

Slovenian Economic Mirror presents current macroeconomic developments as well as selected economic, social and environmental issues. The publication consists of articles, which present the main economic indicators, assess the realisation of the spring and autumn forecasts, and monitor implementation of economic policies (earnings, public finance, prices, competitiveness, etc.). The periodical is published monthly, except in September.

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Selected indicators of current economic developments, change in %	Latest Data	Compared to the same period of previous year			
		previous month	latest data	pre-latest data	pre-pre latest data
Industrial production (value based)	February	-3.1	9.2	9.0	6.5
Manufacturing	February	-2.1	10.6	10.2	7.0
Electricity, gas and water supply	February	-20.7	-7.0	0.6	-0.9
Value of construction put in place, real terms	February	10.5	33.9	37.4	15.3
Exports of goods (nominal terms in EUR) ¹	February	1.3	17.5	17.8	16.7
Imports of goods (nominal terms in EUR) ¹	February	3.8	19.2	22.7	16.2
Real effective exchange rate ³	February	-0.3	1.5	1.6	0.7
Gross wage per employee, real terms	February	-2.8	3.1	3.6	2.2
Total household savings in banks ⁴ , nominal terms	February	1.0	8.6	8.0	7.7
General government revenue, real terms	March	0.4	4.2	1.5	4.5
Growth in the no. of persons in paid employment	February	0.4	3.3	3.1	1.4
Growth in the no. of registered unemployed	March	-4.4	-17.4	-16.7	-16.0
Growth in the no. of job vacancies	March	32.6	6.9	5.8	4.3
Month		current	previous	pre-previous	
Registered unemployment rate	February	8.4	8.7	8.6	
Month		current	cumulative	annual⁵	
Consumer prices	April	1.1	1.3	2.6	
Producer prices (domestic market)	March	0.3	3.1	5.0	

Sources of data: SORS, BS, ESS, estimates and calculations by IMAD. Notes: ¹balance of payments' statistics; ²in manufacturing, in the currency basket; ³euro's exchange rate for Slovenia measured by relative consumer prices; the calculation of the effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted; ⁴the year-on-year growth rate is defined as the ratio between the stock at the end of the current month and the stock in the same month of the previous year; ⁵total in the last 12 months.

The forecasts of global GDP growth published after the IMAD Spring Forecast was prepared confirm the expectations that GDP growth rates will remain high, albeit slightly lower than in 2006. The main reason for the lower economic growth forecast at the global level is the expected deceleration in the USA as a result of the downturn in the housing market. The possibility of an even stronger slowdown in the US than currently expected is also the main downside risk to the forecast. On the other hand, data for the first four months show that the VAT rise in Germany, which was still regarded as the main regional risk a few months ago, will have a limited negative impact and will not result in a substantial slowdown in economic growth (see p. 5).

The available data show that favourable trends also continued in Slovenia at the beginning of the year.

The volume of industrial production in manufacturing rose by 10.6% in the first two months of 2007, year on year. Stimuli for growth came from both the international and domestic environments since the turnover from sales in the domestic market rose by a real 9.3% in the two months to February while the turnover from sales in foreign markets increased by 9.6%. The high growth rates are followed by employment indicators in manufacturing; employment rose appreciably in highly and mainly export-oriented industries while having declined in industries mostly oriented to the domestic market. The SORS survey on business trends in manufacturing shows that the positive trends will continue in the months ahead since the value of the confidence indicator is still rising (see p. 15).

Labour market indicators follow the favourable trends in the economy. Formal employment rose by 3.3% in the two months to February, year on year. In addition to the rise in manufacturing, the biggest increases in employment were recorded in construction (11.7%) and business services (8.7%). Registered unemployment also continued to decline; while this is a regular seasonal phenomenon in the first few months of each year, it has started off from a much lower level this year than in previous years. Registered unemployment fell by a further 4.4% in March. The overall decline in the first quarter resulted from the lower inflow into unemployment, since the number of first-time job-seekers who registered as unemployed dropped by 22.1% over the same period of 2006 while the number of persons who lost work fell by 20.5% (see p. 13).

Wage growth remained moderate at the beginning of the year. The gross wage per employee rose by a nominal 5.6% and by a real 3.1% in the two months to February, year on year. The nominal wage per employee was 6.8% higher in the private sector and 3.2% higher in public services (see p. 14).

In order to stimulate the development of the labour market and boost the quality of human resources,

mobility in the higher education sector should be increased. Data indicate that international student mobility in tertiary education, which is one of the factors of the quality of education and a contributor to the development of the labour market, is low in Slovenia. The percentage of Slovenian students studying abroad totalled 2.1% in 2004, which is at the average EU-25 level but approximately 4-times less than in countries with the most mobile student populations. The share of foreign students studying in Slovenia is similarly one of the lowest in the EU-25 (see p. 24-25).

Data on general government revenues for the first quarter already show the first effects of the changed tax legislation. The overall general government revenue rose by a real 4.2% in Q1, year on year. A notably high increase was recorded in revenue from corporate income tax, which was still paid in accordance with the old regulations from 2005 in the first three months of the year. Inflows from social security contributions increased as well. Especially due to the higher excise duties, there was also an increase in revenues from excise duties, whereas the inflow from VAT was lower than last year. The effects of the new legislation were seen in the revenue from personal income tax that was already paid in accordance with the new Personal Income Tax Act (which enacted new rates of taxes and relief). This revenue fell in real terms in the three months to March, as did revenue from the payroll tax which is being phased out (see p. 12).

The official release of data on debt and deficit shows that both indicators improved in 2006. In accordance with the ESA-95 methodology which is used in the EU, the general government deficit declined by 0.1 p.p. last year to total 1.4% of GDP. Government debt also decreased somewhat to total 27.8% of GDP.

The long-term price trends remain stable despite the relatively high inflation in April (1.1%). After consumer prices declined in the first two months of the year and recorded high increases in the following two months, prices in April were 1.3% higher than in December 2006, which is less than in the same period of 2006 when they rose by 1.5%. The price swings observed in the last few months were mainly caused by seasonal factors. In April, these included the higher prices of clothing and footwear, food and beverages, as well as higher oil prices. Based on the estimated core inflation which totals between 1.5% and 1.7% it is evident that the key macroeconomic policies (among government policies particularly wage policy, administered prices policy, and fiscal measures that determine the movement of prices) continue to support price stability after the adoption of the euro. Based on the long-term inflation indicators – average inflation has remained at 2.5% this year – the European Commission similarly finds that inflation in Slovenia remained stable amid a successful euro changeover (also see p. 8).

Favourable economic developments are expected to continue in 2007 in a stable macroeconomic environment. GDP growth will decelerate somewhat this year (from 5.2% to 4.7%) but will nevertheless be higher than we projected in the autumn. Macroeconomic policy measures will continue to ensure a stable business environment and thus prevent any increased fiscal pressures or rising labour costs that could disrupt the macroeconomic balance. The deceleration in GDP growth this year will mainly reflect the lower growth of investment in motorway construction; due to the effect of tax changes and higher interest rate levels the growth of business investment will also moderate somewhat, which will cause the increase in gross fixed capital formation to halve in comparison with 2006 (to total 5.9%). The upward revisions of the projected trends in the international environment, which have been raised further since the preparation of the Spring Forecast, project a relatively small slowdown in global GDP growth this year compared with 2006 (see p. 5). The effect of this slowdown on the Slovenian export growth (from 10.0% to 9.7%) will be additionally cushioned by the expected rebound in the production and exports of vehicles from Slovenia in the second half of the year. The continuation of favourable trends is also indicated by the available data on exports (see p. 7), industrial production and business expectations of the business sector (see p. 15), and the high consumer optimism recorded in the first few months this year. The growth of private consumption will strengthen (from 3.3% to 3.6%) thanks to the lower personal income tax rates coupled with the continued favourable trends in the labour market. The increase in the volume of household loans is projected to ease off as a result of the higher interest rates, which is also already being confirmed by the data for Q1 (see p. 10).

Economic growth in the next few years will largely depend on further implementation of reform measures and the planned infrastructural projects. Given the adopted macroeconomic policy measures and the projected slowdown in the external environment, GDP growth will stabilise at a level between 4% and 4.5% (for GDP forecasts broken down by components of expenditure and production structure see the Statistical Appendix, pp. 2-3). This shows that Slovenian economy's long-term growth potential, which has hitherto been estimated at between 3.5% and 4%, has increased. The growth of private consumption will decline again after its transitory rise in 2007. Investment in infrastructural projects will remain an important factor of economic growth. In addition to the intensive motorway construction, which is due to be completed in 2008, it will mainly include investment in modernisation of the railway network. The contribution of GDP growth factors based on investment in knowledge will increase only gradually. However, to achieve a more visible increase in potential growth to a level above 5% in the next few years as foreseen in strategic documents, the pace of changes would have to be faster than in previous years, particularly in R&D investment and innovation activity where changes have been relatively modest so far.

The macroeconomic policy mix will continue to ensure stable price growth at around 2.5% in 2007-2009. Inflation has remained at this level from the beginning of 2006 (see pp. 3 and 8). The somewhat lower average inflation projected for the end of 2007 (2.2%; in 2006 and forecast for 2008-2009: 2.5%) is transitory and largely technical in nature (resulting from the effect of the monthly deflations in Q4 of

2006 and the first two months of 2007). The projected contribution of administered prices and fiscal policy will be similar as in 2006 throughout 2007-2009. The lowering of the personal income tax rates will reduce the tax burden especially in the higher income brackets where the propensity to save is higher. As a result, the total increase in disposable income resulting from lower taxes will not translate into private consumption and is not expected to cause any inflationary pressures.

The continuation of relatively strong economic growth will enable a further increase in employment and a further decline in unemployment. According to employment forecasts for 2007-2009 (0.9%, 0.8%, and 0.7%, respectively), employment will continue to rise at the fastest rate in business services and construction. Contrary to previous years, this period will also witness a much smaller drop in unemployment in manufacturing. The forecasts for this year are already being confirmed by the current data (see pp. 13 and 15). Employment is also foreseen to rise in the group of public services, where employment in health and social care is expected to increase gradually throughout the period. In 2008 we also project a transitory surge in employment in public administration, linked to the Slovenian EU presidency. The ILO unemployment rate will decrease from 5.7% in 2007 to 5.4% in the next two years.

Wage growth will strengthen in comparison with 2006. The increase in the real growth of the gross wage per employee from 2.2% in 2006 to the projected 2.9% in 2007-2008 and 2.8% in 2009 largely reflects the expected higher wage growth in the public sector where wage disparities will begin to be eliminated in accordance with the Salary System in the Public Sector Act, and the workload will increase due to Slovenia holding the presidency of the EU. The real growth of the gross wage per employee in the private sector will remain at a similar level as last year (2.9% in 2007; 2.9% in 2008-2009).

The forecasts of other domestic and foreign institutions, published in April and May this year, are not very different from the IMAD forecasts: slightly lower for GDP growth and slightly higher for inflation. The GDP growth forecasts of the IMAD, the BS, the IMF and the EC for 2007 range between 4.3% (EC) and 4.7% (IMAD). The forecasts of the two foreign institutions for 2008 (both 4%) are also lower than the domestic projections (both 4.4%). The lower projected GDP growth in the forecasts of mainly foreign institutions compared with the IMAD forecasts can be explained by the lower projected exports in these forecasts as a result of the different estimated slowdown in the international environment and its impact on the Slovenian exporters, as well as different estimates of the car industry's contribution upon the launching of the manufacture of a new car. Regarding the inflation outlook, the forecasters agree that the disinflation in previous years was sustainable and that inflation will continue to hover around the achieved level, the forecasts for 2007 range between 2.2% (IMAD) and 2.7% (IMF, BS) and for 2008 between 2.4% (IMF) and 2.7% (BS, EC). The divergence is largely attributable to different assumptions regarding the dynamics of oil prices and some market-determined prices that are subject to strong seasonal swings (food, clothing, and footwear).

Comparison of different forecasts/assumptions of real GDP growth (in %)

	2006	2007							2008					
		IMAD AR 06	IMF Sep 06	EC Feb 06	IMAD SF 07	IMF Apr 07	CONS Apr 07	EC May 07	IMAD AR 06	EC Oct 06	IMAD SF 07	IMF Apr 07	CONS Apr 07	EC May 07
Germany	2.7	1.1	1.3	1.8	1.9	1.8	2.1	2.5	1.5	2.0	2.0	1.9	2.1	2.4
EMU	2.7	1.8	2.0	2.4	2.4	2.3	2.4	2.6	1.9	2.2	2.2	2.3	2.2	2.5
USA	3.3	2.7	2.9	n.p.	2.4	2.2	2.3	2.2	3.1	2.8	3.0	2.8	2.9	2.7

Sources of data: IMAD – Autumn Report (2006), Spring Forecast (2007); EC Autumn Forecasts (October 2006); EC Interim Forecasts (February 2007); EC Spring Forecasts (May 2007); IMF World Economic Outlook (September 2006, April 2007); Consensus Forecasts (April 2007); Eurostat.

The forecasts of global economic growth published after the IMAD Spring Forecast was prepared confirm the expectations that economic growth will remain strong this year, although at a slightly lower level than last year. After the 5.4% growth of the global economy in 2006, the IMF projects a 4.9% increase this and next year. The lower forecast primarily reflects the slowdown in economic growth in the USA, while GDP growth in Europe, Japan, and the rest of Asia is expected to be just slightly lower than last year. The main downside risk to the forecast is the possibility of an even stronger deceleration in the US economy than currently expected and the related uncertainty as to whether the rest of the world would manage to keep up the relatively favourable growth rates in such a case. On the other hand, it seems that the VAT increase in Germany that was still regarded as the main regional risk a few months ago will only have a limited effect, as evidenced by all economic indicators published in the first four months of the year.

The slowdown in US economic growth at the beginning of 2007, although expected, will probably not last long. The prospect of a looming recession currently remains unlikely. The first release of GDP growth data in the USA confirmed the expectations of a substantial slowdown in the US economy. The annualised q-o-q growth totalled 2.5% in Q4 of 2006 and 1.3% in Q1 this year, which is the smallest increase in four years, mainly reflecting the drop in investment and exports. Data on the housing market, which is the main contributor to the cooling of the American economy, are also unfavourable for the first few months of 2007. Indicators of future activity such as building permits, new construction, and the sale of new homes do not suggest that the downturn in the housing market has already hit bottom. In the three months to March, the number of issued building permits dropped by 27.7% year on year, while the number of new buildings was 30.6% lower. Similarly worrisome are data on the new residential sales which fell by 3.9% in February after the 15.8% drop in January to hit its lowest level in seven years. These adverse indicators are accompanied by difficulties in the supprime mortgages market which comprises a small fraction of the entire mortgage market yet its breakdown could result in a general deterioration in lending terms. The IMF nevertheless expects that the recession in the housing market will bottom out this year and that GDP growth will pick up during the year. The IMF experts consider the risk of the recession spilling over from the housing market into other sectors of the economy to be currently low. The slowdown appears to reflect a temporary moderation rather than the beginning of a recession. Like during similar

downturns in the past, the situation in the labour market remains favourable (the unemployment rate dipped to 4.4% in March, the lowest level in five years) as the jobs lost in construction and manufacturing are being replaced by the growing number of employees in the service sector. Nevertheless, it is not possible to rule out the possibility of a recession completely because out of the last seven recessions in the housing market, six were followed by an overall recession of the economy.

Despite the increase in VAT in Germany, the most recent forecasts of GDP growth indicate a continuation of economic expansion, which is also confirmed by the data on industrial production. The increase in VAT rates was visible in the data on trade (which fell by around 1% in the two months to February, year on year), new car registrations, and the turnover of hotels and restaurants. On the other hand, the year-on-year growth of industrial production has not slowed down and remained above 6% in the first two months of the year. According to the EC's March survey on sentiments in manufacturing, total orders were at their highest level since the unification, inventories were at the lowest level while employment prospects were also at their highest level thus far. Data about unemployment similarly confirm that the recovery in the German labour market continues. After having totalled 8.4% in 2006, the German unemployment rate fell to 7.7% in Q1. This should also contribute to an improvement in the consumer sentiment, which according to the Gfk survey deteriorated in the first two months of the year, mainly due to the VAT raising, but which rebounded already in March in April. The business climate in Germany remains positive. The Ifo index achieved its second highest value since the unification in April while investors' sentiment measured by the ZEW index has been rising since November. The VAT rise has also had no remarkable effect on inflation thus far as it has not fully passed through to prices. Moreover, it has been distributed over several months, and the effect of the raising was further cushioned by the low oil prices seen in the first two months of 2007. At the year-on-year level, inflation rose from 1.4% in December to 2% in March. Data from the beginning of 2007 show that GDP growth in Germany will not slow down substantially, as was projected a few months ago. This is also corroborated by the latest GDP growth forecasts by the five leading German institutes (2.4%), the German government (2.3%), and the European Commission (2.5%). Germany reassumed its role of the European economic engine last year, which is also evidenced by the GDP growth rates in Germany and the EMU being equal in 2006.

Competitiveness – Market Shares

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	Market shares, %				Growth rates, %		
	2003	2004	2005	2006	2004	2005	2006
Aggregate market share ¹	0.528	0.542	0.561	0.583	2.7	3.5	3.9
Germany	0.488	0.480	0.458	0.456	-1.8	-4.4	-0.5
Italy	0.562	0.583	0.588	0.621	3.7	0.9	5.6
France	0.181	0.217	0.292	0.267	20.0	34.7	-8.6
Austria	0.940	0.991	1.133	1.297	5.4	14.3	14.5
Netherlands	0.084	0.074	0.071	0.071	-12.0	-4.3	0.6
Belgium	0.045	0.061	0.062	0.065	36.5	1.1	4.9
Spain	0.089	0.094	0.111	0.128	5.3	18.6	15.2
UK	0.071	0.076	0.087	0.097	6.7	13.8	12.1
Czech Republic	0.448	0.435	0.521	0.527	-2.9	19.9	1.2
Slovakia	0.813	0.727	0.750	0.747	-10.6	3.2	-0.3
Hungary	0.527	0.511	0.531	0.629	-3.0	3.9	18.3
Poland	0.515	0.477	0.446	0.493	-7.5	-6.5	10.5
USA	0.037	0.034	0.022	0.026	-8.3	-35.2	18.2
Croatia	8.025	8.744	8.740	8.565	9.0	-0.1	-2.0
Russia	0.517	0.536	0.464	0.458	3.8	-13.4	-1.5

Sources of data: SORS, Eurostat, WIIW, US Census Bureau; calculations by IMAD. Note: ¹ market shares are calculated as the weighted average of Slovenia's merchandise exports in the imports of its main trading partners determined by the size of their shares in Slovenia's exports. The shares of individual trading partners in Slovenia's merchandise exports are also used as weights in calculating the weighted average (using Fisher's formula).

Slovenia's aggregate market share grew for the sixth consecutive year in 2006. The significance of the EU market for the growth of Slovenia's market share increased further last year. Slovenia's market shares in the Austrian, Spanish and UK markets continued to rise rapidly. Following the more modest growth or a decline in 2005, Slovenia's market shares in Italy, Hungary and Poland recorded more visible expansions. The decline in Slovenia's market share in Germany, the country's most important market, slowed down whereas the drop in the French market was much smaller in comparison with the robust growth seen in 2004 and 2005 (also see the table). Outside the EU, Slovenia's market share in the USA rebounded last year after a sharp two-year decline. Slovenia's market shares in Croatia and Russia fell, the former after the stagnation and the latter after a much stronger drop in 2005. Slovenia's exports of goods to the Russian market surged last year (27.7%), however not by as much as Russia's total imports (29.6%).

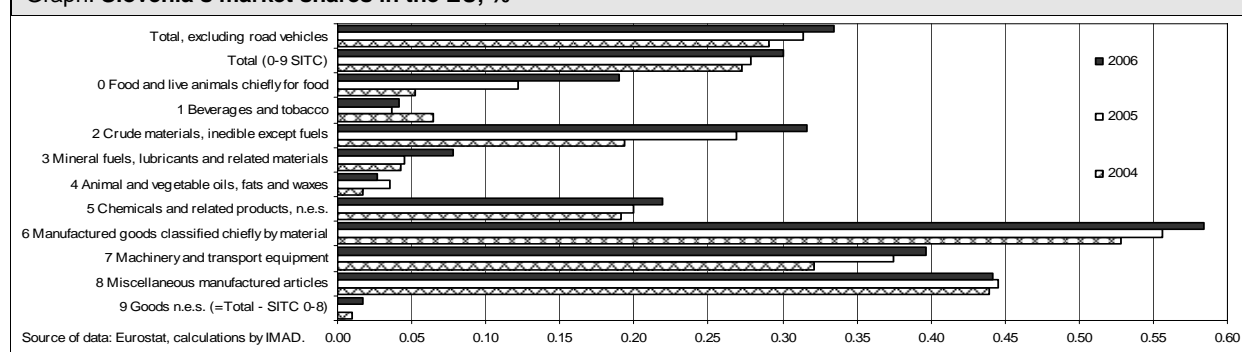
The growth of Slovenia's market share in the entire EU market slowed down in 2006 (to 6.3%) after the accelerated growth in 2005 (8%). Among the EU members, the market share of Slovakia, the UK, and Poland rose at appreciably faster rates than Slovenia's market share. The increases in market shares of Greece, the Czech Republic, and Luxembourg were only slightly higher than Slovenia's, while Finland, Sweden, Lithuania, and Hungary recorded lower rises. The market shares of other member states in the EU market shrank last year, with the exception of Malta whose market share remained at the 2005 level.

In 2005 and 2006, the dynamics of Slovenia's market share in the EU market were strongly influenced by the exports of road vehicles (SITC 78; see the graph). Their share in the structure of exports to this market surged to around one-fifth. In 2005, the brisk growth in the market share of Slovenian goods was largely driven by the robust growth of road vehicles' market share. Under the influence of its strongly decelerated growth in 2006, the growth of the total goods' market share also moderated somewhat last year.

Looking at industrial sectors (SITC 5-8; see the graph), the biggest improvement last year was recorded in the position of chemical products' exporters in the EU market (9.5%). Due to their strong export orientation to markets outside the EU, this sector lags considerably behind other industrial sectors in terms of the size of the achieved market share. The growth of the otherwise largest market share of goods classified by material (made from leather, rubber, paper, wood, textile, and metals) remained at the 2005 level (5%) while that of machinery and transport equipment slowed down (to 5.8%). The market share of miscellaneous goods (prefabricated buildings, furniture, clothing, footwear, other consumer goods) dropped last year, reflecting the decrease in the market shares of furniture, clothing, and prefabricated buildings.

The market shares of non-industrial sectors, which are much less significant for Slovenia, rose considerably in 2006, with the exception of oils and fats. After Slovenia's accession to the EU, the market shares of exporters of food, live animals, and crude materials except fuels saw particularly notable increases (also see p. 18).

Graph: Slovenia's market shares in the EU, %



Balance of Payments	Slovenian Economic Mirror	IMAD
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Balance of Payments, Jan-Feb 2007, EUR million	Inflows	Outflows	Balance ¹	Balance Jan-Feb 2006
Current account	3,675.8	3,837.6	-161.7	-66.8
Trade balance (FOB)	2,959.3	3,105.2	-145.9	-85.3
Services	506.3	370.5	135.8	130.6
Factor services	106.9	184.5	-77.7	-49.0
Unrequited transfers	103.4	177.4	-74.0	-63.1
Capital and financial account	3,457.5	-3,012.9	444.6	24.7
Capital account	44.7	-29.7	15.0	-2.0
Capital transfers	44.7	-29.1	15.6	-2.9
Non-produced, non-financial assets	0.0	-0.6	-0.6	0.9
Financial account	3,412.8	-2,983.2	429.6	26.7
Direct investment	60.7	-231.1	-170.4	-104.2
Portfolio investment	289.3	-1,344.6	-1,055.3	-218.2
Financial derivatives	0.0	1.2	1.2	-2.0
Other long-term capital investment	3,001.4	-1,408.7	1,592.8	578.9
Assets	0.0	-1,272.6	-1,272.6	-118.3
Liabilities	3,001.4	-136.0	2,865.4	697.1
International reserves (BS)	61.4	0.0	61.4	-227.9
Statistical error	0.0	-282.8	-282.8	42.1

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

The deficit in current transactions recorded in the first two months largely reflected the growing deficit in trade in goods (see the table). The strong year-on-year growth of external trade continued in the first two months of the year but the trade balance was negative as import flows rose faster than export flows (18.3% vs. 16.1%). According to the SORS' preliminary data, exports of goods rose by a nominal 17.1% in the two months to February, year on year (by 17.2% to the EU-27 and by 16.8% to non-EU countries). The year-on-year increase in imports of goods strengthened as well, to 18.4 % (by 19.0% from the EU-27 and by 16.1% from non-members). Data for 2006 for the EU-27 are simulated in such a way that data for Bulgaria and Romania, obtained from the Extrastat data, are added to the EU-25 data. Data on trade in goods for non-EU countries are accordingly lower. We estimate that the **trade deficit** with the EU-27 countries increased by EUR 83.6 m (to EUR 294.2 m) while the trade surplus with non-member states increased by EUR 23.0 m (to EUR 148.3 m).

Trade in services rose at a slower rate than trade in goods. Exports of services rose by a nominal 8.8% in the two months to February, year on year, while imports of services grew by 10.7%. Nevertheless, the surplus in the services trade increased somewhat. The latter reflected the favourable trade results in the group of other services (all other services except transport and travel), notably in merchanting and in various business, professional, and technical services. **The deficit in the factor incomes** was higher in year-on-year terms, mainly due to the higher net capital expenditures. Due to the strong borrowing of domestic commercial banks and the rising interest rates, the *net paid* interest on loans recorded the highest increase (interest payments on loans taken out abroad rose more than received interest on bank loans extended to the rest of the world). **The deficit in current transfers** rose somewhat, largely due to the private sector's higher deficit in insurance premiums (notably non-life insurance premiums).

The adoption of the euro as the national currency was also reflected in the structure of Slovenia's financial account of the balance of payments. The changes that have occurred since Slovenia's entry to the EU have mainly been reflected in the following items of the financial account: i) investment in securities; ii) other investment; and iii) international reserves (see the table). As the stock of the BS' bills is gradually decreasing, domestic commercial banks are redirecting a proportion of capital into foreign securities. In the first two months of the year, portfolio investment by domestic banks thus rose sharply – in foreign bonds and debentures (EUR 925.9 m) and in money market instruments (EUR 485.6 m). The high capital inflow – within other liabilities among other investment – reflected the increase in the BS' liabilities to the Eurosystem due to the non-cash payments in euros through the Target and Step 2¹ systems.

The statistical definition of the BS' international reserves has also changed. Following the ECB's recommendations, only *that part of foreign currency reserves* which is nominated in non-euro currency and invested in non-EMU countries is included in international reserves in addition to monetary gold, the reserve position at the IMF, and drawing rights. The currency, deposits, and securities nominated in euros, along with claims on EMU issuers that were included in reserve assets prior to the introduction of the euro, have been redistributed to other items of the financial account (currency and deposits to other investment – the BS' assets from currency and deposits; securities to investment in securities – the BS' assets from debt securities). The total value of financial account flows and the total value of the asset position in Slovenia's international investment remain unchanged.

¹ *Target* is a decentralised system of European central banks set up for the conduct of monetary policy within the euro area. The banking sector uses it to settle inter-bank and commercial payments of high value, notably currency exchange and money market transactions. *Step 2* enables efficient processing of payments of a small value (up to EUR 50,000) between banks in the EU.

Price indices	2006		2007		
	Dec 2006/ Dec 2005	Φ (Jan 06-Dec 06)/ Φ (Jan 05-Dec 05)	Mar 2007/ Feb 2007	Mar 2007/ Mar 2006	Φ (Apr 06-Mar 07)/ Φ (Apr 05-Mar 06)
Consumer prices (CPI)	102.8	102.5	101.0	102.3	102.5
Goods	102.1	102.0	101.6	101.7	101.9
Fuels and energy	103.9	108.2	103.3	101.9	105.3
Other	101.7	100.5	101.2	101.7	101.1
Services	104.3	103.4	99.9	103.6	103.8
Consumer prices (HICP)	103.0	102.5	101.1	102.6	102.6
Administered prices¹	102.1	105.8	102.4	101.8	103.9
Energy	103.7	108.0	103.3	101.6	105.0
Other	97.9	100.2	100.1	102.4	101.1
Core inflation: - trimmean	102.7	102.8	100.6	101.5	102.6
- excluding food & energy	102.0	101.2	100.6	101.7	101.5
Producer prices (domestic market)	102.8	102.3	100.3	105.0	103.1
Consumer prices in the EMU	101.9	102.2	100.7	101.9	102.1

Sources of data: CPI, HICP, IPI: SORS; administered prices and core inflation: IMAD's estimate; MUICP in the EU: Eurostat (provisional data) and IMAD's recalculation. Note: ¹figures are not directly comparable between the years due to the annual changes of the administered prices index.

Prices have remained relatively stable despite their increase in March. The March prices were 1% higher than in February and 0.2% higher than in December 2006. Average inflation has not changed significantly since December 2005 and totalled 2.5%. The price stability is also corroborated by both core inflation measures.

The high inflation in March was the result of the higher prices of clothing and footwear as well as liquid fuels for transport and heating. As seasonal sales closed, the arrival of new clothing collections in shops translated into a price increase relative to the previous month (7.2%; contribution to inflation: 0.6 p.p.), whereas prices were lower than in December 2006 (-5.1%). March also saw an increase in the prices of liquid fuels for transport and heating, which contributed 0.3 p.p. to the overall price rise.

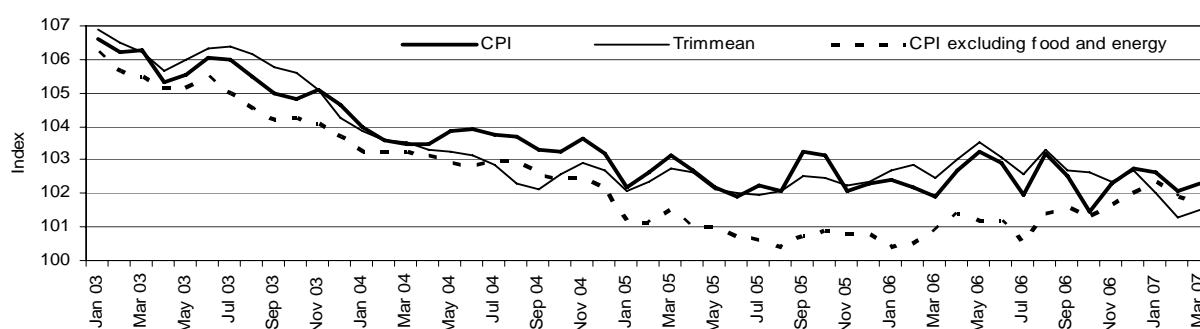
The government imposed excise duties on electricity in March. In order to preserve price stability to the greatest possible extent, the government used a legal possibility and imposed excise duties on electricity two months after the euro changeover. The introduction of excise duties produced no significant effect on inflation since the increase in electricity prices added less than 0.05 p.p. to it.

Both core inflation indicators confirm that prices in Slovenia are stable (see the table). In the last twelve months, core inflation measured by the trimmean method totalled 1.5%, while the consumer price rise excluding food and energy totalled 0.2 p.p. more. The

first indicator excludes a certain number of goods and services whose prices rise or fall the most each month. Those price changes that are affected by one-off factors and have a short-term effect on inflation are thus excluded from the consumer price index. The second indicator excludes two groups of goods and services that are known beforehand, namely fresh food and energy. Their prices tend to be highly volatile, which makes it difficult to predict their dynamics.

After two years, the two core inflation indicators have converged again (see the graph). The main reason for their divergence in this period was the oil price dynamics in the global markets, which translates into Slovenian inflation through the prices of liquid fuels for transport and heating and is mostly included in the first indicator while by definition it is never included in the second one. The price rises of liquid fuels were not so high in this period as to be considered extreme and hence automatically excluded from the trimmean indicator. Therefore, the contributions of those price rises were mostly included in the calculation of the first indicator and were the main reason for the difference between the two core inflation indicators. We estimate that there are no other factors besides the oil prices in the global market that could cause both measures of core inflation to again diverge significantly from one another in the next few months. The narrowing of the gap between the two also confirms the stable and predictable price growth in Slovenia.

Graph: Indices of measured and core inflation (year on year)



Source of data: SORS, calculations by IMAD.

Money Market – Household Savings

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Household savings in banks and mutual funds managed by domestic administrators	EUR m, nominal		Nominal growth rates, %		
	31 Dec 2006*	28 Feb 2007	28 Feb 2007/ 31 Jan 2007	28 Feb 2007/ 31 Dec 2006*	28 Feb 2007/ 28 Feb 2006*
Total savings	11,451.1	11,626.5	1.0	1.5	8.6
Euro savings, total	7,181.3	11,185.5	1.2	-	-
Overnight deposits ¹	3,731.0	5,237.0	1.0	-	-
Short-term deposits	2,558.3	4,433.9	0.4	-	-
Long-term deposits	677.0	1,124.9	2.0	-	-
Dep. redeemable at notice	215.0	389.6	11.0	-	-
Foreign currency savings	4,269.8	441.0	-1.7	-	-
Overnight deposits ¹	1,794.3	191.3	-4.3	-	-
Short-term deposits	1,877.1	192.7	0.2	-	-
Long-term deposits	474.1	47.1	-0.4	-	-
Dep. redeemable at notice	124.2	10.0	7.9	-	-
Mutual funds²	1,967.3	2,305.2	7.7	17.2	56.0

Source of data: Monthly Bulletin of the BS, IMAD's calculations. Notes: ¹demand deposits, ²data for March 2007; *due to the transfer of euro loans to domestic currency loans, data from previous years are not comparable with data for 2007, and calculations of growth rates are therefore senseless.

The volume of household deposits in banks increased in February for the fourth consecutive month. Domestic currency deposits, which have comprised more than 95% of total deposits since the introduction of the euro (this share topped 60% at the end of 2006), recorded positive growth. The year-on-year increase in household deposits in banks thus climbed to 8.6% at the end of February, the highest level in the last 12 months. The total net inflows achieved the value of EUR 175.4 m in the first two months of the year and exceeded the net inflows from the same period of 2006 2.4-times.

The largest increase in the first two months of the year was again recorded in short-term time deposits. They rose by 2.4 p.p. more than in the comparable period in 2006. On the other hand, the fall in overnight deposits exceeded the decrease from the first two months of 2006 by 0.9 p.p. This development seems attributable to the fact that a proportion of euro deposits that was previously intended as a liquidity reserve flew to deposits this year due to the introduction of the euro. This is corroborated by the fact that the bulk of the 4.3% increase in these deposits occurred in January. Similarly, the cumulative drop in overnight deposits in the first two months of the year was caused by their decline in January.

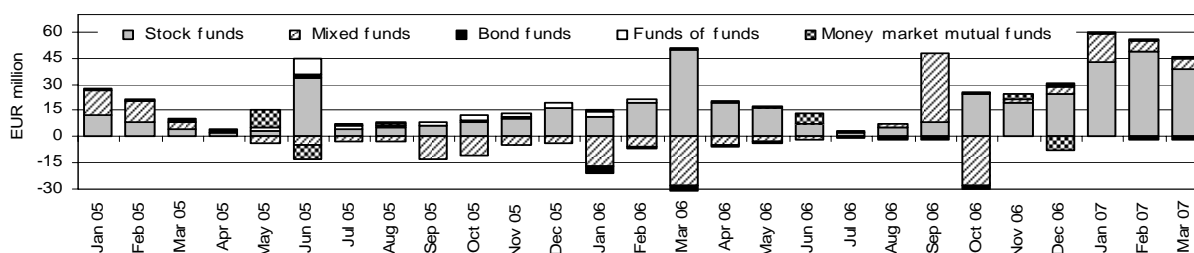
In February, the 1.2% increase in domestic currency deposits was largely underpinned by overnight deposits (a contribution of 0.5 p.p.), which comprise 46.8% of domestic currency deposits. Although deposits redeemable at notice enjoyed the highest

increase (a good 10%), their contribution was small due to their low proportion. The volume of foreign currency deposits declined by 1.7% in February. While this is a substantial drop in relative terms, the net outflow of these deposits, which correspond to 3.8% of the total household deposits, amounted to a mere EUR 8 m. The fall in foreign currency deposits was largely the result of the lower volume of overnight deposits, which comprise 43.4% of the total household foreign currency deposits.

The net flows into mutual funds moderated somewhat in March, yet with EUR 43.6 million they still topped the normal values considerably. In the first quarter, the net flows achieved the value of EUR 157.6 m, which was 4.4-times higher than in the comparable period in 2006 and very close to the total inflow recorded last year. The net flows of stock mutual funds, which exceeded the value from the comparable period last year by almost two-thirds, accounted for more than 80% of the net inflows into mutual funds. The increase was also strongly underpinned by the net flows of mixed mutual funds, which totalled EUR 28.5 m after having recorded a high net outflow of EUR 50.5 m in the same period last year.

Total assets of mutual funds exceeded EUR 2.3 billion at the end of March, up 17.2% from the end of 2006. Since the value of net flows amounted to less than half of the absolute increase in assets in the first three months of the year, we may infer that the increase was to a large extent based on the positive average returns achieved by mutual funds in this period.

Graph: Net flows into mutual funds



Source of data: www.finance.si, IMAD's calculations.

Money Market – Loans

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Domestic banks' loans	Nominal amounts, EUR m		Nominal loan growth, %		
	31 Dec 2006*	28 Feb 2007	28 Feb 2007/ 31 Jan 2007	28 Feb 2007/ 31 Dec 2006*	28 Feb 2007/ 28 Feb 2006*
Loans total	20,073.5	20,879.4	1.7	4.0	24.2
Total total loans	7,495.6	19,823.6	1.5	-	-
Enterprises and NFI	3,938.4	14,287.4	1.5	-	-
Households	3,052.4	4,902.0	0.7	-	-
Government	504.8	634.2	8.4	-	-
Foreign currency loans	12,577.8	1,055.8	5.1	-	-
Enterprises and NFI	10,079.5	455.4	5.6	-	-
Households	2,329.8	586.3	4.9	-	-
Government	168.6	14.1	-1.7	-	-
Household loans by purpose	5,382.1	5,488.3	1.1	2.0	24.8
Consumer credits	2,288.3	2,295.0	-0.1	0.3	15.0
Lending for house purchase	1,952.0	2,019.6	1.9	3.5	41.5
Other lending	1,141.9	1,173.7	2.2	2.8	20.6

Source of data: BS Bulletin, calculations by IMAD. Notes: NFI - non-monetary financial institutions; * due to the transfer of euro loans to domestic currency loans, data from previous years are not comparable with data for 2007, and calculations of growth rates are therefore senseless.

The lending activity of banks strengthened further at the beginning of 2007.

The non-banking sector recorded net borrowing in the amount of EUR 805.9 m in the first two months of the year, up 17.3% from the same period of 2006. The increase was largely underpinned by the higher borrowing of enterprises and NFI. The total increase in the volume of loans relative to December was 0.3 p.p. lower than in the same period of 2006 due to the high base. The introduction of the euro has resulted in considerable shifts in the currency structure of loans since all euro loans were transferred to domestic currency loans on 1 January 2007. These loans thus comprised almost 95% of banks' total loans to the non-banking sectors (at the end of 2006, domestic currency loans amounted to just around 37%).

After January's exceptionally high 3.5% increase in the volume of loans to enterprises and NFI, their monthly growth slowed somewhat in February.

Enterprises and NFI recorded net borrowing in the amount of EUR 724.9 m in the first two months this year, which is a good third more than in the same period last year. In contrast to 2006 when enterprises and NFI mostly increased their net borrowing to finance gross fixed capital formation, this year has seen a surge in borrowing in the form of working capital loans whose net flows rose by almost 30% and represented more than three-quarters of the total net flows of enterprises and NFI. On the other hand, the net flows of loans intended for investment merely reached a good third of the value recorded in the comparable period last year. This development is probably attributable to the changed tax legislation, which abolished the general investment tax relief as of 2007. In the first two months of the year,

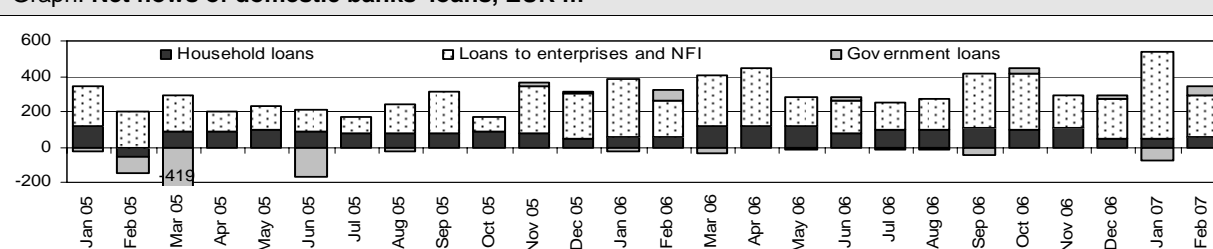
enterprises and NFI also increased their borrowing abroad where they took out loans in the amount of EUR 190.5 m, over 50% more than in the comparable period of 2006. After February's relatively sizeable net repayment of foreign loans (EUR 126.0 m), the banks net repaid foreign loans in the amount of EUR 82.3 m in the first two months of 2007 whereas they recorded net borrowing of EUR 86.3 m in the same period of 2006.

The increase in the volume of household loans has remained at a relatively low level for the third consecutive month.

At the beginning of 2007, their volume rose by 2.0%, 0.7 p.p. less than in the comparable period of 2006. The weaker growth is largely attributable to the slowdown in consumer loans (41.8% of the total household loans), which achieved an 0.3% increase in the two months to February, 1.1 p.p. less than a year ago. The growth rate of housing loans similarly decreased somewhat, but this decline was caused solely by the much higher base than in 2006. This is confirmed by the net flows of housing loans which achieved the value of EUR 67.6 m in the two months to February, up 14.5% over the year before. The total net flows amounted to EUR 106.1 m and were 6.7% lower than in the first two months of 2006.

Upon the introduction of the euro, the currency structure of banks' loans to the non-banking sectors changed substantially. The biggest change was recorded in enterprises and NFI, where the share of domestic currency loans increased by almost 70 p.p. compared with the end of 2006 to total 96.9%. Within household loans, the share of these loans rose by half as much and achieved the level of 89.3%.

Graph: Net flows of domestic banks' loans, EUR m



Source of data: BS, calculations by IMAD.

Stock Exchange	Slovenian Economic Mirror	IMAD
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Turnover and market capitalisation on the Ljubljana Stock Exchange	Turnover, Jan-Mar 2007		Market capitalisation, 31 Mar 2007	
	EUR m	Growth rates (%), Jan-Mar 07/Jan-Mar 06	EUR m	Growth rates (%), 31 Mar 07/31 Mar 06
Total	919.2	-3.7	21,049.0	55.7
Official market				
Total	663.8	144.4	17,309.0	71.0
Shares	624.1	159.3	11,440.0	121.5
Bonds	20.5	-33.5	5,726.0	15.6
Semi-official market				
Total	126.6	9.4	3,740.0	9.9
Shares	63.6	52.8	1,949.0	21.5
Bonds	21.2	-45.6	1,014.0	-16.3
Shares of investment funds	41.8	19.0	777.0	32.1
Mutual funds				
MMTS (Market Maker Trading Segment)¹				
Total	128.9	-77.3	-	-
Bonds	48.3	-86.7	-	-
Short-term securities	80.6	-60.5	-	-

Source of data: Ljubljana Stock Exchange, calculations by IMAD.

Notes: figures do not always add up due to rounding; ¹data are available from September 2005 onwards.

After the above-average growth of indices on the Ljubljana Stock Exchange seen in 2006 their growth strengthened further in the first quarter of 2007. Despite the decrease in February, the main SBI20 index rose by as much as 20.5% in the three months to March, achieving the highest quarterly rise since the end of 1995. Since the positive trends on the Ljubljana Stock Exchange began in April 2006, the year-on-year increase was also at an exceptionally high level. At the end of March it totalled 73.3%, the highest level since 1994.

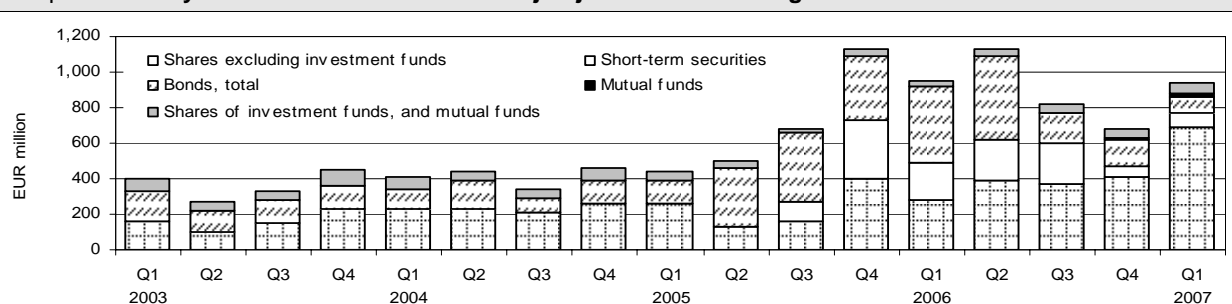
Slightly lower growth was recorded in the total market capitalisation, which rose by a good tenth from the end of 2006 to the end of March. The lower increase was due to the modest 1.6% rise in the market capitalisation of bonds, which accounted for less than a third of the total market capitalisation at the end of March, having shrunk to its lowest share since January 2003. The market capitalisation of bonds from the official market increased by almost 2% whereas the market capitalisation of bonds from the semi-official market practically stagnated. On the other hand, the market capitalisation of shares (excluding investment funds) was up 16.3%, marking one of the biggest quarterly increases in the last few years. Within the group of shares, the market capitalisation of shares from the official market (excluding prime market shares) enjoyed the strongest quarterly growth of 23.3%.

Nevertheless, the volume of the total turnover on the Ljubljana Stock Exchange (including the MMTS)

fell somewhat in the first quarter in year-on-year terms. However, this decline was mainly due to the 77.3% drop in the volume of trade on the MMTS, which comprised almost half of the total turnover on the Ljubljana Stock Exchange in 2006. This development was strongly influenced by the high increase in the prices of shares, which causes a considerable drop in the demand for debt securities (due to their relatively low returns). This decline was almost offset by the higher volume of trade in shares, which rose 1.4-fold. Such a high increase largely reflected the 1.6-times higher trade in shares from the official market whereas the volume of turnover in shares in the semi-official market rose by 'only' 52.8%. Although the value of turnover in shares rose considerably more than their market capitalisation, the liquidity of shares on the Ljubljana Stock Exchange remains extremely low. The turnover ratio of shares (measured as the ratio between the quarterly turnover multiplied by four and the market capitalisation of shares) rose to 0.21, which is 63.0% higher than the year before yet still far below the values achieved by developed capital markets.

Indexes on selected major capital markets recorded considerably lower growth rates. Their quarterly increases seldom topped 1%, whereas the value of the MSCI World, measured in euros, rose by 1.1%. Investments in the Frankfurt Stock Exchange were by far the most profitable as the DAX30 rose by 4.9%.

Graph: Quarterly volumes of turnover on the Ljubljana Stock Exchange



Source of data: Ljubljana Stock Exchange, calculations by IMAD.

General Government Revenue

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General government revenue	Jan-Mar 2007 in EUR 000	Growth index, nominal			Structure, Jan-Mar	
		Mar 2007/ Feb 2006	Mar 2007/ Ø 2006	Jan-Mar 2007/ Jan-Mar 2006	2007	2006
Total general government revenue	2,889,576	101.4	95.4	106.6	100.0	100.0
Corporate income tax	181,236	114.3	86.2	138.8	6.3	4.8
Personal income tax	407,285	108.8	95.1	98.5	14.1	15.2
Domestic taxes on goods & services	986,087	92.7	90.4	107.5	34.1	33.8
Value-added tax	650,248	71.4	72.5	99.5	22.5	24.1
Excise duties ¹	240,387	102.0	86.8	113.2	8.3	7.8
Customs duties, other import taxes	21,478	153.8	227.6	195.1	0.7	0.4
Social security contributions	1,068,815	101.4	103.5	107.2	37.0	36.8
Other revenue	224,676	111.9	84.3	92.6	7.8	8.9

Source of data: AP, PPA, B-2 Report (gross deposits). Note: ¹the figure is adjusted for excise duty payment periods.

In the first three months of the year general government revenue rose by 4.2% in real terms compared with the same period of 2006. Apart from excise duties and import taxes, which no longer hold a major share in the structure of general government revenue, revenue from **corporate income tax** recorded the highest real increase in the first three months of the year (35.6%). Although the new Corporate Income Tax came into effect in 2007, the effects of this law will not become visible until next year. In the first three months of 2007 the prepayments of this tax were still based on the tax calculation and regulations from 2005. From April onwards, however, tax prepayments will be determined anew in accordance with the tax calculation and the legislation from 2006.

Revenue from value-added tax decreased by a real 2.7% in the three months to March, year on year. The growth of revenue from VAT was slowed down at the beginning of the year mostly by the considerable VAT repayments.

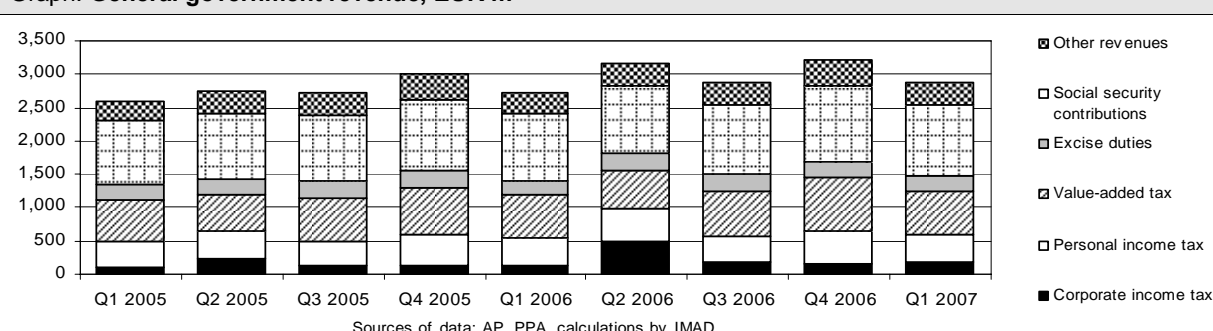
The real increase in revenue from excise duties picked up in the three months to March, year on year, and totalled 10.7%. Revenue from excise duties on mineral oils grew at a faster pace as the excise duty rates rose in comparison with the first quarter of 2006. March also saw the imposition of an excise duty on electricity. Due to the harmonisation of excise duties with EU directives, the revenue from excised duties on tobacco and tobacco products also rose considerably. Meanwhile, the revenue from excise duties on alcohol and alcoholic beverages declined somewhat.

Revenue from social security contributions rose by a real 4.8% at the year-on-year level. The social security contribution rates of employees and employers remained unchanged (38.2% of the gross wage bill).

Revenue from personal income tax was already paid in accordance with the new Personal Income Tax Act and therefore decreased by a real 3.7% in the first three months of 2007, year on year. According to the new law, the definition of the tax base remains almost unchanged, however the taxpayers' prepayments of personal income tax are now determined according to a three-rate tax scale (16%, 27%, 41%), which has two brackets less than the previous scale. The lowest tax rate (16%) remains unchanged; the highest tax rate (50%) has been abolished, whereas the two middle tax rates (33% and 37%) have been joined into one lower rate (27%). The new law also makes some changes to tax relief. While the general relief for all taxpayers is now slightly higher, the previous tax relief for various expenses (up to 2% of the tax base) and the purchase of homes (up to 4% of the tax base) were removed. The system of claiming and granting relief for family dependents remained largely unchanged; the tax relief for the disabled and the seniority relief for people aged over 65 are still provided. The law has also kept the tax relief for freelance artists, freelance journalists, student work, and voluntary supplementary pension insurance.

The further reduction of the payroll tax resulted in even lower revenue from this source. In the three months to March, this revenue shrank by 15.8% in real terms, year on year. Following the increase in the minimum taxable base (in September 2004) and the enactment of the gradual abolition of the payroll tax whereby the payroll tax rates in individual tax brackets were cut from 3.8%, 7.8%, and 14.8% in 2005 to a respective 2.3%, 4.7%, and 8.9% in 2007, the average burden of this tax on the gross wage bill will decline from 4.2% in 2006 to an estimated 3.4% in 2007.

Graph: General government revenue, EUR m



Selected labour market indicators	thousands				% growth		
	Jan-Dec 2006	Feb 2006	Dec 2006	Feb 2007	Feb 07/ Jan 07	Jan-Feb 07/ Jan-Feb 06	Φ 2006/ Φ 2005
A Registered labour force (A=B+C)	910.7	908.3	911.3	919.2	0.1	1.2	0.6
People in formal employment	824.8	814.1	833.0	841.5	0.4	3.3	1.4
B in enterprises and organisations	675.1	667.3	681.7	685.6	0.4	2.6	1.3
by those self-employed	66.5	63.8	67.5	67.3	0.9	5.0	1.7
self-employed and farmers	83.3	83.0	83.8	88.6	0.1	6.8	2.1
Registered unemployed	85.8	94.1	78.3	77.7	-2.9	-16.7	-6.6
C women	47.0	50.5	42.6	42.1	-2.5	-15.7	-4.9
aged over 40	39.7	41.9	37.7	38.8	-0.6	-7.1	-0.9
unemployed over 1 year	41.9	43.6	39.7	39.0	-1.6	-10.1	-3.6
Rate of registered unemployment (C/A), %	9.4	10.4	8.6	8.4	-	-	-
D male	8.9	8.7	7.1	7.0	-	-	-
female	12.0	12.4	10.5	10.3	-	-	-
Job vacancies	19.0	16.5	15.9	17.8	-11.2	5.8	12.3
E for a fixed term, %	75.3	71.4	76.4	75.1	-	-	-
No. of people hired	13.0	10.6	9.1	11.6	-13.6	-2.1	13.8
F Lower education	3.9	3.0	2.6	3.8	6.9	3.0	19.4
Secondary education	7.1	6.0	5.2	6.2	-19.7	-3.9	13.8
Tertiary education	2.0	1.7	1.3	1.7	-25.0	-4.7	4.3

Sources of data: SORS, ESS, IMAD's calculations. Note: persons in employment according to administrative sources.

Trends in the labour market are still favourable. As employment rose by 0.4% in February, the registered unemployment rate for that month declined to 8.4% while the number of registered unemployed fell further to total 74,216 in March. The inflow to unemployment is low, less than the outflow of the unemployed to employment, however the latter is also somewhat lower than a year ago. The number of vacancies and people hired is higher than in the first quarter of 2006 but only for people with a primary and secondary education.

The growth of formal employment continued in February. The number of formally employed rose by 0.4% or 3,506 persons. The highest increase was recorded in construction (by 1.3% or 953) and in business services (by 0.8% or 561; within that, 173 people were employed in temporary work agencies, which hire most new employees in this activity). Employment in manufacturing also continued to increase, notably in the manufacture of metals and metal products (see p. 15).

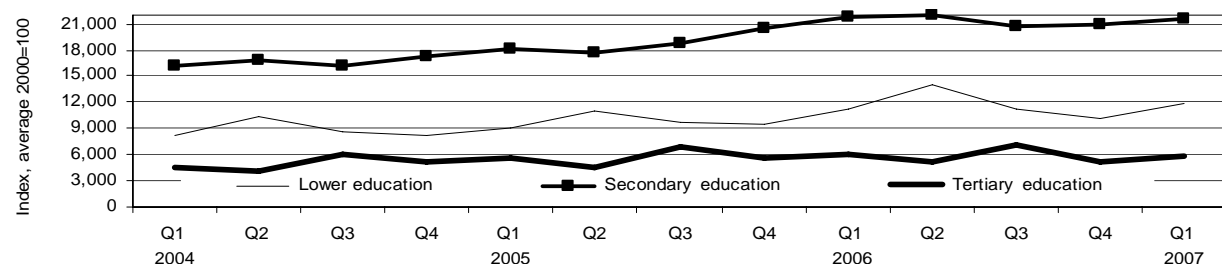
Registered unemployment is still declining. While this is a regular winter-spring phenomenon, it started off from a much lower level this year than in previous years. The number of registered unemployed fell by a further 3,453 or 4.4% in March. 895 first-time job-seekers registered as unemployed, while 3,972 people lost work. Meanwhile, 5,245 unemployed persons found work (828 more than in February), 1,399 moved to education, retirement, or other forms of inactivity, while another 1,676 people were struck off the unemployment register for other reasons.

In the first quarter of 2007, registered unemployment shrank mostly due to the smaller inflow. There were 22.1% fewer first-time job-seekers who registered as unemployed and 20.5% fewer persons who lost work compared with Q1 of 2006. On the other hand, the number of the unemployed who found work was also lower than last year (by 5.3%). Further, the decrease in the number of the unemployed struck off for other reasons was similarly lower than last year (by 12.7%).

The number of vacancies and people hired rose seasonally in March. The number of vacancies (23,655) was almost a third higher than in February, while the number of persons hired (13,944) increased by almost a fifth. Compared with March 2006, the respective increases were 8.8% and 4.0%. An increase continues to be observed particularly in the number of available and new jobs for people with primary and secondary education, whereas the number of vacancies for tertiary educated workers and the number of hired tertiary-educated people were lower in Q1 than in the same period of 2006.

The estimated monthly unemployment rates for Slovenia released by the Eurostat have already dipped to below 5%. The unemployment rate is estimated to have totalled 4.8% in January and 4.1% in February. These figures denote seasonally adjusted survey unemployment rates, however the Eurostat has not published the detailed methodology for their calculation. The comparable average estimates for both the EU-27 and EMU totalled 7.4% in January and 7.3% in February.

Graph: Number of persons hired by education level (quarterly data), 2004-2007



Source of data: ESS, calculations by IMAD.

Earnings

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Gross wage per employee, growth index	Wages in EUR Feb 2007	In nominal terms			In real terms ¹		
		Feb 07/ Jan 07	Feb 07/ Feb 06	Jan-Feb 07/ Jan-Feb 06	Feb 07/ Jan 07	Feb 07/ Feb 06	Jan-Feb 07/ Jan-Feb 06
Gross wage per employee, total	1,212.82	97.0	104.8	105.6	97.2	102.6	103.1
Private sector (activities A-K)	1,137.17	96.2	105.8	106.8	96.4	103.6	104.3
A Agriculture	977.88	94.9	105.5	107.0	95.1	103.3	104.4
B Fisheries	984.46	97.8	97.3	100.3	98.0	95.3	97.9
C Mining and quarrying	1,488.23	98.2	103.2	103.7	98.4	101.1	101.3
D Manufacturing	1,045.72	93.9	105.3	106.6	94.1	103.1	104.1
E Electricity, gas and water supply	1,441.85	93.7	102.8	103.7	93.9	100.7	101.3
F Construction	995.54	97.8	106.4	107.4	98.0	104.2	104.9
G Wholesale, retail; certain repairs	1,096.87	97.4	106.7	107.9	97.6	104.5	105.3
H Hotels and restaurants	873.48	97.3	102.7	103.3	97.5	100.6	100.8
I Transp., storage & communications	1,317.10	99.5	107.9	107.4	99.7	105.7	104.9
J Financial intermediation	1,809.67	100.7	109.1	108.9	100.9	106.8	106.3
K Real estate, renting, business services	1,274.40	96.1	104.0	105.4	96.3	101.9	103.0
Public services (activities L to O)	1,432.56	98.9	102.8	103.2	99.1	100.7	100.8
L Public administration	1,441.87	99.4	101.7	102.1	99.6	99.6	99.7
M Education	1,517.76	100.1	104.5	104.7	100.3	102.4	102.3
N Health and social work	1,343.96	96.9	101.9	102.6	97.1	99.9	100.2
O Other social and personal services	1,368.12	98.0	102.3	102.6	98.2	100.2	100.2

Source of data: SORS and IMAD's calculations for the private sector and public services. Note: ¹deflated by the consumer price index.

The gross wage per employee fell sharply in February, by 3%. The drop was observed particularly in the private sector (A to K), where the gross wage per employee decreased by a nominal 3.8%. Since February was just one working day shorter than January, the monthly nominal fall in gross wages in this sector was unusually large.

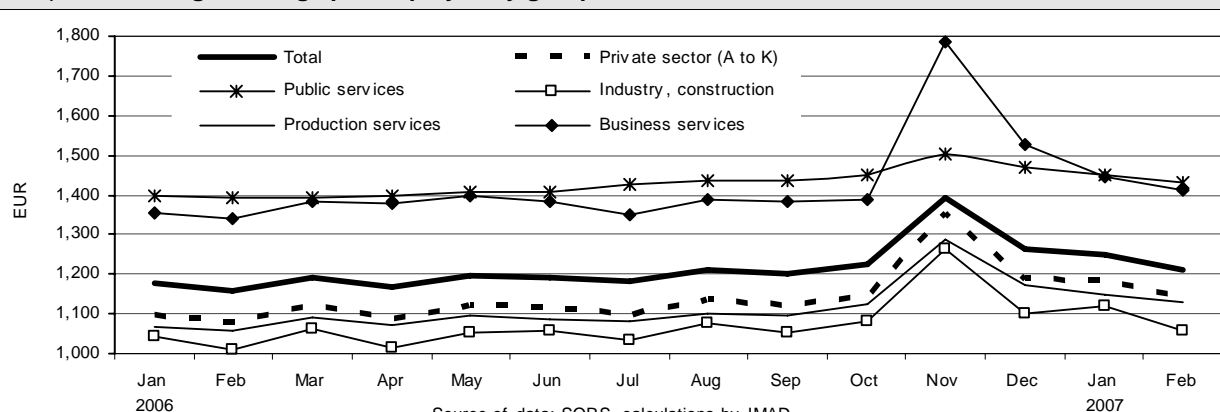
The biggest drop in wages was observed in industry and construction (C, D, E, F). The nominal decline in the group as a whole totalled 5.4%, while the biggest drop was recorded in electricity, gas and water supply, and in manufacturing (see the table). The latter employs around 40% of all workers in the private sector, and the dynamics of wages in manufacturing consequently have a strong impact on movements of the average wage in this sector. February's unusually large decline in manufacturing's wages followed their nominal increase in January, a month in which wages normally fall. It appears that this can be explained by a time lag in the normal dynamics of earnings, since the nominal increase in manufacturing's gross wages in the first two months of the year totalled 6.6%, which is

roughly the same as in the same period of 2006 (6.7%). The smallest nominal drop (-2%) was recorded in the group of **business services** (J, K), while financial intermediation was the only activity in which the gross wage saw a small rise. Gross wages in the group of **production services** (G, H, I) fell slightly more, by 2.5%.

The nominal gross wage per employee in public services (L to O) fell by 1.1%. The decrease mainly reflected the fall in the average gross wage in health care. This sector usually records a slight decrease in the first two months of the year.

In the two months to February, gross wages rose by 5.6% in nominal and by 3.1% in real terms after their relatively high level in January and the much lower level in February. The real increase in wages was equal to the one recorded in the same period last year. Within that, the gross wage per employee in the private sector rose by 6.8% in nominal and 4.3% in real terms, whereas wages in public services rose by a nominal 3.2% and by a real 0.8%.

Graph: Nominal gross wage per employee by groups of activities



Selected economic indicators	Growth rates, %			
	Feb 2007/ Jan 2007	Feb 2007/ Feb 2006	Jan-Feb 2007/ Jan-Feb 2006	Jan-Dec 2006/ Jan-Dec 2005
Production value ¹	-2.1	11.1	10.6	7.0
- highly export-oriented industries ²	-3.8	14.7	13.7	7.7
- mainly export-oriented industries ³	-0.3	10.8	11.2	8.8
- mainly domestic-market-oriented industries ⁴	-2.5	7.8	6.7	2.0
Average number of employees	0.3	0.9	0.7	-1.7
Labour productivity	-2.4	10.1	9.8	8.9
Level of inventories ⁵	1.7	5.0	4.9	1.8
Turnover ⁵	-2.1	9.1	9.5	5.4
New orders ⁵	-17.3	-2.9	4.3	5.5
Industrial producer prices	0.4	4.0	4.1	2.3
- producer prices/inflation	0.6	1.9	1.7	-0.2

Source of data: SORS; IMAD's calculations. Notes: ¹real growth calculated on the basis of data on production value – SORS' recalculation with the IPI (provisional data); ²manufacturing industries (DG, DK, DM) which earn over 70% of their average net revenues from sales in foreign markets, according to data on Slovenian commercial companies from the AJPES (2005); ³manufacturing industries (DB, DC, DD, DH, DJ, DL, DN) which earn 50% to 70% of their average net revenues from sales in foreign markets; ⁴manufacturing industries (DA, DE, DF, DI) which earn less than 50% of their average net revenues from sales in foreign markets; ⁵real growth.

Manufacturing's production activity continues to expand vigorously this year. According to the SORS' provisional data, the value of production increased by 8.0% in January over December, and by 0.4% if the data are seasonally and working-day adjusted. Due to the smaller number of working days in February, the monthly production activity declined that month (-2.1%); however, the seasonally and working-day adjusted data show a favourable increase of 0.5%. Robust growth is evidenced especially by year-on-year comparisons since the volume of industrial production rose by 10.6% in the first two months of the year compared with the same period of 2006.

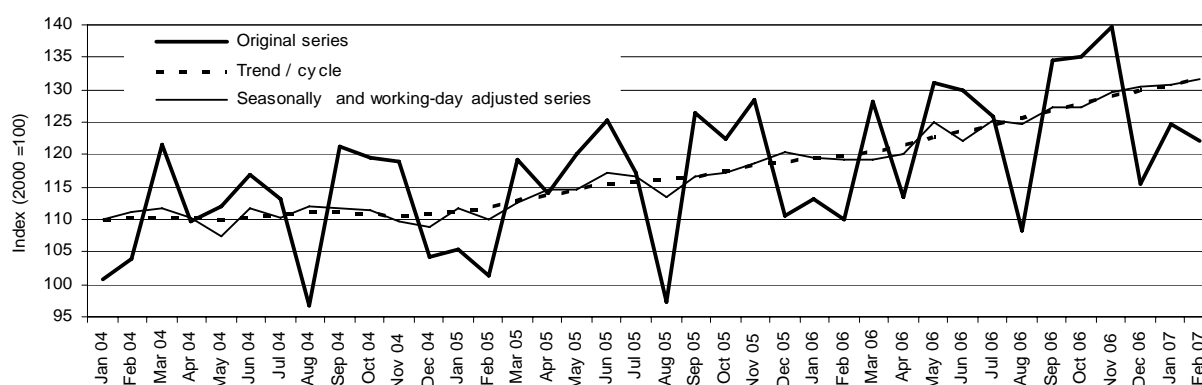
Growth stimuli are provided by both the international and domestic environment. In the first two months of 2007 compared with the same period of 2006, the turnover generated in the domestic market rose by a real 9.3% while the turnover generated in foreign markets increased by 9.6%. Specifically, the real increase in the turnover generated in the euro area totalled 8.9% while the increase in turnover generated in other foreign currency areas was 10.8%.

The expansion in manufacturing is also reflected in the number of employees. Formal employment in manufacturing has grown for the sixth consecutive month, with the exception of the traditionally weaker December. In the first two months of 2007, 877 workers were hired anew (255 in January and 622 in February).

Most new workers were hired in sub-industry DJ (manufacture of metals and metal products) where the number of employees rose by 750 from December (427 in January and 323 in February). This sub-industry, which already recorded massive hiring in 2006, thus employed 2,558 (6.2%) more workers in February 2007 than in the comparable month of 2006. In the two months to February, more than 100 new jobs also opened up in the manufacture of rubber and plastic products (DH), electrical and optical equipment (DL), chemical industry (DG), and transport equipment (DM). The manufacture of transport equipment has recorded a rise in employment for the ninth consecutive month and thus employed 833 or 7.4% more workers in February than a year ago. Despite the favourable employment trends in manufacturing, the substantial decline in the number of workers in the food (DA) and textile industries (DB) continues in 2007.

Manufacturing companies expect the favourable trends to continue in the months ahead. According to the SORS' survey on business trends in manufacturing, the seasonally adjusted value of the confidence indicator rose by 2 p.p. in April over March, thus rebounding to its peak value. This increase was underpinned by all three components of the confidence indicator, i.e. export orders, the level of inventories, and production expectations.

Graph: Manufacturing's industrial production



Source of data: SORS, IMAD's calculations using the Tramo-Seats method.

Energy Sector

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Selected indicators, growth rates in %	Jan-March 2006, GWh	Jan-March 2007, GWh	Jan-March 2007/Jan-March 2006, %
Production of electricity	3,253	3,464	6.5
Prod. in hydroelectric plants	570	590	3.6
Prod. in thermal plants	1,274	1,369	7.5
Prod. in nuclear power plant	1,409	1,504	6.7
Consumption of electricity	3,503	3,435	-1.9
Through distribution network	2,765	2,705	-2.2
Direct consumers	672	674	0.4
Transmission losses	66	56	-15.1
Net electricity exports	-250	29	-

Source of data: ELES, Electricity Balance for March 2007; calculations by IMAD.

Electricity production rose substantially in the first quarter of 2007, year on year, while electricity consumption even declined due to the warm weather.

The production of thermal plants recorded the highest increase of 7.5%. The increase in the Krško Nuclear Plant's production was only slightly smaller (6.7%). In January and March, the nuclear plant's output was at the upper limit of its production capacity, which totals around 520 GWh per month. The nuclear production in Q1 this year was the second highest since the plant's opening – second only to the output in Q4 of 2006. The production of hydro-electric plants similarly increased (by 3.6%), and the total electricity production thus rose by 6.5%. In all categories of power plants, the increases in the volume of production were higher than planned in the national electricity balance for 2007. Thanks to the mild winter with above-average temperatures, the consumption of electricity declined year on year, which, according to ELES, has only happened a few times in the last ten years, and even then mostly to a smaller extent. A drop bigger than this year (-1.9%) was last achieved in Q1 of 1997, when electricity consumption fell by 3.4%.

In contrast with the same period of 2006, the first quarter in 2007 witnessed net exports of electricity.

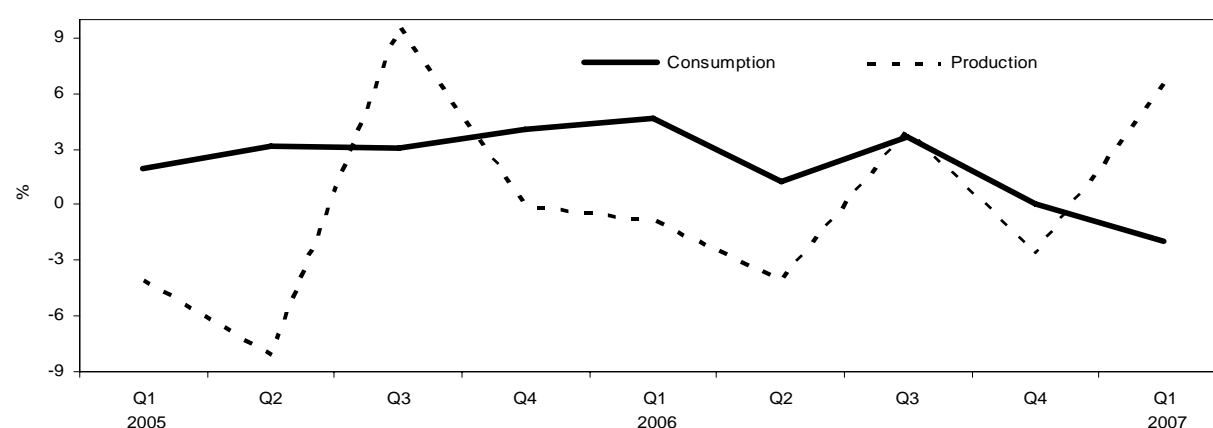
The volume of both exports and imports of commercial electricity dropped; the former by 12.0%, the latter by 27.9%. While the decrease in imports reflected lower domestic consumption, the drop in exports can be attributed to the similar weather conditions in Europe

which reduced the demand for electricity exports. The higher domestic production was therefore used to compensate for imports rather than to increase exports. Given the above production-consumption and export-import developments, Slovenia was again a net exporter of electricity in Q1 (net exports comprised 0.8% of the production). In the same quarter of 2006, the situation was less favourable as Slovenia had to net import 250 GWh of electricity, which accounted for 7.1% of Slovenia's electricity consumption.

Over the last few years, the year-on-year swings in quarterly electricity production have been more pronounced than the fluctuations in consumption (see the graph).

While the quarterly growth of electricity consumption has not varied markedly in the last two years (except for the drop in the 06/07 winter season), the fluctuations in production growth were more pronounced. Production dropped by 8.1% in Q2 of 2005 due to the low river levels, which caused the production of hydro-electric plants to plummet by 30.2%. In Q3 of 2005, there was no regular maintenance outage of the nuclear power plant as the interval between the two consecutive outages was extended by six months. Year on year, the nuclear power plant's production rose by 49.9%, while total electricity production increased by 9.6%. The 4% decrease in production seen in Q2 of 2006 was again the result of the abovementioned postponement of the nuclear plant outage, whereas the 4% increase in the following quarter was due to the 32.0% surge in thermal plants' production levels.

Graph: Year-on-year dynamics of electricity consumption and production, by quarter



Source of data: ELES, Electricity balance, various issues, calculations by IMAD.

Selected transport indicators		Jan-Dec 2006	Growth in %		
			QIV 2006/ QIV 2005	Jan-Dec 2006/ Jan-Dec 2005	Jan-Dec 2005/ Jan-Dec 2004
Passenger transport	Railways, in million passenger km	796	6.4	2.4	1.7
	Roads ¹ , in million passenger km	850	3.3	0.3	-13.4
	Urban, in thousand passengers	93,953	-4.9	-3.4	-3.0
	Air, in million passengers km	1,043	1.3	2.3	13.8
	Airport, in thousand passengers	1,340	7.2	9.0	17.3
Freight transport	Railways, in million tonne km	3,373	5.4	3.9	3.3
	Roads, in million tonne km	12,112	9.7	9.8	22.5
	Maritime, in million tonne km	49,155	4.4	-6.4	41.7
	Harbour, in thousand tonnes	15,461	17.0	22.5	4.7

Source of data: SORS. Notes: ¹excluding private transport of passengers by taxi, bus and car.

In the final quarter of 2006, passenger transport saw the biggest increase in airport traffic and a decline in city bus transport.

Within land passenger transport, city bus transport continued to decrease. The number of passengers transported by this mode of transport fell by 4.9% over the same quarter of 2005. Meanwhile, suburban and intercity bus transport increased by 3.3%. Although the annual increase in this mode totalled just 0.3%, it brought to a halt the sharp decline in the volume of this transport that had lasted for several years (-13.4% in 2005; -13.1 in 2004). The volume of passenger kilometres travelled in railway transport increased by 6.4% in Q4 of 2006. Airport traffic enjoyed the highest increase of 7.2% while air transport rose more modestly, by 1.3%. Throughout the year, the volume of passenger transport in airport traffic rose at a faster rate than in air transport. In both modes of transport, however, the increases were much lower than the year before (see the table).

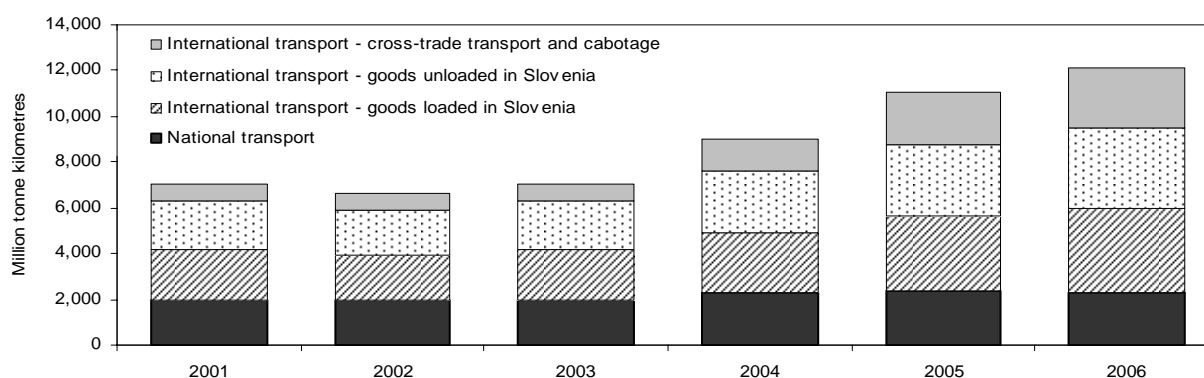
Freight transport saw a surge in harbour transport and an over 10% increase in road transport. The volume of rail freight transport picked up by 5.4% in the final quarter, year on year, while the volume of road freight transport rose even more, by 9.7%. Although road freight transport declined by a few per cent in Q3, its annual increase in 2006 still reached a high 9.8%, which contributed significantly to the total increase in the transport, storage, and communications sector (road freight transport generates almost a quarter of the value

added in this sector). Maritime freight transport fell by 6.4% in 2006 after having surged by 41.7% in 2005 amid the boom in this branch. In the final quarter of 2006, the volume of maritime transport already rose by 4.4%, year on year. Harbour freight transport recorded the biggest increase in Q4, by 17.0%. It also enjoyed the highest annual growth within freight transport (22.5%).

Road freight transport has been growing strongly in the past few years, including in 2006, due to the increasing international transport (see the graph).

The volume of international road freight transport increased by 12.5% in 2006 while national road freight transport even fell by 3.5%. Within international transport, cross-trade transport and cabotage (transport performed in another country) recorded the highest increase of 16.4%. Measured in tonne kilometres, international transport comprised 81.2% of the total transport of goods by road while national transport totalled 18.8% of the total road freight transport (if the volume of transport is measured solely in tonnes of goods carried and the travelled distances are disregarded, national transport prevails with a 82.5% share). 56.3% of international transport was performed by companies, while slightly over 50% of national transport was carried out by sole entrepreneurs. Own-account transport comprised 3.0% of international transport and 31.1% of national transport (the rest was transport for hire or reward).

Graph: Road freight transport in 2001-2006



Sources of data: SORS, SI-STAT, Road freight transport, Slovenia, quarterly data.

Trade in Agro-Food Products

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EUR m	Imports			Exports			Balance (exports-imports)	
	2005	2006	06/05, Increase in %	2005	2006	06/05, Increase in %	2005	2006
Total trade in goods	15,802.4	18,311.6	15.9	14,397.1	16,760.6	16.4	-1,405.3	-1,551.0
agro-food products	1,022.8	1,181.0	15.5	416.0	517.2	24.3	-606.8	-663.8
Residues and waste; fodder	62.7	96.5	53.9	15.2	66.3	337.2	-47.5	-30.2
Dairy products, eggs, honey	46.3	68.9	48.9	65.3	86.2	32.0	19.0	17.3
Meat and edible offal	99.4	113.5	14.1	35.9	39.6	10.3	-63.6	-73.9
Beverages, spirits, and vinegar	52.6	67.1	27.7	63.5	64.1	1.0	10.9	-3.0
Edible fruit	102.3	97.9	-4.3	25.5	19.8	-22.4	-76.9	-78.1
Miscellaneous edible preparations	71.0	79.3	11.6	25.0	30.7	22.9	-46.1	-48.6
Grain, flour, starch, and milk preparations	69.8	75.2	7.8	22.5	23.9	6.3	-47.3	-51.4
Meat preparations	25.6	30.3	18.4	55.1	57.6	4.5	29.5	27.3
Sugar and sugar preparations	41.2	46.5	12.9	35.9	34.9	-2.9	-5.3	-11.6
Edible vegetables	61.9	74.3	20.0	4.5	5.0	9.7	-57.4	-69.3
Cereals	45.3	61.3	35.3	4.2	7.4	77.9	-41.2	-53.9
Vegetable and fruit preparations	50.9	56.3	10.5	12.4	11.3	-9.2	-38.5	-45.0
Cocoa and preparations	53.0	56.3	6.2	9.0	8.1	-10.4	-43.9	-48.2
Fats and oils, waxes	44.6	50.8	14.1	7.6	7.3	-4.4	-36.9	-43.5
Tobacco and substitutes	52.7	53.5	1.5	0.2	0.5	116.7	-52.5	-53.0

Source of data: SORS; calculations by IMAD. Notes: agro-food products are classified in the groups 1-24 in the combined nomenclature of the customs tariff. The table shows the main groups according to merchandise trade in 2006, in this running order. Data for 2006 are provisional.

Last year, the growth of trade in agro-food products exceeded the increase in the total trade in goods for the second consecutive year.

According to provisional data, trade in agro-food totalled EUR 1,698.2 m, 18.0% more than in 2005 in nominal terms (meanwhile, the total trade in goods rose by 16.1%) and 49.8% more than five years ago (total trade in goods: 61.7%). Exports again rose faster than imports, this time the difference was 8.8 p.p. The total balance of trade in agro-food products nevertheless deteriorated by EUR 57 m last year because the share of exports in total trade was relatively low. As the overall trade balance deteriorated by EUR 145.7 m, the high contribution of the agro-food balance to the total negative balance shrank somewhat, from 43.2% to 42.8% (see the table).

Looking at trade in individual product groups, developments in three areas deserve special attention: meat production and processing, milk processing, and the manufacture of beverages.

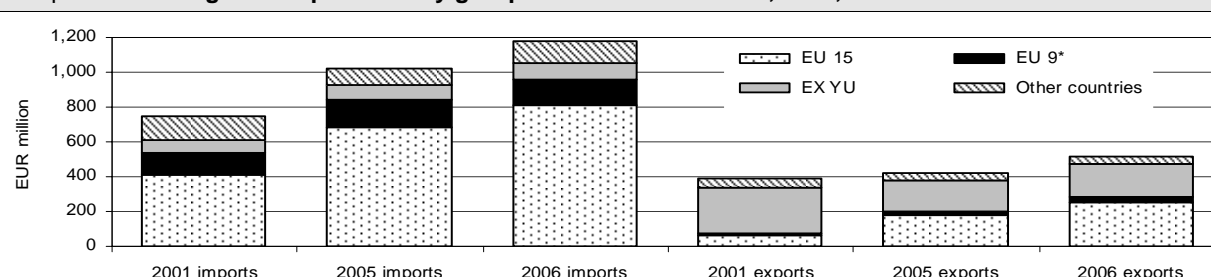
Within the first group, exports of live animals rose notably in 2006 (by 175.3%), while much smaller increases were recorded in meat and meat preparations (by 10.3% and 4.5%, respectively), which is unfavourable with regard to achieving higher value added. The group of dairy products, eggs, and honey saw a relatively high increase in exports and an even

higher rise in imports (by 32.0% and 48.9%, respectively). As a result, the otherwise positive balance of this group deteriorated again. The traditionally positive balance in the group of beverages, spirits, and vinegar turned negative last year. Only five years ago, it still totalled EUR 70.6 m, which was by far the highest positive balance among all groups of agro-food products. Before Slovenia's independence, the production of both dairy products and beverages relied heavily on the markets of former Yugoslavia. After the loss of these markets, producers only partially replaced them with new ones.

An overview of trade by country shows that trade with the EU-15 countries rebounded strongly.

Trade with these countries comprised as much as 62.2% of the total trade in these goods (41.6% five years ago). Compared with the year before, it rose by 22.8% (imports by 18.3%, exports by 39.7%). Meanwhile, trade with the EU-9 rose by a mere 3.3% (imports fell by 9.5% while exports surged by 163.7%) whereas trade with the countries of former Yugoslavia rose by 3.2% (imports were up 13% while exports decreased by 1.3%). Trade with the rest of the world rose considerably, by 37.7% (imports by 40.3%, exports by 30.4%), yet it nevertheless still comprised only a minor proportion of the total trade in agro-food products (see the graph).

Graph: Trade in agro-food products by groups of countries in 2001, 2005, and 2006

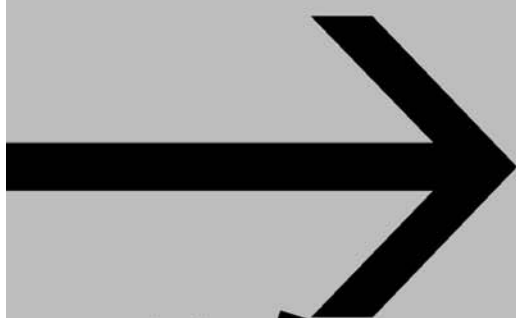


Source of data: SORS, calculations by IMAD. Note: *countries that joined the EU in 2004 (excluding Slovenia).

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Agriculture – Forecasting the Changes in Value Added

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	share*, in %	Production volume, growth rates in %, 2005 = 100							
		2006	2007	2008	2009	2010	2011	2012	2013
Standard direct payment scheme – implemented in Slovenia until 2007									
wheat	3.1	6.2	7.2	8.1	8.9	9.7	10.4	11.0	11.6
maize	4.5	2.3	6.1	9.9	13.8	17.7	21.8	25.9	30.2
barley	0.9	-10.1	-6.0	-2.0	2.0	6.1	10.3	14.6	19.0
sugar beet	1.1	7.4	-4.7	-11.4	-12.4	-13.7	-15.2	-16.8	-18.5
milk – dairy cows	24.5	0.0	2.9	2.9	2.9	2.9	2.9	2.9	2.9
cattle	16.8	1.3	1.5	1.7	1.8	1.9	2.0	1.9	1.8
pigs	12.9	0.4	0.8	1.1	1.3	1.5	1.7	1.8	2.0
poultry	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
sheep and goats	1.0	4.1	6.6	8.8	10.6	12.0	12.8	13.2	13.0
eggs – egg-laying hens	2.6	-1.3	-2.6	-4.0	-5.3	-6.7	-8.0	-9.4	-10.9
Single area payment scheme – payment of uniform amounts per eligible agricultural land									
wheat	3.1	6.2	8.9	10.4	11.9	13.3	14.6	16.0	17.3
maize	4.5	2.3	5.0	8.1	11.3	14.4	17.6	20.9	24.1
barley	0.9	-10.1	-6.0	-3.0	-0.1	2.8	5.8	8.8	11.8
sugar beet	1.1	7.4	-4.7	-10.8	-11.1	-11.8	-12.5	-13.4	-14.5
milk – dairy cows	24.5	-0.1	2.9	2.9	2.9	2.9	2.9	2.9	2.9
cattle	16.8	1.3	0.9	0.4	-0.1	-0.7	-1.4	-2.2	-3.0
pigs	12.9	0.4	0.8	1.1	1.3	1.5	1.7	1.8	2.0
poultry	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
sheep and goats	1.0	4.1	9.8	12.6	15.2	17.5	19.2	20.4	21.2
eggs – egg-laying hens	2.6	-1.3	-2.6	-4.0	-5.3	-6.7	-8.0	-9.4	-10.8

Sources of data: SORS, Agricultural Institute of Slovenia, FAPRI; calculations by IMAD.

Note: *percentage of product in total net agricultural production at basic prices in 2003.

A new paper entitled '**Forecasting the Changes of Value Added in Slovenian Agriculture in the Current Medium-term Period**', written by Mateja Kovač, Emil Erjavec, and Stane Kavčič has been published in the IMAD Working Papers series. The authors have constructed a methodology for forecasting changes in agricultural developments in response to prices and agricultural policy.

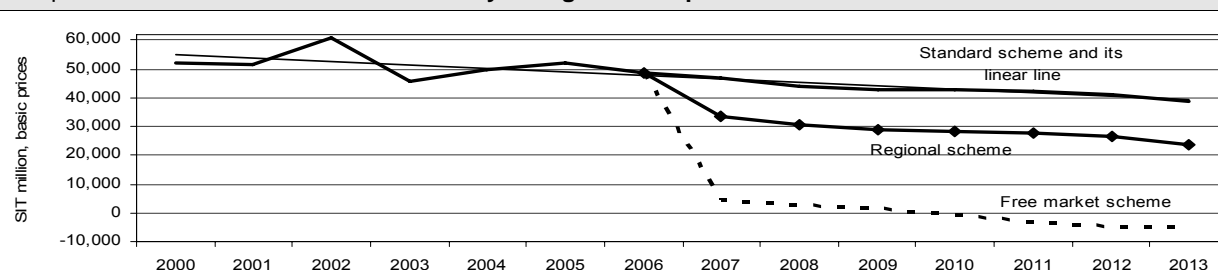
We have constructed a national sector model designed to estimate the annual growth rates of value added in agriculture. The model is based on two existing tools. The first tool was developed to estimate changes in agricultural producers' income after Slovenia's accession to the EU. We have used this tool to estimate production volumes. The second tool is a database that provides ample data on the ratios in agricultural production. We have used it to estimate intermediate consumption.

We have prepared annual growth forecasts for ten agricultural products in the current medium-term period for three selected agricultural policy scenarios. The analysed products are wheat, maize, barley, sugar beet, milk, cattle, pigs, poultry, sheep and goats, and eggs. In total, these products comprise around three-quarters of the net agricultural production value. As a comparison to the standard direct payments scheme, which was implemented in Slovenia until 2007, we examined the effect of adopting the regional single payment scheme, and the effect of a hypothetical full liberalisation of trade in agricultural products.

The results show that the total volume of the analysed production would increase only if the standard scheme continued to be implemented or if the regional scheme was adopted (see the table), while it would decrease in the circumstances of a liberalised market. The total volume of crops would increase in all three scenarios, largely due to the further rising of production intensity. The total number of livestock and hence meat production would increase under the standard and partly under the regional scheme while it would decrease in free-market conditions.

The overall value added of the analysed production would face a nominal drop under all three models (see the graph). By 2013, it would fall by around a quarter in the circumstances of the standard scheme and by around half in the single payment scheme. According to the free market model, its value would turn negative after 2010 when production costs would already exceed the value of production as a result of the significantly lower product prices and the abolition of agricultural subsidies.

Graph: Overall value added of the ten analysed agricultural products in 2005-2013



Sources of data: SORS, Agricultural Institute of Slovenia, FAPRI, IMAD.

Labour Market – Employment of Foreigners in Slovenia

Slovenian Economic Mirror

IMAD

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Work permits for foreigners	2001	2002	2003	2004	2005	2006
Average annual number of valid work permits for foreigners	38,229	35,303	39,695	39,707	41,598	48,280
Temporary personal work permits	2,853	5,097	5,982	6,151	6,168	5,974
Permanent personal work permits	13,314	11,372	13,659	15,718	17,937	22,195
Employment permits	19,353	14,423	12,789	12,208	12,113	12,914
Permits for work	2,709	4,412	7,266	5,629	5,381	7,196
Work permits issued during the year	47,200	30,257	34,143	31,184	32,254	44,582
Personal work permits	15,256	3,710	3,843	6,431	5,342	8,154
- permanent	10,652	1,856	2,163	2,673	2,352	6,104
- for self-employment	238	586	626	699	1,309	1,325
- other	4,366	1,268	1,054	3,059	1,681	725
Employment permits	25,753	17,775	16,495	16,333	17,989	24,003
- new	4,557	2,053	2,668	2,694	3,716	6,162
- renewed	21,196	15,722	13,827	13,639	14,273	17,841
Permits for work	6,191	8,772	13,805	8,420	8,923	12,425
- posted workers	2,115	1,395	1,599	1,394	1,079	824
- managers/representatives	839	569	710	890	1,589	1,638
- seasonal agricultural labour	1,382	1,652	1,840	1,118	1,311	1,491
- seasonal construction labour	1,293	3,809	8,148	3,665	3,465	5,907
- other	562	1,347	1,508	1,353	1,479	2,565
Foreigners registered during the year who do not need a work permit	973	3,274	3,530	2,205	2,344	2,577

Source of data: ESS; calculations of annual averages by IMAD.

The employment and work of foreigners in Slovenia is regulated by the Employment and Work of Aliens Act, which entered into force in January 2001¹. This law replaced the old law from 1992 and redefined the terms for the employment and work of foreigners in Slovenia. It strengthened the regulatory role of the state concerning the inflow of foreign workers, and simplified the procedures for the issuing of the more permanent work permits to foreigners who have been living and working in Slovenia for a longer period of time. **The amendments** from 2005 were adopted primarily to correct certain provisions that had previously allowed misuse of the law (notably provisions on self-employment of foreigners, cross-border provision of services by foreign companies via posted workers, seasonal labour of foreigners, and permission for the work performed by foreign company representatives). The **amended bill**, intended to shorten and simplify the procedures for the work and employment of foreigners, especially those with qualifications that are lacking or non-existent in the Slovenian labour market, is currently in the legislative procedure. According to this law, a foreigner is **employed** in the Republic of Slovenia when s/he has concluded a contract-based employment relationship with an employer that has their head office or residence in Slovenia, or when s/he accordingly holds the status of a self-employed person. The **work of foreigners** as defined by this law includes the provision of services carried out by foreigners, and other types of foreigners' work based on employment contracts or other civil law contracts carried out on the Slovenian territory for a fixed period of time.

As a rule, foreigners may only work in Slovenia on the basis of a work permit. Only exceptionally are they allowed to work here on the basis of a work notification alone. Work permits are issued as personal work permits, employment permits or permits for work. A **personal work permit** is a renewable or permanent work permit that grants foreigners free access to the labour market. The only exceptions are the personal work permits with a validity of

one year issued for the representation of a foreigner's own company or for sole entrepreneurs. An **employment permit** depends on the needs of specific employers. It is normally issued for one year, solely upon the request of the employer, provided that the employer fulfils the statutory conditions, including the provision that the hiring of a foreigner should not have an adverse effect on the domestic unemployment situation. A **permit for work** allows a foreigner to work in Slovenia for a limited period of time defined in advance and depending on the purpose for which the permit is issued. This purpose may be: (i) training and advanced training of foreigners; (ii) seasonal labour of foreigners; (iii) work performed by posted workers; (iv) work performed by foreign managers; and individual services of foreigners. A work permit is issued to a foreigner upon the request of his/her employer or the appropriate legal entity laid down by law.

The provisions of this law do not apply to certain categories of foreigners. These include the citizens of all EU member states. According to a government decision, the principle of reciprocity laid down in Article 3 of the law no longer applies for these countries from 25 May 2006. Thereby all citizens of EU countries and their family members were granted equal status as the Slovenian citizens. The ESS manages the database of these citizens.

The law also introduced quotas and other restrictions regarding the granting of work permits. The government of RS adopts the employment policy for foreigners which serves as the basis for the conclusion of international agreements on the conditions for the cross-country movement of workers and services; it adopts the measures aimed at protecting the domestic labour market; and, in line with immigration policy and considering the situation and trends in the labour market, it defines the annual quota of work permits whereby it limits the number of foreigners in the labour market each year. This quota must not exceed 5% of Slovenia's active population. The quota excludes: (i) nationals of EU countries whose status in the labour market is the same as that of Slovenian nationals; (ii) foreigners for

¹ See OG-66/2000, OG-101/2005, and OG-4/2006.

whom work permits are not required by this law; (iii) foreigners with personal work permits; (iv) representatives; and foreign posted workers on advanced training. In addition to the quota, the government may also restrict or ban the employment of foreigners in certain regions, industries, companies, and professions. Further, it may restrict or ban the inflow of new foreign workers entirely from specific regions when that is justified by a public or general economic interest.

The actual quota defined each year by government decree is well below 5%. The 'Decree laying down the work permit quota for 2006' permitted only 17,350 permits counted in the quota with regard to the type of work permit and with regard to the vocational, educational, and other characteristics of those foreigners to whom quotas apply. This figure corresponded to 1.9% of the formally employed population in 2006. The decree for 2007 has raised the allowed quota to 18,500 work permits.

The number of work permits issued to foreigners rose strongly in 2006 and 2007. According to ESS' data, the average number of valid work permits in 2006 was 16.1% higher than in 2005, while the number of permits issued during the year rose by as much as 12,328 (38.2%) over the previous year and by 37.1% in comparison with the 2001-2005 average (see the table). These permits corresponded to 5.3% of the formally employed population (the employed and self-employed) in Slovenia. By 31 March 2007, the number of valid work permits rose to 54,662.

The largest increase was recorded in the number of permanent personal work permits. These permits were granted to foreigners who have been living and working in Slovenia for a longer period of time. These permits also comprise the highest proportion in the structure of valid permits. Among the work permits issued during the year, **employment permits** predominate (see the table). According to the ESS, the increase in the volume of these permits recorded in 2006 is largely explained by the simplified terms of granting employment permits in cases covered by the new 'Rules on procedures and evidence concerning decisions on issuing employment permits where the employment of an alien does not relate to the labour market due to the nature of work' (OG-70/2006). The increase in the number of **permits for work** was largely the

result of the higher demand for seasonal construction workers (their number surged by as much as 70% from 2005 to 2006).

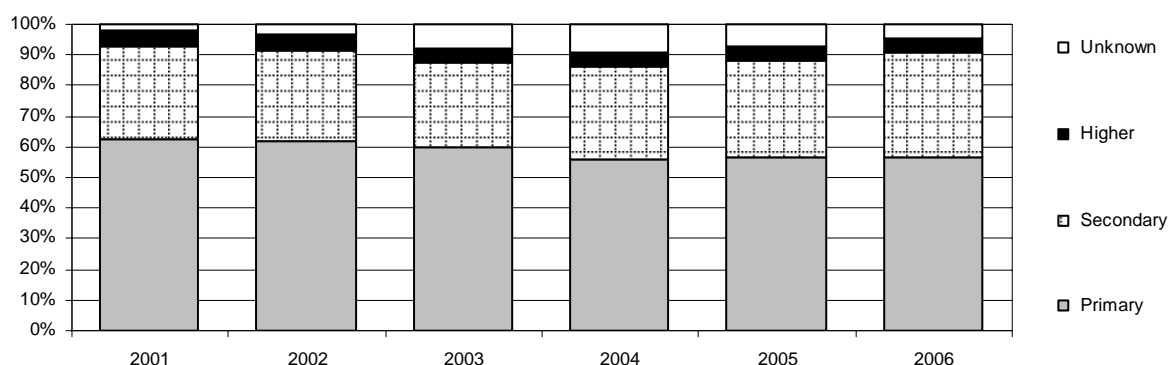
Most work permits are issued in construction and for construction occupations. This applies to all types of permits, while in the overall number of work permits, construction and construction occupations comprise around half of the known professions and sectors. Other visible professions in the vocational structure include metal-processing workers (around 10%) and mechanics and machinery operators (around 5%), while the other two largest sectors are manufacturing and business services (around 16% and 8%, respectively).

The education structure of foreigners employed in Slovenia is accordingly low. However, the share of employed foreigners with a primary education is decreasing in favour of secondary educated workers. Among the workers whose education is known, 59.7% had a primary education on 30 June 2006 (64.1% in 2001) while 35.7% had a secondary education (31.1% in 2001). Only around 5% of foreign nationals working in Slovenia have a higher education.

Most work permits are still issued to citizens from the countries of former Yugoslavia. Among these, nationals of Bosnia and Herzegovina predominate. Their number is still rising (it totalled 23,991 on 30 June 2006, equalling 46.9% of all foreign nationals employed in Slovenia). The number of Macedonian, Serbian and Montenegrin nationals is similarly growing while the number of Croatian workers, which totalled 7,189 or 14.0% of all foreigners employed in Slovenia on 30 June 2006, is declining. The total share of all nationals from the countries of former Yugoslavia is slowly decreasing. In 2005 and 2006, there was a large increase in the share of EU nationals, which is nevertheless still very low (around 6%). The share of foreign workers from other parts of the world has traditionally been even lower (around 5%).

Foreign workers in Slovenia are mostly male. Their average age is 40 years and has hardly changed in the last few years. There are only around 15% of women. Around 60% of foreigners are 25-44 years old. Less than 10% are younger than 25, while close to a third are older than 45.

Graph: **Education structure of foreigners working in Slovenia, on 30 June**



Source of data: ESS, calculations by IMAD.

	Foreign students in selected countries				Students abroad			
	Students from other EU-25 countries, EEA, or candidate countries ¹ as % of all students ² studying in selected countries		Students from abroad ³ as % of all students studying in selected countries		Students ⁴ studying in another EU-25, EEA or candidate country ¹ as % of all students		Share of students ⁵ studying abroad ³ (%)	
	2000	2004	2000	2004	2000	2004	2000	2004
Cyprus	4.0	3.7	19.4	32.0	46.5	54.8	53.7	57.0
Ireland	2.4	2.6	N/A	7.6	9.4	8.5	9.6	11.7
Malta	1.7	1.7	5.6	5.6	8.2	8.4	9.1	8.9
Slovakia	0.6	0.5	1.2	1.0	3.0	8.2	3.4	8.6
Greece	N/A	2.0	6.0	7.0	12.4	7.3	12.8	7.6
Austria	9.2	12.5	13.7	14.1	3.8	5.3	4.3	6.2
Estonia	1.3	0.9	1.6	N/A	2.5	3.5	N/A	3.9
Finland	0.8	1.0	2.1	2.6	3.2	2.9	3.5	3.2
Portugal	0.6	0.7	3.0	4.1	2.3	2.7	2.5	3.1
Belgium	6.6	7.1	N/A	9.6	2.4	2.6	2.6	3.0
Denmark	2.6	3.5	6.8	7.9	2.7	2.5	3.2	3.0
Lithuania	0.1	0.1	0.4	0.4	1.8	2.3	2.1	2.7
Sweden	4.2	4.5	7.4	8.5	2.7	2.2	4.1	3.0
EU-25	2.4	2.6	5.0	6.5	2.1	2.1	N/A	N/A
Slovenia	0.5	0.7	0.9	1.1	2.2	2.1	2.5	2.4
France	2.0	2.4	0.4	N/A	1.8	2.0	2.0	2.5
Germany	5.1	5.7	9.1	11.2	1.8	1.9	2.3	2.7
Czech Rep.	1.2	2.8	2.2	4.7	1.3	1.8	1.7	2.2
Netherlands	1.6	2.3	2.9	3.9	1.9	1.8	2.3	2.2
Italy	0.7	0.8	1.4	2.0	1.7	1.6	1.9	1.9
Latvia	0.4	0.6	6.6	N/A	1.3	1.6	1.7	1.9
Hungary	N/A	2.0	3.2	3.1	1.7	1.5	2.2	1.9
Spain	0.4	0.6	N/A	12.9	1.1	1.2	N/A	1.4
Poland	0.1	0.1	0.4	0.4	0.9	1.2	1.0	1.4
UK	5.9	5.1	11.0	16.2	0.6	0.6	1.0	1.0
Luxembourg	24.5	N/A	N/A	N/A	74.5	N/A	N/A	0.0

Source of data: Eurostat; calculations by IMAD. Notes: The analysis covers tertiary-education students. ¹Candidate countries are Bulgaria, Romania, Croatia, and Turkey. ²The total number of students studying in a given country includes both home and foreign students. The lacking data regarding the nationality of students result in unreliable values for some countries. ³Students from abroad include students from the EU, the EEA, the USA, Japan, Croatia, Macedonia, Turkey, Switzerland, and Albania. ⁴The numerator of this indicator comprises students who study in another EU-25 country, the EEA, or a candidate country, whereas the denominator comprises students (home and foreign) studying in selected countries. ⁵The numerator comprises students studying abroad while the denominator includes students studying at home and those studying abroad, whereas foreign students in selected countries are not included. The indicator measures the percentage of home nationality students from a given country studying abroad.

Student mobility is one of the aspects of international mobility in tertiary education. In international studies, the latter is defined more broadly than student mobility and includes the mobility of university teachers and researchers, the implementation of study programmes, the establishment of higher education institutions abroad, etc. (OECD: Education policy Analysis: Focus on Higher Education, 2005-2006). However, comparable international data are currently only available for students and (partly) for teachers.

International student mobility benefits both the home and the host countries of students who go studying abroad. Student mobility is one of the contributing factors to higher quality of studies. Indirectly, it is also one of the drivers of innovation and economic growth. Foreign students can help fill the vacant places in those study programmes for which home students in the host country show (too) little interest. Thereby, universities can keep the programmes which would otherwise have to be abandoned. For students coming from countries where the available range of study programmes is limited, studying abroad offers an opportunity to acquire

knowledge that is not accessible at home. This also creates benefits for the home country, provided that the students return home. If they decide to work elsewhere after completing the studies, the home country will have little benefit from their knowledge acquired abroad.

At the individual level, student mobility can generate various benefits that are not strictly related with the acquired professional knowledge.

These include proficiency in foreign languages and personal development (a positive attitude to foreign cultures, greater tolerance, flexibility etc.)¹. The acquired characteristics can significantly contribute to the success of graduates when looking for work and during their career development. On the other hand, students who decide to study abroad may face problems regarding the recognition of qualifications in their home country.

In order to increase the percentage of foreign students in Slovenia, the opening up of universities must continue alongside the raising of the quality of

¹ Bracht et al.: The Professional Value of Erasmus Mobility, 2006. This study showed that studying abroad produces positive effects for knowledge acquisition. However, the difference between those students who study abroad and those who do not is not as large as with other types of effects.

studies. The share of foreign students in Slovenia reached 1.1% in 2004 (0.9% in 2003), which is one of the lowest corresponding shares in the EU-25. The highest shares that year were recorded in the UK, Austria, Spain, and Cyprus (see the table). In Slovenia, this share rose marginally in 2000-2004. It is evident that in comparison with other EU-25 countries, Slovenia is an unfriendly destination for foreign students. In order to achieve one of the objectives set in Slovenia's Development Strategy – to attract foreign students to study at Slovenian universities – Slovenia should, in addition to the abovementioned factors, improve several other factors that determine the proportion of foreign students in the country:

- access to student loans and grants;
- quotas for foreign students (the highest possible number of foreign students);
- the attractiveness and quality of study programmes offered in Slovenia in comparison with the students' home country and other countries, including access to foreign teachers and subjects taught in a foreign language;
- successful promotion;
- accommodation and part-time job possibilities of foreign students, etc.

The mobility of Slovenian students in the EU-25 countries, candidate countries, and the EEA is at the average EU level yet lower than in some other small countries. The mobility of students, teachers, and research staff within Europe is one of the factors fostering the development of the European labour market (European Commission, Progress towards the Lisbon objectives in education and training, 2006). In Slovenia, the share of students studying in another EU-25 country, the EEA, or candidate country reached 2.1% in 2004 (2.4% in 2003), which is the same as the EU-25 average (2.1% in 2003) but less than in some other countries with a small population size (Cyprus, Malta, Ireland, Slovakia). These countries are among the member states with the highest shares of students studying abroad (see the table). In small countries, the high percentage of students abroad may also be linked to the limited supply of study programmes in the home country. Slovenia also has a low percentage of students

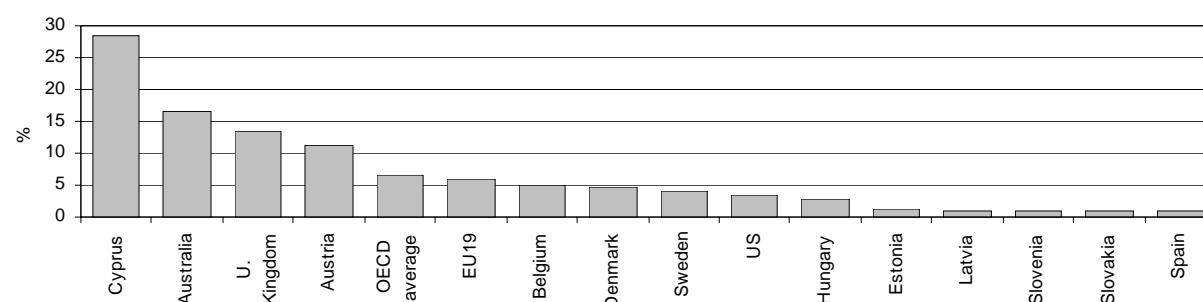
from other EU-25 countries, the EEA, or candidate countries, which totalled 0.7% of all students in 2004 (0.6% in 2003).

Most foreign students come to Slovenia from the countries of former Yugoslavia. In 2004, there were 1,108 foreign students in Slovenia. Within that, 83.5% were from the countries of former Yugoslavia (45.6% from Croatia, 19.5% from Bosnia and Herzegovina, 12.1% from Serbia and Montenegro, and 6.3% from Macedonia), which are linked to Slovenia by historical and linguistic ties as well as geographical proximity. This percentage rose somewhat in 2000-2004, by 3.4 p.p. The share of students from other EU-25 countries totalled 9.7% in 2004, while 6.8% of foreign students came from the rest of the world.

The bulk of Slovenian students abroad study in another EU-25 country. The number of Slovenian students abroad is roughly twice as high as the number of foreign students in Slovenia. It totalled 2,527 students in 2004 (2,095 in 2000). Within that, 83.3% of Slovenian students studied in another EU-25 country, mostly in the old member states. The most frequent destinations were Germany (24.9%), Austria (24.5%), Italy (12.9%), and the UK (10.5%). 8.3% of students studied in the USA.

Eurostat's existing indicators of student mobility still exhibit a number of shortcomings. Eurostat defines mobile students as students with a foreign nationality, which means that the definition includes permanent residents with a foreign nationality. However, the latter cannot be regarded as mobile students since they do not change their country of study. Eurostat is trying to remove this deficiency by developing a new series of data on students who are non-residents of the country in which they study (available only for 2004). For Slovenia, we can first calculate the proportion of non-resident students relative to the total number of students for 2004. Data show that this percentage is low (0.9%; see the graph). The second weakness of the existing methodology is the fact that students studying abroad only include students enrolled on a certain day, whereas the actual number of students may be different because some students stay abroad for just a few months.

Graph: Non-resident students – as a % of the total number of students in selected countries, 2004



Sources of data: Eurostat; OECD, Education at a glance 2006; calculations by IMAD.

Note: the analysis includes countries with available data for 2004.

Structural Changes in Network Industries – Effects of Liberalisation

Slovenian Economic Mirror

IMAD

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Market shares of the largest operators in individual network industry markets in 2005¹

Market of network industries	Market share, in %	Basis for calculation	Largest operator
Production market of electricity	51	Production in GWh	HSE
Supply of electricity to eligible customers	34	Supply in GWh	HSE
- users with annual consumption above 2.00 GWh	36	Supply in GWh	HSE
- users with annual consumption 0.05-2.00 GWh	34	Supply in GWh	Elektro Ljubljana
- users with annual consumption up to 0.05 GWh	37	Supply in GWh	Elektro Ljubljana
Wholesale natural gas market	99	Sales in Sm ³	Geoplin
Retail natural gas market for all customers	72	Supply in Sm ³	Geoplin
- users with annual consumption above 1 m Sm ³	90	Supply in Sm ³	Geoplin
- users with annual consumption 4,500-1 m Sm ³	23	Supply in Sm ³	Energetika Ljubljana
- users with annual consumption up to 4,500 Sm ³	39	Supply in Sm ³	Energetika Ljubljana
Transport by rail	100	Physical volume of transport	Slovenske železnice
Provision of postal services	83	Revenues	Pošta Slovenije
Fixed telephony, national calls, residents	99	Call minutes	Telekom Slovenije
Fixed telephony, international calls, residents	89	Call minutes	Telekom Slovenije
Broadband Internet access	56	Number of connections	Siol
Mobile telephony	72	Number of active users	Mobitel

Sources of data: AGEN-RS, APEK. Note: ¹data for telecommunication markets are for mid-2006.

A new working paper entitled **Structural Changes in Network Industries – Effects of Liberalisation**, written by Rotija Kmet Zupančič and Jure Povšnar, has been published within the IMAD Working Papers series. The authors present the implemented reforms in this area and their realisation in Slovenia. Using selected indicators such as the share of state ownership, market structure, price developments, productivity, and employment, they evaluate the first results of the opening up of these markets to competition.

The liberalisation of network industries holds an important place among the structural reforms aimed to boost the competitiveness of the economy. In the past, network industries were characterised by strong state monopolies (telecommunications, energy, transport), especially in Europe. The process of the opening up of European network industries to competition intensified in the 1990s and gained additional impetus from the Lisbon Strategy whose aim is to increase the competitiveness of European economies. The European Commission estimates that, despite the considerable progress that has been made towards the liberalisation of network industries in the EU over the last few years, there are still a number of factors that hinder a faster development of competition. At the same time, the first results of liberalisation have already translated into a higher efficiency of these industries.

In the last five years, Slovenia has also carried out a thorough reform of the legislative framework that provides the legal basis for the liberalisation of network activities. The process of harmonising the Slovenian legislation with the EU regulations aimed at liberalising the network industry markets started around 2000. Another critical year was 2004, which saw the adoption of the Electronic Communications Act, the amended Energy Act, and the Resolution on the National Energy Programme, whereby the latest EU guidelines about the development of network industries were transposed into the national regulations. In most industries, the enacted regulations today provide the appropriate framework for the development of these markets in line with the EU directives, or they are continually updated with the new changes as they occur in the EU. **Beside the high concentration of suppliers, one of the main barriers to entering the markets is**

the rather slow implementation of legislation, which is often due to the initial difficulties of the newly established regulatory authorities. The entry of competitors to the electricity market is hindered primarily by the high concentration of suppliers, the non-market allocation of cross-border transmission capacity, and the insufficient separation between system operators and suppliers. The natural gas market is characterised by a high concentration of suppliers in the wholesale market and retail market for large consumers. Long-term contracts for the take-up of natural gas are the main obstacle to the development of this market. The telecommunications market witnessed major progress towards liberalisation in the last two years, when some important competition barriers such as delays in the area of network interconnections, local loop unbundling, and number portability were removed. The competition in the postal services market is limited by the relatively high level of the reserved segment of universal postal services. The liberalisation of this market is still in its early phase in the EU in general. Slovenia also still has just one railway operator and is somewhat late in the implementation of EU directives in this field.

The privatisation of state-owned operators, which also has an important role in boosting the effectiveness of service provision, has mostly not been carried out yet. In the electricity supply sector, the state was the only owner of the electricity transmission company and a major owner of distribution companies as well as all large electricity production plants except the nuclear plant in 2005. The state is also the biggest owner (with a 31% ownership share) of the largest natural gas supplier, whereas gas distribution companies are mainly owned by domestic legal entities or municipalities. The only Slovenian railway operator is owned entirely by the

state, as is the provider of universal postal services. The privatisation of the leading fixed telephony operator, 62.5% of which is owned by the state, has also yet to be carried out.

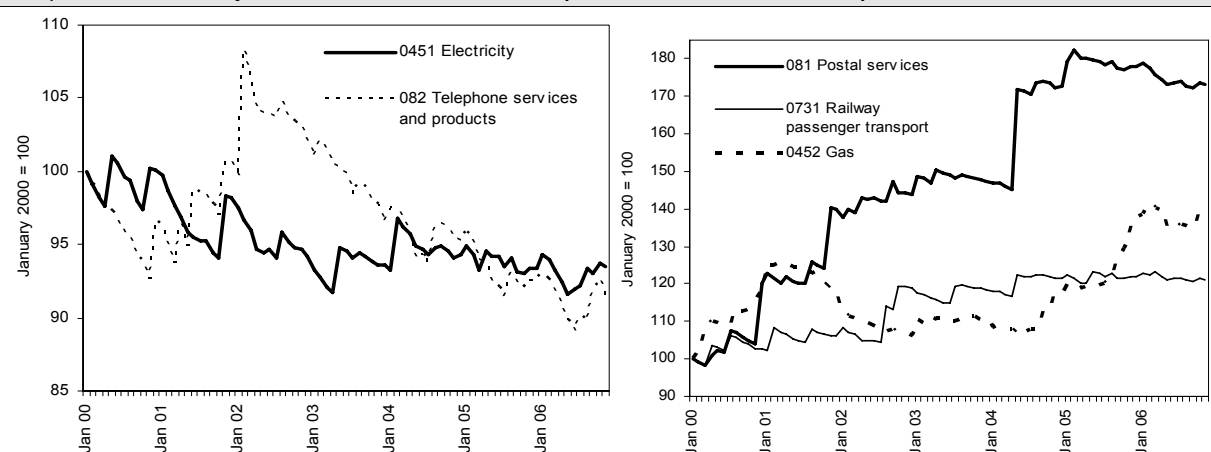
Market structure indicators show that competition has been emerging slowly in most network industries; where positive shifts have recently been made, the share of the incumbent operator is still relatively high (see the table). Within telecommunications, fixed telephony (national calls) remains the least liberalised segment. Although the number of operators in this market, which was monopolised until recently, has risen to four, the market share of the incumbent operator still totalled 99% in the middle of 2006. Only one operator currently provides services in the third generation mobile telephony market, although two new licences were granted in 2006. Competition is stronger in the markets of international calls in fixed telephony, Internet access, and mobile telephony, however the shares of the biggest providers in international fixed telephony and mobile telephony are still relatively high. Looking at the energy market, there is still a high concentration rate of electricity suppliers in the production and wholesale markets, whereas competition has been established in the retail market where no supplier holds the dominant position. There is no real competition in the natural gas wholesale market where the incumbent supplier owned 99% of the market in 2005. However, competition exists in the retail sale of natural gas. Among the providers of postal services, more than 80% of revenue is still generated by the provider of universal services, while there is only one provider of railway services in Slovenia.

The price developments in network industries (see the graph) already partly reflect the emerging competitive market structure, but they are to some extent also the result of price setting in the past and other factors. The decline in the relative prices (relative to CPI) of telecommunication services observed from 2002 onwards came to a halt in 2006. This halt was

caused by the increase in the incumbent operator's prices of telephone subscriptions and national calls in fixed telephony, which shows that the market power of competitors in this market is still low although they mostly offer cheaper services. The prices of mobile telephony and international calls in fixed telephony have been falling since 2003 as a result of competition. Electricity prices are for the time being determined by the market only for industry, whereas household electricity prices will be liberalised in June 2007. Industrial prices have recorded a downward trend relative to the average EU price since 1999, which may, for the period after July 2001 when the market was liberalised, be partly attributed to stronger competition in this market; in addition, consumers are increasingly switching providers. Household electricity prices relative to the CPI have recorded a falling trend since 2000. In comparison with the EU average, however, they have persisted at a level around 80%.

The productivity gains in some industries already partly reflect the increase in competition. This is particularly the case in telecommunications, where data on the joined post and telecommunications industry indicate a relatively high increase in productivity since 2000 (compared with the previous five-year period and with the entire service sector) matched by an increase in employment, which can to some extent be explained by the effects of the opening up of the telecommunications market on streamlined operation on one hand and on the expansion of the market on the other. Data on electricity supply for the last five years do not show any improvement in productivity relative to all commercial companies although a rationalisation of the number of employees has clearly taken place. In railway transport and in postal and courier services, where the liberalisation process has also only just started, the increases in productivity are explained by the preparation for the anticipated major changes in market competitiveness rather than to such changes already taking place.

Graph: Evolution of prices in network industries (indices relative to the CPI)



Source of data: SORS, SI-STAT; calculations by IMAD.

(in %)	Happiness ³	Satisfaction ¹ with life in the EU ²											
		with house or flat	with quality of life	with local travel facilities	with standard of living	with health	with leisure time	with local medical services	with local shopping facilities	with local schools	with leisure facilities	with local childcare facilities	with local job opportunities
Denmark	97	94	93	85	95	89	77	68	88	69	74	66	52
Netherlands	95	97	92	93	94	90	83	91	84	67	80	42	53
Belgium	94	94	92	87	90	89	79	94	81	88	69	65	53
Ireland	94	94	94	71	92	90	79	79	84	78	63	43	53
Sweden	94	94	93	77	94	85	75	69	64	57	76	46	34
Luxembourg	93	94	95	87	95	87	77	88	62	74	66	62	50
Finland	93	95	95	83	88	83	78	70	80	78	75	65	47
UK	92	93	88	79	93	88	76	83	80	62	64	30	36
Spain	90	91	89	79	84	86	77	78	80	71	65	58	45
France	90	89	88	81	76	86	69	85	75	78	62	63	31
Malta	90	96	94	76	87	87	71	73	87	66	46	28	23
Slovenia	89	91	90	76	83	80	75	74	73	82	67	72	37
EU-25	87	92	86	78	83	84	74	77	78	71	60	55	38
Czech Rep.	87	90	83	81	82	85	80	75	70	77	62	72	33
Cyprus	87	91	85	68	84	86	66	63	69	90	52	78	38
Poland	86	91	79	80	76	76	73	64	80	78	43	55	22
Portugal	86	89	81	72	75	79	74	58	66	73	48	56	23
EU-27	85	91	85	76	81	84	73	76	78	70	59	54	37
Italy	84	93	85	65	85	91	75	68	71	70	51	56	45
Germany	82	93	88	79	85	81	72	85	83	66	68	61	43
Austria	81	90	90	85	84	82	76	93	88	76	73	71	66
Greece	80	88	77	76	84	85	68	56	71	72	47	53	23
Slovakia	77	89	75	71	70	79	68	65	69	73	38	62	28
Estonia	75	78	78	77	68	72	72	63	70	70	62	59	36
Lithuania	74	69	70	74	59	70	66	53	74	68	44	47	34
Latvia	72	67	77	77	53	67	71	58	79	62	39	46	30
Hungary	68	86	73	74	64	71	69	77	79	74	46	61	26
Romania	60	86	70	57	63	73	66	54	73	62	40	35	26
Bulgaria	39	71	42	38	31	58	55	43	69	51	31	42	16

Source of data: Eurostat. Notes: ¹the data include respondents who answered that the listed aspects of life were either 'very satisfactory' or 'fairly satisfactory'. ²A total of 26,755 EU citizens and Bulgarian and Romanian citizens aged over 15 were interviewed between 17 November and 19 December 2006. However, since the survey was carried out before Romania and Bulgaria joined the EU, the socio-demographic analysis is based on the EU-25 average. ³The data include respondents who answered they were either 'quite happy' or 'very happy' when asked the following question: 'Taking all things together would you say you are very happy, quite happy, not very happy or not at all happy?'

At the end of 2006, the European Commission launched a special survey on the social realities in the EU-25 and in Romania and Bulgaria that were at that time about to join the EU. In February 2007, the EC published the report 'European Social Reality' which presents subjective perceptions about the life of European Union citizens. Opinion indicators are a vital part of any comprehensive assessment of people's satisfaction with their living conditions. Therefore, increasingly many such surveys are being carried out. In addition to the Eurobarometer's survey presented in this article, we should mention the surveys of the European Foundation for the Improvement of Living and Working Conditions (Eurofound; see SEM 12/2004: 24-25), the European Social Survey (ESS), etc. Since these surveys are methodologically incomparable (e.g. in terms of the countries included, the formulation of questions, the sets of possible responses), direct comparisons cannot be made. We can only speak about trends and positionings.

The IMAD has already included opinion indicators in its Human Development Report, Development Report, and Social Overview. The latter provides an in-depth analysis of the living conditions in Slovenia, systematically examines the indicators of social cohesion and social capital and life satisfaction, and addresses the issue of a long-living society (SEM 12/2006: 5-6). The topics included in the Social Overview largely overlap with the issues examined by the European Social Reality survey.

The European Social Reality survey is divided into three parts: the first part focuses on the life satisfaction of EU citizens, the second part addresses people's perceptions regarding the future, while the third part analyses people's opinions about important EU issues such as poverty and exclusion, migration, financing pensions, and equal access to higher education.

The life satisfaction indicator is synthetic and multi-dimensional (see e.g. SEM 12/2004: 24-25; SEM 3/2006: 18; Social Overview 2006; Development Report 2007). In this survey, it includes the aspects of work, family, leisure time, etc. (see the table). The survey also examines people's confidence in the future of pensions and inquires about their happiness (an indicator often used synonymously with the life satisfaction indicator).

The results of the survey show that most (87%) European citizens are happy. Denmark has the highest percentage of happy people (97%), followed by the Netherlands (95%), Belgium, Ireland, and Sweden (94%). The least happy people in the EU-25 live in Hungary (68%) and in the Baltic States, while Romania (60%) and Bulgaria (39%) are at the tail end in the EU-27.

Slovenia with 89% of happy citizens scores just above the EU average (87%), after Malta (90%) and ahead of Cyprus (87%). Slovenia is ranked highest among the post-socialist EU countries. Slovenia occupied the same position in the life satisfaction indicator of the European Social Survey 2004 (see Development Report 2007).

In comparison with the EU average, Slovenians exhibit above-average satisfaction with the quality of life, available time and leisure-time facilities, local schools, and childcare facilities (see the graph). The latter is a notable standout result since only Cyprus and Belgium have higher school satisfaction rates while only Cypriots are more satisfied with their childcare services. Slovenians are most unsatisfied with local job opportunities, although Slovenia scores just below the EU average in this respect. The highest levels in this indicator are found in Austria, Belgium, Ireland, the Netherlands, and Denmark. With the exception of Austria, these countries also have the 'happiest' populations.

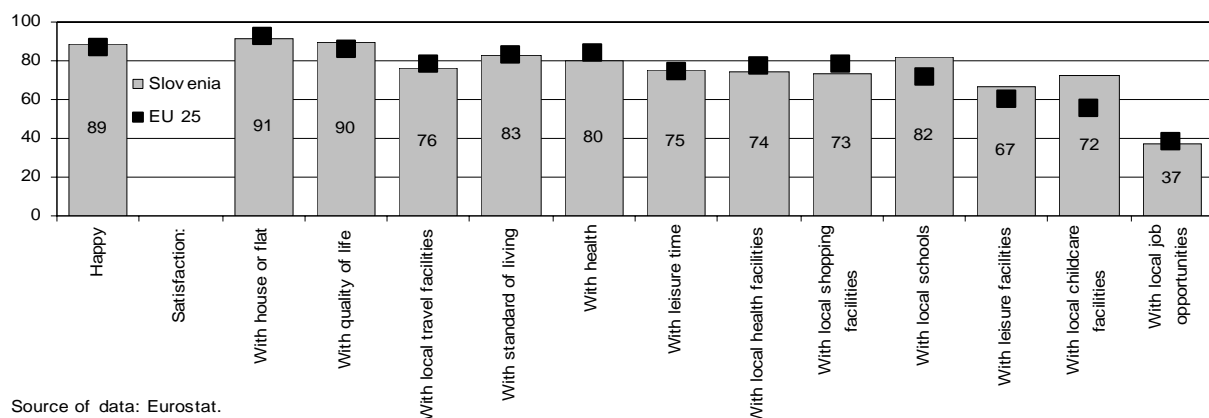
At the EU level, there is almost no variation among men and women regarding the feeling of happiness. The feeling of happiness is also not determined by the subjective perception of whether one lives in the countryside, in a large city, or somewhere in between. Variations are noted among different ages (there are

more young than old 'happy' people), education levels (those more educated are happier), and socio-economic groups (managers and students have the highest scores among the happy people while pensioners and unemployed have the highest scores among the unhappy). The survey thus confirms the findings of the Slovenian analysis (Social Overview 2006, IMAD) and the Eurofound (2004) that people with better access to opportunities are more satisfied with their life and more optimistic.

Subjective indicators are becoming increasingly relevant for policy-makers. The European Reality Survey asked European citizens which dimensions of life they consider (very, fairly, quite) important or unimportant. The survey finds that, **at the level of the European average**, the most important aspects of life are health (99% of respondents), family (97%), and friends and acquaintances (95%). These are followed by leisure time (90%), which is ranked above work (84%). The latter also holds for all member states except Lithuania, Latvia, and France, where work is more important than spare time. The next most important areas at the EU average level are voluntary work (79%), religion (52%), and politics (43%). For **Slovenian respondents**, health is the most important factor (for 100% of respondents), followed by family, friends, and acquaintances (99%), leisure time (95%), work (92%), voluntary work (88%), religion (51%), and politics (27% of respondents). Only the French find work as important as the Slovenians, while the importance of voluntary work is only seen as more important in Cyprus and Italy.

The Eurofound survey (2004) found that for the EU-15 citizens, the satisfaction with social and family life has already replaced the satisfaction with income as the key determinant of life satisfaction. The main factor of a satisfying social and family life is successful reconciliation of work and family obligations. Further, life satisfaction is significantly determined by unemployment, which strongly affects family life. The results for the post-socialist countries were quite different. In those countries, satisfaction with income is still the main determinant of life satisfaction.

Graph: Satisfaction with different aspects of life in Slovenia and the EU average, as a % of responses



Health Expenditure by Functions of Health Care

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Health expenditure according to the SHA methodology in 2004 – classification by functions of health care

	Structure, in %	SIT m			Structure of health financing agents, in %		As % of GDP		
		Total	Public	Private	Public	Private	Total	Public	Private
ICHA code ¹			HF.1	HF.2	HF.1	HF.2		HF.1	HF.2
Total health expenditure HC.1 – HC.R.1	100.0	531,755	398,823	132,933	75.0	25.0	8.5	6.4	2.1
Current health expenditure (HC.1 – HC.7)	95.6	508,324	381,975	126,350	75.1	24.9	8.1	6.1	2.0
HC.1. Services of curative care	50.7	269,467	221,778	47,689	82.3	17.7	4.3	3.5	0.8
HC.2. Services of rehabilitative care	2.1	11,205	7,554	3,651	67.4	32.6	0.2	0.1	0.1
HC.3. Services of long-term nursing care ²	8.0	42,548	40,291	2,258	94.7	5.3	0.7	0.6	0.0
HC.4. Ancillary services to health care	2.8	14,838	11,183	3,654	75.4	24.6	0.2	0.2	0.1
HC.5. Medical goods dispensed to outpatients ³	23.9	127,061	71,569	55,492	56.3	43.7	2.0	1.1	0.9
HC.6. Prevention and public health services	3.9	20,579	15,274	5,306	74.2	25.8	0.3	0.2	0.1
HC.7. Health administration and health insurance ⁴	4.3	22,625	14,325	8,300	63.3	36.7	0.4	0.2	0.1
HC.R.1. Gross capital formation	4.4	23,431	16,848	6,583	71.9	28.1	0.4	0.3	0.1
Health-related functions⁵ HC.R.2 – HC.R.7	100.0	130,409	66,450	63,960	51.0	49.0	2.1	1.1	1.0
HC.R.6. Social services of long-term care ²	21.7	28,362	14,666	13,696	51.7	48.3	0.5	0.2	0.2
HC.R.7. Cash benefits ⁶	66.9	87,217	41,015	46,202	47.0	53.0	1.4	0.7	0.7

Source of data: SORS, First Release (22 December 2006), calculations by IMAD. Notes: ¹ICHA – International Classification for Health Accounts; HF – health financing agents, HC – health care functions. ²Also see p. 32. ³Only medical goods dispensed to out-patients are included. ⁴Including the cost of managing voluntary health insurance schemes. ⁵In addition to services included in the table, health-related services also include HC.R.2: education and training of health personnel, HC.R.3: R&D in health, HC.R.4: food, hygiene, and drinking water control, HC.R.5: environmental health. ⁶Sickness benefits covered by the HIIS and the employers, funeral and death allowances etc.

In December 2006, the SORS first released the basic health expenditure tables for 2003 and 2004 according to the new international SHA methodology (OECD, A System of Health Accounts, 2000). The SHA methodology was developed by the OECD in co-operation with the WHO and the Eurostat. Since 2003, this simplified system has also been launched in the EU countries. The SHA methodology requires that health expenditure data are shown according to the International Classification for Health Accounts (ICHA) according to three dimensions, i.e. not only by the sources of financing (as before) but also by health care providers (hospitals, providers of out-patient health care, providers of medical goods, providers of public health programmes, health administration, etc.) and by health care functions (see the table). All three classifications of expenditure are much more detailed than presented in the above table since most items are further broken down into three-digit codes. For example, services of curative care, rehabilitative care, and long-term care are each divided further into in-patient care, day care, and out-patient care (see the graph).

The main objective of introducing the system of health accounts is to improve the transparency of health care funding and expenditure and enable international comparisons. In addition to the expenditure by health care provider and by function, the SHA also allows for more detailed records on private

health care expenditure, which will enable analyses of the allocation and spending of all health care sources at the national level. In the past, difficulties regarding the international comparability of data on health care expenditure mainly stemmed from the considerable differences in the definition of health care across the countries. The functional classification presented in the table thus provided a very precise methodological demarcation between health care services and services that are merely related to health care. According to the SHA, the latter are excluded from the total health expenditure and presented separately (e.g. R&D in health care, the social part of long-term care services, food and drinking water control, cash benefits). In Slovenia, for instance, cash benefits as part of the compulsory health insurance were previously included in the total health expenditure, while most other countries included them under social protection expenditure. On the other hand, some transfers and household benefits (attendance allowances, which are covered by the pension fund), expenditure on occupational medicine, expenditure on investment from private sources, and most expenditure on health-related functions had previously been insufficiently covered in Slovenia. Long-term care expenditure still poses a number of dilemmas for international comparisons. This expenditure is treated partly under health care and partly under social care, and there are considerable

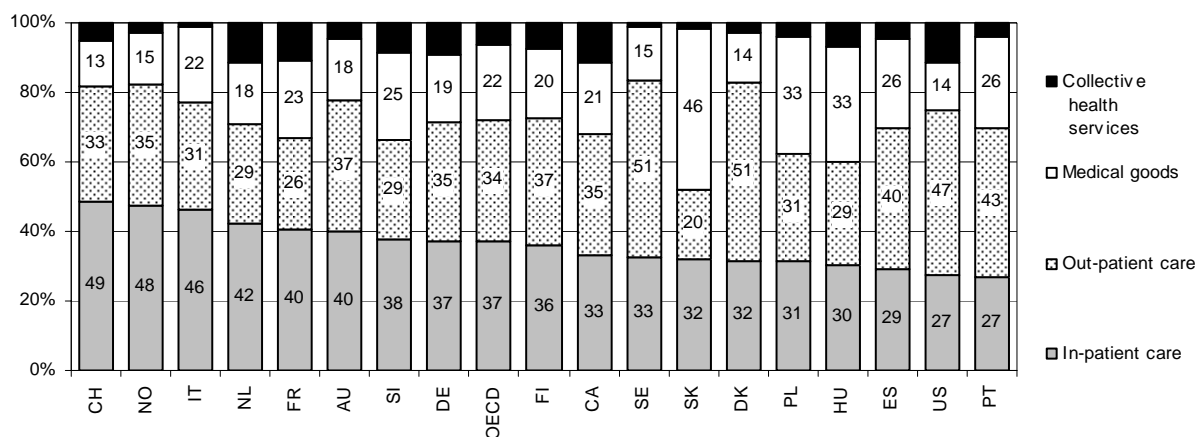
differences across the countries as to where they include them, usually depending on the system of financing and provision of long-term care (also see p. 32).

Data for Slovenia can already be included in some international comparisons. Total health expenditure as a share of GDP (8.5% in 2004) is close to the EU-25 average (8.2% in 2003). The same holds for the ratio between public and private sources (75.0%: 25.0%) at the aggregate level (see SEM 2/2007, p. 23). In the structure of Slovenia's total health expenditure, current expenditure comprises 95.6%, while gross capital formation accounts for 4.4% or 0.4% of GDP (72% from public and 28% from private sources; see the table). This ratio is also practically at the average level of 18 EU countries for which data are available (EU countries that are members of the OECD except the UK) and totals 96% for current expenditure and 4.0% (0.3% of GDP) for gross capital formation (data for 2004). Slovenia earmarks a total of 52.8% of its overall health expenditure for services of curative and rehabilitative care (HC.1 + HC.2), which is slightly less than the EU average for which these data are available (55%). This is due to the higher proportion of expenditure spent on medical goods and collective health services in Slovenia (see the international comparison in the graph). Slovenia also has a slightly lower-than-average percentage of expenditure on long-term nursing care (8.0%), which averages 9.1% in 13 EU countries (OECD members).

Looking at the structure of current health expenditure, Slovenia spends relatively little on out-patient care. The more detailed data from the health accounts allow us to also analyse the expenditure on curative and rehabilitative care and long-term care presented in the table by mode of production (in-patient, out-patient, day care, home care; see the notes under

the graph). As evidenced by the graph, countries differ considerably in terms of the structure of current health expenditure. This is due to differences in the capacity of each level of health care, financing, and medical practice. For example, countries with lower percentages of in-patient expenditure characteristically spend more on out-patient care (e.g. Sweden Denmark, Spain, Portugal). An OECD analysis (Health at a glance, 2005) shows that, in general, the share of in-patient expenditure is decreasing in most countries while the proportions of out-patient expenditure are growing. These structural changes in health care reflect the introduction of new medical technologies and new medicines, different mechanisms of financing the providers of health care services, and generally the search for a more efficient use of resources in health care. In 2004, Slovenia earmarked 38% of the current health expenditure (excluding expenditure on gross capital formation) for in-patient care (including acute and non-acute treatment), which is somewhat more than the average of the 13 EU countries shown in the graph (35%) and slightly above than the OECD average in 2003 (37%). The percentage of in-patient expenditure in Slovenia (29%) is considerably lower than the averages of the presented EU countries (35%) and the OECD countries (34% in 2003). On the other hand, Slovenia allocates a relatively high share of expenditure for medical goods (25% of current expenditure) and also has a high share of current expenditure on collective health services (8.5%; within that 4.0% for public health and prevention and 4.5% for health administration). We can expect that the share of expenditure on medical goods will continue to increase, like in most OECD countries. Countries also earmark increasingly high shares of health funds for prevention and for public health.

Graph: **Structure of current health expenditure¹ on in-patient and out-patient care, medical goods, and collective health services in Slovenia and selected OECD countries in 2004**



Sources of data: OECD Health Data 2006, Health at a glance 2005; SORS, and data from the common Eurostat/OECD/WHO questionnaire 2006 for Slovenia; calculations by IMAD. Notes: SK, NL and HU: 2002. In-patient care includes data under the ICHA codes HC.1.1, 2.1, 3.1, plus day care data (HC.1.2, 2.2 and 3.2.). Out-patient care includes data under the ICHA codes HC.1.3 and 2.3 plus treatment at home (HC.1.4, 2.4 and 3.3.). Medical goods include data under HC.5 (see table). Collective health services are the sum of expenditure under HC.6 in HC.7 (see table).

Total Expenditure on Long-term Care

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2004	SIT m			Structure by sources, %			% of GDP		
	Total	HF.1 ¹ Public	HF.2 ¹ Private	Total	HF.1 Public	HF.2 Private	Total	HF.1 Public	HF.2 Private
Total long-term care; HC.3 + HC.6.1¹	70,910	54,957	15,953	100.0	77.5	22.5	1.13	0.88	0.26
HC.3 Long-term nursing care	42,548	40,291	2,258	100.0	94.7	5.3	0.68	0.64	0.04
HC.6.1 Social services of long-term care	28,362	14,666	13,696	100.0	51.7	48.3	0.45	0.23	0.22

Source of data: SORS, First Release (22 December 2006), calculations by IMAD.

Note: ¹codes of the International Classification for Health Accounts (ICHA); also see the notes below the table on p. 30.

The term long-term care services comprises the organisation and provision of both health and social services to people who are limited in their ability to function independently on a daily basis over an extended period of time. This definition of total long-term care (hereinafter LTC), which was proposed by three international institutions (the Eurostat, the OECD, and the WHO) in autumn 2005 as the basis for the single methodology used in monitoring the expenditure related to the care for old people and others who need help with their daily activities. Among other things, the methodology precisely defines the boundary between long-term nursing services and social services of long-term care. This demarcation is one of the most critical points regarding the international comparability of LTC expenditure as well as total health expenditure (the latter only includes the expenditure on long-term nursing services; see pp. 30-31). The demarcation basically refers to the type of service required. Long-term nursing services are required by persons with a reduced degree of physical or cognitive capacity who are consequently dependent on assistance with basic activities of daily living (ADL). These include: eating, dressing, bathing, using the bathroom and getting out of a bed or chair. The social services of long-term care include the instrumental activities of daily living (IADL), i.e. other activities necessary to remain independent, such as shopping, cooking, doing the laundry, using transport, and cleaning.

In December 2006, the SORS published data on total long-term care expenditure for Slovenia collected using the proposed Eurostat/OECD/WHO methodology. In 2004, the total LTC expenditure totalled 1.13% of GDP (public expenditure 0.88% of GDP, private expenditure 0.26%). Within that, 60% was allocated for long-term nursing care while 40% was spent on social services of long-term care. Private expenditure comprises less than a quarter of the total LTC expenditure in Slovenia. Long-term nursing care is largely financed from public sources, mostly the HIIS funds intended for health care services in homes for the elderly and specialised

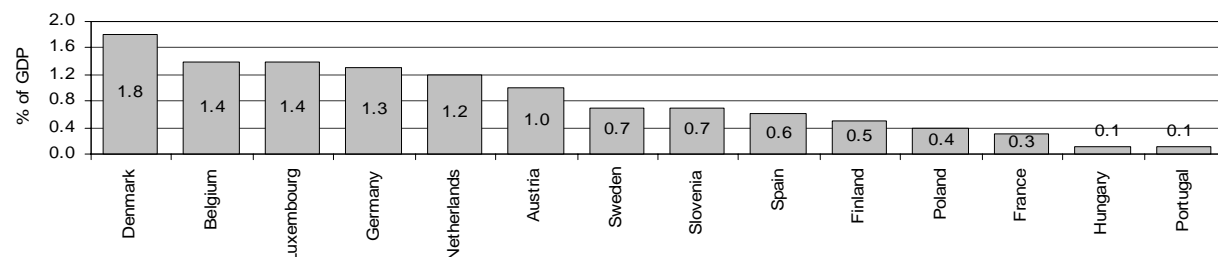
social institutions, extended hospitalisation, and partly the home-nursing service that provides LTC. Long-term nursing care also includes funds of the PDII earmarked for 'attendance allowances'. Persons entitled to this allowance are those unable to perform the basic daily activities (ADL). A good half of the expenditure for social services of long-term care is financed from public sources (the national and local budgets) while the remaining almost-half is covered by private funds (see the table). Private funds mostly comprise extra payments for the accommodation and food in homes for the elderly and other types of institutional care.

International comparisons of long-term care expenditure data are currently still not entirely reliable.

While data on long-term nursing care expenditure that some countries had already prepared according to the SHA methodology (see pp. 30-31) before the proposed single methodology are relatively reliable, data on expenditure on social services of long-term care are still in the phase of pilot calculations in most countries. Slovenia spends 0.7% of GDP on long-term nursing care, which ranks the country slightly below the average of countries for which comparable data are available (0.8%; see the graph). According to the European Commission's estimate prepared within a study on the impact of ageing populations on public spending in 2005 (the SHA methodology was taken into account only partially), Slovenia scored among the countries with a relatively well-developed system of LTC. According to these estimates, which however included only public expenditure, the old EU member states spend significantly more on LTC than the new EU countries (in 2004 EU-15: 0.9% of GDP; EU-10: 0.2% of GDP; Slovenia: 0.9% of GDP).

Expenditure on long-term care is one of the key inputs in the preparation of long-term projections on the sustainability of public finances. The presented methodology is foreseen to be used as the basis for the collection of LTC data in the next round of long-term projections in 2009.

Graph: Total long-term nursing care expenditure in Slovenia and selected EU countries, 2004

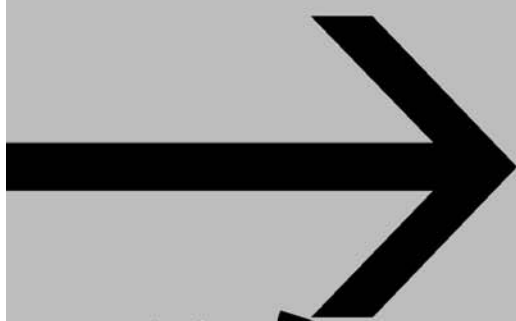


Source of data: OECD Health Data 2006. Note: figure for Belgium for 2003.

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Gross Domestic Product / I	Slovenian Economic Mirror	IMAD
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	2003-2004 constant previous year prices, 2005-2004 constant 2004 prices												
	In SIT m				In EUR m			Real growth rates in %					
	2003	2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009
					forecast						forecast		
VALUE ADDED BY ACTIVITIES AND GROSS DOMESTIC PRODUCT													
A Agriculture, hunting, forestry	123,680	149,634	138,342	132,255	557	563	571	17.1	-5.2	-4.4	1.0	1.0	1.5
B Fishing	896	881	869	884	4	4	4	-16.9	9.5	1.7	0.0	1.0	1.0
C Mining and quarrying	23,617	27,037	30,948	31,737	132	132	131	2.5	-0.2	2.6	0.0	-0.5	-0.5
D Manufacturing	1,259,492	1,386,846	1,444,152	1,550,355	6,845	7,176	7,499	4.1	2.8	7.4	5.8	4.8	4.5
E Electricity, gas and water supply	140,256	149,089	173,849	176,805	741	753	756	0.8	6.6	1.7	0.5	1.5	0.5
F Construction	274,175	294,211	322,680	360,659	1,597	1,712	1,772	1.3	4.0	11.8	6.1	7.2	3.5
G Wholesale, retail; certain repairs	553,700	610,259	653,633	689,909	3,003	3,117	3,220	3.1	4.0	5.6	4.3	3.8	3.3
H Hotels and restaurants	110,905	116,979	123,365	130,211	571	601	631	-0.1	0.7	5.6	5.0	5.3	5.0
I Transport, storage and communications	334,458	360,946	451,071	479,488	2,121	2,238	2,383	0.1	9.0	6.3	6.0	5.5	6.5
J Financial intermediation	221,699	260,587	276,319	300,799	1,362	1,464	1,567	17.2	10.4	8.9	8.5	7.5	7.0
K Real estate, renting and business services	742,611	826,027	901,517	939,841	4,091	4,266	4,458	4.7	3.6	4.3	4.3	4.3	4.5
L Public administration and defence	311,343	357,775	349,322	355,784	1,526	1,569	1,600	7.3	2.3	1.9	2.8	2.8	2.0
M Education	269,600	296,231	326,464	333,613	1,426	1,461	1,498	2.7	3.0	2.2	2.4	2.5	2.5
N Health and social work	241,059	261,747	278,144	284,263	1,219	1,256	1,300	3.7	2.9	2.2	2.8	3.0	3.5
O Other community and personal services	158,845	175,356	199,499	207,080	907	957	1,010	5.7	5.8	3.8	5.0	5.5	5.5
P Private households with employed persons	1,163	1,228	1,436	1,386	6	6	6	-8.1	5.9	-3.5	1.0	1.0	1.0
VALUE ADDED (A+...+P)	4,767,499	5,274,834	5,671,609	5,975,070	26,108	27,274	28,406	4.5	3.9	5.3	4.7	4.5	4.2
Taxes on products and services	751,595	827,981	884,055	919,417	4,005	4,158	4,320	4.2	4.8	4.0	4.4	3.8	3.9
Less: subsidies on products and services	21,731	31,976	31,237	30,487	125	122	119	7.1	-0.6	-2.4	-2.0	-2.0	-3.0
GDP	5,497,364	6,070,840	6,524,427	6,864,000	29,988	31,309	32,607	4.4	4.0	5.2	4.7	4.4	4.1

Source of data: SORS 2003-2005; IMAD's calculations and Spring Forecast 2007. Real growth rates: SORS 2003-2006; IMAD's calculations and Spring Forecast 2007.

Note: a comparison of nominal values is possible under the technical assumption of the SIT/EUR exchange rate = 239.64, which has been used since 2007.

Gross Domestic Product / II	Slovenian Economic Mirror	IMAD
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	Current prices, in SIT m				Current prices, in EUR m			Structure in %, current prices, GDP=100					
	2003	2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009
					forecast						forecast		
SUPPLY AND USE OF GROSS NATIONAL DISPOSABLE INCOME													
1. GROSS DOMESTIC PRODUCT	5,813,540	6,271,795	6,620,145	7,126,012	31,918	34,444	36,783	100.0	100.0	100.0	100.0	100.0	100.0
2. Net primary income from the rest of the world	-46,845	-75,400	-61,078	-87,702	-433	-464	-540	-1.2	-0.9	-1.2	-1.4	-1.3	-1.5
3. GROSS NATIONAL INCOME (1+2)	5,766,695	6,196,395	6,559,066	7,038,310	31,485	33,980	36,243	98.8	99.1	98.8	98.6	98.7	98.5
4. Net current transfers from the rest of the world	3,527	-14,815	-32,675	-53,754	-191	-81	-40	-0.2	-0.5	-0.8	-0.6	-0.2	-0.1
5. GROSS NATIONAL DISPOSABLE INCOME (3+4)	5,770,222	6,181,580	6,526,391	6,984,556	31,294	33,899	36,203	98.6	98.6	98.0	98.0	98.4	98.4
6. Final consumption expenditure	4,381,447	4,666,049	4,931,809	5,220,816	23,134	24,602	26,087	74.4	74.5	73.3	72.5	71.4	70.9
Private consumption	3,242,319	3,438,530	3,636,387	3,848,237	17,034	18,078	19,159	54.8	54.9	54.0	53.4	52.5	52.1
Government consumption	1,139,128	1,227,519	1,295,422	1,372,579	6,100	6,524	6,928	19.6	19.6	19.3	19.1	18.9	18.8
7. GROSS SAVINGS (5-6)	1,388,776	1,515,531	1,594,581	1,763,740	8,160	9,297	10,116	24.2	24.1	24.8	25.6	27.0	27.5
8. GROSS CAPITAL FORMATION	1,436,604	1,680,755	1,724,428	1,956,119	8,788	9,569	10,180	26.8	26.0	27.5	27.5	27.8	27.7
9. SURPLUS ON THE CURRENT ACCOUNT WITH THE ROW (7-8)	-47,829	-165,224	-129,846	-192,379	-629	-273	-64	-2.6	-2.0	-2.7	-2.0	-0.8	-0.2

Source of data: SORS 2003-2006, BS; IMAD's calculations and Spring Forecast 2007.

Note: a comparison of nominal values is possible under the technical assumption of the SIT/EUR exchange rate = 239.64, which has been used since 2007.

EXPENDITURE STRUCTURE OF GROSS DOMESTIC PRODUCT, 2000-2006 constant previous year prices													
	In SIT m				In EUR m			Real growth rates, in %					
	2003	2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009
GROSS DOMESTIC PRODUCT (3+4+5)	5,497,364	6,070,840	6,524,427	6,864,000	29,988	31,309	32,607	4.4	4.0	5.2	4.7	4.4	4.1
1. Exports of goods and services	3,155,890	3,651,048	4,157,224	4,570,904	20,924	22,839	24,849	12.5	10.5	10.0	9.7	9.2	8.8
2. Imports of goods and services	3,186,667	3,685,560	4,106,912	4,534,031	20,566	22,345	24,110	13.4	7.0	10.4	8.7	8.6	7.9
3. EXTERNAL BALANCE * (1-2)	-30,777	-34,512	50,312	36,873	358	494	738	-0,5*	2,0*	-0,3*	0,7*	0,5*	0,8*
4. FINAL CONSUMPTION	4,150,646	4,505,482	4,811,325	4,975,387	21,509	22,233	22,923	2.8	3.1	3.4	3.6	3.4	3.1
Private consumption	3,075,724	3,327,207	3,556,451	3,673,077	15,906	16,468	17,025	2.6	3.4	3.3	3.8	3.5	3.4
Government consumption (individual and collective)	1,074,922	1,178,275	1,254,875	1,302,309	5,603	5,765	5,898	3.4	2.2	3.8	3.1	2.9	2.3
5. GROSS CAPITAL FORMATION	1,377,495	1,599,870	1,662,790	1,851,740	8,121	8,582	8,946	11.4	-1.1	11.4	5.1	5.7	4.2
Gross fixed capital investment	1,296,953	1,459,991	1,559,267	1,744,180	7,708	8,213	8,575	7.9	1.5	11.9	5.9	6.6	4.4
Changes in inventories and valuables*	80,542	139,879	103,523	107,560	414	369	371	1,0*	-0,6*	0,1*	-0,1*	-0,1*	0,0*

Source of data: Nominal: SORS 2003-2005, BS; IMAD's calculations and Spring Forecast 2007. Real growth rates: SORS 2003-2006, BS; IMAD's calculations and Spring Forecast 2007.

Note: a comparison of nominal values is possible under the technical assumption of the SIT/EUR exchange rate = 239.64, which has been used since 2007. *as contributions to real GDP growth (in percentage points).

Industrial Production																						Slovenian Economic Mirror						IMAD	
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	2002	2003	2004	2005	2006	2005	2006					2006										2007							
						Q _{IV}	Q _I	Q _{II}	Q _{III}	Q _{IV}	1	2	3	4	5	6	7	8	9	10	11	12	1	2					
INDUSTRIAL PRODUCTION by sectors *, indices, 2000=100; January 2007 data are provisional																													
INDUSTRY, total	105.4	106.9	112.8	116.5	124.1	122.3	118.2	124.6	122.4	131.2	115.2	111.3	128.2	114.0	130.6	129.1	125.1	108.7	133.5	135.2	140.3	118.2	125.6	121.7					
C Mining and quarrying	99.2	104.9	97.6	104.2	114	109.6	103.3	113.7	105.7	133.1	109.3	97.6	103.1	108.2	123.2	109.7	96.6	102.1	118.4	134.5	151.5	113.3	107.2	115.5					
D Manufacturing	104.8	106.5	111.6	115.6	123.7	120.5	117.1	124.7	123.0	130.1	113.2	109.9	128.1	113.4	131.0	129.8	126.0	108.3	134.6	135.1	139.7	115.5	124.7	122.1					
DA Food, beverages, tobacco	98.6	99.6	89.4	88.0	86.7	96.2	76.8	88.4	87.4	94.3	76.3	71.4	82.8	82.0	89.4	93.7	87.1	86.3	88.7	87.7	103.4	91.9	75.5	75					
DB Textiles & textile products	80.5	71.3	61.7	54.1	52.1	51.0	57.3	49.4	54.2	47.5	64.1	49.8	58.0	44.4	49.5	54.4	59.9	44.1	58.5	51.6	49.9	40.9	55.0	52.4					
DC Leather & leather products	83.6	72.7	68.2	72.7	76.4	73.0	78.3	77.8	72.1	77.4	75.2	73.0	86.6	66.5	85.8	81.2	67.0	66.5	82.9	90.3	91.1	50.8	85.7	61.1					
DD Wood & wood products	94.3	91.0	94.7	100.7	104.4	103.0	93.6	110.0	104.7	109.1	80.5	93.0	107.4	100.2	116.9	112.9	110.0	88.6	115.4	114.9	120.6	91.8	98.7	111.8					
DE Paper, publishing, printing ¹	100.9	100.6	101.2	104.8	108.2	112.5	104.6	108.3	105.8	114.3	99.2	96.9	117.7	103.6	114.3	107.0	104.4	101.0	111.9	115.2	118.3	109.3	106.2	98.2					
DF Coke, petrol. prod., nuclear fuel ²	34.2	36.3	-	-	-	-	-	-	-	20.9	-	-	-	-	-	-	-	-	15.8	19.9	21.1	21.6	19.9	22.8	21.2				
DG Chem., prod., man-made fibers	114.5	128.0	147.5	158.7	179.4	155.9	172.9	183.2	172.1	189.3	178.0	162.1	178.6	173.4	196.2	180.0	191.6	154.3	170.3	207.3	198.6	161.9	208.8	193					
DH Rubber & plastic products	99.8	103.6	116.5	122.2	129.5	127.0	120.0	126.4	136.3	135.5	113.2	115.0	131.7	113.9	132.2	133.0	134.2	123.5	151.1	145.1	149.3	112.0	128.8	127.2					
DI Non-metal mineral products	100.9	101.6	84.6	78.7	84.3	79.5	67.2	88.6	91.3	89.9	62.4	59.4	79.8	76.2	91.2	98.4	92.4	85.9	95.6	97.3	98.7	73.7	71.8	74.8					
DJ Basic metals & fabricated. prod.	108.3	112.0	107.8	116.3	130.3	119.6	121.2	130.9	131.7	137.3	113.4	117.5	132.8	118.4	138.0	136.4	133.3	120.0	141.8	148.8	147.0	116.0	139.1	131.7					
DK Machinery & equipment nec.	128.6	120.9	138.5	140.9	150	150.9	144.0	148.0	144.9	162.9	134.5	137.9	159.6	136.1	151.6	156.4	153.8	121.4	159.5	162.7	174.6	151.3	156.5	154.2					
DL Electrical & optical equipment	110.3	122.8	153.0	157.7	182.5	166.9	168.1	183.1	183.9	194.8	164.5	158.4	181.4	152.5	198.4	198.3	172.6	152.8	226.2	195.0	211.1	178.3	171.3	177.2					
DM Transport equipment	106.4	111.7	152.7	184.7	177.4	187.3	200.1	185.5	149.5	174.4	197.2	172.9	230.1	182.0	186.9	187.6	176.4	75.6	196.5	176.1	180.7	166.4	179.7	185.3					
DN Manufacturing nec.	106.3	102.6	103.4	108.7	108.2	125.5	104.0	108.6	108.6	111.7	93.2	99.3	119.4	98.8	116.1	111.0	109.3	97.6	118.8	115.6	122.7	96.8	99.9	106.1					
E Electricity, gas & water supply ³	115.3	111.3	132.9	130.9	129.6	150.4	137.6	122.3	117.7	141.0	142.1	133.4	137.2	121.6	122.1	123.3	121.2	113.1	118.7	130.8	137.5	154.6	142.9	113.3					
NUMBER OF PERSONS IN PAID EMPLOYMENT IN INDUSTRY ⁴																													
Total, in 1000	259.9	255.1	251.7	247.3	243.3	245.3	242.8	243.0	243.0	244.7	243.0	242.7	242.6	242.4	242.9	243.6	242.9	242.7	243.3	244.6	245.4	244.0	244.1	244.8					
C Mining & quarrying	5.1	4.8	4.4	4.2	4	4.1	4.1	4.0	4.0	3.9	4.1	4.1	4.1	4.1	4.0	4.0	4.0	4.0	4.0	3.9	3.9	3.9	3.9	3.9					
D Manufacturing	243.1	238.9	236.1	231.8	227.9	229.8	227.5	227.5	227.5	229.2	227.7	227.5	227.3	227.0	227.5	228.0	227.4	227.2	227.8	229.1	229.9	228.7	228.9	229.6					
E Electricity, gas & water supply	11.7	11.4	11.3	11.4	11.4	11.4	11.2	11.4	11.5	11.5	11.2	11.2	11.3	11.4	11.4	11.5	11.5	11.5	11.5	11.5	11.5	11.4	11.3	11.3					
CONSTRUCTION ⁵, real indices of construction put in place, indices 2000=100																													
Construction	97.9	105.7	108.4	111.7	128.8	128.7	76.7	120.0	149.0	169.4	64.6	74.9	90.6	101.1	115.0	143.9	140.4	132.3	174.2	188.1	163.2	157.0	94.8	98.1					
Buildings	104.2	104.9	114.6	126.4	144.1	137.9	100.3	131.3	165.3	179.6	83.9	102.3	114.8	119.0	117.7	157.3	152.7	156.1	187.1	191.9	169.9	177.0	108.0	113.6					
Civil engineering	92.1	106.4	102.6	98.0	114.5	120.3	54.8	109.5	133.8	160.0	46.7	49.6	68.1	84.5	112.4	131.5	128.9	110.2	162.3	184.6	157.1	138.4	86.2	87.9					
Persons in paid employment in construction ⁴	99.4	99.1	97.5	102.0	109.6	104.2	102.5	108.6	113.1	114.3	101.5	102.0	104.0	106.5	108.7	110.5	112.2	112.9	114.2	114.9	115.2	112.7	112.9	114.4					
<p><i>Source of data:</i> SORS. <i>Notes:</i> *From February 2004 onwards the industrial production indices have been provisional. For the period up until January 2004 they are calculated according to data on produced quantities of industrial goods. From February 2004 onwards, data on production value have been taken as the basis for the calculation. The value of production is calculated according to the following formula: turnover in the month (x) + value of stocks in the month (x) - value of stocks in the month (x-1). ¹Enterprises with activity of publishing are excluded; ²data not published because of confidentiality; ³only companies with activity of electricity supply are included. ⁴In January 2005, the SORS adopted a 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 Labor Force Survey. Data for previous years dating back to January 2000 have also been calculated according to the new methodology. ⁵The survey covers all larger construction enterprises and some other enterprises that perform construction work.</p>																													

Production												Slovenian Economic Mirror								IMAD			
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	2002	2003	2004	2005	2006	2005	2006					2006								2007			
						Q _{IV}	Q _I	Q _{II}	Q _{III}	Q _{IV}	2	3	4	5	6	7	8	9	10	11	12	1	2
TRANSPORT																							
Passenger-km in transport for hire or reward (1000)	1,143	1,065	980	848	851	215	211	236	180	223	64	74	73	82	81	50	46	85	79	77	66	70	62
Passenger-km in rail transport, in m	749	778	764	777	788	199	191	197	189	212	60	64	62	69	66	60	58	70	72	71	69	-	-
Passenger-km in air transport, in m	794	837	896	1,019	1,044	198	182	251	411	200	56	63	69	77	104	147	143	121	83	60	57	62	56
Tonne-km in rail transport, in m	3,078	3,274	3,466	3,245	3,373	894	799	815	817	942	265	287	267	287	261	289	259	269	315	321	306	-	-
Tonne-km in maritime transport, in m	28,578	28,361	37,047	52,513	49,155	11,013	13,498	11,545	12,618	11,494	5,015	4,725	3,494	3,552	4,498	4,709	3,955	3,954	4,381	2,846	4,267	4,477	2,949
Tonne-km in road transport, in m	6,609	7,040	9,007	11,033	12,098	2,752	2,901	3,413	2,778	3,020	-	-	-	-	-	-	-	-	-	-	-	-	-
Urban passenger traffic, in m	103.9	98.4	100.2	97.2	94.0	28.8	27.3	24.3	14.6	27.7	8.6	9.5	8.6	8.1	7.6	4.0	3.7	6.9	9.1	9.4	9.2	8.7	8.5
Airport passengers traffic, in 000	866	922	1,047	1,228	1,339	264	236	334	488	282	73	85	90	112	132	169	171	148	116	88	79	82	78
Harbour freight transport, in 000 t	9,305	10,788	12,063	12,625	15,462	3,555	3,871	3,877	3,555	4,158	1,341	1,265	1,103	1,372	1,402	1,245	895	1,416	1,426	1,362	1,370	1,197	1,323
Transport of gas, million m ³	1,007	1,098	1,097	1,136	-	331	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOURISM, overnight stays, in 000																							
Total	7,321	7,503	7,589	7,573	7,722	1,303	1,404	1,814	3,115	1,389	464	476	474	575	765	1,157	1,209	749	548	407	434	472	473
Domestic tourists	3,300	3,327	3,226	3,173	3,233	578	697	691	1,226	619	268	236	169	220	303	498	457	271	219	197	203	177	266
Foreign tourists	4,021	4,175	4,363	4,399	4,488	725	708	1,123	1,889	769	196	240	306	355	462	659	753	478	329	209	231	296	206
Health resorts	2,327	2,360	2,417	2,464	2,434	548	523	573	853	484	169	181	158	197	217	275	324	255	219	83	183	175	191
Seaside	2,052	2,010	2,002	1,949	1,871	266	201	493	961	216	58	91	139	139	215	367	346	248	118	31	67	47	62
AGRICULTURE, slaughter in slaughterhouses, in 000 tons																							
Cattle	40.5	43.1	40.1	37.4	37.9	10.7	8.9	9.0	8.4	11.7	2.8	3.1	2.9	3.3	2.8	2.5	2.9	2.9	3.4	4.0	4.3	2.6	2.5
Pigs	37.1	37.3	34.6	31.7	33.6	8.7	8.3	9.1	7.9	8.4	2.5	3.1	2.8	3.2	3.0	2.6	2.7	2.6	2.7	2.6	3.1	2.7	2.5
Poultry	51.4	56.0	52.0	53.4	49.2	13.4	12.4	12.0	12.3	12.5	3.9	4.7	3.4	4.3	4.3	4.3	4.2	3.8	4.2	4.1	4.1	4.6	4.1
Purchase of agricultural products, SIT bn, since 2007 in EURO m	101.6	103.3	102.4	104.1	106.7	32.0	21.7	25.6	26.1	33.4	6.8	8.2	8.1	8.9	8.6	7.9	8.9	9.3	9.6	10.5	13.3	32.2	31.1
FISHING, in 000 tons																							
Catches in marine waters	1459.8	1087.5	815.9	1021.6	736.7	268.3	131.1	155.0	271.3	278.4	49.8	65.4	15.9	36.3	36.6	82.1	84.2	92.7	94.3	91.4	51.8	36.1	83.4

Source of data: SORS.

Balance of Payments

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	2002	2003	2004	2005	2006	2006				2006												2007	
						Q _I	Q _{II}	Q _{III}	Q _{IV}	1	2	3	4	5	6	7	8	9	10	11	12	1	2
BALANCE OF PAYMENTS, in EUR m																							
Current account	247	-196	-720	-547	-756	-163	52	-214	-431	44	-111	-97	36	-30	46	-96	-71	-47	-23	-188	-221	8	-170
Trade balance ¹	-265	-543	-1,009	-1,026	-1,121	-204	-117	-258	-542	7	-93	-119	18	-77	-59	-76	-115	-67	-93	-186	-263	-53	-93
Exports	11,082	11,417	12,933	14,599	17,032	4,028	4,285	4,163	4,555	1,248	1,271	1,509	1,334	1,463	1,488	1,453	1,175	1,535	1,578	1,601	1,376	1,470	1,489
Imports	11,347	11,960	13,942	15,625	18,152	4,232	4,403	4,421	5,097	1,241	1,363	1,628	1,316	1,540	1,547	1,529	1,290	1,601	1,670	1,788	1,639	1,523	1,582
Services	620	540	688	856	885	207	254	213	211	73	57	76	69	94	90	29	95	89	103	46	61	108	28
Exports	2,440	2,465	2,783	3,210	3,538	729	864	1,040	906	240	225	263	257	292	315	340	386	314	309	291	306	294	213
Imports	1,820	1,925	2,095	2,354	2,653	522	610	826	695	167	168	187	187	197	226	311	291	224	206	244	244	185	185
Income	-168	-219	-322	-283	-349	-77	-78	-92	-102	-20	-29	-28	-35	-25	-18	-30	-29	-33	-35	-33	-34	-35	-42
Receipts	490	510	530	641	737	157	192	188	200	52	52	54	57	63	72	62	62	64	63	62	75	55	52
Expenditure	657	728	852	924	1,086	234	270	280	302	72	80	82	92	88	90	92	91	97	98	95	109	90	94
Current transfers	60	26	-76	-94	-171	-89	-6	-77	2	-16	-47	-26	-16	-23	33	-19	-22	-36	2	-15	15	-12	-62
Receipts	500	474	561	708	784	160	224	163	238	45	57	58	58	57	108	61	55	47	84	59	95	44	60
Expenditure	439	449	638	802	955	249	230	240	236	62	104	83	75	81	75	80	77	83	83	73	80	55	122
Capital and financial account	3	46	698	404	1,010	103	112	345	450	-197	222	78	80	10	21	152	82	111	-133	75	508	96	349
Capital account	-164	-165	-96	-114	-118	-8	-21	-32	-57	4	-6	-6	8	-9	-19	-21	6	-17	-8	-9	-41	19	-4
Financial account	167	211	794	518	1,128	111	132	377	508	-201	228	84	73	19	40	174	75	128	-126	84	549	77	353
Direct investment	1,556	-151	224	-58	-287	-64	-60	5	-167	-161	57	40	6	-44	-22	31	-28	2	-45	-177	54	-90	-80
Domestic abroad	-166	-421	-441	-503	-590	-108	-178	-109	-194	-90	-20	1	-87	-18	-73	-8	-33	-68	-43	-159	8	-95	-137
Foreign in Slovenia	1,722	270	665	445	303	45	118	114	27	-71	77	39	93	-26	51	39	5	70	-2	-18	46	4	56
Portfolio investment	-69	-223	-637	-1,618	-1,458	-257	-178	-351	-672	-103	-116	-39	-28	-106	-45	-86	-271	6	-65	-183	-424	-905	-150
Financial derivatives	0	0	6	-10	-13	-2	-10	-3	2	2	-4	0	0	-9	-1	-6	1	2	-3	2	4	5	-4
Other investment	565	849	945	2,393	1,605	526	85	43	950	296	283	-53	19	168	-102	-175	120	98	56	355	540	880	713
Assets	-538	-730	-1,308	-1,531	-1,899	-389	-881	-380	-249	53	-171	-271	-58	-600	-222	40	-22	-399	85	-23	-311	-534	-739
Commercial credits	-135	-116	-237	-195	-431	-288	-180	-76	114	-54	-106	-128	-62	-57	-61	-35	76	-118	-92	-54	259	-31	-158
Loans	-174	-223	-281	-413	-713	-158	-179	-96	-280	-29	-32	-98	-32	-60	-87	-46	30	-80	-50	-73	-157	-18	-74
Currency and deposits	-157	-323	-720	-835	-747	57	-522	-199	-83	135	-33	-45	36	-483	-74	121	-128	-192	227	104	-413	-469	-506
Other assets	-71	-68	-69	-88	-9	0	0	-9	0	0	0	0	-1	1	0	0	0	-9	0	0	-1	-16	-1
Liabilities	1,104	1,579	2,252	3,924	3,503	915	966	423	1,199	243	454	218	78	768	120	-215	141	497	-30	378	851	1,414	1,452
Commercial credits	95	59	214	236	448	-10	129	58	271	-105	68	27	14	49	65	71	-61	48	124	111	37	-158	211
Loans	838	1,123	1,671	2,649	2,056	365	849	369	473	127	79	158	48	856	-55	-40	149	260	-53	300	225	151	-53
Deposits	130	428	335	1,014	1,061	587	1	8	464	254	309	25	-2	-114	116	-243	61	191	-96	-35	594	-428	292
Other liabilities	39	-31	33	25	-61	-27	-13	-12	-10	-33	-1	8	16	-23	-6	-2	-7	-2	-5	1	-5	1,847	1,002
International reserves ²	-1,885	-264	256	-189	1,281	-92	295	684	394	-234	6	136	76	10	210	409	254	20	-68	86	376	187	-126
Statistical error	-250	150	22	144	-254	61	-164	-132	-19	153	-111	18	-117	20	-67	-57	-11	-64	156	113	-287	-104	-179
EXPORTS AND IMPORTS BY END-USE OF PRODUCTS, in EUR m																							
Export of investment goods	1,542	1,634	1,873	2,058	2,492	551	615	622	705	158	169	224	186	212	217	222	168	231	224	245	236	N/A	N/A
Intermediate goods	5,245	5,463	6,342	6,990	8,429	1,992	2,139	2,094	2,203	618	630	744	656	736	750	720	604	770	772	810	621	N/A	N/A
Consumer goods	4,175	4,188	4,568	5,349	5,840	1,432	1,453	1,366	1,589	453	456	523	470	482	501	485	367	515	560	532	497	N/A	N/A
Import of investment goods	2,072	2,322	2,494	2,624	3,076	629	723	746	978	152	224	253	213	239	271	245	204	297	276	344	358	N/A	N/A
Intermediate goods	6,816	7,079	8,348	9,534	11,064	2,632	2,713	2,738	2,981	778	842	1,012	796	950	966	972	800	966	1,010	1,072	900	N/A	N/A
Consumer goods	2,686	2,838	3,301	3,646	4,172	992	1,011	986	1,183	290	318	383	310	352	349	320	289	376	399	409	375	N/A	N/A

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

Monetary Indicators															Slovenian Economic Mirror		IMAD	
															No. 4/2007		p. A 7	
	2005	2006	2005				2006										2007	
	December		11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2
MONETARY SYSTEM – CONSOLIDATED BALANCE SHEET OF MONETARY FINANCIAL INSTITUTIONS, end of the month, in SIT bn																		
Banknotes and coins	217.3	152.8	204.2	217.3	205.9	206.8	207.5	220.9	216.5	220.7	212.1	210.3	213.1	214.0	197.6	152.8	2,709	2,684
Overnight deposits at other MFI	1,491.0	1,694.1	1,312.9	1,491.0	1,475.5	1,482.4	1,513.3	1,535.3	1,571.7	1,598.7	1,595.6	1,594.9	1,605.7	1,590.4	1,612.5	1,694.1	6,902	6,866
Overnight deposits of NFI at the BS	3.1	5.0	3.0	2.8	3.5	2.8	5.7	6.5	4.9	3.6	3.6	5.7	4.8	6.0	4.5	5.0	47	37
Overnight deposits of other government sector (central government excluded) at the BS	3.3	1.3	2.9	2.7	2.2	2.0	1.9	2.1	2.1	1.8	2.2	2.1	2.1	1.9	1.9	1.3	6	7
Total overnight deposits at the BS	6.4	6.4	5.9	5.5	5.7	4.8	7.6	8.5	7.0	5.3	5.9	7.8	6.9	7.9	6.4	6.4	53	43
Deposits with agreed maturity at the BS	0.3	0.0	0.5	0.4	0.3	0.4	0.5	0.4	0.7	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0	0
Deposits with agreed maturity at other MFI	1,688.0	1,747.3	1,826.6	1,688.0	1,728.4	1,742.3	1,730.3	1,661.7	1,682.0	1,678.2	1,710.8	1,692.2	1,735.0	1,720.9	1,744.1	1,747.3	7,379	7,441
Deposits at redeemable notice	164.9	197.5	123.1	122.4	138.2	140.6	163.6	172.0	168.7	179.8	166.0	170.8	182.7	184.6	187.9	197.5	962	918
Debt securities, units/shares of money market funds and repos	9.5	9.2	8.5	9.5	8.8	9.1	9.4	9.7	9.1	6.7	7.0	7.7	7.3	7.5	7.9	9.2	29	32
Banknotes and coins and demand deposits	1,713.9	1,853.3	1,522.9	1,713.9	1,687.0	1,694.1	1,728.4	1,764.8	1,795.3	1,824.8	1,813.5	1,812.9	1,825.7	1,812.3	1,816.5	1,853.3	10	9,593
Banknotes and coins and deposits with maturity of up to two years	3,524.6	3,798.1	3,473.1	3,524.6	3,553.9	3,577.4	3,622.9	3,598.9	3,646.6	3,683.3	3,690.7	3,675.9	3,743.4	3,717.7	3,748.5	3,798.1	18,005	17,952
Banknotes and coins and instruments with maturity of up to two years	3,534.2	3,807.2	3,481.7	3,534.2	3,562.7	3,586.5	3,632.3	3,608.5	3,655.7	3,690.0	3,697.7	3,683.6	3,750.7	3,725.2	3,756.4	3,807.2	18,035	17,984
SELECTED CLAIMS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn																		
Claims of the BS on central government	17.6	16.6	17.4	17.4	17.3	17.3	17.1	16.9	16.9	16.9	16.9	16.8	16.9	16.8	16.8	16.6	69	69
Central government (S. 1311)	780.5	776.6	776.5	780.5	808.0	792.9	767.3	773.6	777.2	774.9	774.5	777.8	782.2	792.5	787.7	776.6	3,204	3,241
Other government (S. 1312, 1313, 1314)	17.8	24.9	22.1	23.1	19.2	19.4	23.9	23.8	23.4	23.2	23.4	20.6	20.4	21.5	21.8	24.9	108	106
Households (S. 14, 15)	976.0	1,289.8	1,014.4	1,025.9	1,040.6	1,053.2	1,080.5	1,108.6	1,138.2	1,157.3	1,180.4	1,203.7	1,229.2	1,252.3	1,277.6	1,289.8	5,428	5,488
Non-financial corporations (S. 11)	2,620.9	3,245.5	2,577.3	2,620.9	2,695.3	2,738.2	2,800.0	2,882.7	2,910.3	2,951.5	2,988.9	3,025.0	3,096.8	3,157.9	3,214.5	3,245.5	14,087	14,250
Non-monetary financial institutions (S. 123, 124, 125)	230.9	365.6	207.2	230.9	231.2	243.6	253.1	263.0	278.0	283.0	287.5	296.5	303.5	325.7	338.3	365.6	1,554	1,563
Monetary financial institutions (S. 121, 122)	1,408.2	1,157.1	1,372.8	1,408.2	1,493.7	1,496.0	1,485.2	1,407.3	1,438.3	1,413.4	1,293.7	1,235.5	1,249.4	1,265.8	1,244.9	1,157.1	3,615	2,874
Claims on domestic sectors, TOTAL																		
In domestic currency	2,099.2	2,307.3	2,102.8	2,099.2	2,106.1	2,136.3	2,124.1	2,132.1	2,114.1	2,149.9	2,121.8	2,136.1	2,152.6	2,200.9	2,223.5	2,307.3	21,870	21,743
In foreign currency	2,199.4	3,109.6	2,095.9	2,199.4	2,286.2	2,352.9	2,455.8	2,539.0	2,618.8	2,716.2	2,748.5	2,814.9	2,894.6	2,992.1	3,048.8	3,109.6	1,048	1,095
Securities, total	1,791.0	1,442.6	1,771.6	1,791.0	1,895.7	1,853.9	1,830.1	1,787.9	1,832.5	1,737.3	1,678.1	1,608.1	1,634.4	1,622.8	1,612.5	1,442.6	5,076	4,684
SELECTED OBLIGATIONS OF OTHER MFI ON DOMESTIC SECTORS, end of the month, in SIT bn																		
Deposits in domestic currency, total	2,608.5	2,904.1	2,579.5	2,610.3	2,692.7	2,651.4	2,651.7	2,685.9	2,704.6	2,749.2	2,751.9	2,773.1	2,846.7	2,885.5	2,893.7	2,904.1	17,823	17,912
Overnight	987.0	1,178.1	915.0	987.0	962.5	950.4	991.4	1,003.6	1,032.6	1,073.0	1,056.9	1,057.6	1,067.4	1,052.8	1,079.0	1,178.1	6,645	6,598
With agreed maturity – short-term	1,175.5	1,252.9	1,217.8	1,175.5	1,295.1	1,264.0	1,222.8	1,229.3	1,233.5	1,225.4	1,257.0	1,270.0	1,323.3	1,361.3	1,353.8	1,252.9	7,673	7,837
With agreed maturity – long-term	309.9	291.9	308.8	309.9	312.7	313.2	295.1	295.7	286.4	285.2	282.7	285.8	286.9	305.0	287.5	291.9	2,486	2,492
Short-term deposits redeemable at notice	136.0	181.2	137.9	137.8	122.3	123.9	142.3	157.2	152.1	165.6	155.3	159.8	169.1	166.3	173.3	181.2	1,019	985
Deposits in foreign currency, total	1,349.9	1,454.0	1,372.4	1,346.6	1,344.7	1,372.8	1,403.8	1,367.3	1,417.4	1,432.4	1,424.9	1,420.9	1,433.9	1,425.8	1,448.4	1,454.0	634	614
Overnight	395.6	552.7	415.8	534.8	542.5	550.7	546.3	546.0	559.0	556.9	559.1	565.0	562.8	564.7	576.3	552.7	311	293
With agreed maturity – short-term	623.7	544.7	619.1	481.2	474.9	491.5	516.0	480.9	514.1	533.6	521.4	506.3	517.6	510.0	519.0	544.7	240	239
With agreed maturity – long-term	295.2	318.5	301.0	295.2	295.7	297.9	300.5	302.8	310.9	307.8	311.1	316.1	319.2	313.8	317.5	318.5	64	64
Short-term deposits redeemable at notice	35.4	38.0	36.4	35.4	31.6	32.7	41.0	37.6	33.4	34.1	33.3	33.6	34.3	37.3	35.7	38.0	19	18

Source of data: Bank of Slovenia.

Prices	Slovenian Economic Mirror																		IMAD		
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Indices, 2005 = 100	2002	2003	2004	2005	2006	2006				2007	2006												2007		
						Q _I	Q _{II}	Q _{III}	Q _{IV}	Q _I	3	4	5	6	7	8	9	10	11	12	1	2	3		
GROWTH IN SELECTED PRICE INDICATORS																									
CPI	89.2	94.2	97.6	100.0	102.5	100.8	102.8	103.2	103.2	103.1	101.4	102.3	103.2	102.9	102.6	103.3	103.6	102.8	103.1	103.6	102.9	102.7	103.8		
Food, non-alcoholic beverages	95.9	100.3	100.8	100.0	102.3	101.6	102.0	102.3	103.1	105.3	101.5	101.2	102.8	102.1	101.7	102.6	102.7	101.9	103.4	104.0	105.7	104.7	105.5		
Alcoholic beverages, tobacco	80.8	91.0	96.3	100.0	103.7	101.5	101.9	105.2	106.2	107.1	101.7	101.8	101.8	102.1	105.3	105.1	105.2	106.3	106.1	106.2	106.9	107.0	107.4		
Clothing and footwear	93.5	99.3	101.0	100.0	99.5	93.7	104.8	94.0	105.5	95.4	100.6	104.1	105.7	104.5	92.5	90.5	99.2	104.9	106.2	105.5	92.9	93.3	100.1		
Housing, water, electricity, gas	80.2	85.4	91.7	100.0	105.3	104.4	106.1	107.0	103.8	104.2	104.7	105.7	106.6	105.9	106.5	106.8	107.6	103.3	103.8	104.2	103.6	103.9	105.1		
Furnishings, household equip.	90.1	94.3	96.5	100.0	104.1	101.9	102.9	105.2	106.2	107.0	102.7	103.0	102.8	102.9	104.1	105.6	106.0	106.1	106.1	106.4	106.9	106.7	107.5		
Medical, pharmaceutical products	93.4	98.8	100.3	100.0	98.3	98.4	98.5	98.0	98.3	99.9	98.5	98.6	98.6	98.3	98.0	98.1	97.9	98.0	98.2	98.7	99.2	99.7	100.8		
Transport	88.0	92.1	97.4	100.0	101.3	99.9	101.8	103.0	100.3	99.7	99.4	101.2	102.6	101.7	102.0	103.8	103.0	100.3	100.1	100.6	99.8	99.3	100.1		
Communications	98.5	99.8	100.0	100.0	100.3	100.0	99.2	100.4	101.5	100.0	99.9	99.7	99.5	98.5	99.4	99.6	102.2	102.2	101.1	101.1	101.5	99.3	99.2		
Recreation and culture	89.8	94.2	97.7	100.0	102.1	100.0	101.7	105.8	101.1	102.5	100.1	100.6	101.4	103.1	106.3	107.8	103.3	100.6	100.9	101.8	102.3	102.9	102.3		
Education	83.5	87.1	93.4	100.0	103.1	102.0	104.1	103.5	102.9	103.1	101.9	104.1	104.1	104.1	104.1	104.1	102.1	102.9	102.9	102.9	103.0	103.1	103.0		
Catering services	84.9	91.1	95.8	100.0	104.5	102.2	104.0	105.4	106.3	109.2	102.7	103.5	104.0	104.4	104.9	105.3	105.8	106.0	105.5	107.4	108.9	109.3	109.6		
Miscellaneous goods & services	88.8	94.5	98.1	100.0	104.1	102.1	103.9	104.4	105.9	106.4	103.6	103.6	104.0	104.0	104.4	104.2	104.6	105.7	105.8	106.1	106.2	106.5	106.7		
HCPI	89.1	94.2	97.6	100.0	102.5	100.8	102.8	103.2	103.3	103.4	101.4	102.3	103.3	103.0	102.7	103.4	103.7	102.9	103.2	103.7	103.1	103.0	104.1		
Producer price indices (domestic market)	91.0	93.3	97.4	100.0	102.4	101.3	102.2	102.6	103.3	105.9	101.8	102.1	102.2	102.4	102.6	102.3	102.9	103.1	103.1	103.6	104.3	106.5	106.8		
Intermediate goods	89.6	91.4	96.9	100.0	103.5	101.9	103.3	104.1	104.7	109.1	102.5	103.0	103.3	103.7	104.0	103.7	104.7	104.4	104.5	105.3	106.1	110.4	110.8		
Capital goods	94.8	94.7	97.0	100.0	100.2	99.8	99.6	100.5	100.8	101.2	99.6	99.5	99.3	100.0	100.1	100.4	100.9	100.9	100.7	100.9	101.4	101.0	101.4		
Consumption goods	91.8	95.3	98.1	100.0	101.5	101.0	101.6	101.2	102.1	103.1	101.6	101.7	101.6	101.6	101.4	101.1	101.2	102.1	101.9	102.3	102.8	103.0	103.4		
PRICE CONTROL¹																									
Energy prices	81.1	83.3	89.4	100.0	108.0	104.7	109.6	111.9	105.9	102.6	104.6	107.8	111.4	109.7	110.4	112.7	112.6	106.2	105.5	105.9	103.6	100.4	103.7		
Oil products	78.9	80.2	86.7	100.0	110.3	105.6	113.4	116.3	105.7	101.4	105.4	110.4	116.1	113.8	114.5	117.5	117.0	106.5	105.1	105.6	102.9	98.4	103.0		
Electricity for households	90.4	93.8	98.6	100.0	101.6	100.8	100.8	102.0	102.7	101.7	100.8	100.8	100.8	100.8	100.8	102.7	102.7	102.7	102.7	102.7	101.9	101.0	102.4		
Basic utilities	83.4	88.6	96.2	100.0	97.4	100.1	100.9	100.9	87.8	93.8	100.1	101.2	100.7	100.7	100.7	100.9	100.9	83.3	89.3	90.7	92.5	94.4	94.4		
Transport & communications	91.5	95.2	97.9	100.0	101.5	101.2	101.6	101.6	101.6	101.9	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.7	101.8	102.2		
Other controlled prices	86.0	89.8	95.7	100.0	102.6	101.8	102.2	103.2	103.3	104.9	101.9	102.2	102.2	102.3	103.2	103.2	103.2	103.2	103.3	103.3	104.2	105.1	105.3		
Direct control – total	82.5	85.5	91.5	100.0	107.0	103.7	107.3	110.2	106.9	105.6	103.7	106.1	108.5	107.4	107.9	109.5	113.3	106.5	106.9	107.3	106.0	104.1	106.6		

Source of data: SORS, calculations and estimates IMAD. Note: ¹ the structure of groups varies, data published are not directly comparable to those published previously.

Interest Rates and Investment																Slovenian Economic Mirror				IMAD	
																No. 4/2007				p. A 9	
	End year					2006												2007			
	2002	2003	2004	2005	2006	1	2	3	4	5	6	7	8	9	10	11	12	1	2		
INTEREST RATES OF MONETARY FINANCIAL INSTITUTIONS, %																					
New deposits in domestic currency																					
Households																					
Overnight deposits	-	-	-	0.47	0.32	0.40	0.38	0.36	0.34	0.30	0.30	0.30	0.30	0.28	0.27	0.28	0.27	0.33	0.33		
Time deposits with maturity of up to one year	-	-	-	3.34	2.96	3.30	3.23	3.02	3.03	2.99	2.98	2.86	2.81	2.82	2.80	2.81	2.84	2.83	2.91		
New loans to households in domestic currency																					
Housing loans 1-5 year fixed interest rate	-	-	4.18	4.99	4.56	4.01	4.67	4.68	4.80	4.51	4.26	4.74	4.57	4.60	4.42	5.19	4.29	5.16	5.44		
New loans to non-financial corporations in domestic currency																					
Loan over EUR 1 million 1-5 year fixed interest rate	-	8.58	5.36	5.23	4.64	4.70	4.22	5.12	4.98	4.43	-	4.66	4.47	3.61	4.66	5.04	5.11	5.49	6.53		
INTEREST RATES OF THE EUROPEAN CENTRAL BANK, %																					
Main refinancing operations	3.21	2.25	2.00	2.02	2.78	2.25	2.25	2.50	2.50	2.50	2.75	2.75	3.00	3.00	3.25	3.25	3.50	3.50	3.50		
INVESTMENT, outlays, in SIT m, since 2007 thousand EURO																					
Total	524,626	610,923	760,662	772,675	824,957	70,523	51,609	63,277	52,510	56,768	62,748	55,592	56,808	62,610	58,911	86,544	147,057	283,943	287,486		
Industry total	114,794	136,349	184,271	181,466	164,226	21,726	10,971	12,392	10,174	11,172	13,613	12,797	9,218	11,634	12,008	16,069	22,452	54,811	66,902		
Energy sector	36,959	31,538	39,105	38,701	36,856	2,686	3,337	2,340	1,405	2,119	1,934	2,995	2,119	3,460	2,294	4,832	7,335	11,771	26,320		
Manufacturing	77,835	104,811	145,163	142,765	127,370	19,040	7,634	10,052	8,769	9,053	11,679	9,802	7,099	8,174	9,714	11,237	15,117	43,040	40,582		
Construction	8,937	11,350	21,470	129,609	170,369	8,392	8,929	10,808	7,472	11,717	11,122	11,561	15,119	14,507	13,065	14,565	43,112	97,608	68,472		
Transport and communications	58,244	39,779	54,720	63,689	57,978	4,115	2,762	4,692	3,855	4,716	4,085	3,935	5,076	7,245	3,401	9,931	4,165	11,029	32,975		
Trade	66,950	67,852	80,272	93,793	82,460	13,481	6,019	7,889	4,879	4,880	11,155	5,304	6,325	4,527	6,229	4,926	6,846	16,599	12,242		
Hotels and restaurants	9,144	14,665	14,206	15,641	12,356	1,233	650	1,705	840	889	962	1,298	1,319	816	439	722	1,483	7,841	5,197		
Financial and technical services	40,339	48,049	52,291	48,192	47,530	3,851	2,486	3,284	4,210	4,957	4,109	5,117	4,199	2,560	3,805	4,297	4,655	11,926	22,401		
Other	226,220	292,876	353,432	240,285	290,038	17,725	19,792	22,507	21,080	18,437	17,702	15,580	15,552	21,321	19,964	36,034	64,344	84,129	79,297		
In economic infrastructure, total ¹	162,078	177,777	223,096	180,751	197,802	11,917	11,312	11,724	7,283	13,947	12,868	13,319	16,649	16,725	13,348	19,366	49,344	89,490	105,197		
Energy sector	36,959	46,562	46,469	42,212	36,857	2,686	3,337	2,340	1,405	2,119	1,934	2,995	2,119	3,460	2,294	4,832	7,335	11,771	26,320		
Electricity supply	25,132	26,903	23,107	24,251	22,736	1,554	1,947	1,394	941	1,381	1,261	1,963	1,200	2,516	1,304	3,331	3,946	6,664	21,210		
Gas supply	1,380	1,282	689	678	729	74	32	51	41	30	51	56	80	58	26	111	117	229	242		
Hot water supply	1,168	2,725	2,027	2,564	2,640	73	205	211	41	140	90	240	125	216	240	346	714	1,540	898		
Cold water supply	9,280	15,652	20,645	14,720	10,752	986	1,153	685	381	569	532	737	714	670	724	1,044	2,558	3,337	3,970		
Transport infrastructure	125,119	131,215	176,627	138,539	160,945	9,231	7,975	9,384	5,878	11,828	10,934	10,324	14,530	13,265	11,054	14,534	42,009	77,719	78,876		
Railways	16,924	1,717	1,822	2,615	6,677	78	123	586	608	571	372	558	1,487	1,653	77	493	70	590	1,360		
Air traffic	618	1,774	2,660	3,462	2,120	135	216	73	10	207	101	49	469	96	123	139	502	1,508	2,028		
Roads, motorways	81,467	103,849	141,157	106,040	136,142	6,791	5,887	5,968	3,760	9,044	8,994	9,224	11,516	11,064	10,310	13,150	40,435	72,863	62,228		
Postal and telecom services	24,573	20,923	26,717	24,143	13,609	2,161	1,621	2,563	1,330	1,749	1,308	292	770	372	432	399	613	1,717	1,402		
Other	1,538	2,952	4,271	2,279	2,397	66	128	195	171	257	157	201	287	80	112	354	389	1,041	11,858		
<i>Sources of data:</i> SORS, BS, AP. <i>Notes:</i> a large infrastructure company has been included in the construction activity since September 2005. ¹ Outlays collected on the basis of data for individual investors.																					

Labour Market																Slovenian Economic Mirror						IMAD	
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Number in thousand	2002	2003	2004	2005	2006	2005					2006										2007		
						Q IV	Q I	Q II	Q III	Q IV	2	3	4	5	6	7	8	9	10	11	12	1	2
A FORMAL LABOUR FORCE (A=B+E)	911.4	899.1	900.3	905.0	910.7	902.4	900.5	904.5	905.0	910.0	908.3	908.7	909.9	910.7	912.3	910.8	908.2	909.8	915.0	915.5	911.3	918.0	919.2
B PERSONS IN FORMAL EMPLOYMENT (C+D)	808.7	801.4	807.5	813.1	824.8	811.0	807.5	814.3	814.1	816.5	814.1	817.3	819.9	823.6	827.4	825.2	825.2	829.5	833.7	836.7	833.0	838.0	841.5
In agriculture, forestry, fishing	45.4	37.7	41.2	38.7	38.9	40.7	38.7	39.0	38.9	38.8	39.5	39.6	39.2	39.1	39.0	38.8	38.7	38.7	38.6	38.6	38.4	43.0	43.1
In industry, construction	323.3	318.4	313.9	310.9	313.3	314.0	310.9	313.5	313.3	311.8	307.8	308.9	310.3	312.3	314.1	314.5	314.7	316.2	317.9	318.9	315.9	316.2	317.8
Of which: in manufacturing	243.1	238.9	236.1	233.7	227.9	235.7	233.4	233.0	230.9	229.8	227.5	227.3	227.0	227.5	228.0	227.4	227.2	227.8	229.1	229.9	228.7	228.9	229.6
In construction	63.4	63.3	62.2	61.7	69.9	62.7	61.9	64.9	66.9	66.5	65.1	66.3	67.9	69.4	70.5	71.6	72.0	72.8	73.3	73.5	71.9	72.1	73.0
In services	440.0	445.2	452.3	463.5	472.6	456.3	457.9	461.8	461.9	465.9	466.8	468.8	470.3	472.2	474.3	471.9	471.8	474.7	477.2	479.2	478.7	478.8	480.7
Of which: in public administration	45.9	47.7	49.9	49.1	50.2	50.3	49.3	49.7	49.8	49.9	49.7	50.1	50.3	50.4	50.6	50.5	50.3	50.2	50.3	50.2	49.9	49.8	49.7
in education, health-services social work	101.6	102.7	105.0	106.5	109.1	106.2	106.9	107.7	107.0	108.4	108.6	108.7	108.9	109.3	109.7	108.2	108.0	109.5	109.9	110.2	109.8	109.5	109.9
C FORMALLY EMPLOYED ¹	721.4	722.1	724.4	731.6	741.6	727.8	726.4	732.9	732.6	734.4	731.1	734.2	737.0	740.5	744.2	742.1	742.0	746.1	750.1	752.9	749.2	749.5	752.9
In enterprises and organisations	654.6	656.0	658.7	666.2	675.1	661.8	662.4	667.1	666.6	668.6	667.3	669.7	671.5	674.2	676.9	674.7	674.7	678.2	681.6	684.3	681.7	682.8	685.6
In small scale sector	66.8	66.2	65.6	65.4	66.5	66.0	64.0	65.9	66.0	65.8	63.8	64.5	65.5	66.4	67.3	67.3	67.3	67.9	68.5	68.6	67.5	66.7	67.3
D SELF EMPLOYED AND FARMERS	87.3	79.2	83.1	81.5	83.3	83.2	81.1	81.4	81.5	82.0	83.0	83.1	82.9	83.0	83.2	83.1	83.2	83.5	83.6	83.8	83.8	88.5	88.6
E REGISTERED UNEMPLOYMENT	102.6	97.7	92.8	91.9	85.8	91.4	92.9	90.1	90.9	93.6	94.1	91.4	90.0	87.1	84.9	85.6	83.1	80.2	81.3	78.8	78.3	80.0	77.7
Female	52.5	51.6	49.3	49.4	47.0	48.6	48.8	48.6	49.7	50.6	50.5	49.6	49.1	47.7	46.8	47.9	46.4	44.6	44.9	43.3	42.6	43.2	42.1
By age: under 26	24.7	25.5	24.3	22.2	18.2	25.1	21.1	22.1	21.7	23.9	21.8	20.7	20.0	18.8	17.8	17.8	16.6	14.8	16.8	15.8	15.2	15.1	14.2
Older than 40	50.7	43.1	39.7	40.1	39.7	38.1	41.2	39.4	39.8	39.9	41.9	41.2	40.9	40.1	39.4	39.6	39.3	38.9	38.2	37.6	37.7	39.0	38.8
Unskilled	48.2	43.2	38.6	37.5	33.7	37.3	38.4	37.0	36.9	37.5	37.8	36.4	35.5	34.3	33.2	32.8	32.3	31.6	31.1	30.6	30.8	31.6	30.7
For more than 1 year	55.8	47.5	42.9	43.4	41.9	41.7	42.6	42.9	44.6	43.6	43.6	43.2	43.0	42.3	41.9	41.9	41.3	41.2	41.0	39.9	39.7	39.6	39.0
Those receiving benefits	24.4	24.3	22.3	23.3	22.7	21.4	23.6	22.9	23.5	23.2	25.2	25.3	23.7	24.2	22.8	22.9	22.7	21.7	19.9	19.4	18.9	N/A	N/A
F RATE OF REGISTERED UNEMPLOYMENT, E/A, in %	11.3	10.9	10.3	10.2	9.4	10.1	10.3	10.0	10.0	10.3	10.4	10.1	9.9	9.6	9.3	9.4	9.1	8.8	8.9	8.6	8.6	8.7	8.4
G FLOWS OF FORMAL LABOUR FORCE	-2.3	-10.2	1.5	8.0	5.2	-3.2	3.7	3.2	2.2	-1.0	0.6	0.4	1.2	0.8	1.6	-1.5	-2.5	1.5	5.3	0.5	-4.2	6.7	1.2
New unemployed first job seekers	21.4	25.4	26.0	21.7	18.6	9.5	3.3	3.4	6.3	8.6	1.0	1.3	1.2	1.0	1.0	1.0	1.0	1.5	5.8	1.4	1.0	1.3	0.8
Redundancies	66.0	68.8	69.6	67.2	63.8	18.8	18.6	14.7	17.0	17.0	5.0	5.5	4.9	5.1	4.4	5.6	4.5	5.1	4.8	5.0	5.0	7.6	3.8
Registered unemployed who found employment	52.2	50.5	54.3	53.9	57.4	12.8	14.9	14.1	12.9	11.9	4.4	6.1	4.9	5.5	4.3	3.5	4.6	5.3	5.1	5.0	3.5	5.1	4.4
Other unemployed erased out of register	39.9	47.3	46.6	33.1	39.2	15.5	5.5	7.4	8.2	12.1	2.6	3.4	2.6	3.5	3.3	2.4	3.4	4.1	4.4	3.9	3.1	2.0	2.5
Change in number of work permits for foreigners	2.1	3.5	-0.5	3.9	7.8	-1.9	-0.2	3.0	1.4	-0.3	0.7	1.9	1.6	0.9	0.8	0.5	0.8	0.3	0.4	0.1	-0.2	N/A	N/A
Retirements ²	15.9	16.1	16.4	16.7	17.0	5.0	3.0	3.7	5.1	4.8	0.7	1.0	1.1	0.9	1.4	1.0	0.8	2.2	2.1	1.8	1.7	1.7	N/A
Deaths ²	2.6	2.6	2.5	2.3	2.5	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Others who found employment ²	30.4	24.9	39.5	32.6	35.7	9.8	9.2	7.9	7.8	7.7	2.5	1.9	2.4	3.6	4.8	0.7	0.2	6.3	5.7	4.9	-0.1	N/A	N/A
H JOB VACANCIES ³	11.6	12.1	14.1	16.9	19.0	15.0	14.9	18.3	18.0	16.5	16.5	21.7	18.4	20.3	22.7	17.7	16.4	22.7	19.5	16.9	15.9	20.0	17.8
For fixed term, in %	74.4	73.8	73.7	75.6	75.3	72.9	73.8	76.4	77.9	73.7	71.4	76.6	75.4	73.7	75.5	75.5	78.5	78.7	77.9	78.0	76.4	77.1	75.1
WORK PERMITS FOR FOREIGNERS	35.3	39.7	39.7	41.6	48.3	39.2	38.9	41.3	43.2	43.1	43.7	45.7	47.2	48.1	48.9	49.4	50.2	50.5	50.9	51.0	50.7	N/A	N/A
As % of labour force (I/A)	3.9	4.4	4.4	4.6	5.3	4.3	4.3	4.6	4.8	4.7	4.8	5.0	5.2	5.3	5.4	5.4	5.5	5.5	5.6	5.6	5.6	N/A	N/A

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

Wages, Competitiveness, Exchange Rate																	Slovenian Economic Mirror				IMAD	
																	No. 4/2007				p. A 11	
	2004	2005	2006	2006				2006										2007				
				Q _I	Q _{II}	Q _{III}	Q _{IV}	2	3	4	5	6	7	8	9	10	11	12	1	2		
GROSS WAGE PER EMPLOYEE, in SIT, since 2007 in EUR																						
Total	264,403	277,279	290,635	281,562	283,981	286,917	309,709	277,403	285,690	279,896	286,316	285,731	283,047	290,148	287,557	293,121	333,799	302,207	1,250	1,213		
Agriculture, fishing	215,981	224,253	236,822	227,817	229,953	234,180	255,337	222,596	232,932	224,718	233,088	232,053	227,255	236,221	239,065	246,013	275,462	244,538	1,030	978		
A Agriculture	216,252	224,225	236,681	227,475	230,000	234,330	255,564	222,116	232,534	224,525	233,168	232,308	227,341	236,385	239,263	246,477	275,255	244,960	1,030	978		
B Fishing	205,207	218,670	236,027	241,535	228,451	228,286	245,222	242,475	248,433	233,254	229,976	222,124	223,864	229,792	231,201	225,990	283,455	226,221	1,007	984		
Industry, construction	229,615	243,067	256,362	248,540	249,392	252,418	275,098	241,494	254,527	242,758	252,268	253,148	247,126	258,208	251,919	259,650	302,333	263,312	1,120	1,059		
C Mining and quarrying	324,410	344,670	360,110	347,854	355,425	347,764	390,549	345,434	349,545	345,081	361,792	359,403	341,267	357,349	344,675	356,344	465,162	350,142	1,516	1,488		
D Manufacturing	225,806	238,985	252,162	245,762	245,578	248,069	269,029	238,025	251,857	239,263	247,879	249,593	243,298	253,828	247,080	255,616	293,054	258,417	1,113	1,046		
E Electricity, gas & water supply	322,478	353,836	373,743	347,421	350,785	355,321	439,645	335,951	353,915	341,094	360,776	350,485	347,759	364,848	353,355	364,284	550,174	404,477	1,539	1,442		
F Construction	214,536	224,794	238,698	227,539	232,640	239,102	253,871	224,250	233,339	225,300	236,219	236,402	231,933	243,748	241,624	245,043	271,568	245,003	1,018	996		
Production services	242,355	253,747	266,326	256,947	260,251	261,841	286,264	253,401	261,993	257,312	262,884	260,558	258,907	263,514	263,104	269,263	309,080	280,448	1,151	1,128		
G Distributive trade	233,682	244,880	258,521	248,976	252,136	254,723	278,198	246,450	252,962	249,304	254,451	252,654	252,603	255,915	255,650	263,133	294,774	276,686	1,127	1,097		
H Hotels & restaurants	196,458	202,895	211,873	205,712	209,789	210,678	221,166	203,880	206,041	207,644	212,160	209,563	207,008	213,505	211,520	213,344	225,866	224,287	898	873		
I Transport, storage & communications	284,881	299,377	310,080	299,517	302,935	302,254	334,933	292,584	309,176	299,354	306,447	303,005	297,889	304,311	304,562	309,630	379,872	315,296	1,324	1,317		
Business services	312,967	325,355	340,552	325,652	332,172	328,901	375,481	321,702	330,931	330,016	335,420	331,080	323,043	332,310	331,351	332,557	428,155	365,729	1,448	1,412		
J Financial intermediation	388,044	413,896	443,595	402,474	431,824	415,908	523,782	397,594	413,684	426,939	440,529	428,004	404,927	414,649	428,147	415,140	668,928	487,279	1,797	1,810		
K Real estate	283,421	292,763	304,295	297,356	296,412	298,125	324,256	293,543	300,999	294,896	297,842	296,499	293,992	303,078	297,304	303,947	345,433	323,388	1,326	1,274		
Public services	319,911	330,580	341,999	334,543	336,529	343,246	353,578	334,065	334,193	334,641	337,356	337,588	341,724	343,977	344,037	347,973	360,551	352,211	1,449	1,433		
L Public administration	322,928	333,302	343,572	338,015	338,545	346,124	351,537	339,765	335,376	335,054	339,019	341,562	344,886	345,285	348,201	351,350	353,047	350,213	1,450	1,442		
M Education	325,463	340,967	357,301	347,883	350,291	362,784	368,215	348,008	349,399	348,245	349,298	353,330	360,988	363,395	363,969	365,467	370,135	369,042	1,516	1,518		
N Health & social work	310,990	316,827	325,245	318,848	322,107	323,843	336,103	315,908	318,501	321,717	324,668	319,936	323,527	325,081	322,920	329,682	341,294	337,332	1,387	1,344		
O Other social & personal services	316,566	325,159	332,137	322,738	324,515	324,566	356,170	320,575	322,783	323,475	327,509	322,560	320,629	328,908	324,162	330,619	395,357	342,534	1,395	1,368		
INDICATORS OF OVERALL COMPETITIVENESS, 2001=100																						
Foreign exchange rates																						
Effective exchange rate ¹ , nominal	94.6	94.0	94.1	93.6	94.1	94.4	94.3	93.5	93.7	94.0	94.1	94.3	94.4	94.3	94.4	94.2	94.2	94.4	94.3	94.5		
Real (relative consumer prices)	105.2	104.9	105.6	104.2	105.8	106.2	106.0	103.9	104.7	105.4	106.2	105.9	105.7	106.1	106.7	105.7	106.0	106.3	105.6	105.3		
Real (relative producer prices) ²	103.1	102.5	101.6	101.3	101.3	101.2	102.5	101.2	101.6	101.3	101.2	101.3	101.1	100.7	101.9	102.2	102.3	102.9	103.4	103.5		
SIT/US\$	192.4	192.7	191.0	199.3	190.9	188.0	185.9	200.4	199.5	195.9	187.6	189.2	188.9	187.1	188.1	190.0	186.2	181.4	-	-		
SIT/EUR	238.9	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	-	-		
US\$/EUR	1.2433	1.2448	1.2557	1.2020	1.2564	1.2741	1.2902	1.1938	1.2020	1.2271	1.2770	1.2650	1.2684	1.2811	1.2727	1.2611	1.2881	1.3213	1.2999	1.3074		
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD.																						
Notes: The September 2005 data on the monthly gross wage per employee were calculated according to the new methodology for 2004 and beyond. ¹ Change of methodology: the calculation of the effective exchange rate includes the currencies/prices of Slovenia's 17 trading partners (Austria, Belgium, Germany, Italy, France, Netherlands, Spain, Denmark, United Kingdom, Sweden, Czech Republic, Hungary, Poland, Slovakia, USA, Switzerland, Japan); weights are the shares of individual trading partners in Slovenian exports and imports of goods within manufacturing (5-8 SITC) in 2001-2003; exports are double weighted. ² Producer prices in manufacturing activities.																						

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Current prices in SIT million, since 2007 in EURO thousand	2003	2004	2005	2006	2006				2006								2007
					Q _I	Q _{II}	Q _{III}	Q _{IV}	5	6	7	8	9	10	11	12	
CONSOLIDATED GENERAL GOVERNMENT REVENUES																	
TOTAL REVENUES	2,477,425	2,683,055	2,869,949	3,105,421	684,600	817,212	729,600	874,009	273,189	250,235	249,793	257,716	222,090	276,487	287,812	309,710	1,060,993
Current revenues	2,440,298	2,609,053	2,759,987	2,970,410	665,816	782,080	706,346	816,169	266,329	231,435	242,449	249,677	214,220	259,442	265,390	291,337	1,034,281
Tax revenues	2,291,071	2,446,899	2,608,230	2,818,643	637,904	746,742	665,880	768,117	252,030	219,703	232,024	234,557	199,299	243,250	252,118	272,749	994,506
Taxes on income and profit	460,520	506,878	537,260	655,486	130,290	235,706	134,797	154,693	71,843	42,467	43,014	47,180	44,603	41,871	49,212	63,610	188,151
Social security contributions	839,216	899,400	955,611	1,013,970	242,274	248,707	250,117	272,872	82,263	83,279	83,794	82,071	84,253	84,480	86,391	102,001	358,356
Taxes on payroll and workforce	107,424	117,676	126,097	113,334	26,465	27,214	27,376	32,279	8,885	9,262	9,324	8,803	9,249	9,226	9,804	13,249	32,835
Taxes on property	34,419	39,513	40,834	45,322	6,440	10,171	15,126	13,585	4,178	4,121	4,448	6,898	3,780	3,402	7,140	3,043	6,207
Domestic taxes on goods and services	814,577	856,610	938,118	977,082	229,658	221,864	235,012	290,547	83,834	79,496	90,261	88,669	56,082	103,301	97,968	89,279	403,169
Taxes on international trade & transactions	34,653	19,339	9,360	12,145	2,638	2,988	2,653	3,866	1,023	1,036	947	746	960	895	1,528	1,444	5,460
Other taxes	261	7,484	950	1,304	138	92	799	275	3	40	237	190	372	75	76	125	329
Non-tax revenues	149,227	162,154	151,756	151,767	27,912	35,338	40,465	48,051	14,299	11,733	10,425	15,119	14,921	16,192	13,272	18,588	39,775
Capital revenues	15,857	20,751	27,181	39,971	7,032	7,299	10,175	15,465	3,186	2,133	2,504	2,869	4,802	4,651	6,163	4,651	6,450
Grants	13,384	1,877	2,173	1,287	178	344	356	409	131	90	97	105	154	61	177	171	713
Transferred revenues	7,887	7,536	8,140	10,259	83	75	117	9,985	32	34	55	-32	94	26	9,483	476	1,610
Receipts from the EU budget	-	43,838	72,469	83,494	11,492	27,414	12,607	31,981	3,511	16,543	4,689	5,098	2,820	12,307	6,599	13,076	17,940
CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE																	
TOTAL EXPENDITURE	2,555,894	2,768,427	2,941,756	3,165,327	715,855	802,516	721,094	925,862	279,009	245,445	238,539	234,980	247,575	265,622	285,225	375,015	985,663
Current expenditure	1,225,523	1,234,113	1,283,018	1,363,301	337,178	349,651	308,809	367,663	115,094	102,211	103,403	101,202	104,203	115,023	117,158	135,482	489,698
Wages, salaries and other personnel expenditure	662,776	700,349	722,822	762,128	182,074	195,534	188,138	196,382	73,769	61,081	61,910	61,987	64,240	63,616	64,797	67,969	262,416
Expenditure on goods and services	451,440	429,861	457,942	496,830	108,972	125,618	111,986	150,253	36,465	39,008	38,815	37,555	35,616	41,887	46,338	62,028	192,295
Interest payments	92,661	91,933	89,180	90,199	43,396	25,453	5,439	15,910	3,826	1,150	1,519	706	3,215	8,325	5,011	2,574	32,427
Reserves	18,646	11,969	13,074	14,145	2,736	3,046	3,246	5,117	1,034	972	1,159	954	1,133	1,195	1,012	2,909	2,559
Current transfers	1,097,369	1,249,909	1,341,641	1,420,064	317,302	397,591	332,290	372,882	146,394	123,641	113,895	109,214	109,182	110,952	122,357	139,573	434,781
Subsidies	69,470	77,571	91,362	96,556	8,908	42,366	13,742	31,540	9,847	13,583	7,395	2,952	3,395	5,146	6,475	19,918	6,748
Current transfers to individuals and households	986,100	1,053,417	1,109,197	1,167,404	279,308	313,688	280,259	294,149	124,460	95,105	93,257	94,521	92,482	92,935	102,296	98,919	388,089
Current transfers to non-profit institut., other current domestic transfers	36,722	113,675	134,930	149,548	28,405	39,465	35,971	45,707	11,227	14,055	12,411	11,551	12,008	12,583	12,909	20,214	39,629
Current transfers abroad	5,077	5,247	6,154	6,556	680	2,071	2,319	1,485	860	898	832	190	1,297	288	676	521	315
Capital expenditure	142,131	151,305	156,784	216,016	29,681	26,537	42,704	117,094	8,724	10,452	11,239	14,307	17,158	19,780	26,348	70,967	44,768
Capital transfers	90,871	92,464	91,874	96,956	9,175	15,694	19,384	52,703	4,113	5,502	4,478	4,042	10,864	13,658	15,861	23,184	8,086
Payments to the EU budget	-	40,637	68,438	68,990	22,520	13,044	17,907	15,520	4,684	3,639	5,524	6,215	6,168	6,210	3,501	5,810	8,330
SURPLUS / DEFICIT	-78,469	-85,372	-71,807	-59,906	-	-	-	-	-	-	-	-	-	-	-	-	-

Source of data: MF Bulletin. Note: in line with the changed methodology of the International Monetary Fund of 2001, social security contributions paid by the state are not consolidated.

Main Indicators	Slovenian Economic Mirror						IMAD
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Real growth rates, in %	2001	2002	2003	2004	2005	2006	2007	2008
							Spring Forecast 2007	
GDP	2.7	3.5	2.7	4.4	4.0	5.2	4.7	4.4
GDP per capita, in EUR	11,094	11,866	12,461	13,146	13,807	14,808	15,900	17,132
GDP per capita, PPS ¹	15,400	16,000	16,800	18,200	19,200	-	-	-
Standardised rate of unemployment (ILO)	6.4	6.4	6.7	6.3	6.6	6.0	5.7	5.4
Labour productivity (GDP per employee)	2.2	3.8	3.1	3.9	3.7	4.0	3.8	3.6
Inflation ² , annual average	8.4	7.5	5.6	3.6	2.5	2.5	2.2	2.5

INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS

Exports of goods and services ³	6.3	6.7	3.1	12.5	10.5	10.0	9.7	9.2
Exports of goods	7.0	6.4	4.4	12.8	10.3	10.8	10.1	9.4
Exports of services	3.2	8.0	-2.5	10.9	11.7	6.4	7.6	8.0
Imports of goods and services ³	3.0	4.8	6.7	13.4	7.0	10.4	8.7	8.6
Imports of goods	3.2	4.4	7.3	14.6	6.8	10.5	8.8	8.6
Imports of services	1.8	7.5	3.0	5.5	8.4	9.5	7.8	8.4
Current account balance, In EUR million	38	247	-196	-720	-547	-773	-629	-273
Average exchange rate, SIT/EUR	217.2	226.2	233.7	238.9	239.64	239.60	-	-
Foreign exchange reserves, In EUR million	6,514	7,842	7,703	7,484	8,833	8,005	805 ⁴	-
Gross external debt, In EUR million	10,386	11,524	13,225	15,343	19,614	23,718	24,424 ⁵	-

DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS (share in GDP in %)

Private consumption	56.6	55.5	55.8	54.8	54.9	54.0	53.4	52.5
Government consumption	20.0	19.7	19.6	19.6	19.6	19.3	19.1	18.9
Gross fixed capital formation	24.1	22.6	23.3	24.5	24.4	25.8	26.2	26.7

CONSOLIDATED GENERAL GOVERNMENT REVENUE AND EXPENDITURE BY THE GFS – IMF METHODOLOGY

(as a % of GDP)

General government revenue	42.7	40.6	42.6	42.8	43.3	43.6 ⁶	42.9	41.7
General government expenditure	44.0	43.5	44.0	44.1	44.4	44.4 ⁶	43.8	42.5
Surplus (deficit)	-1.3	-2.9	-1.4	-1.3	-1.1	-0.8 ⁶	-0.9	-0.8

Sources of data: SORS, BS, MF, calculations, estimate and forecast by the IMAD - Spring Forecast 2007.

Notes: ¹Eurostat, March 2007; ²the consumer price index; ³balance of payments statistics (exports F.O.B., imports F.O.B.), changes in exchange rates and prices in foreign markets eliminated by calculating real rates; ⁴end February. From 1 January 2007, foreign exchange reserves of the Bank of Slovenia include foreign cash in convertible currencies, deposits abroad, and first class securities of issuers from outside the Euro area in foreign currency. The drop in data values is the result of Slovenia's entry to the Economic and Monetary Union.; ⁵end January; ⁶preliminary data of Ministry of finance.

International Comparisons / I

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	Real GDP growth				GDP per capita in PPS ¹ EU25=100				Inflation ² (annual average)			
	2003	2004	2005	2006	2001	2002	2003	2004	2003	2004	2005	2006
Slovenia	2.7	4.4	4.0	5.2	74.5	77.4	79.9	81.9	5.7	3.7	2.5	2.5
EU27	1.3	2.5	1.7	3.0	95.6	95.8	95.9	96.1	N/A	N/A	N/A	N/A
EU25	1.3	2.4	1.7	2.9	100	100	100	100	2.0	2.0	2.2	2.2
Euro Area	0.8	2.0	1.4	2.7	107.9	107.5	106.6	106.2	2.1	2.1	2.2	2.2
Belgium	1.0	3.0	1.1	3.2	117.6	118.9	119.4	118.0	1.5	1.9	2.5	2.3
Bulgaria	5.0	6.6	6.2	6.1	28.4	31.1	32.4	33.7	2.3	6.1	6.0	7.4
Czech Republic	3.6	4.2	6.1	6.0*	67.7	70.7	72.1	73.6	-0.1	2.6	1.6	2.1
Denmark	0.4	2.1	3.1	3.2	121.4	119.3	119.4	121.8	2.0	0.9	1.7	1.9
Germany	-0.2	1.2	0.9	2.7	108.5	112.5	111.1	110.0	1.0	1.8	1.9	1.8
Estonia	7.1	8.1	10.5	11.4	46.8	51.2	53.4	59.8	1.4	3.0	4.1	4.4
Greece	4.8	4.7	3.7	4.3	77.2	80.2	81.4	84.0	3.4	3.0	3.5	3.3
Spain	3.0	3.2	3.5	3.9	95.2	96.7	96.6	97.9	3.1	3.1	3.4	3.6
France	1.1	2.3	1.2	2.2*	112.0	107.7	107.7	108.1	2.2	2.3	1.9	1.9
Ireland	4.3	4.3	5.5	5.3*	132.3	134.4	135.7	138.8	4.0	2.3	2.2	2.7
Italy	0.0	1.2	0.1	1.9	110.0	106.0	103.1	100.7	2.8	2.3	2.2	2.2
Cyprus	1.8	4.2	3.9	3.8	82.6	85.2	87.6	88.9	4.0	1.9	2.0	2.2
Latvia	7.2	8.7	10.6	11.9	38.7	41.2	43.7	48.6	2.9	6.2	6.9	6.6
Lithuania	10.3	7.3	7.6	7.5	41.9	47.1	49.0	52.1	-1.1	1.2	2.7	3.8
Luxembourg	1.3	3.6	4.0	6.2	220.7	236.7	240.8	251.0	2.5	3.2	3.8	3.0
Hungary	4.1	4.9	4.2	3.9	59.1	60.8	61.3	62.5	4.7	6.8	3.5	4.0
Malta	-2.3	0.4	3.0	2.9	74.9	74.3	72.1	71.7	1.9	2.7	2.5	2.6
Netherlands	0.3	2.0	1.5	2.9	125.3	123.8	124.6	125.5	2.2	1.4	1.5	1.7
Austria	1.1	2.4	2.0	3.1	120.0	123.4	123.4	122.9	1.3	2.0	2.1	1.7
Poland	3.8	5.3	3.5	5.8	46.3	46.9	48.7	49.7	0.7	3.6	2.2	1.3
Portugal	-0.7	1.3	0.5	1.3	79.5	73.5	72.1	71.7	3.3	2.5	2.1	3.0
Romania	5.2	8.5	4.1	7.7	28.1	29.9	32.6	34.2	15.3	11.9	9.1	6.6
Slovakia	4.2	5.4	6.0	8.3	51.0	52.8	54.4	57.1	8.4	7.5	2.8	4.3
Finland	1.8	3.7	2.9	5.5	114.7	108.6	111.1	110.5	1.3	0.1	0.8	1.3
Sweden	1.7	4.1	2.9	4.4	113.7	115.4	115.4	114.7	2.3	1.0	0.8	1.5
United Kingdom	2.7	3.3	1.9	2.8	116.1	116.1	118.0	117.6	1.4	1.3	2.1	2.3
USA	2.5	3.9	3.2	3.3	145.4	146.3	147.9	149.9	2.3	2.7	3.4	N/A

Sources of data: SORS; Eurostat. New Cronos. Notes: ¹PPS – Purchasing Power Standard. Data for 2005 were published by Eurostat on 15 June 2006. ²Harmonised Index of Consumer Prices for EU countries and Consumer Price Index for the USA. N/A - not available *Autumn Forecast European Commission

International Comparisons / II

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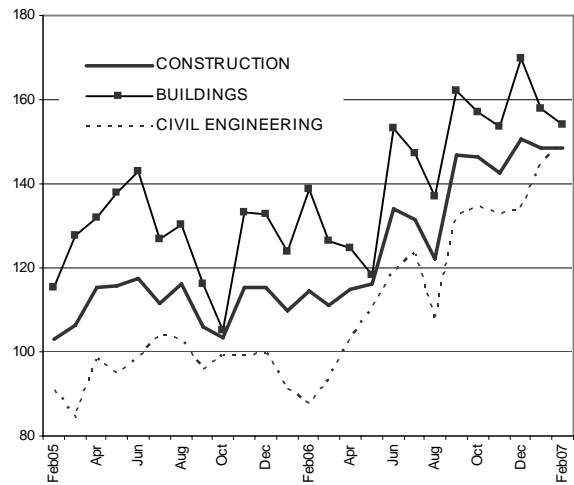
	Survey Unemployment Rate				Current account balance ¹ , % GDP				General Government Balance ² , % GDP				General Government Gross Debt ² , % GDP			
	2003	2004	2005	2006	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
Slovenia	6.7	6.3	6.5	6.0	-0.8	-2.6	-2.0	-2.7	-2.8	-2.3	-1.5	-1.4	28.6	28.9	28.4	27.8
EU 27	9.0	9.0	8.7	7.9	0.1	0.2	-0.5	-0.7	-3.1	-2.7	-2.4	-1.7	62.1	62.5	62.9	61.7
EU25	9.0	9.0	8.7	7.9	N/A	N/A	N/A	N/A	-3.1	-2.7	-2.4	-1.7	62.1	62.5	63.3	62.2
Euro Area	8.7	8.8	8.6	7.9	0.5	0.8	0.0	-0.1	-3.0	-2.8	-2.5	-1.6	69.2	69.7	70.5	69.0
Belgium	8.2	8.4	8.4	8.2	4.5	3.6	2.5	2.3	0.1	0.0	-2.3	0.2	98.6	94.3	93.2	89.1
Bulgaria	13.7	12.0	10.1	9.0	-5.5	-6.6	-12.0	-15.8	-0.9	2.2	1.9	3.3	45.9	37.9	29.2	22.8
Czech Republic	7.8	8.3	7.9	7.1	-6.5	-6.3	-2.7	-4.1	-6.6	-2.9	-3.5	-2.9	30.1	30.7	30.4	30.4
Denmark	5.4	5.5	4.8	3.9	3.4	3.1	3.6	2.5	0.0	2.0	4.7	4.2	45.8	44.0	36.3	30.2
Germany	9.0	9.5	9.5	8.4	2.0	3.9	4.2	4.7	-4.0	-3.7	-3.2	-1.7	63.9	65.7	67.9	67.9
Estonia	10.0	9.7	7.9	5.9	-11.5	-12.5	-11.1	-14.2	2.0	2.3	2.3	3.8	5.7	5.2	4.4	4.1
Greece	9.7	10.5	9.8	8.9	-10.0	-9.5	-9.2	-11.4	-6.2	-7.9	-5.5	-2.6	107.8	108.5	107.5	104.6
Spain	11.1	10.6	9.2	8.5	-4.0	-5.9	-7.5	-8.5	0.0	-0.2	1.1	1.8	48.8	46.2	43.2	39.9
France	9.4	9.6	9.7	9.4	0.2	-0.6	-2.1	-2.0	-4.1	-3.6	-3.0	-2.5	62.4	64.3	66.2	63.9
Ireland	4.7	4.5	4.3	4.4	0.0	-1.0	-3.1	-3.3	0.4	1.4	1.0	2.9	31.2	29.7	27.4	24.9
Italy	8.4	8.0	7.7	6.8	-0.9	-0.5	-1.2	-2.0	-3.5	-3.5	-4.2	-4.4	104.3	103.8	106.2	106.8
Cyprus	4.1	4.6	5.2	4.7	-2.2	-5.0	-5.6	-5.9	-6.3	-4.1	-2.3	-1.5	69.1	70.3	69.2	65.3
Latvia	10.5	10.4	8.9	6.8	-8.2	-12.9	-12.6	-21.1	-1.6	-1.0	-0.2	0.4	14.4	14.5	12.0	10.0
Lithuania	12.4	11.4	8.3	5.6	-6.8	-7.5	-6.9	-10.7	-1.3	-1.5	-0.5	-0.3	21.2	19.4	18.6	18.2
Luxembourg	3.7	5.1	4.5	4.7	8.0	11.8	11.1	8.6	0.4	-1.2	-0.3	0.1	6.3	6.6	6.1	6.8
Hungary	5.9	6.1	7.2	7.5	-7.9	-8.4	-6.8	-5.9	-7.2	-6.5	-7.8	-9.2	58.0	59.4	61.7	66.0
Malta	7.6	7.4	7.3	7.3	-2.8	-6.4	-8.3	-6.3	-10.0	-5.0	-3.1	-2.6	70.4	73.9	72.4	66.5
Netherlands	3.7	4.6	4.7	3.9	6.1	8.6	7.1	9.9	-3.1	-1.8	-0.3	0.6	52.0	52.6	52.7	48.7
Austria	4.3	4.8	5.2	4.8	1.7	2.1	2.9	3.7	-1.6	-1.2	-1.6	-1.1	64.6	63.9	63.5	62.2
Poland	19.6	19.0	17.7	13.8	-2.1	-4.4	-1.7	-2.3	-6.3	-5.7	-4.3	-3.9	47.1	45.7	47.1	47.8
Portugal	6.3	6.7	7.6	7.7	-6.5	-8.0	-9.6	-9.8	-2.9	-3.3	-6.1	-3.9	56.8	58.2	63.6	64.7
Romania	7.0	8.1	7.2	7.3	-4.8	-5.0	-8.7	-10.3	-1.5	-1.5	-1.4	-1.9	21.5	18.8	15.8	12.4
Slovakia	17.6	18.2	16.3	13.4	-2.1	-2.5	-7.9	-7.7	-2.7	-2.4	-2.8	-3.4	42.4	41.5	34.5	30.7
Finland	9.0	8.8	8.4	7.7	5.9	7.7	4.9	5.9	2.5	2.3	2.7	3.9	44.3	44.1	41.4	39.1
Sweden	5.6	6.3	7.4	7.0	6.6	6.5	5.8	7.0	-0.9	0.8	2.1	2.2	53.5	52.4	52.2	46.9
United Kingdom	4.9	4.7	4.8	5.3	-1.3	-1.6	-2.4	-3.4	-3.2	-3.1	-3.1	-2.8	38.8	40.3	42.2	43.5
USA	6.0	5.5	5.1	4.6	-4.7	-5.6	-6.2	-6.1	-4.6	-4.4	N/A	N/A	62.5	63.4	N/A	N/A

Sources of data: SORS; Eurostat. Notes: ¹EU25 and euro area aggregates are adjusted for reporting errors concerning intra-EU trade ; ² data from Eurostat news release on 23 October 2006.

INDUSTRY indices: average 2000=100
trend indices by the TRAMO-SEATS method



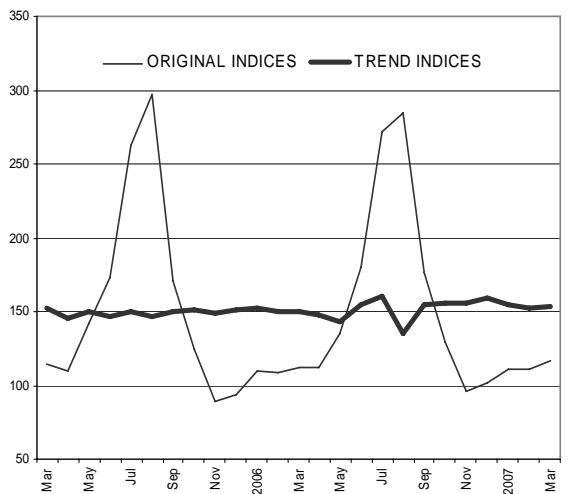
REAL INDICES OF CONSTRUCTION PUT IN PLACE
indices: average 2000=100;
trend indices by the TRAMO-SEATS method



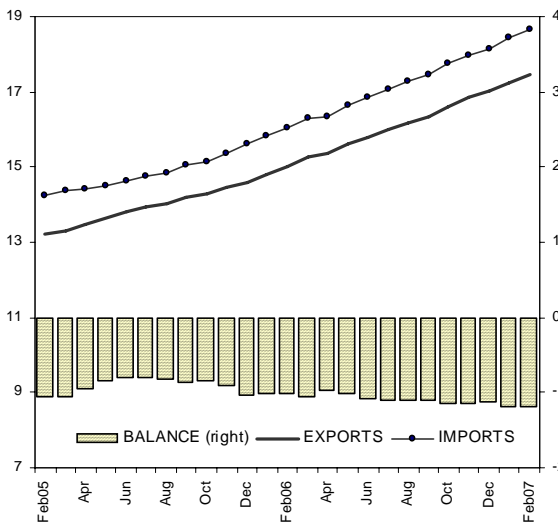
FREIGHT TRANSPORT BY ROAD AND RAIL (mio tonne km)



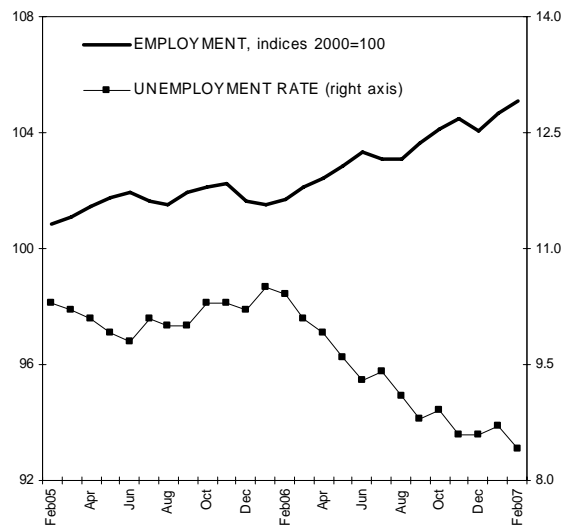
OVERNIGHT STAYS TOTAL indices: average 1992=100;
trend indices by the TRAMO-SEATS method



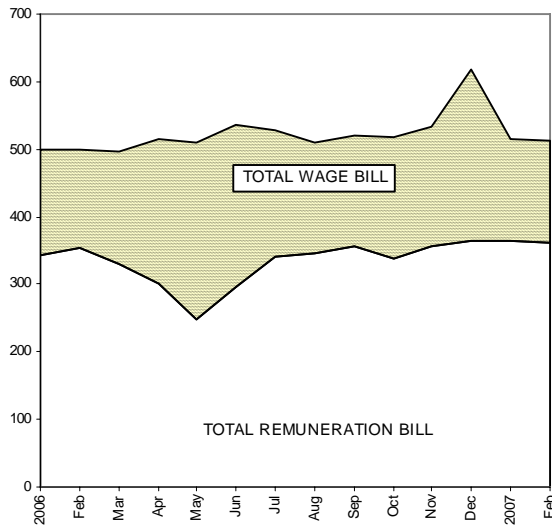
GOODS TRADE FOB, EXCL. INTERCURRENCY CHANGES
12-month cummulatives in EUR, bn



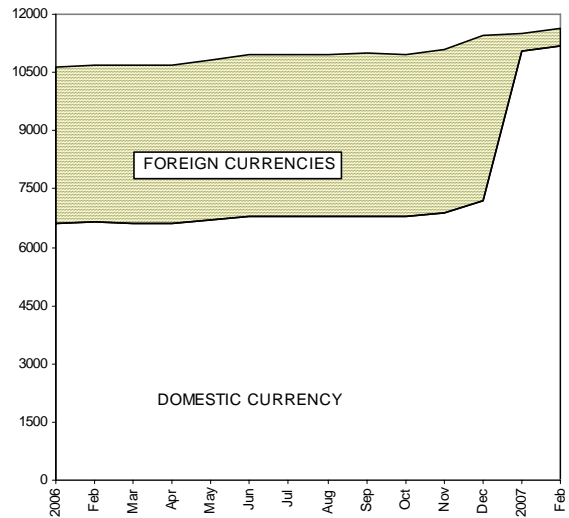
EMPLOYMENT AND UNEMPLOYMENT



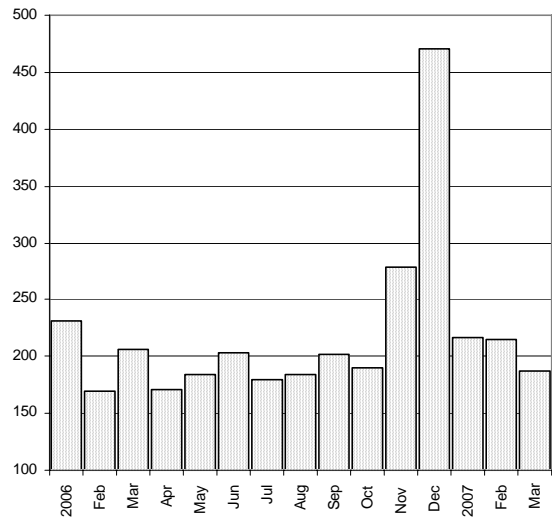
NET WAGES AND OTHER REMUNERATION, in EUR million



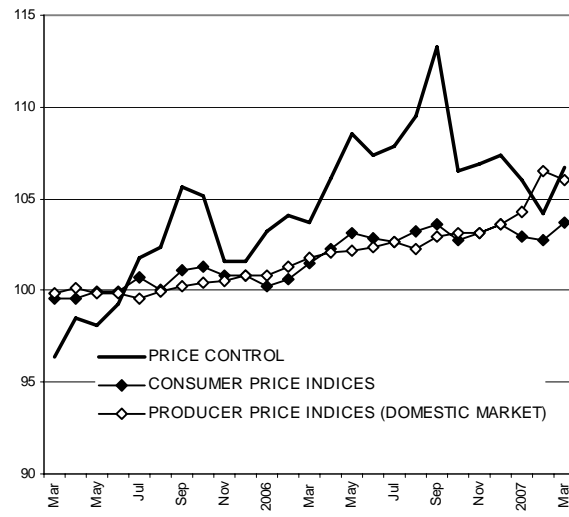
HOUSEHOLDS' DEPOSITS in EUR million



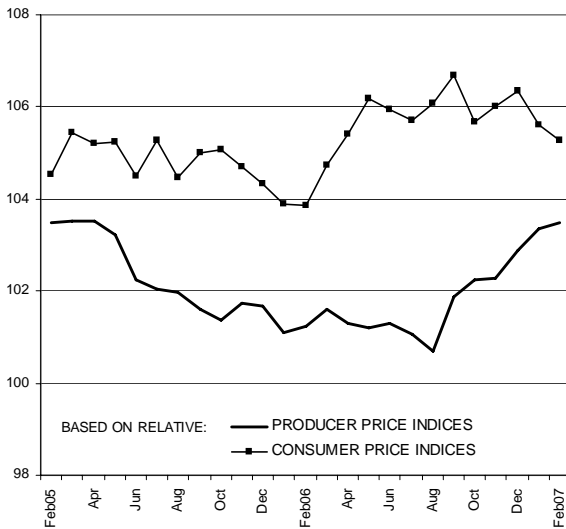
PAYMENTS FOR INVESTMENT in EUR million, constant 2000 prices



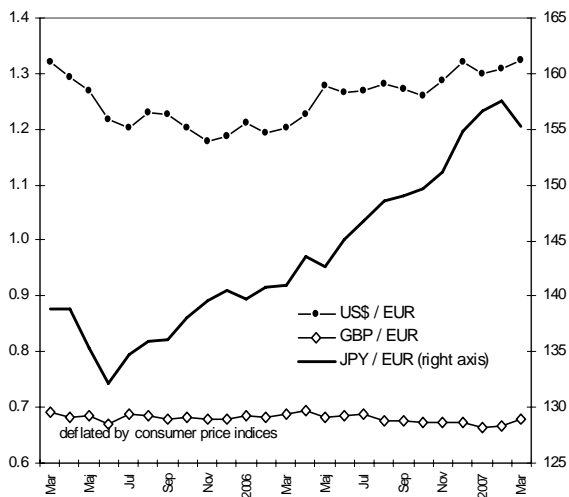
GROWTH IN SELECTED PRICE INDICATORS INDICES:2005=100



EFFECTIVE EXCHANGE RATE IN REAL TERMS indices: average 2001=100



EURO EXCHANGE RATES indices average 2001 = 100



<p>Agriculture and food processing industry agricultural production 6/04:15, 2/07:15 age and education structure 8-9/02:22 agricultural holdings by size 7/02:18 CAP reform 7/03:18-19 negotiations with the EU 2/02:23, 1/03:17 prices 3/02:29, 3/03:14, 3/04:14, 3/05:13 reformed policy measures 5/02:16 sample surveys of agricultural holdings 10/03:15</p> <p>cattle breeding main indicators, number of cattle, BSE, milk production 11/02:14</p> <p>fishing 11/02:15, 8-9/04:16, 10/06:17</p> <p>forestry 4/02:18, 5/04:16, 11/06:19</p> <p>international trade 3/04:15, 4/06:23, 4/07:18 value added forecasting 4/07:21</p> <p>Balance of payments see also External debt current account, capital and financial account, international money reserves 1/02:6, 2/02:6, 3/02:6, 4/02:5, 5/02:4, 6/02:4, 7/02:5, 8-9/02:6, 10/02:7, 11/02:5, 12/02:4, 1/03:3-4, 2/03:4, 3/03:7, 4/03:5, 5/03:4, 6/03:4, 7/03:5, 8-9/03:6, 10/03:4, 11/03:4, 12/03:4, 1/04:4, 2/04:4-5, 3/04:6, 4/04:6, 5/04:4, 6/04:4, 7/04:4, 8-9/04:4-5, 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Acronyms in the text have the following meanings: **AIS**-Agricultural Institute of Slovenia, **AJPES**-Agency of the Republic of Slovenia for Public Legal Records and Related Services, **AP**-Agency of the Republic of Slovenia for Payments, **APr**-Agency of the Republic of Slovenia for Privatisation, **BS**-Bank of Slovenia, bn – billion, **CCIS**-Chamber of Commerce and Industry of Slovenia, **CSCC**-Central Securities Clearing Corporation, **DAIA**-Directorate of Administrative Interior Affairs, **DURS**-Tax Administration of the Republic of Slovenia, **EIMV**-Electro Institute Milan Vidmar, **ELES**-Electro Slovenia, **ESS**-Employment Service of Slovenia, **GEM**-Global Entrepreneurship Monitor, **HICP**-Harmonised Index of Consumer Prices, **HII**-Health Insurance Institute, **ICT**-information and communications technologies, **IER**-Institute for Economic Research, **IAAD**-International Administrative Affairs Directorate, **IMAD**-Institute of Macroeconomic Analysis and Development, **IPI**-Industrial Price Index, **LSE**-Ljubljana Stock Exchange, m-million, **MAFF**-Ministry of Agriculture, Forestry and Food, **MEA**-Ministry of Economic Affairs, **MES**-Ministry of Education and Sport, **MESP**-Ministry of the Environment and Spatial Planning, **MF**-Ministry of Finance, **MIA**-Ministry of Internal Affairs, **MLFSA**-Ministry of Labour, Family and Social Affairs, **MMTS**-Market Maker Trading Segment, **MST**-Ministry of Science and Technology, **N/A** or (-) – not available, **N/R**-not reasonable, **NFC**-National Financial Corporation, **OG**-Uradni list Republike Slovenije (Official Gazette of the Republic of Slovenia), **PDII**-Pension and Disability Insurance Institute, **p.p.**-percentage points, **PPA**-Public Payments Administration of the Republic of Slovenia, **PPP**-purchasing power parity, **PPS**-purchasing parity standards, **SDC**-Slovene Development Corporation, **SEC**-Slovene Exports Corporation, **SIA**-Slovenian Insurance Association, **SITC**-Standard International Trade Classification, **SMARS**-Surveying and Mapping Authority of the Republic of Slovenia, **SORS**-Statistical Office of the Republic of Slovenia.

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