

# slovenian economic mirror

March 2014, No. 3, Vol. XX



**Slovenian Economic Mirror**  
**ISSN 1318-3826**

No. 3 / Vol. XX / 2014

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

**Responsible Person:** Boštjan Vasle, MSc, Director

**Editor in Chief:** Tina Nenadič, MSc

**Authors of Current Economic Trends (listed alphabetically):**

Jure Brložnik, Urška Brodar, Gonzalo Capriolo, MSc, Janez Dodič, Lejla Fajjić, Marjan Hafner, MSc, Mojca Koprivnikar Šušteršič, Janez Kušar, Urška Lušina, MSc, Jože Markič, PhD, Helena Mervic, Tina Nenadič, MSc, Mitja Perko, MSc, Jure Povšnar, Ana T. Selan, MSc, Dragica Šuc, MSc

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

**Translator:** Marija Kavčič

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

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

**DTP:** Bibijana Cirman Naglič

**Print:** SURS

**Circulation:** 80 copies

# Contents

In the spotlight.....	3
Current economic trends .....	5
International environment.....	7
Economic developments in Slovenia .....	9
Labour market .....	14
Prices .....	16
Balance of payments .....	18
Financial markets .....	19
Public finance.....	21
Boxes	
Box 1: Forecast of economic activity in selected trading partners outside the euro area.....	8
Box 2: Merchandise trade in 2013 .....	11
Box 3: A comparison of two methodologies for monitoring the amount of bad claims.....	21
Box 4: Main aggregates of the general government sector, ESA95.....	23
Statistical appendix .....	25

The Economic Mirror is prepared based on statistical data available by 4 April 2014.

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 SURS website [http://www.stat.si/eng/skd\\_nace\\_2008.asp](http://www.stat.si/eng/skd_nace_2008.asp).

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

## In the spotlight

**Economic activity in the euro area continued to increase at the beginning of this year; like other international institutions, the ECB revised upwards its spring forecast for economic growth.** Activity in construction and retail trade rose in January, while activity in manufacturing remained at December's level (seasonally adjusted). A further increase in activity is also indicated by the confidence indicators PMI and ESI, which were up again in the first three months. Confidence improved at the beginning of the year in most sectors, in March also among consumers. According to the most recent projections of the ECB, euro area GDP will increase by 1.2% in 2014 and 1.5% in 2015 amid a gradual strengthening of domestic demand and a continuing positive contribution of net exports.

**Having increased again at the beginning of the year, most short-term indicators of economic activity in Slovenia reached, or exceeded, the values recorded in the same month of 2013.** In January activity increased across all sectors (seasonally adjusted), with the exception of the sale of motor vehicles, which nevertheless exceeded the January 2013 level by a tenth. The strongest growth was reported by the construction sector, up 42.9% on January last year. Exports, where growth is rising, and production volume in manufacturing were also up relative to the previous January, as were turnover in market services and turnover in wholesale trade. After increasing in the last few months, turnover in retail trade was again around the same levels as in January 2013.

**Labour market conditions continued to deteriorate at the beginning of this year.** The number of employed has otherwise remained almost unchanged since April 2013, but the number of registered unemployed continues to rise. At the end of February, 129,764 persons were registered as unemployed, 5,698 more than in February 2013 and the most since 1998. In the private sector gross earnings per employee increased again in January, while they remained unchanged in the public sector. The minimum wage was adjusted for last year's inflation in January, so that the gross minimum wage for full-time work now totals EUR 789.15. In January 46,721 persons employed with legal entities received the minimum wage (8.1% of all). The shares of minimum-wage recipients are highest (in relative terms) in administrative and support service activities, accommodation and food service activities and construction.

**Consumer prices increased in March and were up 0.6% year-on-year.** The 0.8% increase relative to the previous month was mainly due to seasonally higher clothing and footwear prices, which, alongside services prices, also contributed the most to higher year-on-year inflation compared with February.

**The situation in the banking system remained adverse in February.** The stock of loans to domestic non-banking sectors declined more notably again after the moderation in January. Households, enterprises and NFIs repaid more than EUR 200 m in domestic bank loans in the first two months. Household deposits were up EUR 315 m in the same period, which is, in our estimation, a result of greater confidence in Slovenian banks after the beginning of the banking system stabilisation, as well as February's disbursement of the first part of delayed payments of the third quarter of funds to eliminate wage disparities. Government deposits also rose in the first two months (by around EUR 435 m). Corporate borrowing abroad increased slightly again in January, mainly in the form of short-term loans. The gaps between domestic and foreign interest rates declined by more than 50 basis points at the beginning of the year, in our estimation also due to the beginning of the banking system stabilisation. Banks continue to deleverage abroad.

**The general government deficit totalled EUR 209.0 m in January and was 24.8% smaller than in January last year due to higher revenue and lower expenditure.** Revenue increased across all categories, with the exception of EU funds. The decrease in expenditure was mainly a result of lower expenditure on the wage bill, expenditure on goods and services and transfers to individuals and households (except for pensions and social security transfers). Expenditure on investments, subsidies and interest payments increased.



**current economic trends**

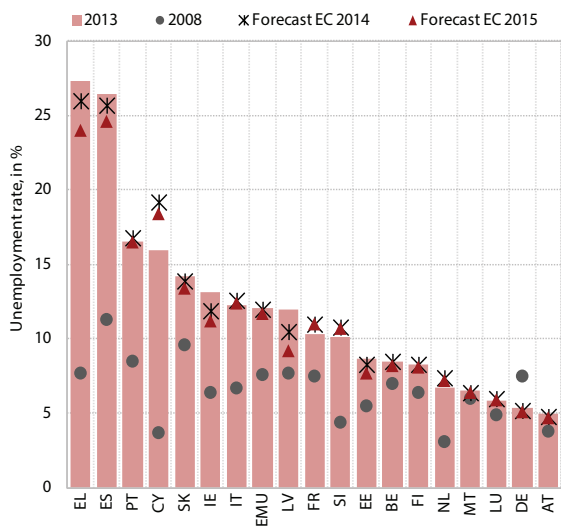




## International environment

The values of short-term indicators of economic activity indicate a further improvement in the euro area at the beginning of this year. Construction output and turnover in retail trade improved substantially in January, while production volume in manufacturing remained similar to December (seasonally adjusted). The euro area's Purchasing Managers Index (PMI) indicated growth in economic activity in all main trading partners in March and recorded the highest quarterly value in the last three years. The economic sentiment indicator (ESI) for the euro area rose again in March. Consumer confidence increased in particular, on account of a substantial improvement in expectations about the general economic situation, savings and the level of unemployment. Confidence in retail trade and services also increased slightly, while industry and construction sentiment remained broadly unchanged compared with February. In February the unemployment rate in the euro area was approximately the same as a year earlier (11.9%; 12.0% in February 2013). The unemployment rate of young people (between 15 and 24 years) was somewhat lower (23.5%; 24.0% in February 2013). According to the forecasts by the European Commission, the labour market conditions in the euro area will not deteriorate further this year, while in 2015 unemployment will fall slightly.

Figure 1: Unemployment rates in the euro area

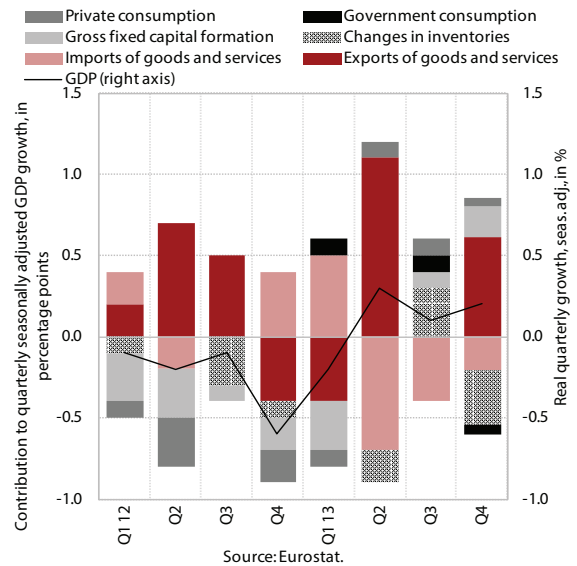


Source: Eurostat, European Commission (forecast February 2014).

Similar to some other international institutions, the ECB revised upwards its forecast for euro area economic growth on the basis of favourable data on economic activity at the end of last year. In the final quarter of 2014 GDP continued to recover (0.2%, seasonally adjusted) largely on account of growth in exports. Gross fixed capital formation and private consumption also contributed to growth. In the March projections for the euro area, the ECB anticipates GDP to increase by 1.2% in 2014 (0.1 percentage points more than forecast in December) and by 1.5% in 2015. Growth will mainly be driven by a gradual strengthening

in domestic demand as a result of increased confidence, a less restrictive fiscal policy stance, improved credit supply conditions and higher real disposable income (also due to low inflation). Exports will continue to rise on the back to higher external demand and due to the anticipated gradual fading away of the impact of the appreciation of the euro, but the contribution of net exports will be smaller than in previous years.

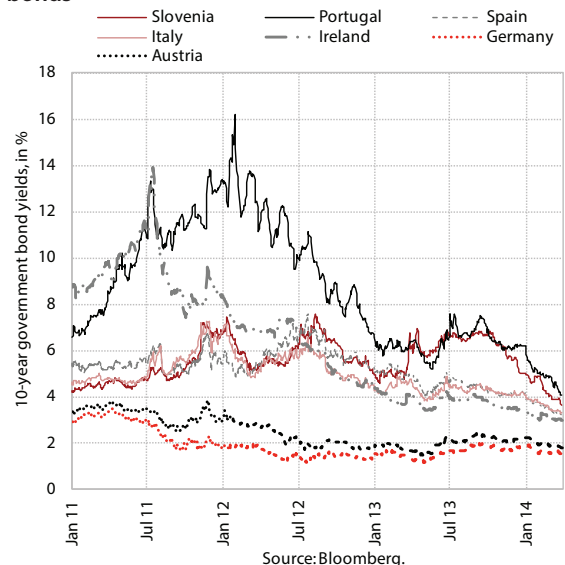
Figure 2: Structure of economic growth in the euro area



Source: Eurostat.

The required yields of euro area government bonds dropped again in March. The decline in the yields of the highest-quality government bonds was mainly a result of tensions in Ukraine and a consequent increase in demand for safe investment. The yields of the countries affected by the sovereign debt crisis fell due to improved expectations about economic growth and, according to

Figure 3: Yield to maturity of ten-year government bonds



Source: Bloomberg.

**Box 1: Forecast of economic activity in selected trading partners outside the euro area**

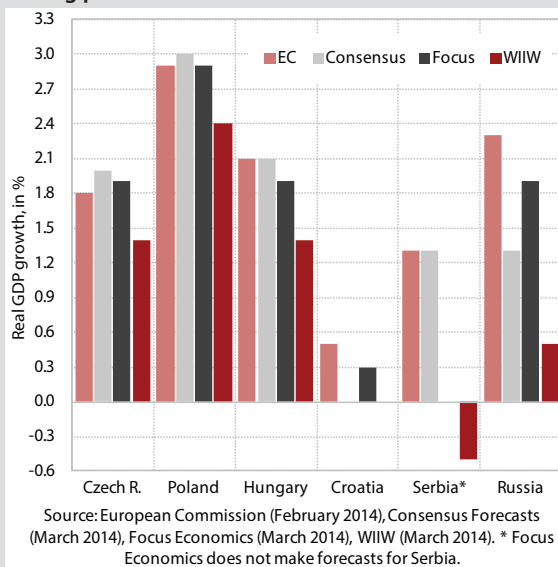
At the end of last year economic activity increased in all Slovenia's main trading partners outside the euro area except Croatia. After the strengthening of economic activity in new EU Member States at the end of last year, international institutions (European Commission, Consensus, Focus Economics, WIIW) expect further growth this year. The strongest GDP growth in the final quarter of 2013 was recorded in the Czech Republic, where after the fall in 2013 (-0.9%), the economy will recover this year mainly as a result of higher net exports. GDP growth in Poland and Hungary will reflect higher domestic consumption, particularly in investment. Last year economic activity also increased in the former Yugoslav republics, with the exception of Croatia. In 2013 Croatia's GDP declined for the fifth year in a row (-1.0%) amid a fall in both domestic consumption and net exports. The prospects for this year remain bleak, as international institutions expect practically no growth. Economic growth in Serbia will continue. After the moderation in 2014 due to structural reforms, it will strengthen next year on account of increased investment related to the process of EU accession.

International institutions are revising downwards their GDP forecasts for Russia for this year. GDP growth in 2013 (1.3%) was the lowest since 2009, the main factors in modest growth being lower private consumption and a decline in fixed capital formation. International institutions are lowering their forecasts for this year, mainly in view of geopolitical tensions between Russia and Ukraine. They anticipate the tightening of financial conditions and uncertainty regarding the developments in the region to reduce investment, while consumption will fall due to higher inflation as a result of the weak ruble. Furthermore, Russia could also be affected by economic sanctions of the US and the European Union.

the ECB, lower risk aversion of international investors and positive changes in rating outlooks. The largest declines in government bond yields since December 2013 were recorded by Slovenia and Portugal (by more than 140 basis points).

The ECB left its key interest rate unchanged again in March. It confirmed the expectations that the key interest rates will remain at the present or lower level for an extended period of time. Its monetary policy stance continues to focus on increasing demand and on the recovery of economy in the euro area. Amid low inflation in the euro area and deflationary pressures in some euro area

**Figure 4: Forecasts of economic growth in Slovenia's trading partners outside the euro area for 2014**



countries, the ECB does not exclude the possibility of further measures to boost the economic recovery.

The average monthly value of the euro against the US dollar recorded its three-year high in March. The appreciation of the euro was mainly impacted by the decision of the ECB at the beginning of March to maintain an accommodative monetary policy and keep its key interest rate unchanged (0.25%). The euro also gained value as a result of slower economic growth in China and heightened tensions in Ukraine. The developments in Ukraine were also reflected in food prices, which were up 2.7% in February according to the IMF, while lower demand in China impacted prices

**Table 1: Money market interest rates and the exchange rates of national currencies against the EUR**

Interest rates	average, in %				change, in b. p.	
	2013	III 13	II 14	III 14	III 14/II 14	III 14/III 13
3-month EURIBOR rate	0.220	0.206	0.288	0.305	1.7	9.9
3-month USD LIBOR rate	0.268	0.282	0.235	0.234	-0.1	-4.8
3-month CHF LIBOR rate	0.021	0.022	0.018	0.021	0.3	-0.1
Exchange rates	average				change, in %	
	2013	III 13	II 14	III 14	III 14/II 14	III 14/III 13
EUR/USD	1.328	1.296	1.365	1.382	1.2	6.6
EUR/CHF	1.231	1.227	1.221	1.218	-0.3	-0.7
EUR/GBP	0.849	0.860	0.825	0.832	0.8	-3.3
EUR/JPY	129.66	122.99	139.32	141.48	1.5	15.0

Source: Euribor, ECB, calculations by IMAD.

Table 2: Oil and non-energy commodity prices

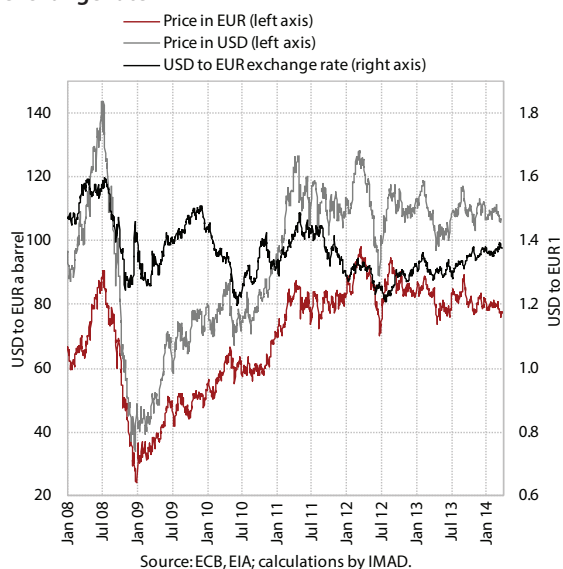
Oil	average				change, in %	
	2013	III 13	II 14	III 14	III 14/II 14	III 14/III 13
Brent USD	108.56	108.47	108.9	107.48	-1.3	-0.9
Brent EUR	81.66	86.71	78.76	79.42	0.8	-8.4

Commodities	change, in %		
	2013/2012	II 14/II 14	II 14/II 13
Non-energy commodities	-1.2	1.1	-5.5
Food	1.1	2.7	-3.4
Agricultural raw materials	1.4	0.5	6.4
Metals	-4.2	-2.5	-16.2

Source: EIA, ECB, IMF, calculations by IMAD.

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



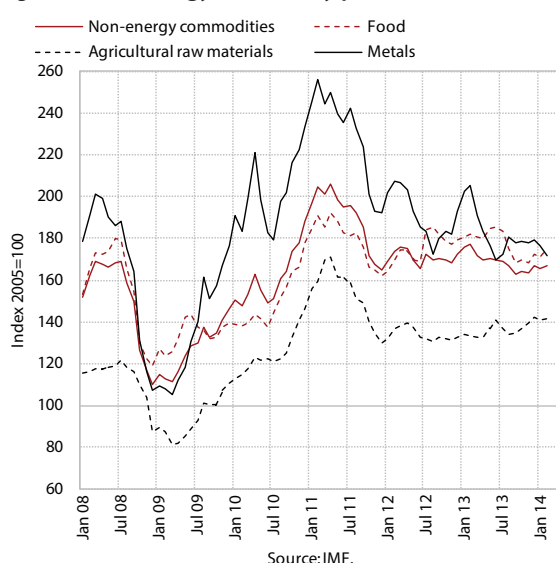
Source: ECB, EIA; calculations by IMAD.

of metals, which were down 2.6%. The escalating tensions in Ukraine, an important transit country for Russian oil, had no major impact on the oil price in dollars, which was down 1.3%.

## Economic developments in Slovenia

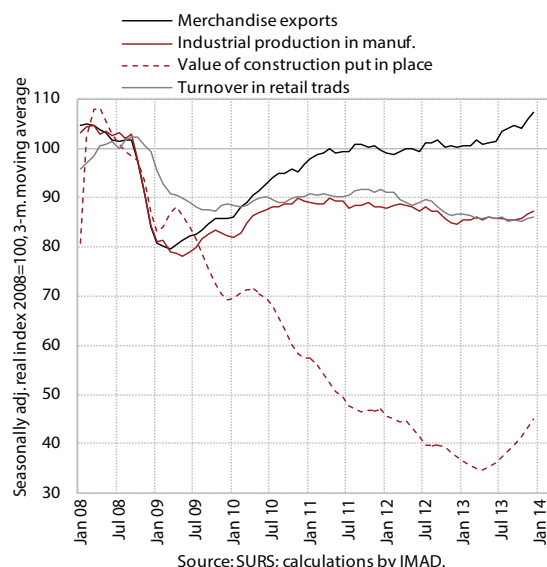
**Economic activity** increased further at the beginning of the year. Most of the short-term indicators of economic activity improved in January and reached, or exceeded, their levels in the same period of last year (most notably in the construction sector). After the increase in the final quarter of last year, production volume in manufacturing rose slightly again in January. Merchandise exports also continued to grow at the beginning of the year; both exports to the EU and outside the EU were up. Growth in construction activity continued, the construction of civil-engineering structures having increased most notably in the last few months. Turnover in retail and wholesale trade also increased further at the beginning of the year, while turnover in the sale of motor vehicles dropped after

Figure 6: Non-energy commodity prices in dollars



Source: IMF.

Figure 7: Short-term indicators of economic activity in Slovenia



Source: SURS; calculations by IMAD.

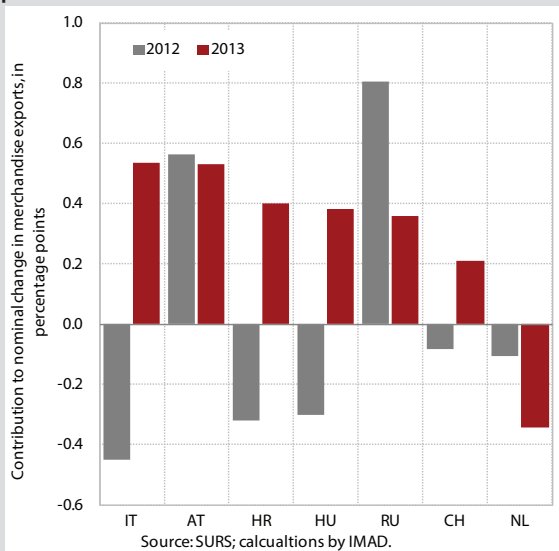
**Box 2: Merchandise trade in 2013**

Last year total growth in merchandise exports continued to be mainly driven by exports of medical and pharmaceutical products and re-exports of imported oil and refined oil products. Exports of these two product groups combined accounted for two thirds of total 2.7% nominal growth in merchandise exports last year. Exports of medical and pharmaceutical products recorded somewhat stronger growth relative to 2012, while growth in re-exports of imported oil and oil products declined. The strengthening in the nominal growth of total exports from 0.3% in 2012 to 2.7% last year was mainly underpinned by road vehicle exports, which were up 1.5% last year after the 6.6% decline in 2012. According to our estimate, this growth was also primarily a result of re-exports of imported vehicles, as nominal turnover on the foreign market and real motor vehicle production declined by more than 10% last year. The strengthening of total export growth was, to some extent, also underpinned by exports of electrical machinery and appliances, rubber and metal products and miscellaneous primary commodities.<sup>1</sup>

Four fifths of last year's total growth in merchandise exports stemmed from growth in exports to Italy, Austria, Croatia, Hungary and Russia. Growth in exports to Austria remained at the previous year's level, while exports to Italy, Croatia and Hungary rose after the decline in 2012. Growth in exports to Switzerland, Romania, Spain and Poland also made a small contribution to last year's strengthening in total export growth. Growth in exports to Russia, Slovenia's most important trading partner outside the EU,<sup>2</sup> also contributed significantly to total growth last year, but it slowed substantially (from 21.9% to 8.1%). Likewise, exports to Slovenia's most important trading partner, Germany,<sup>3</sup> dropped slightly last year (-0.2%) after 1.5% growth in 2012.

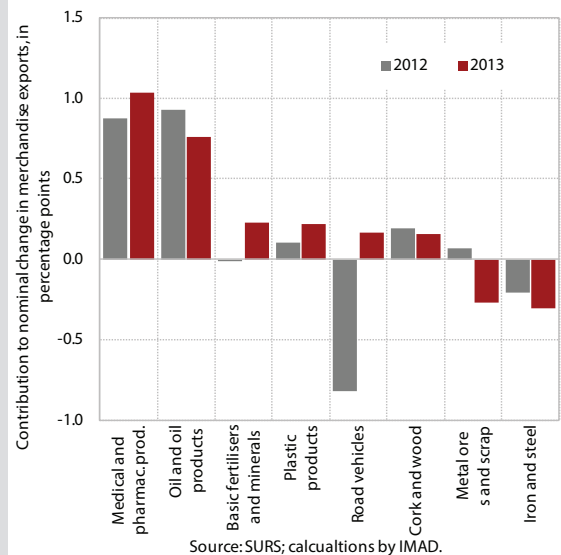
Last year's growth in merchandise imports was mainly driven by increased imports of passenger cars and investment goods. After a 2.1% nominal fall in 2012, merchandise imports were up 0.5% last year. Their growth was mainly driven by imports of consumer goods, most notably imports of passenger cars, which were up 24.3% after the fall in 2012. A small contribution to higher consumer goods imports also came from increased imports of non-durables and food and beverages. Imports of investment goods, having declined in 2012, were also up last year, in our assessment on account of equipment for the construction of a large energy facility. The decline in intermediate goods imports deepened further last year, primarily due to lower imports of fuels (-6.3%), which had recorded strong growth in 2012.

**Figure 9: Merchandise exports to selected trading partners**

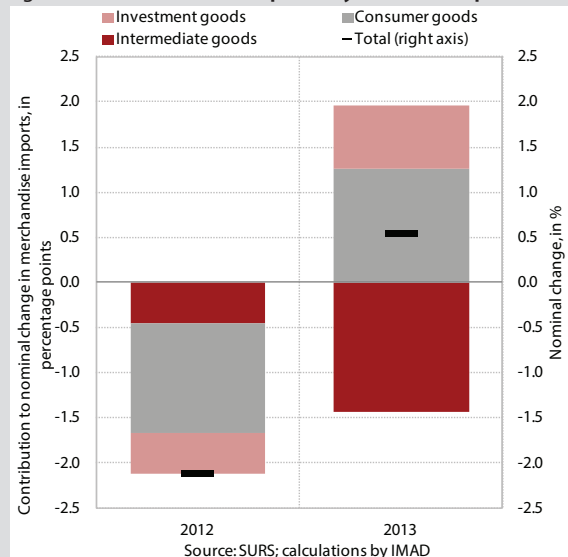


<sup>1</sup> Oil seeds and oleaginous fruits, electricity, basic fertilisers and minerals, gas, fodder plants.

**Figure 8: Exports of selected SITC product groups**



**Figure 10: Merchandise imports by end-use of products**



<sup>2</sup> Accounting for 4.7% of total merchandise exports.

<sup>3</sup> Accounting for 20.6% of total merchandise exports.

strong growth in the second half of last year. Nominal turnover in service activities also rose again after the interruption at the end of last year.

Table 3: Selected monthly indicators of economic activity in Slovenia

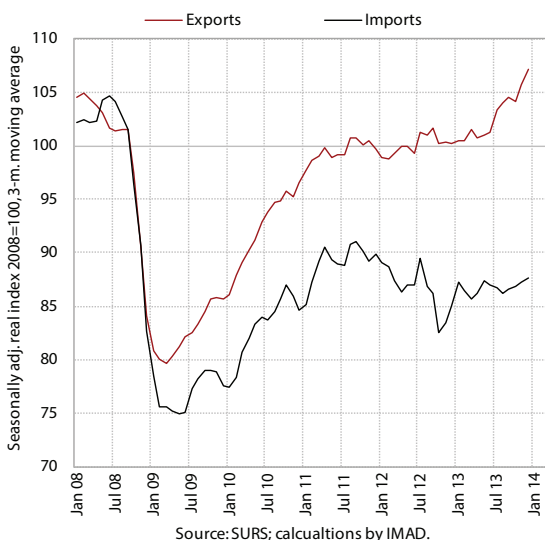
in %	2013	I 14/XII 13	I 14/I 13
Exports <sup>1</sup>	2.7	5.1	6.8
-goods	2.2	10.8	8.4
-services	2.5	-15.8	-0.3
Imports <sup>1</sup>	-0.8	-0.3	3.2
-goods	-1.2	4.3	0.9
-services	1.6	-23.0	21.5
Industrial production	-0.5	0.6	4.4
-manufacturing	-1.0	0.4 <sup>2</sup>	3.4 <sup>3</sup>
Construction -value of construction put in place	-2.9	22.4 <sup>2</sup>	42.9 <sup>3</sup>
Real turnover in retail trade	-3.7	0.8 <sup>2</sup>	-0.3 <sup>3</sup>
Nominal turnover in market services (without trade)	-0.1	2.4 <sup>2</sup>	3.2 <sup>3</sup>

Sources: BS, Eurostat, SURS; calculations by IMAD.

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

January recorded further real growth in **merchandise exports and imports** (seasonally adjusted). After 1.2% growth in the final quarter of last year, real merchandise exports were up 1.4% in January, according to our estimate.<sup>1</sup> Both exports to the EU and outside the EU rose again. Real growth in merchandise imports, at 1.7% in the final quarter of last year, also strengthened slightly in January (to 2.0%), according to our estimate.<sup>2</sup> According to original data, real merchandise exports were up 10.0% year-on-year in January, while imports were down 1.8% due to the base effect.

Figure 11: Merchandise trade – real



Source: SURS; calculations by IMAD.

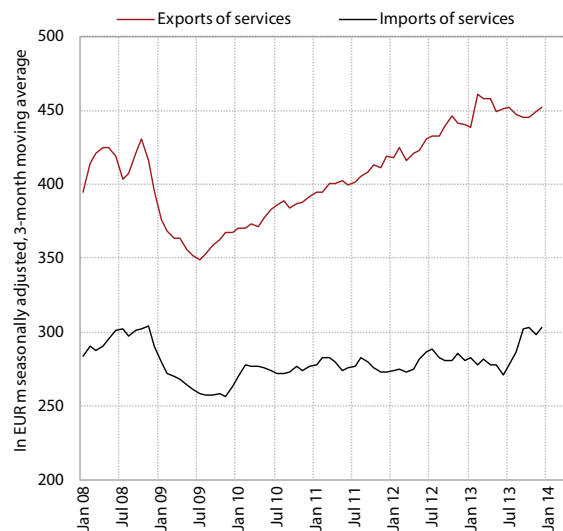
<sup>1</sup> The estimate of real merchandise exports is based on nominal exports according to the external trade statistics and industrial producer prices on the foreign market.

<sup>2</sup> The estimate of real merchandise imports is based on nominal imports according to the external trade statistics and the index of import prices.

<sup>3</sup> According to the balance of payments statistics.

Nominal exports of **services** declined slightly in January after modest growth in the final quarter of 2013, while imports continued to grow (seasonally adjusted).<sup>3</sup> The fall in exports was mainly attributable to lower exports of other business services, while exports of transport and other services increased.<sup>4</sup> Looking at imports, imports of other business services continued to grow vigorously and after the decline in the final quarter of 2013, imports of other services were up last year; imports of transport services also increased. According to original data, exports of services declined slightly year-on-year in January (-0.3%), while imports were considerably higher (21.5%).

Figure 12: Trade in services – nominal



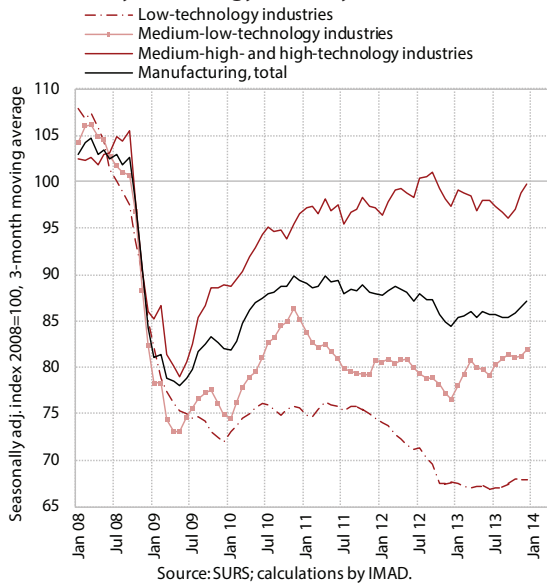
Source: BS; calculations by IMAD.

Production volume in **manufacturing** increased slightly again in January after strong growth at the end of last year, and was up on January 2013 in most activities. The strengthening was, in our estimation, accounted for by medium-low-technology industries, where production increased again after the stagnation at the end of last year. Production in low-technology industries has hovered around approximately the same (low) levels for about a year. Production in more technology-intensive industries declined after strong growth at the end of 2013 (seasonally adjusted). Only the production of ICT equipment and electrical appliances was up year-on-year (18.7%, orig.), while other industries with higher technology intensity lagged behind the January 2013 levels after December's strong year-on-year growth. Production in some low-technology industries was also lower than in January last year, most notably again in the furniture industry (18.3%, orig.). On the other hand, the January 2013 level was exceeded by all medium-low-technology industries, particularly (again) the sector of repair and installation of machinery and equipment (23.2%, orig.).

<sup>4</sup> When adjusting data for seasonal effects, we placed communication, construction, financial, computer and information activities, personal service activities, arts, entertainment and recreation activities, government services, insurances and licences, patents and copyrights into the group of other services. Together, they account for almost a fifth of services exports and nearly a third of services imports.



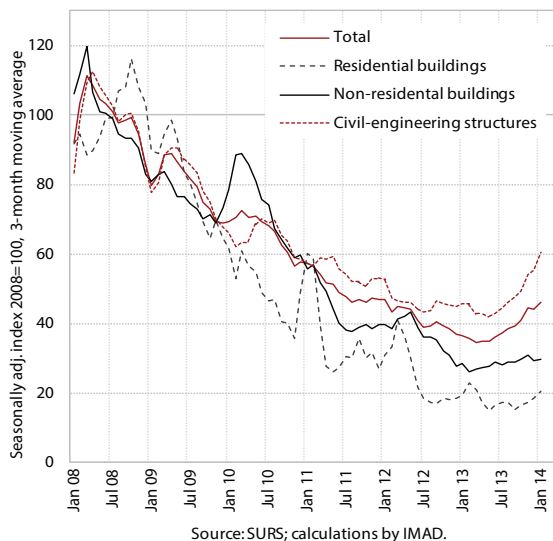
Figure 13: Production volume in manufacturing industries by technology intensity



**Construction activity strengthened significantly in January.** The value of construction put in place rose by 22.4% in January (seasonally adjusted), and was 42.9% higher than in the previous January. In the last few months activity picked up across all construction segments; the least in the construction of dwellings, more notably in the construction of non-residential buildings and the most in civil-engineering, which is related to the construction of municipal infrastructure co-financed with EU funds.

The stock of contracts in the construction sector was up 21.2% year-on-year in January. The increase was solely a result of a larger stock of contracts in civil engineering (72.2%, related to the construction of municipal infrastructure). The stock of contracts in the construction of both residential and non-residential buildings was down year-

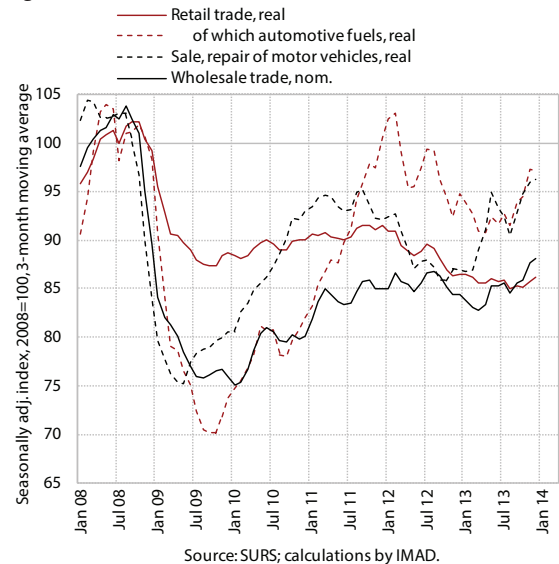
Figure 14: Value of construction put in place



on-year, which was linked to the limited access to funding and, in our estimation, a large stock of unsold buildings.

Activity in **trade** continued to pick up in January (seasonally adjusted), being much higher than a year earlier in the sale of motor vehicles and wholesale trade. After the lowest level in September last year, turnover in retail trade had been rising slightly in the next few months, but remained down year-on-year. In January turnover increased in all three segments of retail trade, most notably in the sale of food, beverages and tobacco products, and in the sale of non-food products, where the highest growth was recorded in the sale of household appliances and audio and video recordings. Nominal turnover in wholesale trade also rose, having exceeded last year's level almost by 5%. Turnover in the sale and repair of motor vehicles was down somewhat after strengthening since August but was still a tenth higher than a year earlier.

Figure 15: Turnover in trade sectors

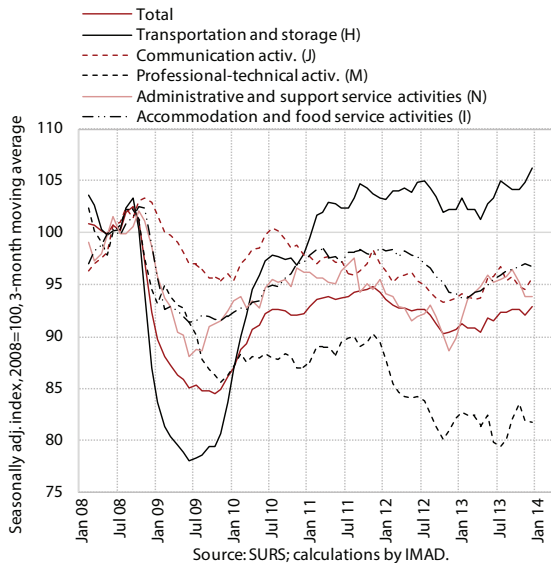


Nominal turnover in **market services** (excluding trade)<sup>5</sup> increased significantly in January (seasonally adjusted) after the moderation at the end of the year. The increase was largest in information-communication services, particularly in computer programming. Strong growth was also reported by transport services, where turnover in land transport exceeded the average 2008 level by a fifth. January's growth in administrative and support service activities was driven primarily by cleaning services and travel agencies. The latter otherwise had by a third lower turnover than before the crisis, but turnover in employment services, where it stagnated in January, was much higher. Turnover in professional and technical services was down slightly, largely on account of a substantial fall in architectural and engineering services, but turnover in legal and accounting services increased.

<sup>5</sup> Activities from H to N (SKD 2008) subject to the Council Regulation (EC) No. 1165/98 concerning short-term statistics.

Turnover in *accommodation and food service activities* declined slightly, but was much higher year-on-year.

Figure 16: Nominal turnover in market services (other than trade)



At the beginning of the year **household** income was similar to the same period of 2013 while the volumes of loans and deposits at banks remained lower. In the first two months the net wage bill, which has increased since mid-2013 (seasonally adjusted) after falling since the beginning of 2012, was similar to the first two months of 2013 (in real terms). In January transfers to individuals and households were down again year-on-year in real terms (-3.0%).<sup>6</sup> After a decline in the first two months, total loan volume remained lower year-on-year in February (-3.4%). Consumer loans, having grown in the last month, were lower than in February 2013 (-9.2%), while housing loans were slightly higher (1.0%). Household deposits at banks, having risen more notably again in the last two months, remained lower than in the same period last year (-2.1%).

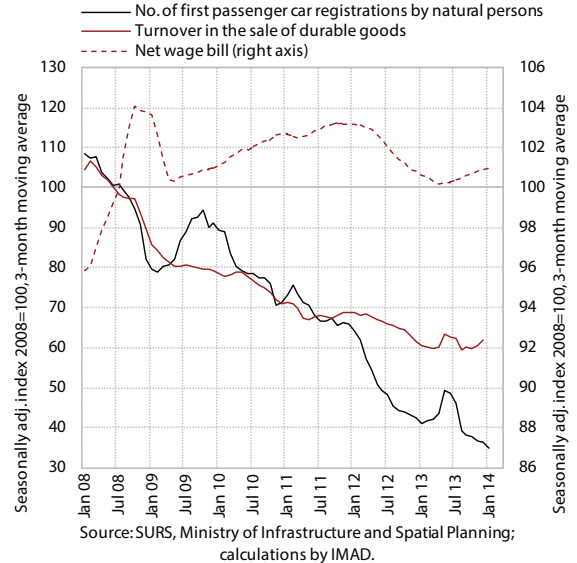
The values of some short-term indicators of household consumption rose at the beginning of the year. Turnover in the sale of durable goods<sup>7</sup> increased again in January (4.9%, seasonally adjusted) and was up year-on-year again (8.7%). After the increase at the end of last year, turnover in retail trade excluding automotive fuels also rose slightly (0.7%, seasonally adjusted) and was roughly the same as in the same month of 2013. The number of first passenger car registrations by natural persons

<sup>6</sup> According to the consolidated public finance balance of the Ministry of Finance. Since May 2013 expenditure on scholarships has been covered from direct government funds or reserves. The total amount of transfers is therefore slightly smaller.

<sup>7</sup> Turnover in the sale of furniture, construction material, household appliances, audio/video recordings in specialised stores. Within that, turnover in furniture and construction material rose by 4.4%, seasonally adjusted (up 14.8% year-on-year) and turnover in household appliances and audio and video recordings by 12.2%, seasonally adjusted (up 7.5% year-on-year).

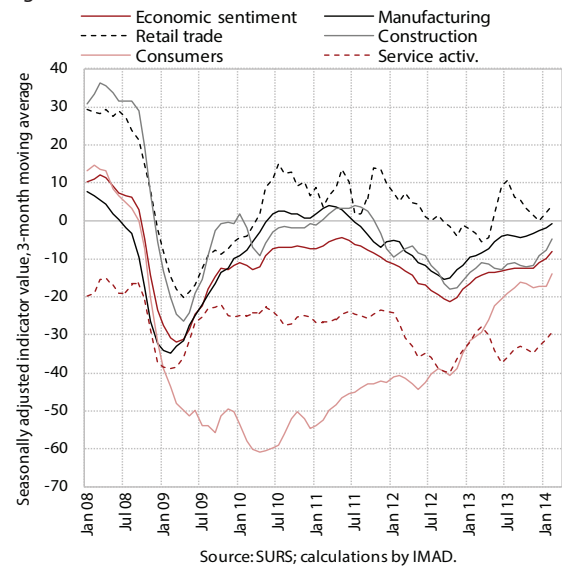
declined further in February (7.9%, seasonally adjusted)<sup>8</sup> and was 17.4% lower year-on-year. In the first two months it was 15.4% lower than in the same period of 2013.

Figure 17: Household consumption indicators



Economic **sentiment** and consumer confidence improved again in March. The improvement in the economic climate seen since the beginning of the second half of 2012 accelerated at the end of 2013. It was mainly a result of greater confidence in services and in the construction sector, where the confidence indicator increased the most again in March. After the deterioration at the end of last year, consumer confidence also improved somewhat at the beginning of 2014.

Figure 18: Business trends

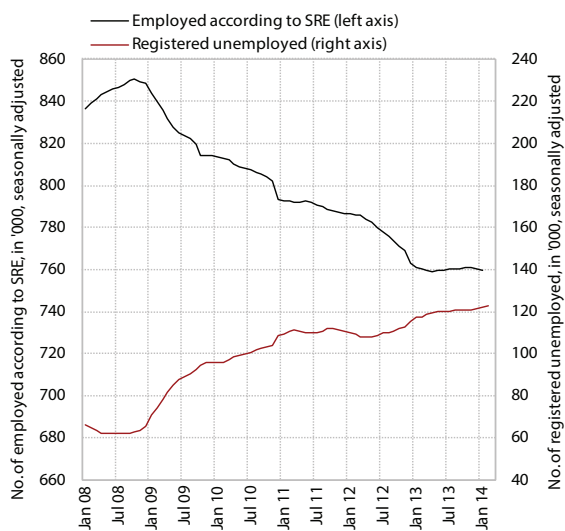


<sup>8</sup> The number of first registrations of passenger cars used by natural persons was 10% lower in February and 16.7% lower year-on-year (the owner of a car used by a natural person can also be a legal entity, for example in the case of leasing).

## Labour market

The number of **employed persons**<sup>9</sup> has remained relatively unchanged since spring 2013. The decline in the number recorded since the end of 2008 came to a halt in April 2013 and remained more or less unchanged until January (seasonally adjusted). Since the beginning of the second quarter of last year the number of employed persons has risen slightly in public services, while being slightly lower in the construction sector (seasonally adjusted) due to a strong decline in December. In January the number of employed persons was down 0.1% year-on-year, most notably in construction. Given the larger number of registered unemployed, the registered unemployment

Figure 19: Employed according to the statistical register of employment (SRE) and registered unemployed



Source: SURS, ESS; calculations by IMAD.

rate rose more notably, by 0.2 percentage points to 13.6%, seasonally adjusted, and was highest since 1999.

The **number of registered unemployed** increased further at the beginning of the year. At the end of February, 129,764 persons were registered as unemployed, 5,698 more than in February 2013 and the most since 1998. According to original data, registered unemployment remained similar to January; seasonally adjusted, it rose further in February, by 0.5%. The seasonally adjusted growth of registered unemployment was, as in January,

Table 4: Indicators of labour market trends

in %	2012	2013	I 14/ XII 13	I 14/ I 13
Labour force	-1.5	-0.7	-0.4	-0.2
Persons in formal employment	-1.7	-2.0	-0.7 <sup>1</sup>	-0.9
Employed in enterprises and organisations and by those self-employed	-1.6	-2.6	-0.4	-0.6
Registered unemployed	-0.5	8.8	0.6 <sup>1</sup>	4.5
Average nominal gross wage	0.1	-0.2	0.2 <sup>1</sup>	0.7
- private sector	0.5	0.6	0.2 <sup>1</sup>	1.7
- public sector	-0.9	-1.3	0.0 <sup>1</sup>	-0.7
- of which general government	-2.2	-2.5	-0.1 <sup>1</sup>	-1.1
	<b>2013</b>	<b>I 13</b>	<b>XII 13</b>	<b>I 14</b>
Rate of registered unemployment (in %), seasonally adjusted	12.0	13.0	13.4	13.6
Average nominal gross wage (in EUR)	1,523.18	1,523.80	1,544.85	1,534.54
Private sector (in EUR)	1,404.40	1,397.13	1,425.54	1,421.34
Public sector (in EUR)	1,740.78	1,754.05	1,764.57	1,741.94
- of which general government (in EUR)	1,716.48	1,729.06	1,724.50	1,709.94

Sources: ESS, SURS; calculations by IMAD. Note: <sup>1</sup>seasonally adjusted.

Table 5: Unemployment flows

	I-XII 13	I-II 13	I-II 14	II 14
<b>INFLOW OF UNEMPLOYED - TOTAL</b>	<b>108,344</b>	<b>23,190</b>	<b>22,788</b>	<b>7,973</b>
First-time jobseekers	19,071	2,633	3,072	1,378
Jobseekers who lost work	88,710	20,522	19,675	6,581
Bankruptcy of the company	3,732	672	719	298
Business reasons or compulsory settlement	17,896	3,586	3,520	1,433
Termination of fixed-term contracts	54,004	13,682	12,955	3,810
Other reasons	13,078	2,582	2,481	1,040
<b>Other (transitions between records)</b>	<b>563</b>	<b>35</b>	<b>41</b>	<b>14</b>
<b>OUTFLOW OF UNEMPLOYED - TOTAL</b>	<b>102,390</b>	<b>17,185</b>	<b>17,039</b>	<b>8,052</b>
Unemployed who found work	65,054	10,999	12,184	5,977
Public works	5,423	2,191	2,629	1,418
Self-employment	5,789	725	474	254
Transitions into inactivity	13,295	1,863	1,939	810
Retirement	8,511	1,235	1,064	483
Breaches of regulations	14,772	2,696	1,639	656
Other (transfer to other registers, other)	9,269	1,627	1,277	609

Source: ESS.

<sup>9</sup> According to the Statistical Register of Employment (SRE); these are employed and self-employed persons excluding self-employed farmers.



Table 6: Employed persons by activity

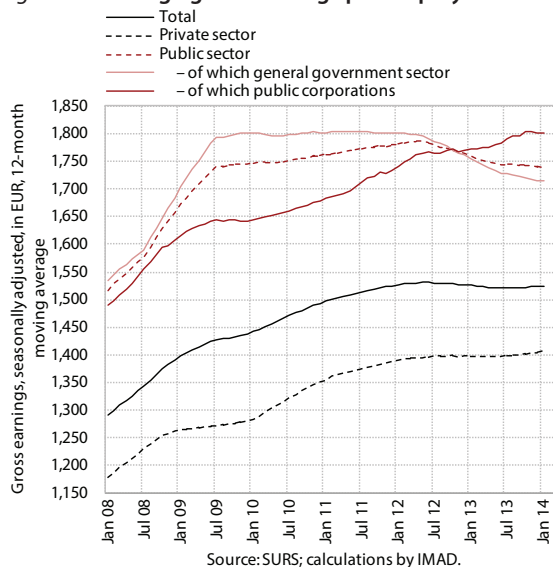
	Number in '000				Change in Number		
	2013	I 13	XII 13	I 14	2013/ 2012	I 14/ XII 13	I 14/ I 13
Manufacturing	177.7	177.8	177.0	177.1	-5,235	73	-793
Construction	54.3	52.0	52.0	51.1	-5,541	-980	-945
Market services	333.1	331.9	333.5	331.9	-5,260	-1,543	67
-of which: Wholesale and retail trade, repair of motor vehicles and motorcycles	104.2	105.7	103.8	103.3	-3,656	-488	-2,465
Public services	170.1	169.6	170.2	169.7	-1,489	-481	147
Public administration and defence, compulsory social security	49.1	49.2	48.9	48.6	-1,559	-256	-589
Education	65.4	65.4	65.6	65.7	-71	44	328
Human health and social work activities	55.6	55.0	55.7	55.4	141	-269	408
Other	58.4	57.4	58.6	51.8	1,121	-6,831	-5,626

Source: SURS; calculations by IMAD.

mainly attributable to a large inflow of persons who became unemployed due to the expiration of fixed-term contracts, and first-time jobseekers.

The average gross **earnings** per employee rose slightly in January. After the increase in 2013, gross earnings in the private sector<sup>10</sup> rose again (0.2%), while gross earnings in the public sector remained unchanged. Government sector earnings stayed at the previous month's level, while earnings in public corporations<sup>11</sup> rose (2.2%) and approached the level before the fluctuations at the end of 2013 (seasonally adjusted). The year-on-year declines in public and government sector earnings in January were

Figure 20: Average gross earnings per employee



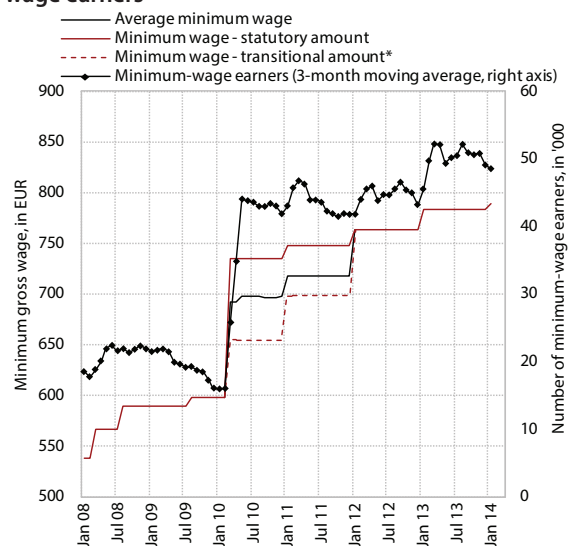
<sup>10</sup> As of June 2012, we only comment on data on earnings in the private and public sector (within the latter, particularly in the general government), and only exceptionally on earnings in activities of the private sector and in public service activities; for more see SEM 06/12, Selected Topics – Monitoring the movements of wages and wage earners in the public and private sector.

<sup>11</sup> Public corporations are corporations controlled by units of the general government sector, the basic criterion for determining control being majority ownership (owning more than half of the voting shares). They include companies, banks, insurance corporations, old people's homes, pharmacies, etc.

somewhat smaller than in previous months (-0.7% and -1.1%, respectively), while earnings in the private sector remained up in year-on-year terms (1.7%). Growth in industry (3.3%) remained higher than in market services (0.5%).

In January the minimum wage level was adjusted for year-on-year inflation in 2013.<sup>12</sup> The gross minimum wage for full-time work now totals EUR 789.15 (previously EUR 783.66). According to AJPES data, 46,721 persons employed with legal entities received the minimum wage in January, i.e. 8.1% of all. This is a slightly lower figure than last year (50,571), but approximately 2.5 times as high as before the adoption of the new Minimum Wage Act (19,047 in 2009). The majority of minimum wage earners remain in manufacturing (in January, 24.4% of all), followed by trade (16.6%) and administrative and support service activities (12.4%). Within the latter, almost a third

Figure 21: Minimum wage and the number of minimum wage earners



<sup>12</sup> In compliance with the Minimum Wage Act (OG RS, No.13/2010), the minimum wage was adjusted in line with year-on-year consumer price growth in December 2013 relative to December 2012 (0.7%).

Table 7: Earnings by activity

	Gross wage per employee, in EUR		Change, in %		
	2013	I 2014	2013/2012	I 14 / XII13	I 14 / I 13
Private sector activities (A–N; R–S)	1,473.47	1,490.86	0.7	-0.6	1.4
Industry (B–E)	1,482.76	1,521.51	2.6	1.4	3.3
- of which manufacturing	1,436.53	1,480.77	2.8	2.2	4.0
Construction	1,188.38	1,182.88	-1.4	-0.1	-1.4
Traditional services (G–I)	1,355.65	1,359.77	0.1	-1.9	0.9
Other market services (J–N;R–S)	1,691.40	1,695.09	-1.3	-2.1	-0.3
Public service activities (O–Q)	1,670.91	1,663.54	-2.3	-0.9	-1.2
- Public administration and defence, compulsory social security	1,727.19	1,727.34	-1.4	0.2	-1.5
- Education	1,621.86	1,616.49	-3.3	-0.5	-0.8
- Human health and social work activities	1,677.78	1,661.32	-2.0	-2.5	-1.3

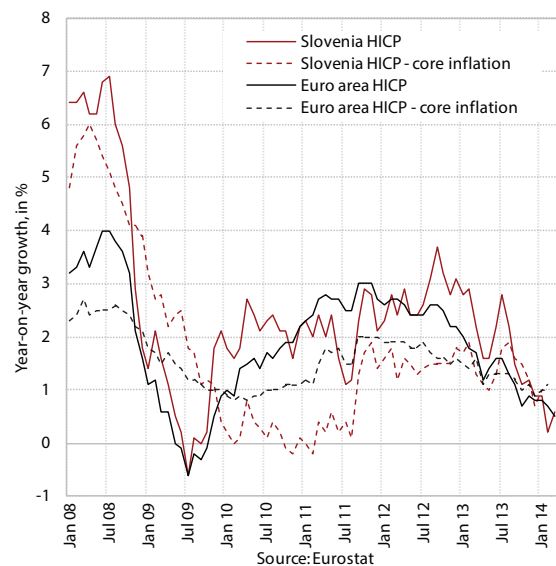
Source: SURS; calculations by IMAD.

of employees receive the minimum wage. The proportion of employees earning the minimum wage is also high in accommodation and food service activities, construction and other service activities,<sup>13</sup> where it hovers between 14% and 17%.

## Prices

After a modest increase in February, **consumer prices recorded stronger growth in March**. The stronger monthly growth (0.8%; in February 0.1%) was driven primarily by seasonally higher prices of clothing and footwear (0.8 percentage points), which also contributed to higher year-on-year growth (0.2 percentage points), which remains marked by higher prices of services (0.6 percentage points). Relative to March 2013, prices went up 0.6%; euro area inflation stood at 0.5% according to Eurostat's flash estimate.

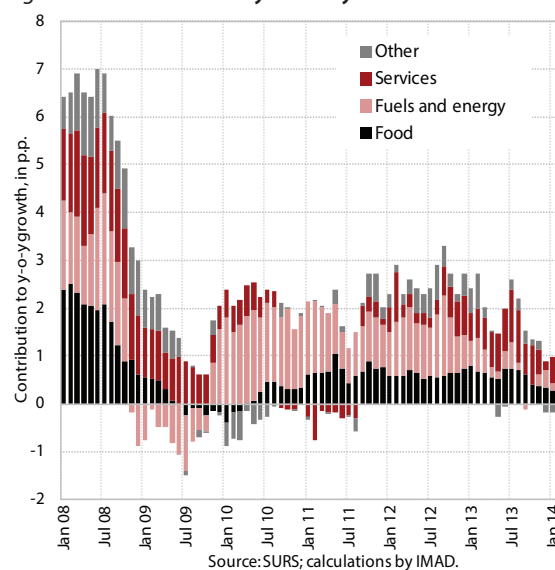
Figure 22: Headline and core inflation in Slovenia and in the euro area



<sup>13</sup> According to SKD2008, S activities.

According to detailed data by SURS, the modest price growth in February<sup>14</sup> was mainly due to lower prices of energy products. Year-on-year growth slowed significantly compared with January (by 0.7 percentage points to 0.1%), in addition to prices of durable and semi-durable goods (-0.4 percentage points) also as a result of energy prices (-0.5 percentage points). Given their relatively larger share in the structure of total household consumption in Slovenia, the contribution of energy prices to inflation was larger than in the euro area. Electricity prices were down (-0.1 percentage points),<sup>15</sup> as were prices of liquid fuels (-0.4 percentage points), which declined more notably relative to the previous year due to a year-on-year decline in euro prices of oil on global markets (-8.3%). Prices of services and food were higher, by 0.5 and 0.2 percentage points, respectively, their contribution being more or less

Figure 23: Breakdown of year-on-year inflation



<sup>14</sup> Detailed data on inflation in March will be released later and commented upon in the next SEM.

<sup>15</sup> The contribution of lower electricity prices declined by 0.4 percentage points relative to the previous month in the absence of the one-off effect (the increase in the contribution to support the production of electricity from RES in February last year).

Table 8: Breakdown of HICP into sub-groups – February 2014

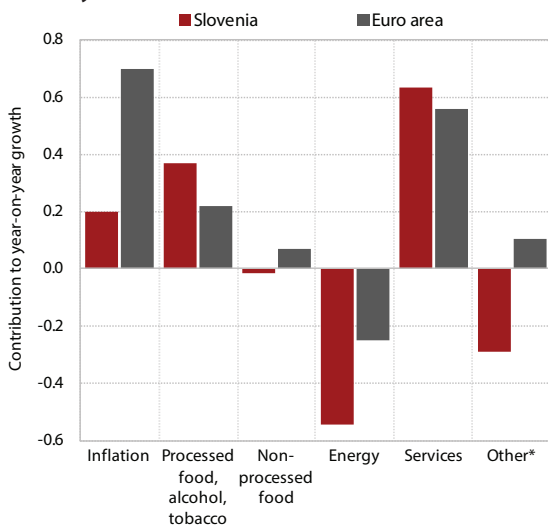
	Slovenia			Euro area		
	Cum. %	Weight %	Contribution in p.p.	Cum. %	Weight %	Contribution in p.p.
Total HICP	-0.6	100.0	-0.6	-0.8	100.0	-0.8
Goods	-1.4	64.8	-0.9	-1.5	57.2	-0.9
Processed food, alcohol and tobacco	-0.2	16.1	0.0	0.4	12.3	0.0
Non-processed food	2.3	7.5	0.2	0.1	7.5	0.0
Non-energy industrial goods	-3.3	26.4	-0.9	-3.5	26.7	-0.9
Durables	-0.1	8.7	0.0	-0.1	8.4	0.0
Non-durables	0.4	8.5	0.0	0.4	8.1	0.0
Semi-durables	-9.6	9.2	-0.9	-9.1	10.2	-0.9
Energy	-1.2	14.7	-0.2	0.1	10.8	0.0
Electricity for households	-2.7	2.8	-0.1	1.5	2.7	0.0
Natural gas	0.5	1.1	0.0	0.3	1.8	0.0
Liquid fuels for heating	0.1	1.3	0.0	-1.2	0.9	0.0
Solid fuels	-0.3	1.0	0.0	0.2	0.1	0.0
District heating	-0.1	0.8	0.0	-0.1	0.6	0.0
Fuels and lubricants	-1.4	7.6	-0.1	-0.6	4.8	0.0
Services	0.9	35.2	0.3	0.1	42.8	0.0
Services – dwellings	0.9	3.2	0.0	0.6	10.5	0.1
Services – transport	1.5	6.2	0.1	0.1	7.3	0.0
Services – communications	-0.5	3.6	0.0	-0.5	3.1	0.0
Services – recreation, repairs, personal care	0.1	14.3	0.0	-0.3	14.7	0.0
Services – other services	2.5	8.0	0.2	0.8	7.2	0.1
HICP excluding energy and non-processed food	-0.7	77.8	-0.5	-1.0	81.7	-0.8

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

unchanged since the end of last year. The movement of core inflation remains moderate under the impact of modest demand.

Amid a decline in commodity prices on global markets and weak demand, euro area inflation remained low in

Figure 24: Contribution of selected groups to year-on-year inflation in Slovenia and in the euro area (HICP) – February 2014



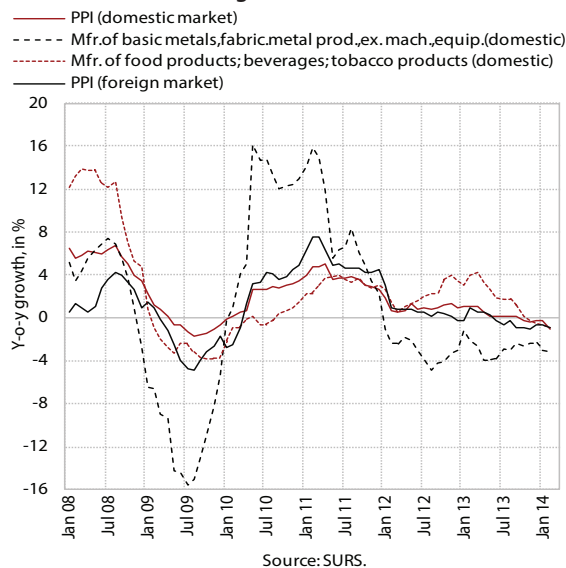
Source: Eurostat; calculations by IMAD. Note: \* Clothing, footwear, furniture, passenger cars, etc.

February (0.7%). Price growth in euro area countries is, as in Slovenia, mainly a result of weak economic activity and the absence of price shocks from commodity markets, which is mainly reflected in modest growth in prices of processed and non-processed food (0.3 percentage points) and lower energy prices (-0.2 percentage points). Price growth in the euro area was also underpinned by higher prices of services (0.6 percentage points) and other (particularly semi-durable) goods (0.1 percentage points).

The year-on-year decline in **industrial producer prices** on the domestic and foreign markets deepened in February. Domestic producer prices on the domestic market declined by 0.8 percentage points (to -1.1%) year-on-year relative to January. Alongside lower prices in the manufacture of food products (-0.9%), the decline was again a result of lower prices in the manufacture of metals (-3.1%) and ICT and electrical equipment (-1.3%), which also contributed to the decline in foreign markets (-0.9%).

**Import prices** were down again year-on-year in February (-2.0%). As in the past six months, prices of imported goods were down year-on-year in February, again mainly as a result of lower prices in the manufacture of metals and metal products (-4.7%).

Figure 25: Movements of domestic producer prices on the domestic and foreign markets

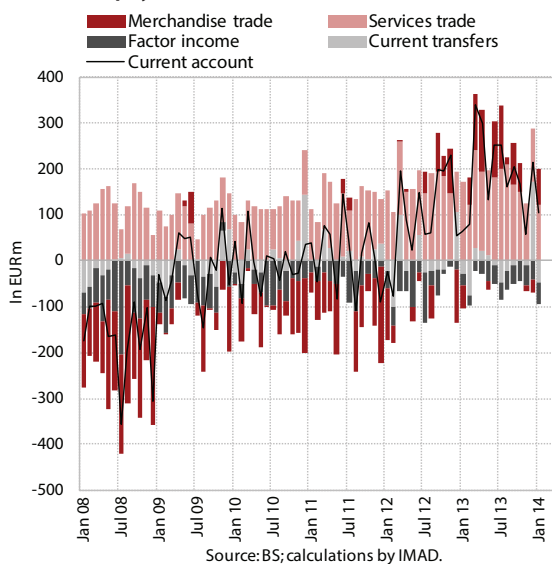


## Balance of payments

The **current account** surplus, having been lower year-on-year in the final quarter of 2013 due to the stabilisation of domestic consumption, was up year-on-year again in January. January's surplus in current transactions (EUR 105.2 m) was largely a result of the surplus in merchandise trade (last year, a deficit). The surplus in the balance of services narrowed year-on-year, while the deficits in factor income and current transfers widened.

The surplus in **external trade** was up again year-on-year in January due to a larger surplus in merchandise trade.

Figure 26: Components of the current account of the balance of payments

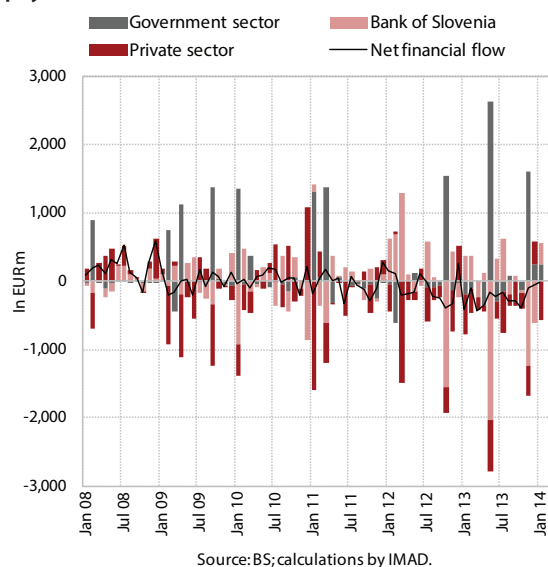


January's surplus in **merchandise trade** was a result of higher exports to the EU and lower imports from both EU and non-EU countries relative to the same period last year. The less favourable **services trade** position in year-on-year terms was primarily a result of trade in the group of other services (all services other than transport and travel). The surplus of trade in intermediation and services related to trade was much lower.<sup>16</sup> The trade deficit in administrative and support service activities, professional and technical services was wider than in January 2013.

The year-on-year increase in the deficit in **factor income** was underpinned by net payments of interest as a result of the rapid borrowing of the government sector. Net interest payments of the private sector on loans taken out abroad were somewhat lower year-on-year due to deleveraging and relatively lower interest rates. Total net payments of interest abroad stood at EUR 53.4 m in January (36.1 m in January 2013). The widening of the deficit in current transfers was mainly a result of lower absorption of EU funds; the deficit in private sector transfers was also somewhat higher.

**International financial transactions**<sup>17</sup> recorded a net outflow again in January. The net capital outflow of the private sector exceeded the net capital outflows of the central bank and the government sector. Most of the net capital outflow of the *private sector* was realised through the banking sector. Commercial banks increased deposits in foreign accounts and continued to deleverage at a modest pace, while non-residents continued to withdraw deposits from Slovenian banks. Enterprises repaid a portion of short-term trade credits taken out to finance imports of goods and services. The net capital inflow

Figure 27: Financial transactions of the balance of payments



<sup>16</sup> All payments related to monetary intermediation, commission for other financial intermediation services and other costs.

<sup>17</sup> Excluding international monetary reserves and statistical errors.

of the *government sector* derived from the sale of debt securities to foreign investors.<sup>18</sup> The *Bank of Slovenia* increased its liabilities to the Eurosystem by EUR 308.6 m in January relative to December, mainly due to the inflow of all other transactions (EUR 181.6 m). The liabilities of the Bank of Slovenia to the Eurosystem related to monetary policy instruments<sup>19</sup> increased by EUR 127.0 m. The banks otherwise repaid a portion of liabilities from longer-term refinancing operations (EUR 310.0 m), but they also reduced, even more, their reserves at the Bank of Slovenia (EUR 437.0 m).

Table 9: Balance of payments

I 14, v mio EUR	Inflows	Outflows	Balance <sup>1</sup>	Balance, I 13
Current account	2,397.3	2,292.1	105.2	64.2
- Trade balance (FOB)	1,862.4	1,783.8	78.6	-50.0
- Services	390.0	268.9	121.1	169.8
- Income	66.9	113.4	-46.5	-25.4
Current transfers	78.0	126.0	-48.0	-30.2
Capital and financial account	285.3	-363.8	-78.5	-397.4
- Capital account	23.8	-22.6	1.2	-0.5
- Capital transfers	16.8	-19.0	-2.2	-0.5
- Non-produced, non-financial assets	6.9	-3.6	3.4	0.0
- Financial account	261.6	-341.2	-79.6	-396.8
- Direct investment	35.5	-34.4	1.0	51.5
- Portfolio investment	214.0	200.4	414.3	-155.6
- Financial derivatives	12.1	-2.9	9.3	-33.7
- Other investment	0.0	-442.3	-442.3	-281.3
- Assets	0.0	-466.0	-466.0	-336.5
- Liabilities	0.0	23.7	23.7	55.2
- Reserve assets	0.0	-62.0	-62.0	22.3
Net errors and omissions	0.0	-26.7	-26.7	333.2

Source: 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.

## Financial markets

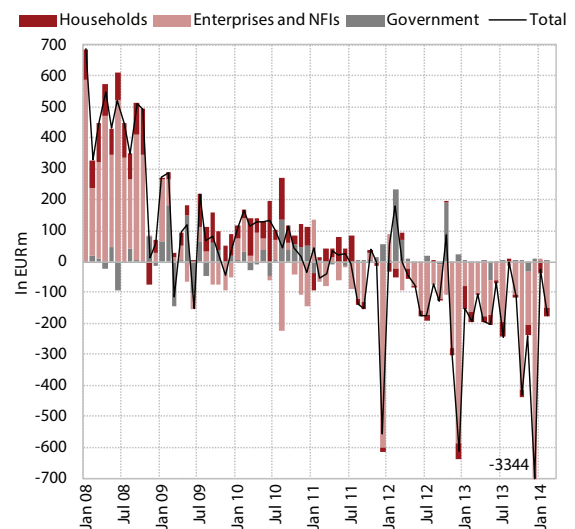
After the moderation in January, loans to domestic non-banking sectors declined more notably again, recording similar movements as before the beginning of the banking system restructuring. The volume of loans to domestic non-banking sectors decreased by EUR 176 bn, the main factor in the decline being further corporate and NFI deleveraging while household loans also continued to decline. In the first two months the volume of loans to

domestic non-banking sectors declined by more than EUR 200 m. Continuing to deleverage abroad, the banks also significantly reduced their liabilities to the ECB, for the third month in a row. Household and government deposits rose again in February.

*The contraction of household loans continues.* Household repayments amounted to EUR 30 m in February, around a quarter less than in January. After more than two years of continuing decline, consumer loans rose by EUR 7.5 m. Housing loans and loans for other purposes continue to fall. In the first two months household loans at domestic banks decreased by around EUR 68 m.

*In February corporate and NFI loans declined by around EUR 150 m.* Three quarters of the decline was a result of deleveraging by enterprises, which are still mainly repaying loans for other purposes. NFI loans also declined more notably in February relative to the previous year. In the first two months the volume of corporate and NFI loans declined by around EUR 140 m.

Figure 28: Increase in household, corporate and NFI and government loans



Source: BS; calculations by IMAD.

*Corporate borrowing abroad was up slightly again in January.* Net flows were the highest since last April, at EUR 77.5 m. Almost the entire amount of new net borrowing (more than 98%) was a result of net borrowing in short-term loans. At the beginning of the year the differences in interest rates for corporate loans<sup>20</sup> declined substantially, by more than 50 basis points to below 170 basis points. In our assessment this decline was mainly attributable to the beginning of the banking system stabilisation. As the gaps between domestic and foreign interest rates remain significant, creditworthy enterprises are increasingly borrowing abroad.

<sup>18</sup> The government sold treasury bills in the amount of EUR 123.9 m, and bonds and notes in the amount of EUR 81 m.

<sup>19</sup> Typical monetary policy operations related to the Eurosystem are claims (loans) and liabilities of the BS to domestic monetary sectors (overnight deposits). Loans that are used to add liquidity are mainly realised by long-term financing, and partly with main refinancing. Overnight deposits include minimum reserves, deposit facility and other liabilities of credit institutions.

<sup>20</sup> Interest rates for loans over EUR 1 m with a variable, or up to one year with a fixed initial interest rate.

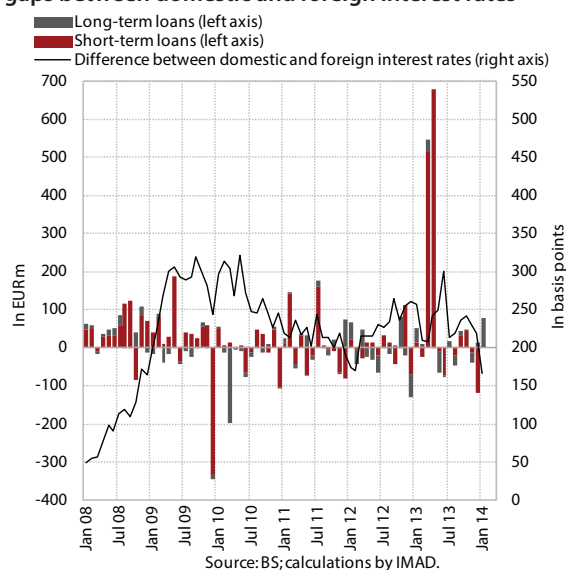


Table 10: Financial market indicators

Domestic bank loans to non-banking sector and household savings	Nominal amounts, EUR bn		Nominal loan growth, %		
	31. XII 13	28. II 14	28. II 14/31. I 14	28. II 14/31. XII 13	28. II 14/28. II 13
Loans total	26,176.0	25,972.3	-0.7	-0.8	-16.5
Enterprises and NFI	15,594.8	15,455.3	-0.9	-0.9	-23.6
Government	1,664.0	1,667.6	0.1	0.2	-4.0
Households	8,917.3	8,849.4	-0.3	-0.8	-3.4
Consumer credits	2,213.4	2,212.3	0.3	-0.1	-9.1
Lending for house purchase	5,306.5	5,291.9	-0.1	-0.3	1.0
Other lending	1,397.3	1,345.2	-2.3	-3.7	-9.6
Bank deposits total	14,588.1	14,903.8	1.1	2.2	-2.1
Overnight deposits	6,446.6	6,628.2	2.4	2.8	2.6
Short-term deposits	3,681.9	3,703.5	0.3	0.6	-9.9
Long-term deposits	4,456.1	4,568.2	0.1	2.5	-1.7
Deposits redeemable at notice	3.5	3.9	2.3	10.2	-43.4
Mutual funds	1,854.6	1,864.6	2.2	0.5	0.3
Government bank deposits, total	1,284.1	1,719.0	16.6	33.9	-39.0
Overnight deposits	22.9	353.1	89.0	1,442.6	-54.9
Short-term deposits	512.8	725.7	38.2	41.5	37.1
Long-term deposits	738.5	635.8	-14.7	-13.9	-57.7
Deposits redeemable at notice	9.8	4.4	-73.5	-55.5	1.9

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

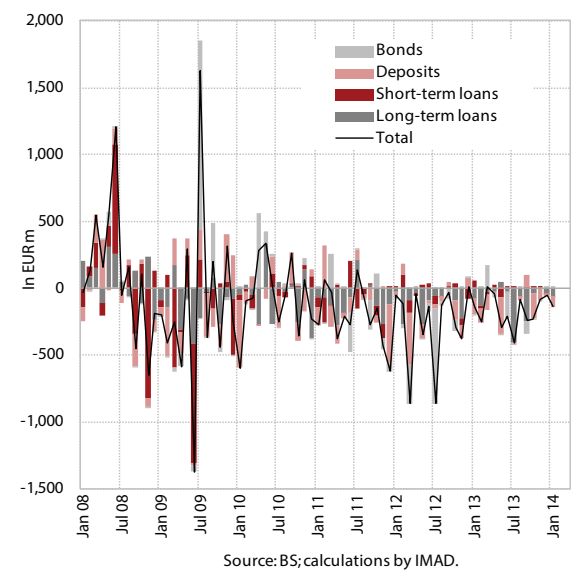
Figure 29: Net corporate and NFI borrowing abroad and gaps between domestic and foreign interest rates



Bank deleveraging abroad rose slightly again in January relative to the end of the year. Banks repaid EUR 136.3 m net in foreign liabilities in January. Almost two thirds of the net outflow of foreign funding was accounted for by a net outflow of foreign deposits, the rest being repayments of long-term loans.

The stock of **household and government deposits** rose again in February. Household deposits at banks were up EUR 167 m, the largest increase since May 2011. More

Figure 30: Net repayments of foreign liabilities of Slovenian banks



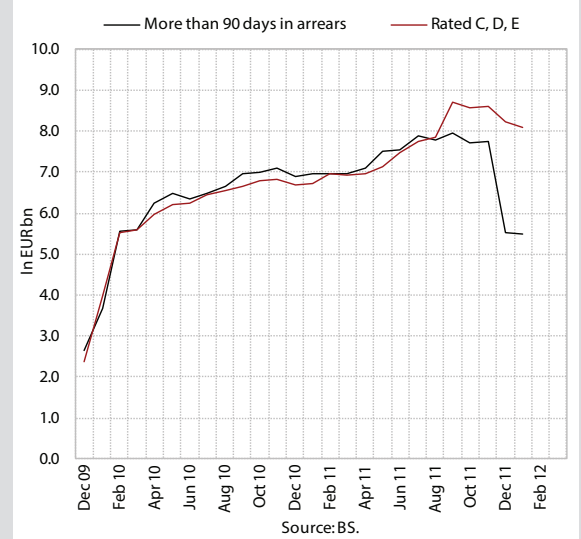
than 90% of the increase came from higher overnight deposits, in our assessment also as a consequence of the disbursement of the first portion of deferred payments of the third quarter of funds to eliminate wage disparities. In the first two months household deposits rose by around EUR 315 m, which we estimate is also a result of greater confidence of households in Slovenian banks after the beginning of the banking system stabilisation. Government deposits also rose in February, due to further borrowing via issues of bonds and treasury bills. The

**Box 3: A comparison of two methodologies for monitoring the amount of bad claims**

The amount of bad claims can be monitored according to two different methodologies. In times of a financial crisis, the amount of bad claims is one of the main indicators of the situation in the banking system. According to internationally comparable data, claims are considered bad if they are more than 90 days past due, while IMAD (because of higher availability of data) regards C, D and E-rated claims as bad claims, i.e., the claims with the share of impairments exceeding 15%.

A comparison of the volumes of bad claims according to the two methodologies shows fairly similar movements in the past. The difference between the two methodologies occurred after August 2013, when the volume of bad claims measured with regard to credit ratings increased further, while the volume of bad claims that are more than 90 days overdue stopped rising. In the period from September 2013 the asset quality review and stress tests had been underway, which showed that the banks often overvalued collateral taken into account in granting loans. This was reflected in an increase in the volume of claims rated C, D and E, and a decline in the quality of the banks' assets, because of which the banks had to increase provisions and impairments. The differences between the two methodologies were most visible at the end of last year, when the amount of claims in arrears for more than 90 days declined by EUR 2.2 bn due to the transfer of claims to the BAMC. The amount of bad claims classified by credit ratings declined by around EUR 400 m, as the banks impaired all assets with overvalued collateral after the release of stress test results and the asset quality review. Alongside claims that are more than 90 days past due, claims in the C, D and E categories now also include claims with lower or inadequate collateral, which are not overdue, or are less than 90 days overdue, but pose a greater risk of further losses in the banking system should their arrears increase due to deteriorated economic conditions. The situation in the Slovenian banking system remains adverse in our estimation. The proportion and the amount of claims that are more than 90 days overdue otherwise declined slightly again in January, but at the same time the total amount of arrears rose by more than EUR 250 m, reaching EUR 7.2 bn at the end of the month, which is 17.3% of the banking system's total exposure. The proportion of bad claims rated C, D and E declined by more than EUR 130 m in January, to EUR 8.1 bn.

**Figure 31: Movement of the amounts of C-, D- and E-rated claims, and claims that are more than 90 days in arrears**

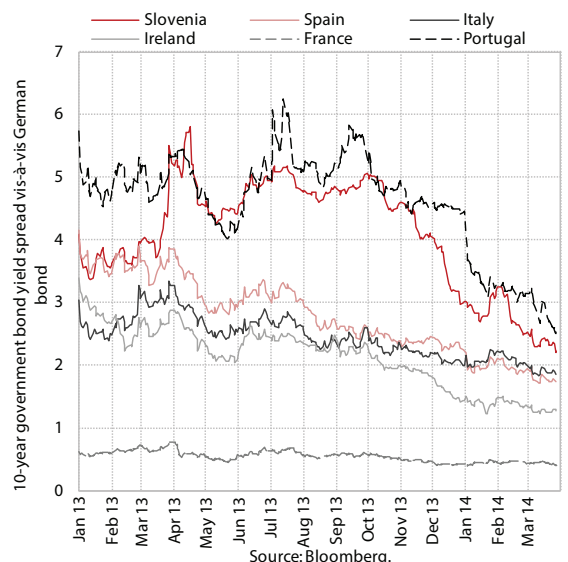


Source: BS.

increase was modest, at EUR 245 m, as the government deposited most of the proceeds in the account at the Bank of Slovenia. The government increased short-term and overnight deposits at banks. In the first two months government deposits were up around EUR 435 m.

The yield to maturity of the 10-year euro bond and the spread with respect to the German bond declined in March. The yield to maturity (3.84%) and the spread with regard to the German bond (234 basis points) declined by over 40 basis points. After a temporary interruption at the end of January and the beginning of February due to emerging markets turbulence, the yield trend decline continued after the issue of the new 5-year and 10-year bonds in the middle of February. The falling got momentum in the last week of March, before the issuance of 3-year and 7-year bonds on the euro market at the beginning of April.

**Figure 32: 10-year government bond yield spread vis-à-vis German bond**



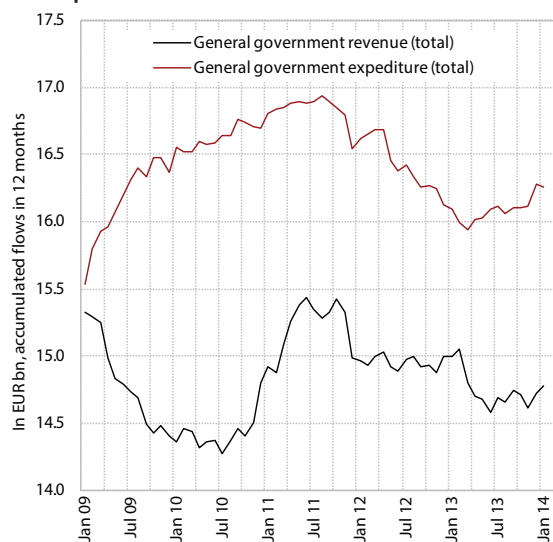
Source: Bloomberg.

## Public finance

The **general government's deficit** was EUR 209 m in January, which is 24.8% lower than that in the same month of the previous year.<sup>21</sup> The lower deficit is explained by higher revenue (4,0%) and lower expenditure (-1,5%). The accumulated deficit over the past twelve-month period ending January 2014 was EUR 1.5 bn and it remained higher compared with the accumulated deficit over the same period one year earlier (up EUR 0.4 bn). This higher deficit is explained by improving but still lower revenue (-EUR 0.2 Bn.), and by higher and increasing expenditure (EUR 0.2 bn).

The higher **revenue** in the month of January 2014 (year-on year) is explained by the increase in all main revenue categories with the exception of EU funds. The largest contribution to positive revenue performance came from tax revenues (up 8.2% year-on-year), with the exception of revenue from excise duties (down 3.0%). The largest contributor to the increase in tax revenues

Figure 33: Consolidated general government revenue and expenditure



Source: MF; calculations by IMAD.

Table 11: Taxes and social security contributions

	EUR m	Growth, %	Structure, %	
	I 2014	I 2014/I 2013	I 2013	I 2014
General government revenue - total	1,230.7	4.0	100.0	100.0
Corporate income tax	40.7	16.0	2.9	3.3
Personal income tax	166.5	1.1	14.0	13.5
Value added tax	309.3	11.2	21.2	25.1
Excise duties	120.2	-3.0	8.1	9.8
Social security contributions	430.5	1.4	36.3	35.0
Other general government revenues	163.4	4.5	17.5	13.3

Source: PPA - Report on Payments of All Public Revenues; calculations by IMAD.

Table 12: Consolidated general government revenue and expenditure

	2012			2013	
	EUR m	% of GDP	Growth, %	I 14, EUR m	I 14/I 13
Revenue - total	14,725.1	41.7	-1.8	1,230.7	4.0
- Tax revenues	12,647.9	35.9	-3.6	1,135.8	5.5
- Taxes on income and profit	2,137.4	6.1	-19.5	207.0	3.5
- Social security contributions	5,127.2	14.5	-2.2	430.5	1.4
- Domestic taxes on goods and services	5,027.3	14.3	3.1	478.9	9.3
- Receipts from the EU budget	938.2	2.7	11.0	27.4	-42.9
Expenditure - total	16,282.7	46.2	1.0	1,439.7	-1.5
- Wages and other personnel expenditure	3,617.0	10.3	-3.0	300.0	-8.3
- Purchases of goods and services	2,237.4	6.3	-5.7	175.8	-10.8
- Domestic and foreign interest payments	840.1	2.4	29.7	141.9	6.4
- Transfers to individuals and households	6,343.0	18.0	-0.6	514.9	-2.2
- Capital expenditure	1,030.8	2.9	12.7	68.5	38.5
- Capital transfers	319.0	0.9	-0.3	1.7	-86.3
- Payment to the EU budget	425.5	1.2	9.0	47.7	-7.1
Deficit	-1,557.6	-4.4	38.3	-209.0	-24.8

Source: MF, Public Finance Bulletin.

<sup>21</sup> According to the consolidated balance on a cash basis.



**Box 4: Main aggregates of the general government sector, ESA95**

The general government deficit in 2013 was the highest thus far; excluding the one-off factors it was the lowest since 2008. The total deficit accounted for 14.7% of GDP and was mainly a result of specific one-off transactions related to the recapitalisation of the banking system (10.3% of GDP). The deficit without one-off transactions including expenditure for the third quarter of funds paid to eliminate wage disparities in the public sector (0.3% GDP) and compensation to persons erased from public records (0.4% of GDP)<sup>1</sup> totalled 3.7% of GDP, which is lower than in the previous year (-0.1 percentage points), and the lowest since the beginning of the economic crisis. The primary balance<sup>2</sup> without one-off transactions was negative (-1.1% of GDP) and also lower than in 2012 (-1.7% of GDP).

In 2013 general government revenue rose slightly, mainly on account of measures to increase tax revenue and the highest absorption of EU funds thus far. Revenue increased by EUR 95 m and accounted for 44.7% of GDP (0.3 percentage points more than a year earlier). The increase was partly a result of tax system changes (an increase in VAT rates, introduction of taxes on bank transactions and lottery and a full-year effect of the increase in the CO<sub>2</sub> tax passed in 2012)<sup>3</sup> and greater efforts to improve tax collection. Total revenue from taxes thus rose by 0.4% of GDP last year; some revenues from taxes declined, most notably revenue from personal income tax (-7.7%) after it more or less stagnated in the previous year. Revenue from corporate income tax, whose rate was reduced to 17% last year, was only slightly lower than a year earlier (-0.4%), but much lower compared with 2011 (-27.1% or 0.4% of GDP). Social security contributions fell further in 2013, by 1.9% (in 2012: -0.8%). The absorption of EU funds that are used by institutional units of the government sector increased substantially in 2013 (27.9%) and was the highest thus far. After the increase in 2012 (6.2%) non-tax revenues declined last year (-2.7%).

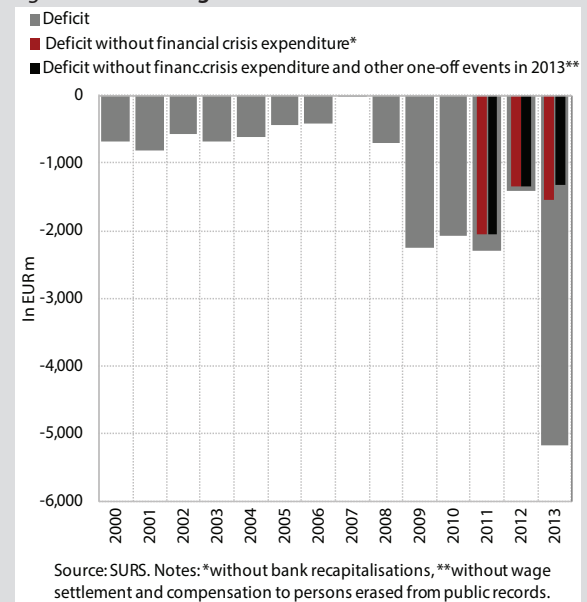
As a result of one-off transactions, general government expenditure reached a record high in 2013 (59.4% of GDP); without these transactions it was only slightly higher than in 2012 in nominal terms (0.3% or EUR 57 m). Expenditure without one-off transactions rose by 0.3% (from 48.2% to 48.4% of GDP) after a strong reduction in the previous year (-4.3%). Primary expenditure (excluding interest expenditure) continued to decline, but at a much slower pace (from -4.8% to -0.6%). The dynamics of total expenditure without one-off transactions in 2013 reflect a policy mix that pursued consolidation by reducing compensation of employees (-3.7% or EUR 168 m), intermediate consumption (-3.6% or EUR 88 m) and social transfers excluding pensions, and stimulated economic activity by increasing gross capital formation (12.8% or EUR 148 m). In addition to gross capital formation, in 2013 the major drivers of the increase in expenditure were interest payments (20.6% or EUR 157 m) and pension expenditure (EUR 106 m), which are increasingly crowding out other spending needs.

Last year's increase in general government debt was the largest thus far, which was to a large extent attributable to bank recapitalisation. General government debt rose by EUR 6.1 bn last year, reaching EUR 25.3 bn or 71.7% of GDP. The debt increased due to deficit financing, while most of the increase was a result of bank recapitalisations (10.3% of GDP) and the issue of the bond for the Bank Asset Management Company (2.9% of GDP).

<sup>1</sup> One-off obligations of the government due in 2013 based on court decisions and government regulations adopted in 2013, which is in line with the ESA methodology (on an accrual basis).

<sup>2</sup> Without interest.

<sup>3</sup> At the time of adoption the effects of these tax changes were estimated at around 0.6% of GDP.

**Figure 34: General government deficit****Table 13: Revenue, expenditure and balance, and general government debt according to ESA 95**

	2010	2011	2012	2013
Total general government revenue	43.6	43.5	44.4	44.7
Total general government expenditure	49.5	49.9	48.4	59.4
General government deficit	-5.9	-6.4	-4	-14.7
General government deficit excluding one-off factors*	-	-5.7	-3.8	-3.7
Central government	-5.3	-6.4	-3.8	-14.5
Local government	-0.3	0.1	0.1	-0.2
Social security funds	-0.4	0	-0.3	0
Consolidated general government debt, at the end of the year	38.7	47.1	54.4	71.7

Source: SURS.

Note: \* Excluding the costs related to the financial crisis (bank recapitalisations) and in 2013, wage settlement and compensation to persons erased from public records.

was VAT revenue (11.2%), followed by corporate income tax revenue, which registered a positive growth rate (16%) after 18 months of consecutive negative rates, and personal income tax (1.1%), which had registered a negative growth rate in 2013. Non-tax revenues were up 15.5% and social security contributions up 1.4%. The amount of EU funds withdrawn declined in January (-42.9%, year-on-year) after a strong performance in December 2013.

The decrease in **expenditure** in January compared with one year earlier is explained by the reduction in the wage bill (-21.0%), purchases of goods and services (-10.8%), transfers to individuals and households (-2.2%) and investment transfers (-86%). The main factors offsetting the reduction in expenditure include higher expenditures on subsidies (27.0%), investments (38.5%) and interest payments (6.4%). Social transfers declined in January compared with one year earlier across all categories with the exception of those related to pensions and social security. The most important reductions in social transfers concern sickness benefits, family benefits and parental compensation and scholarships.<sup>22</sup>

Slovenia's **net budgetary position against the EU budget** was negative in February (-EUR 30.0 m). Slovenia received EUR 51.6 m from, and paid EUR 81.7 m into the EU budget, which is double the amount of its average monthly payments to the EU. As a result of increased expenditure for the European Agricultural Guarantee Fund, the European Commission has a right to call on the Member States to pay triple the amount of their average monthly payments to the EU budget at the beginning of the year. The Commission therefore called for nearly three-times the average monthly contributions from VAT (EUR 12.2 m), GNI-based resources (EUR 60.1 m) and corrections to the benefit of the UK (EUR 5.4 m). The next monthly payments to the EU budget will be proportionally lower than one twelfth, as the payments of obligations for the first two months have already covered more than a quarter of what Slovenia has to pay to the EU budget this year. In February the bulk of receipts came from Structural Funds (EUR 26.0 m); of which the majority from the European Fund for Regional Development (EUR 18.9 m). Slovenia received EUR 11.9 m from the Cohesion Fund, and EUR 12.6 m under the Common Agricultural and Fisheries Policies. In the first two months of 2014 Slovenia received EUR 78.9 m from the EU budget (6.6% of the level envisaged for 2014), and paid EUR 129.4 m to the EU budget (32.6% of the level anticipated for 2014). Its net budgetary position in the first two months of this year was negative (-EUR 50.4 m; last year: -EUR 26.4 m).

Figure 35: Receipts from the EU budget in 2013 and 2014

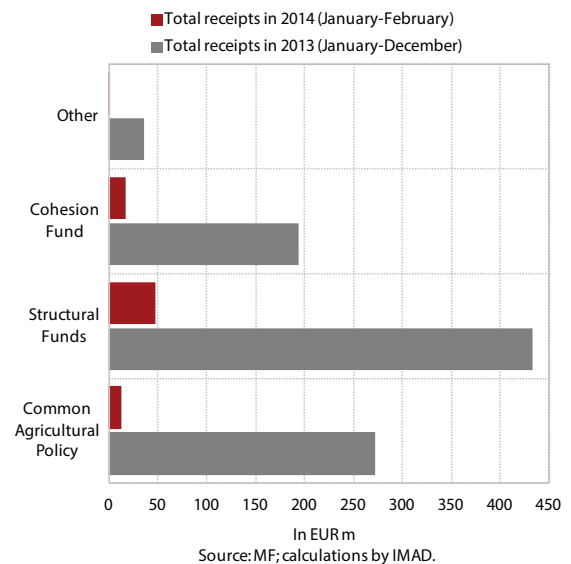
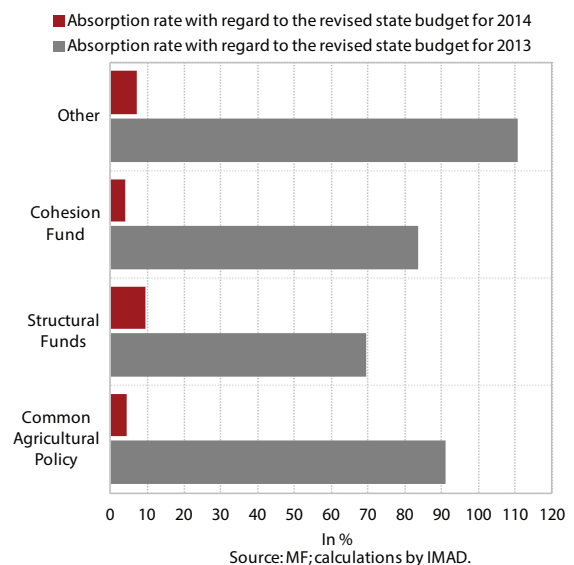


Figure 36: Planned and absorbed EU funds, 2013 and 2014



<sup>22</sup> Since May 2013 expenditure on scholarships has been covered from direct government funds or from reserves.

# statistical appendix



MAIN INDICATORS	2009	2010	2011	2012	2013	2014	2015	2016
						Spring forecast 2014		
GDP (real growth rates, in %)	-7.9	1.3	0.7	-2.5	-1.1	0.5	0.7	1.3
GDP in EUR million (current prices)	35,420	35,485	36,150	35,319	35,275	35,634	36,255	37,219
GDP per capita, in EUR (current prices)	17,349	17,320	17,610	17,172	17,128	17,270	17,551	18,001
GDP per capita (PPS) <sup>1</sup>	20,200	20,600	21,200	21,400				
GDP per capita (PPS EU27=100) <sup>1</sup>	86	84	84	84				
Gross national income (current prices and current fixed exchange rate)	34,823	35,028	35,759	34,931	35,069	34,916	35,353	36,253
Gross national disposable income (current prices and current fixed exchange rate)	34,519	34,875	35,680	34,721	34,796	35,004	35,396	36,149
Rate of registered unemployment	9.1	10.7	11.8	12.0	13.1	13.6	13.5	13.1
Standardised rate of unemployment (ILO)	5.9	7.3	8.2	8.9	10.1	10.2	10.0	9.7
Labour productivity (GDP per employee)	-6.2	3.5	2.4	-1.7	0.9	0.9	0.7	0.8
Inflation, <sup>2</sup> year average	0.9	1.8	1.8	2.6	1.8	0.3	1.1	1.5
Inflation, <sup>2</sup> end of the year	1.8	1.9	2.0	2.7	0.7	0.8	1.4	1.6
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>								
Exports of goods and services <sup>3</sup> (real growth rates, in %)	-16.1	10.2	7.0	0.6	2.9	4.2	4.8	5.2
Exports of goods	-16.6	12.0	8.2	-0.1	2.9	4.6	5.2	5.5
Exports of services	-14.0	3.5	1.9	3.7	2.6	2.6	3.3	4.2
Imports of goods and services <sup>3</sup> (real growth rates, in %)	-19.2	7.4	5.6	-4.7	1.3	3.5	5.2	5.3
Imports of goods	-20.2	8.3	6.6	-5.1	1.5	3.6	5.5	5.6
Imports of services	-12.4	2.6	-0.6	-2.2	-0.4	2.9	3.2	3.6
Current account balance, in EUR million	-173	-50	146	1,159	2,279	2,442	2,338	2,328
As a per cent share relative to GDP	-0.5	-0.1	0.4	3.3	6.5	6.9	6.4	6.3
Gross external debt, in EUR million	40,318	40,723	40,100	40,849	39,566	40,049*		
As a per cent share relative to GDP	113.8	114.8	110.9	115.7	112.2			
Ratio of USD to EUR	1.393	1.327	1.392	1.286	1.328	1.365	1.366	1.366
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS</b>								
Private consumption (real growth rates, in %)	-0.1	1.5	0.8	-4.8	-2.7	-0.4	0.7	1.8
As a % of GDP <sup>4</sup>	54.8	56.4	56.8	56.3	56.0	55.2	55.1	55.3
Government consumption (real growth rates, in %)	2.5	1.3	-1.6	-1.3	-2.0	-1.5	-0.9	-0.9
As a % of GDP <sup>4</sup>	20.2	20.8	20.8	20.8	20.2	19.9	19.5	19.1
Gross fixed capital formation (real growth rates, in %)	-23.8	-15.3	-5.5	-8.2	0.2	-0.5	1.0	0.0
As a % of GDP <sup>4</sup>	23.1	19.7	18.6	17.8	17.9	17.7	17.8	17.7
Sources of data: SURS, BS, Eurostat, calculations and forecasts by IMAD (Spring Forecast, March 2014).								
Notes: <sup>1</sup> Measured in purchasing power standard.								
<sup>2</sup> Consumer price index.								
<sup>3</sup> Balance of payments statistics (exports F.O.B., imports F.O.B.); real growth rates are adjusted for inter currency changes and changes in prices on foreign markets.								
<sup>4</sup> Shares GDP are calculated for GDP in current prices at fixed exchange rate (EUR=239.64).								
<sup>5</sup> End January 2014.								

PRODUCTION	2011	2012	2013	2011	2012				2013				2012			
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2	3	4	5
<b>INDUSTRIAL PRODUCTION, y-o-y growth rates, %</b>																
Industry B+C+D	1.3	-1.1	-0.5	-3.8	-0.2	-1.6	-0.4	-2.3	-2.3	-1.3	-0.5	2.2	3.3	-3.6	2.2	-3.9
B Mining and quarrying	-7.9	-7.4	1.3	-8.7	-10.2	-2.3	-3.5	-13.3	6.7	-9.6	-7.1	16.8	-11.4	-22.0	-8.2	9.8
C Manufacturing	1.1	-2.3	-1.0	-4.6	-1.0	-3.0	-2.1	-3.1	-3.6	-1.5	-0.8	1.9	1.9	-4.2	1.9	-5.5
D Electricity, gas & steam supply <sup>1</sup>	5.0	10.5	3.6	4.0	8.3	12.7	16.1	6.1	7.0	1.3	3.2	2.7	16.3	5.3	5.6	9.4
<b>CONSTRUCTION,<sup>2</sup> real indices of construction put in place, y-o-y growth rates, %</b>																
Construction, total	-24.8	-16.8	-2.9	-19.1	-15.3	-16.7	-13.2	-21.6	-24.5	-10.5	-3.5	21.4	-24.3	-3.1	-13.5	-23.8
Buildings	-39.7	-17.3	-20.4	-35.9	-13.0	-6.7	-18.1	-30.0	-40.9	-25.1	-16.7	5.3	-31.0	27.6	-7.2	-15.6
Civil engineering	-15.3	-16.6	5.7	-10.1	-21.2	-20.9	-10.1	-16.2	-8.5	-2.6	1.5	25.2	-22.8	-22.0	-18.6	-26.5
<b>TRANSPORT, tonne-km in m, y-o-y growth rates, %</b>																
Tonne-km in road transport	3.2	-3.4		11.7	6.0	-5.3	-5.9	-7.8	-2.9	-1.8	3.9		-	-	-	-
Tonne-km in rail transport	9.7	-7.5		-1.6	-8.7	-8.0	-5.8	-7.5	-0.1	0.4	13.4		-	-	-	-
<b>Distributive trades, y-o-y growth rates, %</b>																
Total real turnover*	3.3	-3.6	-1.0	-0.5	0.6	-4.3	-4.9	-5.6	-7.1	2.1	-2.2	3.2	1.0	-1.8	-4.0	-5.2
Real turnover in retail trade	1.5	-2.2	-3.7	0.2	2.5	-2.7	-2.7	-5.8	-7.0	-2.6	-4.6	-0.7	3.5	-0.1	-3.5	-3.1
Real turnover in the sale and maintenance of motor vehicles	7.0	-6.3	4.7	-2.0	-2.8	-7.2	-10.1	-5.3	-7.2	11.1	3.4	11.5	-3.5	-4.7	-5.0	-8.8
Nominal turnover in wholesale trade & commission trade	6.0	0.8	-0.2	3.4	3.8	-0.6	1.4	-1.3	-5.1	1.1	-1.4	4.5	3.8	-0.8	0.0	0.4
<b>TOURISM, y-o-y growth rates, %, new methodology from 2009 onwards</b>																
Total, overnight stays	5.3	1.2	0.3	3.1	0.7	1.2	1.2	1.9	-3.4	-1.5	2.9	0.6	-0.3	2.4	-0.9	7.9
Domestic tourists, overnight stays	0.5	-4.9	-3.4	0.4	-0.5	-4.6	-7.5	-5.2	-6.1	-5.3	-2.4	0.5	-3.3	2.8	-14.3	-1.6
Foreign tourists, overnight stays	9.1	5.6	2.8	5.5	2.0	5.1	6.3	8.1	-0.6	0.9	5.6	0.7	4.5	1.9	9.4	14.1
Nominal turnover market services (without distributive trades)	3.7	-1.1	-1.4	-0.3	-0.6	0.5	-0.4	-3.7	-6.1	-3.0	0.6	3.1	-3.6	1.4	-0.9	2.6
<b>AGRICULTURE, y-o-y growth rates, %</b>																
Purchase of agricultural products, SIT bn, since 2007 in EUR m	478.9	480.4	478.4	139.5	108.4	110.4	128.4	134.5	104.4	111.1	123.2	139.6	35.1	39.0	37.0	38.3
<b>BUSSINES TENDENCY (indicator values**)</b>																
Sentiment indicator	-7	-17	-13	-10	-12	-16	-19	-20	-15	-14	-12	-12	-12	-12	-16	-15
Confidence indicator																
- in manufacturing	-1	-11	-6	-7	-6	-11	-14	-13	-9	-6	-4	-3	-6	-8	-10	-10
- in construction	-46	-41	-22	-42	-41	-44	-39	-39	-30	-22	-18	-18	-39	-40	-45	-44
- in services	1	-12	-12	-3	-8	-8	-14	-18	-12	-12	-11	-12	-9	-5	-8	-7
- in retail trade	8	2	2	14	5	4	1	-4	-3	2	6	1	9	5	8	1
Consumer confidence indicator	-25	-35	-33	-23	-27	-36	-39	-36	-29	-34	-34	-35	-26	-27	-39	-33

Source of data: SURS. Note: <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.

2012							2013												2014		
6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3
-2.6	3.6	3.1	-6.7	5.2	-4.9	-7.5	0.3	-0.5	-6.3	3.1	-2.0	-4.8	1.9	-5.3	1.3	-0.8	0.5	8.0	4.1	-	-
-7.0	-5.7	1.4	-5.8	1.2	-17.9	-24.9	-11.6	9.9	23.2	-4.0	-11.0	-13.7	2.4	-1.1	-21.7	-8.0	6.0	74.1	31.1	-	-
-4.9	1.8	1.6	-8.4	4.7	-5.5	-9.1	-0.9	-0.6	-8.5	2.9	-2.3	-5.0	1.9	-6.2	1.3	-1.5	0.6	7.9	3.1	-	-
24.0	22.6	16.2	9.8	11.8	2.3	4.9	11.3	0.0	10.2	6.1	0.7	-2.4	1.9	1.7	6.2	5.1	-1.3	4.2	9.8	-	-
-11.7	-19.6	-14.4	-6.4	-22.5	-26.1	-14.8	-23.2	-14.0	-31.7	-18.7	-11.6	-2.0	1.8	-5.3	-6.2	27.3	30.4	4.5	42.9	-	-
4.4	-23.9	-11.9	-18.6	-34.6	-19.4	-35.4	-38.2	-28.0	-50.1	-36.2	-24.2	-14.1	-19.1	-19.6	-11.7	11.2	3.0	1.0	11.2	-	-
-17.0	-17.1	-15.7	1.2	-15.0	-27.2	-2.1	-8.6	-0.6	-13.6	-6.3	-5.9	3.5	11.0	2.2	-5.8	30.5	40.1	3.3	59.6	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-3.7	-0.6	-3.7	-10.3	-3.4	-5.4	-7.9	-4.9	-8.6	-7.7	2.7	1.2	2.5	-4.4	-3.4	1.3	2.2	2.7	4.7	2.8	-	-
-1.6	-0.6	-0.8	-6.6	-4.1	-5.8	-7.4	-4.4	-9.4	-7.2	-1.8	-2.0	-4.0	-5.2	-4.6	-4.0	-1.0	-1.4	0.3	-0.3	-	-
-7.7	-0.6	-10.8	-17.9	-2.1	-4.5	-9.2	-5.7	-7.4	-8.5	11.3	6.8	15.4	-2.7	-0.2	14.0	8.4	10.3	15.8	9.0	-	-
-2.2	7.2	2.8	-5.4	4.9	-2.1	-6.5	1.6	-5.6	-10.9	5.8	-0.9	-1.3	0.7	-4.6	-0.2	2.2	1.6	9.9	4.9	-	-
-1.9	1.3	2.5	-1.4	-3.5	9.3	2.2	-10.5	0.2	0.6	-11.6	9.2	-2.4	3.4	2.2	3.2	4.0	-3.2	0.1	-0.4	-	-
0.9	-9.9	-4.1	-9.8	-6.6	-8.1	-0.7	-10.0	-1.3	-8.2	-6.0	2.0	-10.0	0.7	-4.6	-3.5	4.3	-2.3	-0.9	-6.9	-	-
-3.7	8.4	6.3	3.1	-1.3	28.2	4.9	-10.8	2.5	9.3	-15.0	13.3	2.6	4.8	5.8	6.4	3.8	-4.0	1.1	4.3	-	-
-0.1	1.1	0.6	-2.9	-4.2	-0.3	-6.6	-7.4	-3.5	-7.3	-2.7	-3.1	-3.3	0.9	-0.5	1.4	4.1	1.0	4.1	3.8	-	-
35.1	47.2	37.9	43.3	47.1	41.0	46.3	33.9	32.2	38.4	37.5	38.7	34.9	45.1	37.1	41.0	49.3	41.7	48.5	38.4	-	-
-18	-18	-19	-21	-22	-21	-17	-16	-16	-13	-14	-14	-13	-13	-12	-12	-13	-12	-12	-9	-9	-6
-13	-12	-15	-16	-15	-14	-10	-11	-8	-8	-9	-5	-3	-4	-4	-4	-5	-3	-2	-3	0	1
-44	-40	-37	-40	-42	-40	-35	-30	-30	-31	-27	-20	-20	-22	-15	-16	-17	-17	-19	-16	-17	-9
-10	-11	-14	-16	-19	-19	-15	-13	-13	-11	-9	-14	-14	-11	-9	-13	-13	-10	-12	-5	-6	-3
4	-2	-2	8	-7	-5	0	2	-9	-3	-5	-5	16	16	0	3	13	-6	-3	9	1	2
-36	-36	-36	-45	-38	-37	-34	-31	-31	-26	-27	-37	-38	-37	-33	-31	-35	-35	-34	-30	-30	-28

LABOUR MARKET	2011	2012	2013	2011	2012				2013				2012		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2	3	4
<b>FORMAL LABOUR FORCE (A=B+E)</b>	934.7	920.2	913.4	933.3	926.6	923.7	915.2	915.2	912.9	913.8	910.5	916.5	927.1	925.4	926.0
<b>PERSONS IN FORMAL EMPLOYMENT (B=C+D)<sup>1</sup></b>	824.0	810.0	793.6	821.7	812.7	816.5	809.1	801.7	789.2	795.0	794.4	795.8	812.0	814.5	816.9
In agriculture, forestry, fishing	38.8	37.0	38.2	38.0	35.2	37.8	37.4	37.4	37.4	38.9	38.1	38.4	35.1	35.3	37.7
In industry, construction	272.9	263.1	252.2	271.0	265.4	266.3	263.1	257.5	249.9	252.5	253.5	252.9	264.7	266.1	266.6
Of which: in manufacturing	184.8	182.9	177.7	186.2	184.6	184.1	182.5	180.4	177.8	177.6	177.5	177.8	184.6	184.6	184.4
in construction	67.8	59.8	54.3	64.4	60.5	61.6	60.1	56.9	52.0	54.6	55.7	54.6	59.9	61.0	61.7
In services	512.3	510.0	503.2	512.7	512.1	512.4	508.6	506.8	502.0	503.6	502.8	504.6	512.2	513.1	512.6
Of which: in public administration	51.4	50.7	49.1	51.3	50.9	51.2	50.8	50.0	49.3	49.3	49.1	48.9	50.9	50.9	51.1
in education, health-services, social work	118.8	120.9	121.0	120.1	120.7	121.6	120.3	121.0	120.7	121.1	120.5	121.6	120.8	121.5	121.6
<b>FORMALLY EMPLOYED (C)<sup>1</sup></b>	729.1	717.0	698.7	727.4	720.9	722.7	716.2	708.4	696.1	700.0	699.6	699.2	720.3	722.7	723.0
In enterprises and organisations	671.8	662.6	647.6	670.7	666.4	667.4	661.4	655.1	645.8	648.5	647.9	648.1	666.1	667.9	667.7
By those self-employed	57.2	54.5	51.1	56.6	54.5	55.4	54.8	53.3	50.2	51.5	51.7	51.1	54.2	54.8	55.3
<b>SELF-EMPLOYED AND FARMERS (D)</b>	94.9	93.0	94.9	94.4	91.8	93.8	92.9	93.3	93.1	95.0	94.7	96.6	91.8	91.8	93.9
<b>REGISTERED UNEMPLOYMENT (E)</b>	110.7	110.2	119.8	111.6	114.0	107.2	106.1	113.5	123.7	118.8	116.1	120.7	115.0	110.9	109.1
Female	52.1	52.2	57.4	53.3	53.2	51.0	50.9	53.8	57.0	56.7	57.0	58.9	53.4	52.0	51.7
By age: under 26	12.9	11.9	13.8	13.4	12.7	10.8	10.1	14.0	14.2	13.0	12.3	15.6	12.9	12.0	11.4
aged over 50	39.0	38.2	38.9	38.2	39.2	38.1	37.4	38.1	40.7	39.3	38.1	37.3	39.4	38.6	38.5
Osnovnošolska izobrazba ali manj	34.1	33.3	34.2	33.9	35.2	32.9	31.8	33.2	36.5	34.1	32.6	33.6	35.8	34.4	33.6
For more than 1 year	50.2	55.2	54.9	53.8	57.2	55.1	54.5	53.9	54.4	54.3	55.0	55.7	57.3	56.3	55.4
Those receiving benefits	36.3	33.9	33.0	34.4	37.8	33.2	31.5	33.0	39.3	33.7	30.3	28.7	38.3	36.7	34.2
<b>RATE OF REGISTERED UNEMPLOYMENT, E/A, in %</b>	11.8	12.0	13.1	12.0	12.3	11.6	11.6	12.4	13.5	13.0	12.8	13.2	12.4	12.0	11.8
Male	11.4	11.5	12.5	11.3	11.9	11.1	11.0	11.9	13.4	12.5	11.9	12.4	12.1	11.6	11.3
Female	12.4	12.6	13.8	12.7	12.7	12.3	12.3	13.0	13.8	13.7	13.8	14.1	12.8	12.5	12.4
<b>FLOWS OF FORMAL LABOUR FORCE</b>	2.7	5.3	6.0	5.7	-1.9	-5.2	-0.2	12.6	4.6	-6.0	-1.9	9.3	-0.9	-4.2	-1.8
New unemployed first-job seekers	14.4	16.3	19.1	6.5	2.4	1.9	3.0	9.0	3.7	2.6	3.4	9.4	0.7	0.8	0.7
Redundancies	82.2	90.3	88.7	22.3	22.6	17.9	20.9	28.9	27.1	18.5	19.6	23.5	6.1	5.9	6.5
Registered unemployed who found employment	61.0	58.3	65.1	12.9	17.3	14.0	13.5	13.5	17.2	18.1	15.8	14.1	5.2	7.1	5.5
Other outflows from unemployment (net)	32.8	43.1	37.3	10.2	9.6	11.1	10.7	11.8	9.2	9.1	9.2	9.9	2.6	3.7	3.5
<b>WORK PERMITS FOR FOREIGNERS</b>	35.6	33.9	30.5	34.3	34.2	34.4	33.9	33.2	32.6	31.7	29.8	27.8	34.2	34.2	34.7
As % of labour force	3.8	3.7	3.3	3.7	3.7	3.7	3.7	3.6	3.6	3.5	3.3	3.0	3.7	3.7	3.7

Source of data: SURS, PDII, ESS. Note: <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. <sup>2</sup>According to ESS.



2012								2013												2014
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1
923.7	921.3	917.4	914.5	913.8	918.0	916.5	911.0	913.0	912.9	912.7	914.3	914.0	913.1	911.5	909.8	910.2	916.7	917.5	915.3	911.4
816.9	815.7	810.5	808.4	808.3	807.1	805.0	792.9	788.7	788.9	790.1	793.0	795.4	796.5	794.4	793.2	795.5	798.0	798.2	791.3	781.6
37.8	37.9	37.2	37.4	37.6	37.5	37.4	37.4	37.5	37.3	37.4	38.7	39.0	39.1	38.1	38.1	38.1	38.5	38.4	38.4	31.6
266.6	265.7	264.0	263.2	262.2	261.1	259.5	251.9	249.8	249.5	250.3	251.6	252.6	253.1	253.4	253.1	254.0	254.8	254.6	249.3	248.3
184.2	183.8	182.9	182.5	182.1	181.8	181.2	178.4	177.8	177.8	177.9	177.5	177.7	177.7	177.6	177.3	177.6	178.1	178.3	177.0	177.1
61.8	61.4	60.5	60.2	59.6	59.0	58.1	53.5	52.0	51.8	52.4	54.0	54.8	55.2	55.5	55.5	56.0	56.1	55.8	52.0	51.1
512.5	512.1	509.3	507.9	508.5	508.5	508.1	503.7	501.4	502.1	502.4	502.6	503.8	504.3	502.9	502.0	503.4	504.7	505.3	503.7	501.7
51.2	51.2	50.8	50.8	50.7	50.2	50.2	49.6	49.2	49.4	49.2	49.3	49.3	49.4	49.1	49.2	48.9	48.8	49.0	48.9	48.6
121.7	121.4	120.3	119.8	120.8	121.1	121.3	120.6	120.4	120.8	121.0	120.9	121.2	121.3	120.3	120.0	121.2	121.6	121.8	121.3	121.1
723.1	722.1	717.7	715.6	715.2	713.7	711.6	699.9	695.5	695.8	696.9	698.2	700.3	701.5	699.8	698.6	700.5	701.7	701.5	694.4	691.5
667.7	666.7	662.8	660.9	660.5	659.2	657.7	648.3	645.3	645.8	646.4	647.0	648.7	649.7	648.0	647.0	648.6	649.7	649.9	644.8	643.1
55.4	55.3	55.0	54.7	54.7	54.5	53.9	51.6	50.3	50.0	50.5	51.1	51.5	51.8	51.8	51.6	51.9	52.0	51.7	49.6	48.5
93.8	93.6	92.8	92.8	93.1	93.4	93.4	93.1	93.2	93.0	93.2	94.8	95.1	95.0	94.6	94.6	95.0	96.3	96.7	97.0	90.1
106.8	105.6	106.9	106.1	105.4	110.9	111.5	118.1	124.3	124.1	122.6	121.3	118.6	116.6	117.1	116.6	114.7	118.7	119.3	124.0	129.8
50.9	50.5	51.2	50.9	50.5	53.3	53.3	54.9	57.2	56.9	56.9	57.3	56.7	56.2	57.3	57.4	56.5	58.5	58.7	59.4	61.4
10.7	10.3	10.2	10.1	10.1	14.2	14.0	13.8	14.4	14.4	13.8	13.1	13.1	12.6	12.5	12.2	12.1	15.3	15.6	15.9	16.2
38.1	37.7	37.9	37.4	37.1	37.0	37.1	40.2	41.2	40.9	40.1	39.5	39.5	38.9	38.6	38.3	37.5	37.0	36.8	37.9	39.2
32.8	32.3	32.1	31.7	31.5	32.2	32.5	35.0	36.7	36.8	35.9	35.1	34.0	33.2	32.9	32.7	32.3	32.7	33.0	35.2	36.5
55.0	54.7	54.6	54.6	54.3	54.3	53.6	53.8	54.7	54.4	54.2	54.6	54.4	53.9	54.7	54.5	55.7	55.7	55.7	55.7	55.7
33.4	31.9	32.1	31.4	31.2	31.5	31.9	35.6	40.3	39.2	38.4	35.8	33.9	31.4	31.0	30.5	29.4	28.2	28.0	29.9	33.8
11.6	11.5	11.7	11.6	11.5	12.1	12.2	13.0	13.6	13.6	13.4	13.3	13.0	12.8	12.9	12.8	12.6	13.0	13.0	13.5	14.2
11.0	10.9	11.0	11.0	10.9	11.4	11.6	12.7	13.4	13.5	13.2	12.8	12.4	12.1	12.0	11.9	11.7	12.1	12.1	13.0	13.7
12.2	12.2	12.4	12.4	12.3	12.9	12.9	13.3	13.8	13.8	13.7	13.8	13.6	13.5	13.8	13.9	13.6	14.0	14.1	14.2	14.9
-2.3	-1.2	1.3	-0.8	-0.6	5.4	0.6	6.6	6.2	-0.2	-1.4	-1.3	-2.8	-2.0	0.5	-0.5	-1.9	4.1	0.6	4.7	5.8
0.6	0.6	0.8	0.8	1.4	6.3	1.8	0.9	1.5	1.1	1.1	1.1	0.8	0.8	1.0	0.9	1.5	6.0	2.0	1.4	1.7
5.8	5.6	8.0	5.6	7.3	8.4	8.2	12.2	14.2	6.3	6.6	7.1	6.1	5.3	7.7	5.5	6.4	7.2	7.0	9.3	13.1
4.7	3.9	4.0	4.0	5.5	4.9	5.1	3.4	6.2	4.8	6.2	6.3	6.5	5.3	5.3	4.1	6.4	5.4	5.2	3.5	6.2
4.1	3.5	3.5	3.3	3.8	4.3	4.3	3.2	3.4	2.8	3.0	3.1	3.2	2.7	2.9	2.9	3.4	3.8	3.3	2.8	2.8
34.4	34.1	33.8	33.9	33.9	33.6	33.3	32.7	32.9	32.8	32.2	32.3	32.0	31.0	30.4	29.8	29.3	28.5	27.9	27.1	26.4
3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.4	3.3	3.3	3.2	3.1	3.0	3.0	2.9

WAGES AND INDICATORS OF OVERALL COMPETITIVENESS	2011	2012	2013	2011	2012				2013				2012		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2	3	4
				<b>GROSS WAGE PER EMPLOYEE, y-o-y growth rates, %</b>											
Activity - Total	2.0	0.1	-0.2	1.1	1.6	0.3	-0.7	-1.0	-1.0	-0.5	0.3	0.6	2.0	0.7	1.0
A Agriculture, forestry and fishing	3.1	-1.1	0.9	0.4	0.1	-1.0	-1.5	-2.0	-0.8	1.1	0.0	3.0	0.3	-2.1	-0.1
B Mining and quarrying	3.8	3.7	-2.0	5.9	8.4	10.6	2.2	-5.2	4.1	-6.8	-2.9	-2.4	11.9	3.8	4.0
C Manufacturing	3.9	2.5	2.8	3.1	3.4	2.5	2.0	2.3	1.6	2.9	3.0	3.6	3.8	1.9	2.7
D Electricity, gas, steam and air conditioning supply	2.3	3.3	3.0	-0.5	5.6	3.9	4.9	-0.5	6.2	2.8	3.6	-0.1	8.0	3.6	5.2
E Water supply sewerage, waste management and remediation activities	-0.1	0.1	0.7	-2.7	2.1	-0.5	0.4	-1.4	0.3	0.1	1.0	1.3	2.8	0.5	0.4
F Construction	2.0	-2.5	-1.4	0.5	-0.3	-2.8	-2.8	-3.8	-2.4	-2.1	0.1	-1.4	1.4	-3.1	-1.3
G Wholesale and retail trade, repair of motor vehicles and motorcycles	2.8	0.8	0.4	3.0	2.1	1.6	0.0	-0.3	-0.2	0.0	0.6	1.2	2.2	1.0	2.9
H Transportation and storage	2.7	-0.4	-0.2	1.6	2.2	0.6	-1.7	-2.3	-1.1	0.2	-0.9	0.8	0.8	2.0	1.5
I Accommodation and food service activities	2.1	-0.8	-0.4	-0.6	-0.4	-0.7	-1.0	-1.1	-1.3	-0.7	-0.6	0.9	0.4	-1.7	-1.4
J Information and communication	0.9	-0.4	-1.5	-0.2	0.3	1.3	-1.2	-2.0	-0.6	-2.7	-1.1	-1.4	0.2	0.5	2.3
K Financial and insurance activities	0.6	1.1	0.2	-2.4	4.5	-1.7	2.2	-0.3	-2.1	1.2	1.2	0.3	8.4	3.8	-0.4
L Real estate activities	2.9	-0.5	-0.3	1.6	1.1	-1.3	-0.6	-1.3	-1.1	0.2	-0.6	0.2	2.5	-1.5	-0.1
M Professional, scientific and technical activities	-0.4	-1.1	-2.4	-1.6	-0.5	-0.8	-1.7	-1.3	-2.2	-3.4	-1.5	-2.6	-0.5	-1.1	-0.7
N Administrative and support service activities	3.5	0.6	0.0	2.7	3.0	0.3	-0.9	0.2	-2.4	0.7	0.7	0.9	5.1	2.0	-0.2
O Public administration and defence, compulsory social security	0.3	-1.8	-1.4	-0.4	-0.2	-1.5	-3.2	-2.4	-2.4	-2.1	-0.6	-0.6	-0.4	-0.7	-0.7
P Education	0.2	-3.3	-3.3	0.4	-0.3	-2.2	-5.0	-5.6	-5.4	-4.2	-2.0	-1.3	-0.6	-0.5	-1.5
Q Human health and social work activities	-0.7	-1.3	-2.0	-0.5	-0.5	-1.0	-1.7	-2.1	-2.3	-2.3	-2.2	-1.4	-0.4	-0.6	-0.3
R Arts, entertainment and recreation	-0.7	-2.8	-3.0	-0.3	-0.6	-1.5	-4.4	-4.6	-5.7	-3.8	-1.4	-1.0	-1.9	1.3	-0.9
S Other service activities	0.9	-0.9	-0.4	-1.1	0.5	-0.6	-1.0	-2.4	-0.6	-0.7	-1.1	0.9	-0.4	0.0	-0.6
<b>INDICATORS OF OVERALL COMPETITIVENESS<sup>1</sup>, y-o-y growth rates, %</b>															
Effective exchange rate, <sup>2</sup> nominal	-0.1	-1.2	1.0	0.1	-0.5	-1.3	-1.8	-1.4	0.2	0.6	1.6	1.4	-0.4	-0.9	-1.2
Real (deflator HICP)	-1.0	-1.1	1.3	-0.5	-0.9	-1.3	-1.2	-0.8	0.9	0.8	2.2	1.4	-0.6	-1.3	-1.1
Real (deflator ULC)	-2.3	-2.9		-2.9	-2.0	-3.3	-3.6	-2.9	-2.7	-1.8	-1.2				
USD/EUR	1.3917	1.2856	1.3282	1.3480	1.3110	1.3196	1.2515	1.2974	1.3204	1.3066	1.3246	1.3611	1.3224	1.3201	1.3162
Source of data: SURS, ECB; calculations by IMAD. Note: <sup>1</sup> Change of the source for effective exchange rate series as of April 2012: a new source, ECB; before that, own calculations (IMAD). <sup>2</sup> Harmonised effective exchange rate – a group of 20 EU Member States and 17 euro area countries; an increase in value indicates appreciation of the national currency and vice versa.															

2012												2013												2014
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1				
1.3	-1.3	-0.1	-0.7	-1.2	0.4	-2.4	-0.7	-0.3	-1.7	-1.0	-0.2	-0.8	-0.4	0.8	-0.4	0.4	0.7	0.3	0.7	0.7				
-0.5	-2.5	1.3	-1.9	-3.9	2.5	-5.9	-2.0	1.8	-4.6	0.2	0.6	1.5	1.1	2.2	-3.6	1.5	0.9	1.9	6.2	-1.7				
14.9	13.2	1.4	5.4	-0.2	1.5	1.7	-18.0	10.4	0.6	1.1	-5.4	-10.3	-4.8	-1.8	-4.9	-1.8	5.1	-13.0	3.3	-8.1				
3.9	1.0	4.3	1.3	0.3	5.2	0.5	1.4	3.5	0.3	1.1	4.4	2.3	2.0	3.4	2.0	3.7	2.4	4.4	3.9	4.0				
6.5	0.3	4.0	2.6	8.3	7.8	-6.6	-0.5	5.0	2.6	10.9	6.6	0.7	1.3	10.0	3.1	-2.1	7.4	-0.9	-5.9	1.8				
0.7	-2.5	4.0	-0.1	-2.6	2.2	-7.0	1.5	2.7	-1.1	-0.8	1.6	-0.2	-1.1	-0.5	1.7	1.7	0.9	0.8	2.2	0.2				
-0.4	-6.6	-1.4	-1.9	-5.1	0.2	-6.8	-4.6	-1.2	-3.0	-2.9	-2.2	-3.2	-0.9	1.1	-1.7	0.9	-1.1	-2.5	-0.5	-1.4				
1.8	0.0	0.7	0.5	-1.0	0.5	-0.8	-0.6	-0.6	-0.5	0.4	-0.5	0.6	-0.1	1.1	-0.4	1.1	0.8	1.3	1.5	0.8				
2.1	-1.9	-6.3	-1.3	2.7	-1.1	-3.9	-1.6	-1.1	-1.4	-0.8	0.7	0.3	-0.4	1.7	0.3	-4.7	2.5	-2.7	3.0	1.3				
0.5	-1.2	-0.1	-1.1	-1.9	-0.9	-0.9	-1.4	-2.4	-1.3	-0.2	0.1	-0.6	-1.7	-0.7	-1.0	-0.1	0.8	-0.6	2.4	-0.1				
1.7	-0.1	0.8	-1.2	-3.1	0.1	-7.1	1.6	-1.1	-0.5	-0.1	-4.3	-1.9	-1.9	-0.8	-1.8	-0.6	-1.1	-2.3	-0.9	-0.8				
-4.4	-0.2	1.8	1.8	3.0	3.5	-4.0	0.3	-1.0	-3.6	-1.6	0.4	3.5	-0.1	4.0	-1.4	1.0	2.7	-3.0	1.5	0.3				
-1.3	-2.4	0.1	-1.0	-1.1	0.1	-2.3	-1.6	-0.4	-2.1	-0.7	-0.2	0.6	0.2	-0.3	-1.4	0.0	0.5	0.4	-0.4	-1.1				
1.0	-2.7	-0.8	-1.9	-2.4	-0.9	-1.9	-1.0	-0.3	-3.5	-2.8	-3.0	-4.1	-3.0	-2.3	-2.4	0.3	-2.1	-2.6	-3.0	-1.6				
1.7	-0.6	-0.1	0.0	-2.5	1.4	-1.1	0.5	-0.5	-4.3	-2.3	1.4	0.0	0.9	0.8	0.2	1.3	1.0	2.1	-0.3	3.2				
-0.3	-3.5	-3.4	-3.3	-2.9	-2.9	-2.6	-1.6	-1.7	-2.9	-2.6	-2.2	-3.0	-1.0	-0.4	-0.8	-0.6	0.8	-1.0	-1.5	-1.5				
-0.4	-4.6	-4.8	-5.0	-5.2	-5.8	-5.8	-5.3	-5.9	-5.0	-5.4	-4.2	-5.8	-2.5	-2.4	-2.2	-1.3	-1.5	-1.4	-1.1	-0.8				
-1.0	-1.6	-2.2	-2.0	-1.0	-2.8	-3.0	-0.4	-2.7	-2.5	-1.6	-3.0	-2.1	-1.7	-2.2	-1.8	-2.4	-1.8	-0.4	-1.8	-1.3				
0.0	-3.5	-4.1	-3.6	-5.4	-6.3	-3.9	-3.7	-4.7	-4.7	-7.5	-4.0	-3.2	-4.2	-0.7	-2.6	-0.9	-1.4	-0.5	-1.1	-0.4				
0.1	-1.2	-0.1	-2.2	-0.7	-1.2	-4.0	-1.9	-0.8	-0.1	-0.7	1.0	-1.2	-1.9	-0.8	-1.2	-1.2	0.9	-0.5	2.3	-1.6				
-1.2	-1.5	-1.8	-2.1	-1.5	-1.6	-1.7	-0.9	0.1	0.4	0.1	0.2	0.4	1.1	1.6	2.0	1.3	1.3	1.5	1.5					
-1.4	-1.4	-1.6	-1.5	-0.5	-1.0	-1.3	-0.2	0.8	1.3	0.5	0.4	0.5	1.7	2.7	2.7	1.3	1.3	1.5	1.3					
1.2789	1.2526	1.2288	1.2400	1.2856	1.2974	1.2828	1.3119	1.3288	1.3359	1.2964	1.3026	1.2982	1.3189	1.3080	1.3310	1.3348	1.3635	1.3493	1.3704					

PRICES	2011	2012	2013	2011	2012				2013				2012				
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2	3	4	5	
<b>CPI, y-o-y growth rates, %</b>	1.8	2.6	1.8	2.5	2.5	2.5	2.9	2.6	2.3	1.5	2.1	1.1	2.9	2.3	2.6	2.4	
Food, non-alcoholic beverages	4.4	4.1	3.6	5.1	3.9	4.2	3.9	4.4	4.4	3.6	4.1	2.3	3.9	4.0	4.7	4.3	
Alcoholic beverages, tobacco	5.7	6.5	7.0	4.9	4.2	5.1	7.2	9.5	10.6	7.5	7.4	3.0	3.9	4.7	5.1	5.2	
Clothing and footwear	-1.5	-0.2	0.2	0.9	-2.2	1.6	0.7	-0.8	2.1	-1.2	1.0	-0.8	-3.5	-1.2	0.2	3.0	
Housing, water, electricity, gas	5.6	3.8	3.1	5.4	4.9	4.2	4.4	1.8	2.1	2.9	2.8	4.6	5.3	4.7	4.0	3.7	
Furnishings, household equipment	2.7	0.1	-1.2	1.7	1.2	0.0	-0.1	-0.9	-1.1	-1.8	-1.2	-0.6	1.5	0.8	0.7	0.1	
Medical, pharmaceutical products	1.6	0.4	-0.5	0.3	-0.2	1.4	0.2	0.3	-0.2	-2.1	0.4	0.1	-0.3	0.1	1.5	1.5	
Transport	1.0	3.3	0.3	1.7	2.6	3.2	3.9	3.5	1.5	-0.5	0.5	-0.4	2.5	3.3	4.1	2.8	
Communications	1.2	-2.4	-1.2	-1.8	-1.2	-2.9	-3.6	-2.0	-3.8	-1.9	1.2	-0.1	-1.2	-2.4	-2.6	-3.2	
Recreation and culture	-1.5	1.4	0.1	-0.8	2.6	1.2	1.2	0.4	-0.3	-0.5	0.6	0.4	6.8	0.4	0.9	1.2	
Education	1.7	2.9	2.6	1.4	1.1	1.3	4.3	4.8	4.6	4.6	1.4	-0.1	1.1	1.2	1.3	1.3	
Catering services	-6.8	4.5	6.5	2.0	2.3	2.5	3.7	9.4	9.2	8.8	7.0	1.6	2.4	2.1	2.8	2.6	
Miscellaneous goods & services	2.2	2.4	1.3	2.6	2.5	1.2	3.3	2.8	2.4	2.7	0.5	-0.5	2.7	1.9	1.9	1.1	
HCPI	2.1	2.8	1.9	2.6	2.5	2.5	3.2	3.0	2.7	1.8	2.2	1.1	2.8	2.4	2.9	2.4	
Core inflation (excluding fresh food and energy)	1.3	2.0	1.6	2.3	2.2	1.8	2.0	1.9	1.9	1.4	1.9	1.2	2.6	1.6	1.9	1.9	
<b>PRODUCER PRICE INDICES, y-o-y growth rates, %</b>																	
Total	4.5	0.9	0.0	3.6	1.3	0.8	0.6	0.6	0.8	0.2	-0.2	-0.6	0.8	0.7	0.7	1.0	
Domestic market	3.8	1.0	0.3	2.9	1.1	0.9	0.9	1.2	1.1	0.3	0.1	-0.3	0.7	0.6	0.7	1.3	
Non-domestic market	5.3	0.7	-0.2	4.4	1.6	0.7	0.4	0.1	0.4	0.2	-0.6	-0.9	0.9	0.8	0.8	0.8	
euro area	6.1	0.1	-0.4	4.6	0.8	0.2	0.1	-0.5	0.4	0.0	-0.7	-1.3	-0.1	-0.2	0.0	0.4	
non-euro area	3.6	2.0	0.3	3.8	3.4	2.0	1.3	1.5	0.6	0.7	-0.3	0.0	3.3	3.4	2.8	1.7	
Import price indices	5.4	1.9	-0.4	2.9	1.9	1.2	1.3	3.2	0.8	-0.5	-0.3	-1.5	2.1	2.8	2.0	1.2	
<b>PRICE CONTROL,<sup>1</sup> y-o-y growth rates, %</b>																	
Energy prices	10.9	12.7	0.2	10.8	12.1	12.5	14.5	11.6	5.6	0.1	-0.7	-4.1	12.0	13.8	14.7	11.8	
Oil products	11.9	13.0	1.7	11.7	12.3	12.7	14.4	12.6	6.4	0.4	0.4	-0.4	12.2	14.2	15.3	11.9	
Transport & communications	1.1	1.6	11.3	1.1	0.7	0.0	0.0	5.7	8.6	8.6	17.3	10.9	1.1	0.0	0.0	0.0	
Other controlled prices	0.0	-0.6	-1.5	-0.2	-0.2	-0.3	0.1	-1.8	-3.9	-2.9	-0.8	1.5	-0.2	-0.3	-0.3	-0.3	
Direct control – total	2.8	9.2	1.2	2.1	7.3	9.5	11.0	8.9	4.3	0.5	1.0	-0.8	9.5	10.6	11.1	9.0	

Source of data: SURS; calculations by IMAD.

Note: <sup>1</sup> The structure of groups varies. Data for individual years are not fully comparable to those published previously. On 1 July 2007, the electricity market was liberalised. Since July 2007, the data are not comparable. <sup>2</sup> After a longer period of unchanged prices, at the beginning of 2013, the Decree on the pricing of mandatory local public services in the field of environmental protection (Official Gazette of the RS, No. 87/2012) transferred the responsibility for approving price changes to local communities.

2012							2013												2014	
6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2
2.3	2.4	2.9	3.3	2.7	2.3	2.7	2.4	2.7	2.0	1.5	1.2	1.9	2.6	2.2	1.4	1.3	1.3	0.7	0.8	0.1
3.7	4.1	3.7	4.0	4.3	4.2	4.7	5.2	4.1	3.9	3.3	3.1	4.4	4.4	4.3	3.5	2.4	2.2	2.2	1.6	0.9
5.1	7.4	7.1	7.0	9.6	9.5	9.4	11.2	10.7	10.0	7.8	7.4	7.5	7.5	7.5	7.1	3.0	3.0	3.0	2.6	2.7
1.6	0.8	1.8	-0.3	-1.5	-1.7	0.8	1.6	6.5	-1.3	0.0	-3.1	-0.5	1.1	0.1	1.7	0.3	0.1	-2.9	-2.2	-3.2
4.9	3.9	4.2	5.2	2.7	1.5	1.3	0.7	2.8	2.9	3.3	2.8	2.5	3.4	2.7	2.1	3.9	4.8	5.2	3.6	0.4
-0.7	-0.3	0.1	-0.2	-0.8	-1.2	-0.7	-0.5	-1.5	-1.1	-2.2	-1.9	-1.4	-1.3	-0.8	-1.5	-0.4	-0.4	-0.9	-1.4	-0.5
1.3	0.1	0.2	0.3	0.3	0.4	0.2	-0.1	0.2	-0.7	-2.0	-2.1	-2.2	0.0	0.3	0.7	0.0	0.0	0.2	-0.2	-0.4
2.6	2.4	4.5	4.7	3.9	3.3	3.4	2.0	1.9	0.6	-0.9	-0.9	0.2	2.0	0.0	-0.4	-0.6	-0.3	-0.3	0.1	-0.9
-2.8	-3.1	-4.4	-3.2	-1.6	-3.3	-1.1	-3.6	-4.6	-3.2	-2.2	-2.3	-1.3	0.0	2.5	1.1	1.6	-0.5	-1.5	-1.6	-1.3
1.6	1.3	1.2	1.2	0.1	0.9	0.2	-0.4	-0.4	-0.1	-0.4	-0.5	-0.6	0.7	0.9	0.2	0.9	0.4	-0.1	0.7	0.3
1.3	1.3	5.9	5.7	4.8	5.0	4.7	4.6	4.7	4.7	4.6	4.6	4.6	4.6	0.1	-0.5	0.1	-0.3	0.0	0.0	-0.2
2.1	1.4	0.9	8.9	9.1	9.7	9.3	9.3	9.2	9.0	8.6	8.6	9.1	9.6	9.9	2.0	2.0	1.5	1.4	0.6	0.9
0.6	2.5	3.7	3.7	3.1	2.9	2.4	2.4	2.5	2.4	2.1	2.9	3.1	1.2	0.2	0.1	0.7	1.0	-3.2	1.7	1.7
2.4	2.6	3.1	3.7	3.2	2.8	3.1	2.8	2.9	2.2	1.6	1.6	2.2	2.8	2.2	1.5	1.1	1.2	0.9	0.9	0.2
1.7	1.9	2.0	2.0	1.9	1.8	2.0	1.9	2.2	1.6	1.4	1.3	1.5	2.0	2.1	1.7	1.6	1.4	0.7	1.2	1.1
0.7	0.8	0.4	0.7	0.8	0.7	0.4	0.4	1.1	0.8	0.5	0.2	0.0	-0.3	0.0	-0.4	-0.5	-0.7	-0.5	-0.5	-1.0
0.8	0.9	0.8	0.9	1.2	1.3	1.0	1.1	1.1	1.1	0.6	0.1	0.1	0.1	0.2	0.1	-0.2	-0.4	-0.3	-0.3	-1.1
0.5	0.6	0.1	0.6	0.4	0.1	-0.2	-0.3	1.0	0.5	0.5	0.3	-0.2	-0.6	-0.2	-0.9	-0.9	-1.1	-0.7	-0.6	-0.9
0.1	0.5	-0.5	0.2	-0.1	-0.6	-0.8	-0.8	1.2	0.7	0.3	0.0	-0.4	-0.8	-0.3	-1.0	-1.0	-1.5	-1.4	-1.2	-1.8
1.4	1.0	1.3	1.6	1.7	1.8	1.1	1.0	0.6	0.2	0.8	1.1	0.3	-0.3	0.0	-0.6	-0.4	-0.3	0.8	0.8	1.1
0.3	0.1	1.1	2.7	2.9	3.7	3.0	2.1	0.6	-0.3	-0.6	-1.3	0.5	1.2	-0.4	-1.6	-1.5	-2.0	-0.9	-1.5	-2.0
10.9	10.1	14.6	18.8	14.7	10.4	9.8	7.5	6.4	2.9	-0.6	-0.7	1.8	3.8	-1.3	-4.2	-5.9	-3.8	-2.5	-3.4	-5.7
10.8	9.2	14.4	19.4	15.8	11.4	10.5	8.1	7.7	3.6	-0.8	-0.9	3.1	5.5	-0.3	-3.5	-2.4	-0.2	1.6	0.8	-2.5
0.0	0.0	0.0	0.0	0.0	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	17.3	17.3	17.3	17.3	8.0	8.0	14.6	14.6
-0.3	0.1	0.1	0.1	-3.0	-1.1	-1.1	-3.9	-3.9	-3.9	-3.8	-3.8	-1.1	-0.8	-0.8	-0.8	2.7	0.8	0.8	3.7	1.4
8.5	7.9	11.0	14.0	10.1	8.5	8.1	5.6	4.9	2.4	-0.1	-0.3	2.0	4.3	0.5	-1.6	-1.4	-1.0	-0.1	0.1	-2.0

BALANCE OF PAYMENTS	2011	2012	2013	2011		2012				2013			2012			
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1	2	3	4
<b>BALANCE OF PAYMENTS, in EUR m</b>																
Current account	146	1,159	2,224	0	96	262	320	482	485	693	626	474	-23	-76	195	89
Goods <sup>1</sup>	-957	-110	632	-356	-149	-45	60	24	132	238	244	39	-115	-39	4	7
Exports	21,450	21,631	22,105	5,403	5,364	5,559	5,283	5,424	5,390	5,646	5,441	5,602	1,646	1,726	1,992	1,807
Imports	22,407	21,741	21,473	5,758	5,514	5,604	5,223	5,400	5,259	5,407	5,197	5,563	1,761	1,765	1,988	1,800
Services	1,476	1,803	2,004	375	418	444	528	414	505	541	574	393	152	106	161	148
Exports	4,842	5,166	5,422	1,217	1,118	1,237	1,502	1,310	1,211	1,326	1,559	1,327	377	325	417	392
Imports	3,365	3,363	3,418	841	700	793	974	896	706	785	985	934	225	219	256	244
Income	-524	-552	-435	-81	-145	-168	-198	-42	-73	-108	-110	-118	-35	-41	-68	-44
Receipts	936	699	857	259	131	188	174	206	223	206	215	214	41	42	48	54
Expenditure	1,460	1,251	1,292	340	276	356	372	247	296	314	325	331	77	83	116	98
Current transfers	151	18	23	62	-28	31	-70	86	-79	22	-82	160	-25	-101	98	-23
Receipts	1,404	1,410	1,452	371	348	366	285	411	333	356	294	466	73	68	207	97
Expenditure	1,253	1,392	1,429	310	377	336	355	325	412	334	375	306	97	169	110	120
Capital and financial account	-474	-1,206	-2,979	-175	67	-249	-540	-484	-879	-754	-840	-493	87	152	-172	-168
Capital account	-85	-92	-37	-80	-24	11	-30	-49	-5	-40	-31	40	-4	-6	-14	24
Financial account	-389	-1,114	-2,942	-94	91	-260	-511	-434	-874	-714	-809	-533	90	158	-158	-193
Direct investment	633	166	-555	151	146	98	84	-162	-62	-648	-11	177	-53	77	123	-92
Domestic abroad	-85	212	-44	-156	41	127	39	5	-110	51	-2	6	-12	17	36	-6
Foreign in Slovenia	718	-46	-511	307	105	-29	45	-167	47	-700	-9	171	-41	60	87	-86
Portfolio investment	1,839	-218	3,981	-20	-923	124	-982	1,564	131	2,100	-424	2,138	221	-820	-324	76
Financial derivatives	-155	-203	-453	-24	-23	-21	-31	-129	23	-224	-117	-133	0	9	-31	-6
Other investment	-2,777	-890	-5,910	-221	851	-455	439	-1,726	-1,033	-1,922	-174	-2,745	-10	834	27	-171
Assets	-1,490	-1,474	-1,907	567	-1,466	-95	205	-118	-1,284	-635	141	-151	-612	102	-956	-383
Commercial credits	-49	65	-35	316	-347	-35	109	339	-364	-50	91	267	-86	-85	-176	24
Loans	-55	-319	-20	19	3	-95	84	-310	25	-180	89	43	22	128	-147	-153
Currency and deposits	-1,341	-1,177	-1,699	249	-1,131	11	-33	-24	-928	-332	-46	-391	-544	42	-629	-258
Other assets	-46	-45	-153	-18	10	24	45	-124	-17	-73	7	-70	-3	17	-4	4
Liabilities	-1,287	584	-4,003	-788	2,317	-359	234	-1,608	251	-1,287	-315	-2,594	602	732	983	212
Commercial credits	107	265	-146	17	161	136	-96	63	-300	93	-200	264	-79	147	93	-16
Loans	-1,234	-729	441	-752	-121	-223	-178	-208	374	602	-530	48	77	-211	14	103
Deposits	-169	1,026	-4,246	-57	2,287	-288	530	-1,503	188	-1,981	429	-2,883	550	833	904	115
Other liabilities	9	23	-52	3	-11	17	-22	39	-12	-2	-15	-23	54	-36	-29	10
International reserves <sup>2</sup>	72	31	-5	19	39	-6	-21	19	67	-19	-83	30	-68	59	48	0
Statistical error	328	47	756	174	-163	-13	220	2	394	61	214	19	-64	-76	-23	80
<b>EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m</b>																
Export of investment goods	2,042	2,112	2,136	540	477	569	514	552	517	525	522	572	144	159	175	183
Intermediate goods	12,008	12,138	12,522	2,931	3,063	3,101	3,019	2,955	3,078	3,182	3,139	3,123	957	996	1,110	1,009
Consumer goods	6,950	6,811	6,970	1,803	1,685	1,734	1,604	1,788	1,673	1,817	1,668	1,811	500	528	657	559
Import of investment goods	2,505	2,402	2,558	736	562	584	570	687	645	665	562	686	174	159	228	186
Intermediate goods	14,107	14,005	13,690	3,490	3,636	3,578	3,410	3,382	3,477	3,462	3,297	3,454	1,171	1,171	1,294	1,177
Consumer goods	5,943	5,671	5,949	1,524	1,435	1,400	1,350	1,486	1,394	1,488	1,480	1,587	447	456	533	449

Source of data: BS, SURS.

Note: <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.

2012												2013												2014
5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1				
23	150	59	61	200	196	230	56	64	80	340	298	133	252	251	161	204	168	57	216	105				
-31	-21	48	-73	84	43	98	-117	-50	58	124	135	-21	122	139	16	91	62	-13	-29	79				
1,862	1,891	1,829	1,606	1,848	1,961	1,926	1,537	1,718	1,737	1,935	1,963	1,844	1,837	1,960	1,554	1,930	2,034	1,911	1,681	1,862				
1,892	1,912	1,781	1,679	1,764	1,918	1,828	1,654	1,768	1,680	1,811	1,828	1,866	1,715	1,821	1,538	1,839	1,973	1,924	1,710	1,784				
156	140	147	189	192	183	145	86	170	122	212	173	186	181	199	208	165	151	124	114	121				
410	434	512	512	477	467	415	427	391	354	464	433	438	455	532	537	488	456	411	463	390				
254	295	366	323	285	284	270	341	221	232	253	259	251	274	333	329	324	306	287	349	269				
-99	-25	-110	-32	-56	-8	-14	-19	-25	-24	-23	-30	-44	-41	-39	-40	-41	-44	-42	-42	-47				
63	72	54	55	65	58	59	88	75	73	77	69	69	68	75	69	70	70	69	74	67				
162	97	164	87	121	66	73	108	100	97	100	99	112	109	113	109	111	114	112	116	113				
-3	56	-25	-24	-21	-21	1	106	-30	-76	27	21	11	-10	-48	-23	-11	0	-11	172	-48				
113	156	112	85	88	90	109	212	86	95	152	139	115	102	101	91	102	102	88	279	78				
116	100	137	109	109	112	108	106	116	171	125	118	104	112	149	114	113	102	98	107	126				
-162	81	-55	-243	-242	-384	-348	248	-397	-89	-393	-324	-153	-299	-232	-298	-318	-390	-98	13	-78				
5	-18	9	-10	-29	-13	-40	3	-1	-5	0	0	-27	-13	4	-12	-23	10	-3	33	1				
-167	100	-65	-233	-213	-372	-308	245	-397	-84	-393	-324	-127	-286	-236	-285	-295	-400	-95	-20	-80				
144	45	87	-28	25	-45	31	-149	51	25	-138	-701	-3	31	44	-4	-56	295	-68	-31	1				
53	80	13	43	-16	-6	42	-32	-8	-7	-94	-8	22	38	-4	-2	4	62	-12	-34	-34				
91	-35	74	-71	41	-39	-11	-117	60	32	-45	-693	-25	-7	48	-1	-61	233	-56	3	35				
133	-86	-644	-152	-187	1,674	-54	-56	-156	17	270	-143	2,589	-346	-129	-90	-204	-24	1,823	374	414				
-7	-7	-9	-3	-19	-44	-40	-44	-34	65	-8	-7	-67	-151	-84	-56	20	-59	-5	-69	9				
-435	151	541	-46	-56	-1,982	-256	512	-281	-201	-551	510	-2,671	241	15	-138	-51	-613	-1,839	-330	-442				
119	169	122	147	-64	-294	-422	597	-337	-374	-574	-218	-404	-11	-3	206	-62	-444	-131	444	-466				
-32	-27	16	158	-65	-28	37	330	-62	-86	-217	-25	55	-80	-2	182	-90	-55	19	325	-32				
-28	86	40	51	-8	17	-49	-277	4	8	13	-69	-68	-41	11	75	4	-34	-17	94	0				
164	105	36	-77	8	-132	-406	514	-274	-297	-357	-55	-396	120	-11	-59	24	-287	-85	-21	-394				
15	5	30	15	0	-151	-4	31	-5	1	-13	-69	6	-10	-1	8	0	-68	-48	47	-39				
-554	-18	419	-193	8	-1,688	166	-85	55	172	23	728	-2,267	252	18	-344	11	-169	-1,708	-774	24				
-72	224	-8	-144	56	6	18	40	-234	86	-152	-5	35	64	-127	-137	64	76	136	48	-269				
-213	-114	-83	-62	-32	14	-194	-28	34	-151	492	675	-14	-59	-372	43	-201	12	-6	-11	22				
-278	-126	527	12	-9	-1,726	358	-136	274	234	-319	68	-2,299	251	524	-250	155	-259	-1,843	-780	224				
9	-2	-17	1	-6	18	-17	38	-18	3	2	-10	12	-4	-7	0	-8	3	5	-31	46				
-2	-4	-41	-3	23	26	11	-18	22	11	33	17	25	-61	-82	3	-4	1	-6	35	-62				
139	-231	-4	182	42	188	118	-304	333	9	53	26	20	47	-20	137	114	223	41	-228	-27				
189	196	172	164	179	193	191	168	156	159	202	181	176	169	200	146	176	195	194	182	N/A				
1,049	1,042	1,052	935	1,032	1,116	1,062	777	1,008	988	1,082	1,109	1,054	1,019	1,116	924	1,098	1,173	1,073	877	N/A				
572	603	554	460	590	610	628	550	507	554	611	633	576	609	601	448	619	626	603	583	N/A				
201	197	217	163	190	219	209	259	196	195	254	218	259	188	203	154	205	221	240	225	N/A				
1,209	1,192	1,175	1,096	1,140	1,244	1,160	978	1,223	1,110	1,144	1,199	1,201	1,062	1,176	988	1,132	1,243	1,209	1,002	N/A				
475	475	442	447	461	530	508	448	445	467	483	491	490	506	510	440	530	552	519	516	N/A				

MONETARY INDICATORS AND INTEREST RATES	2011	2012	2013	2011			2012							
				10	11	12	1	2	3	4	5	6	7	8
<b>SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m</b>														
Claims of the BS on central government	102	221	233	76	83	102	111	119	182	169	188	204	227	227
Central government (S. 1311)	4,299	5,057	6,563	3,387	3,436	4,299	4,465	4,580	4,801	4,752	4,796	4,811	4,870	4,805
Other government (S. 1312, 1313, 1314)	584	610	581	541	554	584	588	589	588	591	580	584	589	590
Households (S. 14, 15)	9,454	9,267	8,917	9,481	9,467	9,454	9,421	9,391	9,412	9,380	9,380	9,362	9,341	9,346
Non-financial corporations (S. 11)	20,876	19,470	14,903	21,444	21,434	20,876	20,976	20,896	20,933	20,922	20,843	20,693	20,561	20,488
Non-monetary financial institutions (S. 123, 124, 125)	2,229	2,135	1,764	2,286	2,277	2,229	2,210	2,234	2,323	2,320	2,300	2,291	2,247	2,244
Monetary financial institutions (S. 121, 122)	5,445	5,194	5,020	5,491	5,224	5,445	5,111	4,846	5,644	5,527	5,613	5,918	5,248	5,237
<b>Claims on domestic sectors, TOTAL</b>														
In domestic currency	35,692	34,558	29,620	35,970	35,784	35,692	35,407	35,334	36,103	35,955	35,979	36,202	35,461	35,422
In foreign currency	1,536	1,309	1,097	1,586	1,557	1,536	1,529	1,505	1,492	1,472	1,458	1,439	1,423	1,402
Securities, total	5,659	5,862	7,027	5,075	5,052	5,659	5,837	5,697	6,105	6,066	6,076	6,018	5,972	5,886
<b>SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in EUR m</b>														
Deposits in domestic currency, total	28,420	29,582	27,051	27,631	27,376	28,420	28,359	27,926	30,197	30,165	30,208	30,322	29,703	29,591
Overnight	8,245	8,678	8,558	8,058	8,436	8,245	8,399	8,195	8,177	8,404	8,375	9,151	8,573	8,633
With agreed maturity – short-term	7,868	7,056	6,689	8,372	7,791	7,868	7,688	7,468	7,553	7,362	7,441	7,111	7,134	7,052
With agreed maturity – long-term	12,248	13,780	11,569	11,148	11,089	12,248	12,180	12,171	14,395	14,319	14,309	13,982	13,930	13,851
Short-term deposits redeemable at notice	59	68	235	53	60	59	92	92	72	80	83	78	66	55
Deposits in foreign currency, total	579	552	487	494	538	579	570	564	577	568	559	583	597	591
Overnight	386	372	324	329	365	386	391	384	384	385	381	397	410	412
With agreed maturity – short-term	133	123	91	109	114	133	117	120	132	124	116	125	125	119
With agreed maturity – long-term	59	56	72	55	58	59	61	59	60	58	61	60	61	59
Short-term deposits redeemable at notice	1	1	0	1	1	1	1	1	1	1	1	1	1	1
<b>INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %</b>														
<b>New deposits in domestic currency</b>														
<b>Households</b>														
Overnight deposits	0.22	0.20	0.11	0.24	0.26	0.24	0.24	0.24	0.23	0.22	0.22	0.22	0.19	0.19
Time deposits with maturity of up to one year	2.15	2.31	1.86	2.24	2.27	2.28	2.39	2.35	2.38	2.38	2.37	2.29	2.27	2.23
<b>New loans to households in domestic currency</b>														
Housing loans, 5-10 year fixed interest rate	5.46	5.48	5.40	5.50	5.43	5.27	5.37	5.40	5.46	5.36	5.45	5.42	5.37	5.41
<b>New loans to non-financial corporations in domestic currency</b>														
Loan over EUR 1 million, 1-5 year fixed interest rate	5.69	5.32	3.86	4.25	5.20	6.51	3.79	3.00	6.04	5.81	6.27	5.83	3.94	5.06
<b>INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %</b>														
Main refinancing operations	1.25	0.88	0.54	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75
<b>INTERBANK INTEREST RATES</b>														
<b>EURIBOR</b>														
3-month rates	1.39	0.57	0.22	1.58	1.48	1.43	1.22	1.05	0.86	0.74	0.68	0.66	0.50	0.33
6-month rates	1.64	0.83	0.34	1.78	1.71	1.67	1.50	1.35	1.16	1.04	0.97	0.93	0.78	0.60
<b>LIBOR CHF</b>														
3-month rates	0.12	0.07	0.02	0.04	0.05	0.05	0.06	0.08	0.10	0.11	0.11	0.09	0.07	0.05
6-month rates	0.18	0.15	-	0.08	0.09	0.10	0.11	0.14	0.16	0.18	0.19	0.18	0.18	0.16

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



2012				2013												2014	
9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2
207	226	224	221	232	233	229	233	233	233	233	232	231	232	233	233	239	239
4,874	5,138	5,144	5,057	5,036	5,111	5,048	5,451	5,361	4,999	5,108	5,024	4,995	4,965	4,881	6,563	6,447	6,437
585	583	580	610	609	613	609	610	600	600	601	601	604	610	570	581	585	585
9,338	9,341	9,318	9,267	9,191	9,160	9,159	9,141	9,107	9,099	9,050	9,059	9,052	9,031	8,996	8,917	8,879	8,849
20,398	20,294	20,044	19,470	19,425	19,265	19,152	19,022	18,889	18,832	18,639	18,633	18,501	18,102	17,918	14,903	14,692	14,599
2,210	2,204	2,186	2,135	2,116	2,102	2,028	2,000	1,990	1,999	1,992	1,983	1,978	1,962	1,966	1,764	1,994	1,969
5,210	4,930	5,012	5,194	5,085	5,300	5,389	4,957	5,423	5,255	5,190	5,320	5,311	5,198	4,752	5,020	5,014	5,294
35,316	35,131	34,943	34,558	34,349	34,342	34,336	33,765	34,040	33,902	33,612	33,754	33,705	33,198	32,569	29,620	29,594	29,706
1,372	1,354	1,348	1,309	1,263	1,277	1,264	1,236	1,235	1,223	1,203	1,192	1,177	1,152	1,144	1,097	1,090	1,075
5,928	6,004	5,990	5,862	5,846	5,927	5,780	6,177	6,091	5,657	5,762	5,669	5,554	5,513	5,366	7,027	6,922	6,945
29,354	29,460	30,062	29,582	29,575	29,961	30,070	29,665	30,497	29,943	30,228	30,184	30,194	30,091	29,645	27,051	27,255	27,501
8,523	8,651	8,763	8,678	8,726	9,185	8,997	8,919	8,806	8,923	9,124	9,055	8,812	8,861	8,729	8,558	8,779	9,066
6,964	6,980	7,417	7,056	6,905	6,827	7,140	7,148	7,712	7,626	7,652	7,696	8,260	8,222	8,110	6,689	6,730	6,888
13,751	13,755	13,763	13,780	13,863	13,829	13,775	13,424	13,787	13,189	13,203	13,159	12,843	12,688	12,495	11,569	11,422	11,264
116	74	119	68	81	120	158	174	192	205	249	274	279	320	311	235	324	283
579	571	576	552	538	554	549	520	548	536	520	541	521	506	511	487	493	488
397	388	399	372	372	383	363	361	354	340	342	362	333	324	334	324	328	324
124	126	119	123	109	114	128	103	103	113	97	95	109	104	98	91	93	93
57	56	57	56	56	56	57	55	91	82	81	84	79	78	79	72	72	71
1	1	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	0
0.18	0.17	0.17	0.17	0.14	0.13	0.13	0.13	0.12	0.11	0.10	0.10	0.10	0.10	0.09	0.09	0.09	0.08
2.23	2.28	2.28	2.24	2.28	2.18	2.10	2.01	2.01	1.97	1.89	1.78	1.65	1.56	1.48	1.46	1.36	1.22
5.62	5.53	6.00	5.31	5.46	6.40	5.03	5.49	5.39	5.30	5.34	5.31	5.11	5.49	5.17	5.36	5.38	5.42
6.52	6.51	5.48	5.57	3.75	3.76	3.70	3.48	5.68	..	3.03	2.66	3.37	3.73	4.71	4.59	6.58	3.98
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.25	0.25	0.25	0.25
0.25	0.21	0.19	0.19	0.20	0.22	0.21	0.21	0.20	0.21	0.22	0.23	0.22	0.23	0.22	0.28	0.29	0.29
0.48	0.41	0.36	0.32	0.34	0.36	0.33	0.32	0.30	0.32	0.34	0.34	0.34	0.34	0.33	0.37	0.40	0.39
0.05	0.02	0.03	0.01	0.02	0.02	0.02	0.02	0.02	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
0.16	0.11	0.12	0.07	0.08	0.08	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.08	-	-	-	-

PUBLIC FINANCE	2011	2012	2013	2011	2012				2013				2012		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	6	7	
<b>CONSOLIDATED BALANCE OF PUBLIC FINANCING (GFS-IMF methodology), current prices, EUR m</b>															
<b>GENERAL GOVERNMENT REVENUES</b>															
TOTAL REVENUES	14,982.3	14,999.1	14,725.1	4,016.5	3,618.4	3,712.2	3,577.2	4,091.3	3,419.9	3,495.0	3,733.1	4,077.2	1,269.3	1,188.8	
Current revenues	14,037.9	14,030.6	13,634.7	3,715.6	3,410.8	3,485.9	3,367.4	3,766.5	3,184.6	3,293.1	3,510.9	3,646.1	1,153.8	1,120.0	
Tax revenues	13,209.2	13,118.3	12,647.9	3,472.7	3,172.7	3,314.0	3,170.4	3,461.2	2,946.8	3,107.4	3,188.1	3,405.6	1,090.3	1,059.0	
Taxes on income and profit	2,723.5	2,656.6	2,137.4	697.5	629.5	723.0	511.1	793.0	577.1	510.9	442.5	606.9	279.9	91.6	
Social security contributions	5,267.6	5,244.1	5,127.2	1,346.2	1,342.5	1,332.8	1,306.4	1,262.4	1,264.9	1,283.4	1,261.3	1,317.6	442.5	432.2	
Taxes on payroll and workforce	29.2	25.6	23.4	8.2	7.2	6.4	5.8	6.1	5.5	6.1	5.5	6.3	2.0	2.2	
Taxes on property	215.2	233.9	253.5	53.1	26.6	64.8	79.4	63.1	24.2	67.8	91.3	70.3	26.9	26.3	
Domestic taxes on goods and services	4,856.2	4,876.1	5,027.3	1,324.9	1,164.0	1,164.5	1,244.1	1,303.4	1,039.2	1,224.7	1,357.0	1,406.4	332.7	496.8	
Taxes on international trade & transactions	100.2	82.5	77.5	25.1	22.3	21.9	17.9	20.5	19.4	22.9	18.2	17.0	6.5	5.9	
Other taxes	17.2	-0.6	1.5	17.6	-19.4	0.5	5.8	12.6	16.5	-8.4	12.4	-19.0	-0.3	4.2	
Non-tax revenues	828.7	912.3	986.8	242.9	238.1	171.9	197.0	305.3	237.8	185.7	322.8	240.5	63.6	60.9	
Capital revenues	65.3	62.5	67.0	21.7	10.5	10.8	11.7	29.5	10.7	13.1	12.8	30.4	4.8	4.7	
Grants	10.4	9.2	32.3	4.0	1.3	1.8	1.6	4.5	12.9	2.7	14.7	2.1	0.4	0.4	
Transferred revenues	53.8	51.7	52.9	0.6	0.1	0.5	50.0	1.1	0.5	0.4	50.9	1.1	0.4	0.0	
Receipts from the EU budget	814.9	845.1	938.2	274.6	195.6	213.2	146.6	289.7	211.2	185.6	143.8	397.5	109.9	63.7	
<b>GENERAL GOVERNMENT EXPENDITURES</b>															
TOTAL EXPENDITURES	16,546.3	16,125.7	16,282.7	4,240.0	4,326.5	3,857.4	3,836.0	4,105.7	4,137.4	4,011.6	3,846.2	4,287.6	1,241.5	1,346.7	
Current expenditures	6,926.7	6,813.5	6,836.4	1,640.3	1,995.1	1,668.7	1,553.2	1,596.6	1,842.8	1,819.0	1,496.7	1,677.8	525.2	530.0	
Wages, salaries and other personnel expenditures	3,882.7	3,727.7	3,617.0	950.4	958.3	973.9	910.8	884.7	908.5	936.6	871.2	900.6	328.5	323.3	
Expenditures on goods and services	2,443.4	2,373.0	2,237.4	638.9	589.7	599.1	551.1	633.1	559.1	565.9	526.7	585.7	191.0	199.0	
Interest payments	526.7	647.9	840.1	29.3	431.8	81.5	79.4	55.3	319.1	295.2	77.8	148.0	1.6	5.1	
Reserves	73.9	64.9	141.9	21.6	15.3	14.3	11.8	23.4	56.2	21.3	20.8	43.6	4.1	2.5	
Current transfers	7,818.9	7,687.0	7,671.1	1,944.4	1,957.3	1,878.7	1,903.2	1,947.8	1,948.5	1,893.7	1,922.4	1,906.4	613.0	697.0	
Subsidies	496.3	502.7	519.3	128.2	177.1	107.8	57.3	160.5	190.5	111.9	77.5	139.4	28.8	14.7	
Current transfers to individuals and households	6,533.5	6,384.2	6,343.0	1,598.3	1,609.2	1,588.7	1,636.6	1,549.7	1,576.7	1,585.9	1,626.0	1,554.3	527.4	611.7	
Current transfers to non-profit institutions, other current domestic transfers	737.2	741.0	734.4	203.2	158.0	169.6	196.7	216.8	158.1	185.2	185.7	205.5	54.2	67.3	
Current transfers abroad	52.0	59.0	74.4	14.6	13.0	12.5	12.6	20.8	23.3	10.7	33.2	7.2	2.7	3.3	
Capital expenditures	1,023.5	915.0	1,030.8	391.6	165.3	179.2	223.4	347.2	141.6	146.3	259.7	483.2	64.3	76.7	
Capital transfers	372.1	319.9	319.0	159.4	47.0	44.3	74.3	154.3	42.5	52.0	69.3	155.1	19.8	23.5	
Payments to the EU budget	405.1	390.3	425.5	104.4	161.8	86.5	82.0	59.9	161.8	100.5	98.0	65.0	19.1	19.5	
<b>SURPLUS / DEFICIT</b>	<b>-1,564.1</b>	<b>-1,126.6</b>	<b>-1,557.6</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: Bulletin of Government Finance.

Note: In line with the changed methodology of the International Monetary Fund of 2001, social security contributions paid by the general government are not consolidated.  
\* Data on revenues for November 2012 include corrections in DURS records for the period January–October 2012, which were due to the rectification of technical errors in the new DURS information system.



## Acronyms

### Acronyms in the text

**AJPES** – Agency of the Republic of Slovenia for Public Legal Records and Related Services, **BAMC** - Bank Asset Management Company, **BoE** – Bank of England, **BoJ** – Bank of Japan, **BS** – Bank of Slovenia, **CHF** – Swiss Franc, **EC** – European Commission, **ECB** – European Central Bank, **EFSF** - European Financial Stability Facility, **EFSM** – European Financial Stability Mechanism, **EIA** – Energy Information Administration, **EMU** – European Monetary Union, **ES** – European Council, **ESI** – Economic Sentiment Indicator, **ESM** - European Stability Mechanism, **ESS** – Employment Service of Slovenia, **ESSPROS** – European System of Integrated Social Protection Statistics, **Euribor** – Euro Interbank Offered Rate, **EUROSTAT** – Statistical Office of the European Union, **FED** – Federal Reserve System, **GBP** – British pound, **GDP** – Gross domestic product, **HICP**-Harmonised Index of Consumer Prices, **HUF** – Hungarian Forint, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **JPY** – Japanese yen, **LFS** – Labour Force Survey, **Libor** – London Interbank Offered Rate, **MF** – Ministry of Finance, **MZIP** – Ministry of Infrastructure and Spatial Planning, **NEER** – Nominal Effective Exchange Rate, **NFI** – Non-monetary Financial Institutions, **OECD** – Organization for Economic Co-operation and Development, **OI** – core inflation, **OP RČV** – Operational Programme for Human Resource Development, **OP ROPI** – Operational Programme of Environmental and Transport Infrastructure Development, **OP RR** – Operational Programme for Strengthening Regional Development Potentials, **PDII** – Pension and Disability Insurance Institute, **PMI** – Purchasing Managers Index, **PRS** – the Slovenian Business Register, **REER** – Real Effective Exchange Rate, **RS** – Republic of Slovenia, **RULC** – Relative Unit Labor Cost, **SCA** – Standard Classification of Activities, **SRE** – Statistical Register of Employment, **SURS** – Statistical Office of the Republic of Slovenia, **ULC** – Unit Labour Costs, **USD** – US Dollar, **ZEW** - Centre for European Economic Research, **ZUJF** – Fiscal Balance Act, **ZZZS** - The Health Insurance Institute of Slovenia.

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

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

### Acronyms of Countries

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

# slovenian economic mirror

March 2014, No. 3, Vol. XX