Loan over EUR 1 million, 1-5 year fixed interest rate	4.64	5.76	6.03	4.86	5.12	6.49	-	5.76	5.59	-	6.25	-	-	5.63
<b>INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %</b>														
Main refinancing operations	2.78	3.85	3.85	3.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>INTERBANK INTEREST RATES</b>														
<b>EURIBOR</b>														
3-month rates	3.58	4.28	4.63	4.07	4.15	4.22	4.54	4.74	4.69	4.64	4.85	4.48	4.36	4.60
6-month rates	3.58	4.35	4.72	4.20	4.28	4.36	4.59	4.75	4.66	4.63	4.82	4.50	4.36	4.59
<b>LIBOR CHF</b>														
3-month rates	1.51	2.55	2.58	2.41	2.55	2.72	2.80	2.82	2.79	2.75	2.77	2.70	2.74	2.83
6-month rates	1.65	2.65	2.69	2.54	2.70	2.85	2.86	2.90	2.89	2.85	2.84	2.77	2.77	2.87

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



2008									2009								
4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9
66	66	65	66	66	67	69	69	68	69	87	103	121	140	142	151	167	166
2,123	2,162	2,052	2,030	2,069	2,046	2,058	2,176	2,162	2,704	2,867	3,134	3,288	3,542	3,472	3,456	3,427	3,610
128	129	133	136	143	178	184	181	212	223	229	233	243	254	251	257	262	281
7,235	7,318	7,409	7,521	7,603	7,705	7,857	7,785	7,827	7,831	7,852	7,868	7,910	7,946	7,951	8,055	8,135	8,231
19,351	19,616	20,064	20,404	20,619	20,872	21,134	21,092	21,149	21,346	21,429	21,469	21,509	21,516	21,517	21,557	21,671	21,704
2,558	2,568	2,736	2,726	2,729	2,798	2,815	2,845	2,815	2,815	2,814	2,851	2,869	2,838	2,835	2,838	2,868	2,846
2,624	2,375	2,386	2,403	2,400	2,737	2,965	2,963	3,666	3,887	3,826	3,786	3,829	4,008	4,365	4,382	4,334	4,723
28,503	28,871	29,380	29,805	30,108	30,888	31,444	31,594	32,113	32,388	32,663	32,648	32,790	33,140	33,353	33,601	33,628	34,045
2,276	2,259	2,263	2,228	2,271	2,344	2,512	2,371	2,370	2,372	2,315	2,190	2,172	2,122	2,059	2,017	2,003	1,969
3,239	3,038	3,137	3,188	3,184	3,104	3,059	3,077	3,346	4,046	4,040	4,504	4,686	4,843	4,979	4,925	5,067	5,380
20,774	20,613	21,144	21,341	21,465	21,992	22,177	22,385	23,129	23,563	24,487	24,334	25,649	26,020	26,576	26,206	25,956	26,950
6,711	6,841	7,071	6,744	6,703	6,918	6,666	6,577	6,605	6,415	6,421	6,609	6,610	6,876	7,163	6,862	7,011	7,079
9,734	9,292	9,439	9,936	9,929	10,038	10,530	10,659	10,971	11,246	12,053	11,705	12,951	13,053	12,015	10,560	10,067	10,720
2,926	3,046	3,170	3,241	3,378	3,519	3,555	3,727	4,157	4,542	4,729	4,827	4,876	4,868	6,182	7,600	7,712	7,952
1,403	1,434	1,464	1,420	1,455	1,517	1,426	1,422	1,396	1,360	1,284	1,193	1,212	1,223	1,216	1,184	1,166	1,199
529	527	488	491	502	493	537	551	490	504	502	491	489	495	492	480	462	462
222	225	218	220	228	218	244	247	215	242	230	233	231	251	249	239	240	244
224	224	196	192	190	196	213	227	198	181	195	177	180	166	170	166	150	144
45	42	42	43	42	43	44	42	41	42	43	42	42	41	39	39	38	43
38	36	32	36	42	36	36	35	36	39	34	39	36	37	34	36	34	31
0.43	0.46	0.46	0.48	0.48	0.48	0.51	0.52	0.43	0.48	0.40	0.34	0.28	0.25	0.23	0.23	0.23	0.23
4.14	4.20	4.30	4.40	4.39	4.53	4.65	4.56	4.45	4.08	3.40	2.82	2.44	2.28	2.40	2.35	2.27	2.14
6.53	6.53	6.63	6.71	6.95	6.99	7.10	7.17	6.88	7.05	6.63	5.75	6.75	6.37	6.59	6.74	6.57	6.64
6.32	5.47	6.63	6.91	6.53	6.94	6.76	7.24	7.74	6.61	6.35	6.34	6.05	6.10	6.19	6.36	6.20	6.66
4.00	4.00	4.00	4.25	4.25	4.25	3.75	3.25	2.50	2.00	2.00	1.50	1.25	1.00	1.00	1.00	1.00	1.00
4.78	4.86	4.94	4.96	4.97	5.02	5.11	4.24	3.29	2.46	1.94	1.64	1.42	1.28	1.23	0.98	0.86	0.77
4.80	4.90	5.09	5.15	5.16	5.22	5.18	4.29	3.37	2.54	2.03	1.78	1.61	1.48	1.44	1.21	1.12	1.04
2.85	2.78	2.84	2.79	2.75	2.78	3.00	1.97	0.91	0.57	0.51	0.44	0.40	0.40	0.40	0.37	0.34	-
2.93	2.89	2.98	2.94	2.89	2.92	3.09	2.16	1.08	0.71	0.65	0.58	0.54	0.54	0.52	0.49	0.45	-

PUBLIC FINANCE	2006	2007	2008	2007			2008				2009		2007			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	8	9	10	11
<b>CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m</b>																
<b>GENERAL GOVERNMENT REVENUES</b>																
TOTAL REVENUES	12,958.7	14,006.1	15,339.2	3,454.0	3,429.1	4,059.8	3,369.3	4,005.7	3,857.5	4,106.6	3,282.6	3,543.8	1,222.7	1,024.1	1,323.7	1,323.1
Current revenues	12,395.3	13,467.2	14,792.3	3,374.9	3,332.1	3,805.1	3,274.0	3,881.0	3,733.8	3,903.4	3,204.0	3,322.8	1,168.9	1,003.3	1,259.4	1,236.3
Tax revenues	11,762.0	12,757.9	13,937.4	3,199.7	3,123.6	3,606.0	3,110.0	3,702.0	3,472.0	3,653.3	3,058.9	3,164.5	1,099.5	934.2	1,194.1	1,168.1
Taxes on income and profit	2,735.3	2,917.7	3,442.2	914.3	646.3	769.4	694.4	1,106.5	806.5	834.7	707.3	617.5	251.4	226.3	233.4	235.7
Social security contributions	4,231.2	4,598.0	5,095.0	1,123.7	1,139.1	1,251.8	1,203.1	1,254.2	1,272.9	1,364.8	1,285.3	1,280.9	377.9	382.1	385.1	397.3
Taxes on payroll and workforce	472.9	418.1	258.0	99.7	101.5	120.9	59.4	62.2	63.5	72.9	7.4	7.2	33.6	33.9	34.1	36.5
Taxes on property	189.1	206.4	214.9	58.0	67.3	59.0	27.5	62.6	69.6	55.2	20.6	51.5	31.4	15.2	16.3	29.3
Domestic taxes on goods and services	4,077.3	4,498.6	4,805.3	973.0	1,135.5	1,372.5	1,099.4	1,181.7	1,227.8	1,296.4	1,015.4	1,177.5	395.4	264.6	514.5	459.9
Taxes on international trade & transactions	50.7	117.1	120.1	30.7	33.2	31.7	25.6	33.7	31.0	29.8	22.5	29.2	9.6	12.0	10.4	9.1
Other taxes	5.4	2.1	1.8	0.4	0.7	0.7	0.6	1.0	0.7	-0.6	0.5	0.7	0.3	0.3	0.2	0.3
Non-tax revenues	633.3	709.2	854.9	175.2	208.6	199.1	164.0	179.0	261.8	250.1	145.1	158.4	69.4	69.0	65.3	68.1
Capital revenues	166.8	136.6	117.3	15.2	39.6	62.1	28.0	26.9	28.8	33.6	14.1	29.7	17.1	8.9	14.6	15.7
Grants	5.4	11.9	10.4	2.8	2.0	5.0	2.0	2.1	3.1	3.1	2.9	1.7	-0.1	1.4	1.4	0.8
Transferred revenues	42.8	42.5	53.9	1.4	0.4	40.5	1.2	0.9	0.6	51.3	0.2	1.5	0.2	0.1	0.8	39.7
Receipts from the EU budget	348.4	348.0	365.4	59.6	55.1	147.1	64.0	94.8	91.3	115.3	61.4	187.9	36.6	10.4	47.6	30.6
<b>GENERAL GOVERNMENT EXPENDITURES</b>																
TOTAL EXPENDITURES	13,208.7	13,915.5	15,441.7	3,392.6	3,240.0	4,081.8	3,388.6	3,792.9	3,628.8	4,631.4	3,877.1	4,064.9	1,090.3	1,055.3	1,140.5	1,249.6
Current expenditures	5,689.0	5,950.9	6,557.5	1,448.5	1,362.2	1,658.2	1,575.9	1,581.7	1,513.7	1,886.2	1,768.8	1,682.7	463.5	447.9	483.8	500.7
Wages, salaries and other personnel expenditures	3,180.3	3,276.9	3,578.9	851.7	814.4	825.0	819.7	906.8	892.5	959.8	965.7	1,006.0	273.7	269.6	266.2	273.5
Expenditures on goods and services	2,073.2	2,212.2	2,527.5	482.6	518.0	721.3	523.1	589.3	586.1	829.0	546.5	617.4	183.4	164.4	187.4	212.1
Interest payments	376.4	357.0	335.2	105.3	17.5	36.7	221.0	69.8	12.9	31.5	246.7	48.4	3.3	7.4	26.6	4.9
Reserves	59.0	104.8	116.0	8.9	12.3	75.2	12.1	15.8	22.2	65.9	10.0	10.9	3.2	6.5	3.7	10.3
Current transfers	5,925.8	6,143.9	6,742.2	1,665.6	1,456.0	1,565.1	1,489.9	1,856.8	1,567.3	1,828.2	1,748.2	1,936.1	467.0	463.7	473.7	547.1
Subsidies	402.9	423.4	476.5	137.9	88.3	92.8	60.5	243.0	57.7	115.3	165.0	126.9	13.0	18.0	18.0	25.6
Current transfers to individuals and households	4,871.5	5,093.3	5,619.2	1,359.2	1,211.1	1,304.0	1,303.5	1,448.9	1,344.8	1,522.0	1,436.2	1,614.8	403.6	401.1	405.0	470.5
Current transfers to non-profit institutions, other current domestic transfers	624.1	595.3	598.3	158.4	145.3	160.8	118.7	151.2	153.2	175.2	140.0	178.5	47.1	40.6	49.6	48.9
Current transfers abroad	27.4	32.0	48.2	10.2	11.3	7.6	7.2	13.6	11.6	15.7	7.0	15.9	3.3	4.0	1.1	2.2
Capital expenditures	901.4	1,130.5	1,255.5	162.9	266.9	567.3	149.0	215.9	350.0	540.6	175.3	236.6	104.2	90.5	117.3	121.0
Capital transfers	404.6	334.3	458.6	55.0	69.3	181.4	30.6	62.3	130.8	234.9	35.9	112.9	23.2	23.8	35.6	49.4
Payments to the EU budget	287.9	355.9	427.9	60.6	85.6	109.8	143.2	76.2	67.0	141.5	148.9	96.6	32.4	29.5	30.1	31.3
<b>SURPLUS / DEFICIT</b>	<b>-250.0</b>	<b>90.6</b>	<b>-102.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source of data: MF Bulletin. Note: in line with the changed methodology of the International Monetary Fund of 2001, social security contributions paid by the state are not consolidated. Data prior to 2007 are recalculated on the basis of the irrevocable SIT/EUR exchange rate = 239.64.



## Acronyms

**AJPES** – Agency of the Republic of Slovenia for Public Legal Records and Related Services, **BoE** – Bank of England, **BS** – Bank of Slovenia, **CPB** – Netherlands Bureau for Economic Policy Analysis, **EC** – European Commission, **ECB** – European Central Bank, **EIA** – Energy Information Administration, **ELES** – Electro Slovenia, **ESS** – Employment Service of Slovenia, **EU** – European union, **GDI** – Gender-related Development Index, **GEM** – Gender Empowerment Measure, **HDI** – Human Development Index, **IMAD** – Institute of Macroeconomic Analysis and Development, **GDP** – Gross domestic product, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **MI** – Ministry of the Interior, **MPA** – Ministry of Public Administration, **NFI** – Non-monetary Financial Institutions, **NIC** – National Institute of Chemistry Slovenia, **OECD** – Organization for Economic Cooperation and Development, **PPA** – Public Payments Administration of the Republic of Slovenia, **RS** – Republic of Slovenia, **SCA** – Standard Classification of Activities, **SITC** – Standard International Trade Classification, **SORS** – Statistical Office of the Republic of Slovenia, **UNDP** – United Nations Development Programme.

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

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

### Acronyms of Countries

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

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