

economic trends 2014 spring forecast of

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Summary

The decline in GDP in 2013 (-1.1%) was much smaller than in 2012 mainly due to growth in the final quarter; with stronger growth in exports, this was also a result of a smaller fall in domestic consumption. In the first three quarters of 2013, the year-on-year decline in GDP was, on average, similar to that in the previous year, while in the final quarter, year-on-year growth was recorded for the first time in two years. Exports made a significant positive contribution to the change in GDP again in 2013, and their growth strengthened due to the recovery of economic activity in main trading partners. In 2013 domestic consumption fell less than in 2012. Investment recorded modest growth last year for the first time in four years, as a result of investment in a large energy facility and increased government investment at the end of the year, while private investment continued to decline according to our estimate. The falling in private consumption eased amid a smaller real decline in disposable income, but the decline in government consumption deepened slightly. The change in GDP was again significantly impacted by changes in inventories, whose annual negative contribution was much smaller than in the previous year due to a substantial positive contribution in the last quarter of the year.

With reduced uncertainty in the international environment and at home, GDP is expected to increase 0.5% this year owing to a further strengthening of growth in exports and a slower decline in household consumption. The anticipated acceleration of economic recovery in Slovenia's main trading partners will have a positive effect on growth in exports, which will again be mainly driven by exports of high-technology products. In the domestic environment, the beginning of the banking system stabilisation improved the government's access to funding and helped reduce uncertainty among economic agents. The deterioration on the labour market is set to be less intense than in the previous two years, which will together with improved confidence among consumers contribute to a further substantial slowdown in the falling of private consumption. On the other hand, the recovery will be dragged down by the continuing difficulties in accessing funding for the corporate sector and the necessary fiscal consolidation. Government consumption will fall again this year due to the continuation of the restrictive policy in the areas of employment and earnings and falling intermediate consumption. Investment activity is not expected to grow this year, as sources of finance for the relatively highly indebted corporate sector will remain limited, but it will remain around last year's level primarily on account of public investment financed by EU funds.

In 2015 and 2016 GDP growth will be steadily increasing amid the anticipated faster economic recovery in the international environment, a further stabilisation of the banking system and fiscal consolidation, and the beginning of corporate restructuring. Economic growth in the next two years will otherwise remain weak. It will continue to rely primarily on growth in exports, but for the first time since the beginning of the crisis we also expect a modest positive contribution from domestic consumption. In view of the improved competitiveness of the tradable sector in the recent period, export growth is projected to follow the strengthening of economic recovery in main trading partners. Private consumption will begin to increase gradually in the next two years, as household disposable income will rise slightly amid the expected easing of labour market tensions while reduced uncertainty will have a positive impact on consumer confidence. Investment consumption will remain modest in the next two years, but its structure will change. As a result of the anticipated gradual improvement in access to funding and the need to replace equipment, business investment will pick up and housing investment will cease to fall, while government investment will, after two years of growth, no longer have any significant impact on the total increase in gross fixed capital formation, according to our estimate. Government consumption will continue to decline due to the necessary fiscal consolidation, but the falls will be smaller.

With modest GDP growth, the decline in employment will be smaller this year than in 2013, but in the next two years employment will recover only gradually due to the typical lag in the labour market's adjustment to economic activity. In most private sector activities the decline in employment will ease this year, but the number of persons employed in public service activities will rise slightly particularly due to the hiring related to the repair of the severe damage caused by the weather. We estimate that at the beginning of the economic recovery companies will first increase the number of hours worked per employee rather than the number of workers, while a faster improvement of labour market conditions will also be hampered by the necessary restructuring of indebted companies. The average number of registered unemployed in 2014 (124,6 thousand) will be somewhat larger than in 2013 mainly due to the increase at the end of last year and the beginning of this

year. The registered and the survey unemployment rates will therefore also be higher than last year (13.6% and 10.2%, respectively). No major deterioration is otherwise expected for the rest of the year, also because of the even more intense implementation of active employment-policy schemes. In the next two years employment is expected to stabilise and then increase slowly, while registered unemployment will be gradually falling.

The nominal average gross earnings in private sector activities and public service activities will increase modestly in 2014 and the next two years. Wage growth in private sector activities will be rising gradually in 2014–2016 as a result of the economic recovery and further growth in productivity, but at the same time it will be dragged down by persistently high unemployment and low inflation. The average gross earnings in public service activities will increase in nominal terms in 2014 for the first time in four years due to the payment of delayed promotions for 2011 and 2012, which will also influence next year's growth due to the carry-over effect. Restrictions on wage growth in these activities are assumed to remain in place in the next two years due to limited public funds.

Owing to the weak recovery of economic activity and in the absence of further price shocks from the international environment, inflation will remain low in 2014 and in the next two years. Amid the expected weak recovery of domestic consumption, inflation will remain well below 2% in 2014–2016. This will also be a consequence of the assumed absence of price shocks from the international commodity markets. Tax policy measures are also not expected to have a significant effect on price growth in this period, in contrast to the previous two years.

The downside risks to economic activity remain elevated, but for the first time in a long period the forecast is also subject to upside risks. The downside risks are mainly related to the course of fiscal consolidation, especially with regard to the insufficiently defined measures for achieving a sustainable level of compensation of general government employees after 2014. With a smaller decline in the general government deficit than foreseen, the perception of Slovenia on international markets could deteriorate again, which would be reflected in a further increase in borrowing costs. With the beginning of the banking system stabilisation, the uncertainty among economic agents declined but the beginning of the recovery in lending activity remains uncertain due to the high indebtedness of companies. Upside risks are mainly associated with the international environment, as economic activity in Slovenia's trading partners could recover more rapidly than forecast. Also, with a successful completion of the asset quality review of the banking system, access to funding could improve more than anticipated in the forecast. The situation in the international environment could deteriorate especially in the event of a further escalation of the conflict between Ukraine and Russia, which would drag down the expected economic recovery and significantly affect the expectations of commodity price movements.

	2012	Sp	oring forecast (March	13)
	2013	2014	2015	2016
GDP				
GDP, real growth, in %	-1.1	0.5	0.7	1.3
GDP in EUR m, current prices	35,275	35,634	36,255	37,219
EMPLOYMENT, EARNINGS AND PRODUCTIVITY				
Employment according to the SNA, growth in %	-2.0	-0.4	0.0	0.5
Number of registered unemployed, annual average, in '000	119.8	124.6	122.9	119.5
Registered unemployment rate, in %	13.1	13.6	13.5	13.1
ILO unemployment rate, in %	10.1	10.2	10.0	9.7
Gross earnings per employee, real growth, in %	-2.0	0.8	0.2	0.4
- private sector activities	-1.1	0.8	0.5	0.7
- public sector activities	-4.1	0.9	-0.5	-0.5
Labour productivity (GDP per employee), real growth in $\%$	0.9	0.9	0.7	0.8
NTERNATIONAL TRADE				
Exports of goods and services, real growth, in %	2.9	4.2	4.8	5.2
Exports of goods	2.9	4.6	5.2	5.5
Exports of services	2.6	2.6	3.3	4.2
Imports of goods and services, real growth, in %	1.3	3.5	5.2	5.3
Imports of goods	1.5	3.6	5.5	5.6
Imports of services	-0.4	2.9	3.2	3.6
CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS				
Current account balance, in EUR m	2,279	2,442	2,338	2,328
- as a % of GDP	6.5	6.9	6.4	6.3
External balance of goods and services, in EUR m	2,666	3,071	3,196	3,398
- as a % of GDP	7.6	8.6	8.8	9.1
DOMESTIC DEMAND				
Domestic consumption, real growth, in %	-2.5	-0.4	0.7	1.0
of which:			_	
Private consumption	-2.7	-0.4	0.7	1.8
Government consumption	-2.0	-1.5	-0.9	-0.9
Gross fixed capital formation	0.2	-0.5	1.0	0.0
Change in inventories, contribution to GDP growth, in p.p.	-0.5	0.2	0.2	0.1
EXCHANGE RATES AND PRICES				
USD/EUR exchange rate	1,328	1,365	1,366	1,366
Real effective exchange rate – CPI deflator	1.3	-0.5	-0.1	0.0
Inflation (Dec/Dec)	0.7	0.8	1.4	1.6
Inflation (annual average)	1.8	0.3	1.1	1.5
Oil price (Propt crude LISD/barrel)	108.6	104.0	100.0	100.0

Spring forecast of Slovenia's main macroeconomic aggregates

The Spring Forecast is based on the statistical data, information and adopted measures known at the cut-off date of 6 March 2014.

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Assumptions of the spring forecast

International environment

According to the ECB and the European Commission, the recovery of economic activity in main trading partners in the euro area will strengthen gradually this year and in 2015, with domestic consumption gradually becoming the main factor of GDP growth. In the second half of 2013 the growth of global economic activity and trade picked up mainly due to the strengthening in advanced economies, while growth in emerging market economies eased slightly. Economic activity in the euro area started to recover in the second quarter of 2013 and in 2013 as a whole GDP declined by 0.4%. The ECB and the Commission predict that economic growth will rise gradually this year and in 2015 as a result of the expected improvement in confidence in an environment of reduced uncertainty, a gradual improvement in access to financing and relatively less restrictive fiscal policy. Assuming faster growth in external demand, exports will remain a major factor of the recovery but the contribution of net exports will be smaller than last year due to a concurrent increase in imports, so that domestic consumption will gradually become the main driver of economic growth. Amid low interest rates, reduced uncertainty, better terms of financing and the need to modernise the capital stock, international institutions expect business investment to increase in particular, while growth in construction investment and public investment is predicted to remain modest. As real disposable income will increase amid low inflation and the expected improvement on the labour market, private consumption should also start rising gradually in the second half of this year, but its growth will be subdued. Growth in government consumption will remain modest this year and in 2015 due to the necessary continuation of fiscal consolidation. International institutions now project higher GDP growth in most main trading partners in 2014 and 2015 than at the time of the preparation of the Autumn Forecast. Only the expectations for the countries of the former Yugoslavia and Russia are somewhat lower. The forecasts for commodity prices rely on the technical assumptions that are in line with expectations of international institutions.¹





		20	14	20	2016	
Real growth rates, in %	2013	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Spring forecast (Mar 14)
EU	0.1	1.0	1.5	1.6	2.0	2.0
Euro area	-0.4	0.8	1.2	1.4	1.8	1.8
Germany	0.4	1.3	1.8	1.7	2.0	2.0
Italy	-1.9	0.3	0.6	0.9	1.2	1.2
Austria	0.3	1.5	1.5	1.4	1.8	1.8
France	0.2	0.6	1.0	1.3	1.7	1.7
Croatia	-1.0	0.2	0.5	2.1	1.2	1.2
Russia	1.3	2.9	2.3	3.6	2.7	2.7

Table 1: Assumptions about economic activity in Slovenia's main trading partners

Source: Eurostat (for 2013); Consensus Forecasts, February 2014; Eastern Consensus Forecasts, February 2014; EC Winter 2014 Forecast, February 2014; IMF World Economic Outlook Update, January 2014; IMAD estimate.

¹ The Spring Forecast is based on the technical assumption that after last year's decline, oil prices will drop slightly again in 2014 and 2015 as a whole. It is assumed that the price of Brent crude, which averaged USD 108.5 per barrel in the first two months of 2014, will total USD 104 per barrel in 2014 overall. In the next two years it is assumed to stabilise at USD 100 per barrel. After last year's 1.2% decline, dollar prices of non-energy commodities are expected to continue to fall in 2014, before rising rise slightly in the next two years. The Spring Forecast takes into account an exchange rate of USD 1.336 to the euro. The assumption is based on the average exchange rate in February 2014.

Public finance

In 2013 the public finance situation in Slovenia was marked by a further decline in revenue and an increase in expenditure; the continuation of fiscal consolidation and the banks' balance sheet repair will crucially impact the dynamics of economic activity in 2014 and in the next two years. After a substantial decline in 2012, the general government deficit (excluding financial transactions associated with the repair of banks' balance sheets) widened slightly in 2013 due to a decline in revenue and higher expenditure. To prevent a rapid deficit increase, additional measures were envisaged in the revised state budget, among which the increase in VAT rates had the largest effect on revenue. To reduce expenditure, an agreement on a further reduction of wages and other labour-related costs in the public sector was reached. In line with the guidelines in the adopted budgets for 2014 and 2015 and the financial plans of the Pension and Disability Insurance Institute and Health Insurance Institute, the forecast assumes larger consolidation efforts in 2014 and 2015. According to these documents, this year consolidation will be based on higher revenue, particularly as a consequence of the introduction of a new real estate tax, the effect of last year's rises in VAT rates, and measures to reduce the grey economy. On the expenditure side, it will rely on further cuts in compensation of employees in the general government, a continuation of the social transfer policy from the previous year, and the streamlining of expenditure on goods and services and subsidies. General government expenditure will nevertheless continue to rise in nominal terms, mainly on the back of higher interest payments, which are set to exceed 3% of GDP this year. The forecast also assumes a further increase in the absorption of EU funds from the previous financial perspective for cofinancing investment activity of the government.

Figure 2: Consolidated public finance revenue, expenditure and balance (according to GFS cash flow methodology)²



Banking system

Banks remained under liquidity pressures last year and continued to reduce the stock of loans to domestic nonbanking sectors. Loans to the domestic non-banking sector fell by EUR 5.2 bn last year. The decline was EUR 3.4 bn larger than in 2012, which can mainly be explained by the transfer of bad claims to the Bank Assets Management Company (DUTB), which reduced loan volume by EUR 3.3 bn.³ The banks continued to face substantial liquidity pressures last year. The decline in household deposits at banks was the largest to date (by EUR 463 m).⁴ As a result of the recapitalisation of the banking system, government deposits also fell significantly (by EUR 1.3 m). The net repayments of the banks' foreign liabilities eased slightly last year, but liquidity pressures are expected to increase somewhat this year and in 2015 mainly due to the winding down of the ECB's longer term financing operations.⁵ We also expect that access to foreign financing for the banks will remain limited this year due to their low credit ratings, and partly also due to the announced stress tests at the level of the euro area.6

The forecast assumes that there will be no visible improvement in lending activity this year despite the beginning of the banks' balance sheet repair. In 2013 the borrowing conditions for enterprises were still much



Figure 3: Change in the volume of loans

 $^{^{\}rm 2}$ Internationally comparable data according to ESA95 methodology will be released on 31 March 2014.

³ Corporate and NFI loans were down 23.8% year-on-year in 2013 (excluding the transfer to the DUTB, down 8.1%); in 2012, down 7.3%. The stock of household loans was down 3.8% in 2013; in 2012, down 2.0%. ⁴ The largest decline since data were first recorded (in 2005).

⁵ We estimate that banks obtained around EUR 3 bn through the ECB's longer-term refinancing operations in December 2011 and February 2012. ⁶ The European Banking Authority will publish the methodology and scenario in April 2014 and banks' individual results will be released at the end of October this year.

Box 1: The beginning of the stabilisation of the Slovenian banking system

A comprehensive review of the state of the Slovenian banking system carried out in the second half of 2013 revealed that the capital shortfall at the banks covered by the review would amount to EUR 4,8 m under the adverse macroeconomic scenario(13.6 % of GDP). The purpose of the review was to determine any capital shortfall that could arise at an individual bank or, consequently, across the entire banking system in the event of such a scenario¹ being realised. The stress tests were conducted for eight banks operating in Slovenia.² On the basis of the results, the government recapitalised three largest banks in the amount of EUR 2.8 bn after receiving the final approval from the European

Commission in the middle of December, and transferred the first package of non-performing assets to the DUTB.³ At the same time the government also recapitalised (by EUR 445 m) the two banks that are in the ordinary winding-down process. The remaining banks that had been subject to the stress tests will have to provide around EUR 1 bn of equity by the end of the first half of 2014.

The Bank of Slovenia estimates that after the recapitalisation of the banks that were subject to the stress tests the capital adequacy ratio of the Slovenian banking system will rise to 16%. According to the Bank of Slovenia, the capital adequacy, measured as a ratio of core capital to risk-adjusted assets, should increase from 11% to around 16% after the recapitalisations. This should enable the banks to meet the Core Tier 1 capital ratio requirement (6%) until the end of 2015 also under the adverse macroeconomic scenario. International comparisons show that after the capitalisation of the largest banks, Slovenia's banking system will rank among the medium-capitalised banking systems in the EU.



The effects of the beginning of the stabilisation of the Slovenian banking system are mainly reflected in the decline in the 10-year government bond yield, while the amount of the bad claims classified by credit ratings remains significant. After the performance of the stress tests and the recapitalisation of banks, the perception of Slovenia on

international financial markets improved. This is mainly indicated by the movement of the 10-year government bond yield, which declined from around 7% in the autumn to below 4% at the beginning of March 2014. The credit ratings of the country otherwise remained unchanged but the outlook was changed from negative to stable.⁴ The rating agencies improved the credit ratings for three recapitalised banks under majority government ownership.⁵ The large inflow of household deposits in banks in January (EUR 150 m) is also one of the first signs of increasing households' confidence in the banking system, according to our estimate, especially with long-term deposits accounting for as much as three guarters of the increase. However, further action will have to be taken in order to stabilise the banking system, as the amount of bad claims classified by credit ratings⁶ remained significant at the end of 2013, at EUR 8.2 bn. December's decline of EUR 400 m was relatively meagre, considering that EUR 3.2 bn of claims had been transferred to the DUTB that month. According to our estimate, this was mainly the result of a significant deterioration in the quality of B-rated claims that were impaired due to the tightening of collateral valuation standards.

Figure 5: Yield to maturity of ten-year government bonds



¹ The adverse scenario assumes that GDP growth will be much lower than under than the baseline scenario (the latter is based on the autumn forecast of the EC). In 2013, 0.4 percentage points lower (-3.1%); in 2014, 2.3 percentage points lower (-3.8); in 2015, 3.0 percentage points lower (-2.9%).

² Ten banks had been initially included in the review, but two were excluded because of the beginning of the orderly winding-down.

³ The capital shortfall at these banks totalled EUR 3.7 bn, but the capital requirement declined to EUR 3 bn due to the transfer of claims to the DUTB and devaluation of subordinated debt holders' assets. In addition, one of the banks was not fully recapitalised, as it has yet to receive the final approval from the EC ⁴ Moody's Slovenia Credit Analysis (11 February 2014).

⁵ Fitch Ratings: Fitch Upgrades VRs of 3 Slovenian Banks; on Watch Positive (23 December 2013). Moody's Investors Service: Moody's upgrades three Slovenian banks' long-term ratings (30 January 2014).

⁶ C-, D- and E-rated claims. Claims are classified by impairments, but the data are not comparable with the amount of claims more than 90 days in arrears.

worse than, on average, in the euro area,⁷ the main obstacle on the demand side being high corporate indebtedness. The debt-to-equity ratio⁸ remains significantly higher than before the crisis when it was more or less balanced. It is also much higher than, on average, in the euro area. The high indebtedness of Slovenian enterprises is mainly a result of their low capital adequacy. Between 2008 and the end of 2012 the level of equity increased by a mere 0.7% (in the euro area by around 30%). The reduction of corporate sector indebtedness is therefore the main challenge to the continuation of successful banks' balance sheet repair. Household demand is also expected to increase only gradually, mainly owing to continuing tensions on the labour market and relatively expensive loans.

Economic growth in Slovenia

Consumption aggregates

In 2013 GDP declined (-1.1%) much less than in 2012 mainly due to growth in the final quarter; with stronger growth in exports, this was also a result of a smaller fall in domestic consumption. In the first three guarters of 2013 GDP was still down relative to the same period of 2012, but owing to the strong quarterly growth in the last guarter, it was up year-on-year for the first time in two years.9 In 2013 exports made a significant positive contribution to the change in GDP again. Their growth (2.9%) strengthened further relative to 2012 due to stronger growth in merchandise exports, as exports to the EU rose with the beginning of the recovery in Slovenia's main trading partners. The contribution of net exports in 2013 (1.3 percentage points) was smaller than in 2012, due to an increase in imports (1.3%) amid a smaller fall in domestic consumption. A smaller decline in domestic consumption was accounted for by investment consumption, which recorded modest growth (0.2%) after four years of decline,¹⁰ and a relatively smaller fall in household consumption. Total investment growth was attributable to higher investment in machinery and equipment due to a large investment in an energy facility, while investment in other production capacities dropped according to our estimate. Regardless of strong growth in investment in non-residential buildings in the final guarter, in our estimation on account of accelerated drawing of EU funds, investment in buildings and structures continued to fall last year. The decline in

Figure 6: GDP, domestic consumption and exports



⁹ After being down 2.2% in the first three quarters of 2013, GDP recorded relatively strong quarterly growth (1.2%) in the last quarter, seasonally adjusted. The latest release of data also showed that economic activity had not been continuously falling in the previous three quarters as indicated by the preliminary data.

¹⁰ In 2009–2012 gross fixed capital formation declined almost by half.

⁷ The difference between domestic and foreign interest rates for loans over EUR 1 m with a variable, or up to one year with a fixed interest rate, increased in 2013 as a whole to 235 basis points.

⁸ 128% in the third quarter of 2013, according to the latest available data.

		20	014	20	2016	
Real growth rates, in %	2013	Autumn forecast	Spring forecast	Autumn forecast	Spring forecast	Spring forecast
		(Sep 13)	(Mar 14)	(Sep 13)	(Mar 14)	(Mar 14)
Gross domestic product	-1.1	-0.8	0.5	0.4	0.7	1.3
Exports	2.9	3.0	4.2	4.1	4.8	5.2
Imports	1.3	2.1	3.5	3.9	5.2	5.3
External balance of goods and services (contribution to growth in percentage points)	1.3	0.9	0.8	0.4	0.1	0.4
Private consumption	-2.7	-2.7	-0.4	0.5	0.7	1.8
Government consumption	-2.0	-1.5	-1.5	-1.0	-0.9	-0.9
Gross fixed capital formation	0.2	-4.0	-0.5	-0.9	1.0	0.0
Change in inventories and valuables (contribution to growth in (contribution to growth in percentage points))	-0.5	0.9	0.2	0.1	0.2	0.1

Table 2: Forecast for economic growth

Source: SURS; 2014–2016 forecasts by IMAD.

household consumption (-2.7%) eased last year due to a smaller decline in disposable income and a modest improvement in consumer confidence. The decline in government consumption (-2.0%) deepened slightly owing to a more significant reduction in compensation of employees and a further rationalisation of expenditure on intermediate consumption in the general government. The change in GDP was again significantly impacted by changes in inventories, but their annual negative contribution (-0.5 percentage points) was much smaller than in the previous year due to a substantial positive contribution in the last quarter of the year.

With reduced uncertainty in the international environment and at home, GDP is expected to increase by 0.5% this year owing to a further strengthening of growth in exports and a slower decline in household consumption. The economic recovery in Slovenia's main trading partners will accelerate in 2014, which will have a positive effect on growth in exports. In the domestic environment, the beginning of the banks' balance sheet repair facilitated access to funding for the government and lessened uncertainty among economic agents. The deterioration on the labour market is expected to be less intense than in the previous two years, which will, together with improved confidence among consumers, result in a substantially slower fall of private consumption. General government consumption will be affected by the continuation of fiscal consolidation. Investment activity is not expected to grow this year, as sources of finance for the relatively highly indebted corporate sector will remain limited. Investment will remain around last year's level on account of public investment financed by EU funds. GDP will thus increase by 0.5% in 2014, the higher level of economic activity in 2014 being mainly related to the positive developments in the last guarter of 2013.

Private consumption will decline by 0.4% this year, even though disposable income is expected to remain at a similar level as last year, as consumers are likely to remain cautious about spending due to continuing tensions on the labour market. After falling by 8.6% in real terms in the past two years, disposable income will remain at approximately the same level as last year. Specifically, compensation of employees will be similar to last year due to modest growth in the average gross wage and a further decline in the number of wage earners. Social transfers will be somewhat higher, chiefly owing to further growth in the number of pensioners. As unemployment will remain high and employment will drop further, we estimate that consumers will remain cautions especially when planning major purchases. This is also corroborated by various consumer confidence indicators.





Government consumption will fall by 1.5% this year due to the pressing need for a further reduction of the general government deficit. The fall will be somewhat smaller than last year due to the expected smaller decline in compensation of employees. The forecast assumes a continuation of the restrictive policy in the areas of employment and labour costs. The average gross earnings will rise due to the payment of delayed regular promotions from 2011 and 2012, but other workrelated costs¹¹ will be significantly lower. Restrictions on expenditure on goods and services will remain in place, similar to last year. Social benefits in kind will drop.

Gross fixed capital formation will be down slightly this year (-0.5%) despite the envisaged increase in public investment, as private investment is expected to drop further due to limited funds. Amid continuing difficulties in accessing financing and high indebtedness, private construction investment and business investment will drop again this year. In construction investment, this is corroborated by data on issued building permits and the stock of contracts in the construction sector,¹² while poor expectations about business investment continue to reflect persistently low capacity utilisation.¹³The expected





¹¹ In agreement with the public sector trade unions, the funds allocated for holiday allowance will be significantly lower in 2014 than in 2013, when in addition to reduced payments according to the ZUJF, employees also received back pay for 2012. The reduction of other work-related costs will also be impacted by a decline in the payments of supplementary pension insurance premiums, which in 2014 will be in effect the whole year.

¹³ Capacity utilisation in manufacturing otherwise increased somewhat

movements of investment are also highly influenced by the dynamics of investment in a major energy facility, where the value of construction put in place in 2014 is estimated to be similar to that last year. On the other hand, we expect an increase in public investment related to the absorption of EU funds.

Export growth will strengthen this year due to the expected growth of merchandise exports, with growth in services exports remaining similar to last year. The acceleration of growth in merchandise exports will be underpinned by faster growth in exports to Slovenia's main trading partners in the EU in line with the anticipated gradual recovery of their economic activity. Growth in extra-EU exports, which had otherwise increased relatively faster in 2011 and 2012, will remain similar to that last year and will continue to rely mainly on exports to Russia. Further growth is expected especially in exports of more technology-intensive products, medical and pharmaceutical products in particular. Exports of road vehicles¹⁴ will also contribute to the expected strengthening in total exports this year. The movement of exports of less technology-intensive products will also be more favourable than in 2013. Exports related to re-exports of imported goods (particularly oil and oil derivatives, electricity, passenger cars) will continue to grow as well. Growth in services exports will be similar to last year, but the structure will be slightly different. Exports of business services, particularly intermediation and other services related to trade, and exports of construction services, will experience slower growth, while exports of transport and travel services will pick up.

Figure 9: Exports of goods



in the first quarter of 2014 (to 79.3%), but remains below the long-term average.

¹² By issuing building permits, construction of 3,139 new dwellings was planned last year, which is similar to 2012 but significantly less than in previous years. The stock of new contracts in the construction of residential buildings, which more than halved in 2012, fell by an additional 21.9% last year. Likewise, the stock of new contracts in the construction of non-residential buildings also fell substantially in previous years; in 2012 by 23.2%, in 2013 by an additional 32.8%.

¹⁴ Related to the planned production of a new car model in Revoz in the second half of the year.

Box 2: Competitiveness in 2013

According to our estimate, the competitiveness of the Slovenian economy improved in 2013, which is indicated by growth in Slovenia's share on the global market of goods and a further decline in unit labour costs. In 2008–2012, Slovenia's share on the global market declined by 21.7%. In 2013 this trend started to reverse, according to our estimate, given that the global market share was up 3.3% year-on-year in the first nine months. The increase was a result of market share growth in the eleven trading partners to which Slovenia exports 70% of total goods. It was recorded by the majority of the most important products for Slovenia's exports.¹ The cost competitiveness of the economy also improved in the same period due to a year-on-year decline in unit labour costs, the improvement being among the largest in the euro area and the EU. The relative position of Slovenia's economy therefore improved again for the third year in a row. The continuation of the positive trend in 2013, once again a result of lower wages and productivity growth due to a relatively larger decline in employment than activity, was mainly underpinned by industries in the tradable sector. However, in view of a larger relative deterioration in the first years of the crisis, particularly in 2009, the relative position of the Slovenian economy remains less favourable than before the crisis.



Figure 11: Change in real unit labour costs in the tradable sector ²



¹ Slovenian exporters increased market shares in Germany, Italy, France, Austria, Croatia, Russia, the Czech Republic, Poland, Hungary, the United Kingdom and the US. Looking at the most important products in the manufacturing sector, the market shares of medical and pharmaceutical products, road vehicles, electrical machinery and appliances, general industrial machinery, power-generating machinery and machinery specialised for particular industries, non-ferrous metals, paper, paperboard and articles of paper pulp were up last year, amid further growth in the market shares of electricity and oil derivatives in the group of primary products (data for the EU market).

² Based on the definition, according to which the tradable sector includes: A agriculture, forestry and fishing, B–E industry excluding construction, G–I trade, transportation, accommodation and food service activities, J information and communication (European Commission, Quarterly report on the euro area, Volume 12 N. 2, 2013).

Amid the anticipated faster economic recovery in the international environment, a further stabilisation of the banking system, fiscal consolidation and the beginning of corporate restructuring, GDP growth will be increasing steadily in 2015 and 2016. Economic growth will nevertheless remain weak in the next two years. It will continue to rely primarily on growth in exports, but for the first time since the beginning of the crisis we also expect a modest positive contribution from domestic consumption. In view of the improved competitiveness of the tradable sector in the recent period, export growth is expected to follow the strengthening of economic recovery in main trading partners. Investment consumption will remain modest in the next two years, but its structure will change. Amid the anticipated gradual improvement in access to financing and the need to replace equipment, business investment is expected to recover, while housing investment will cease to fall. After two years of growth, government investment will no longer contribute significantly to total growth in gross fixed capital formation, according to our estimate. Private consumption will start increasing gradually in the next two years, as household disposable income will rise slightly with the expected stabilisation of labour market conditions, while lower uncertainty will have a positive impact on consumer confidence and their readiness to buy. Government consumption will continue to decline due to the need for further fiscal consolidation, but the falls will be smaller.

Value added by sector

In 2013 value added declined for the second consecutive year, but most sectors recorded significantly more favourable movements towards the end of the year. After four years of decline, construction activity started to improve in the second half of 2013 and was significantly higher year-on-year at the end of the year, although in 2013 overall it was still lower than in 2012. The improvement was mainly a result of civil-engineering activity, which is related to the intense construction of municipal infrastructure co-financed by EU funds. Value added in the manufacturing sector also fell in 2013, for the second year in a row, but the annual decline was smaller than in 2012 due to more favourable developments at the end of the year. The improvement was mainly due to higher export revenue, but in the last quarter of 2013 the year-on-year decline in revenue on the domestic market also came to a halt. Low-technology production was once again farthest below the previous year's level, while high-technology production exceeded it most.15 Last year value added also dropped again in most market services, growth being recorded only in the sectors of transportation and information and communication activities. The improvement at the end of the year was, according to our estimate, related to the strengthening of exports (for example in the sale of motor vehicles, freight transport, in accommodation and food service activities and information services), construction and manufacturing activities (primarily architectural and engineering services and wholesale trade). Amid falling private consumption, negative movements continued in service activities that are predominantly oriented to the domestic market (particularly in retail trade), and in financial and insurance activities, where at the end of 2013 the year-on-year decline in value added deepened further due to the deterioration of the situation in the banking system. As a result of measures aimed at the streamlining of the public sector, value added in public services also dropped last year for the second time since the beginning of the crisis.

In 2014 and 2015 value added is expected to increase gradually. In both years value added growth will arise from a further recovery in manufacturing and construction, as well as in market services that are relatively more export oriented or related to domestic production and construction activity (such as transportation, wholesale trade and the sale of motor vehicles, accommodation and food service activities, information and communication activities, professional, technical and scientific activities). Because of a significant improvement at the end of last year, year-on-year growth in value added in 2014 will also be positively influenced by the carry-over effect. In market services that mainly rely on private consumption, activity is expected to decline further in 2014, albeit more slowly, before starting to recover gradually in 2015 (retail trade, real estate activities). After the completion of the banking sector stabilisation, a gradual improvement is also expected in financial and insurance activities. Value added in public services will stagnate in both years due to the further streamlining in the public sector. This year and in 2015 growth in the manufacturing sector will mainly rely on more export-oriented industries with higher technology intensity (primarily the chemical and pharmaceutical industry and the manufacture of ICT and electrical equipment, and in 2015 also the manufacture of machinery, equipment and motor vehicles) and medium-low-technology industries (the metal industry in particular), while low-technology industries are expected to improve only in 2015. The construction sector is expected to see further growth in civil engineering (public investment co-financed with EU funds), while activity in the construction of buildings will remain around the 2013 level this year and then rise gradually in 2015.

Figure 12: Change in value added



¹⁵ In addition to high-technology industries, in 2013 a year-on-year increase was also recorded by medium-low-technology industries. In medium-high-technology industries production volume declined for the second consecutive year.

Labour market

Employment and unemployment

Last year the labour market situation continued to deteriorate, as the decline in employment deepened while the average number of registered unemployed rose to 119.8 thousand. Amid a further contraction in economic activity, the decline in employment¹⁶ deepened last year (-2.0%).¹⁷ Last year employment declined mainly in the first quarter, partly also as a result of a larger withdrawal from the labour market into inactivity after the adoption of the pension reform at the end of 2012, while in the next three quarters it remained approximately unchanged. Last year employment fell again in most private sector activities.¹⁸ The largest decline was again recorded in the construction sector, but for the first time on record a yearly decline was also seen in the general government (-1.6%).¹⁹ In 2013 registered unemployment was up 8.8%, on average, relative to 2012. According to seasonally adjusted data, the number of registered unemployed mainly rose at the beginning and the end of the year (totalling 124,015 at the end of December). Last year's inflow into unemployment rose mainly due to a higher number of first-time jobseekers and those who lost work due to the termination of their fixed-term employment contracts. The inflow for reasons relating to problems in business operations (bankruptcies, business reasons, compulsory settlements) was smaller than in 2012. The outflow from the unemployment register also increased last year, yet less than the inflow. The outflow due to employment, in particular, was up relative to the previous year, as a result of a stronger implementation of active employment policy programmes,²⁰ while the outflow for breaches of regulations was much smaller than in 2012. The registered and the survey unemployment rates thus rose significantly last year (13.1% and 10.1%, respectively).

Table 3: Forecasts for employment and unemployment

		20	14	20	2016	
In %	2013	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Spring forecast (Mar 14)
Employment according to the SNA, growth	-2.0	-1.4	-0.4	-0.7	0.0	0.5
Number of registered unemployed, annual average, in '000	119.8	122.1	124.6	120.4	122.9	119.5
Registered unemployment rate	13.1	13.6	13.6	13.5	13.5	13.1
ILO unemployment rate	10.1	11.0	10.2	10.6	10.0	9.7

Source: SURS; 2014–2016 forecasts by IMAD.



The decline in employment will slow this year amid the expected, however modest, growth in economic activity, but as the labour market tends to adjust to economic activity with a lag, employment is not expected to recover before 2016. With the expected gradual improvement in the economic environment, the falling of employment will ease in most private sector activities this year. Employment is projected to decline particularly in financial and insurance activities, while in the construction sector it is set to rise modestly after dropping substantially for several years. Employment in public service activities will increase slightly in 2014, primarily due to the hiring of people to remedy damage caused by the natural disaster this winter. Value added growth is not yet expected to be followed by a rise in employment, as companies will first increase the

Spring forecast of economic trends 2014

¹⁶ According to the National Accounts Statistics.

¹⁷ Mainly as a consequence of a substantial decline in the second half of 2012.

¹⁸ Employment rose only in information and communication activities (J), and in professional, scientific and technical activities (M, N), but both recorded weaker growth than in 2012.

¹⁹ According to the Statistical Register of Employment, the overall decline was mainly a consequence of a lower number of people employed in public administration and defence and compulsory social security (O), where employment fell for the third year in a row (last year by 1,559 persons). Employment also declined slightly in education (by 71), while it rose again in health and social work (by 141), although less than in previous years.

²⁰ Overall, 18,777 persons participated in the on-the-job training programme last year (6,797 more than in 2012); 11,098 in the programme aimed at selfemployment (3,129 more); and 5,539 in public works (1,777 more). In 2013, 30% more unemployed people were included in active employment policy programmes that bring unemployed people back to work (subsidies for self-employment or employment of unemployed, public works) than in 2012.

number of hours worked per employee²¹ rather than the number of workers. Moreover, a faster improvement of labour market conditions will also be hampered by the necessary restructuring of highly indebted companies. While employment is set to stabilise next year, it is not expected to increase at the yearly level before 2016, when the recovery of economic activity will already be more pronounced.

Figure 14: Employment by activity (national-accounts statistics)





The higher average number of unemployed persons this year will be mainly a result of the increase at the end of last year and the beginning of this year. At the end of February registered unemployment totalled almost 130,000. The inflow of first-time jobseekers is expected to be similar to last year, also due to the requirement that people have to be registered as unemployed with the Employment Service for a certain period to qualify for participation in the active employment policy programmes. The inflow of other jobseekers will also be almost the same as last year, as the number of employed persons will continue to drop this year, to a certain extent also due to the expected restructuring in the private sector. However, in view of higher economic activity, we expect a larger outflow from unemployment due to increased hiring. This will also be positively impacted by expansion of active employment policy programmes (by increasing directly subsidised employment and public works, including the "Youth Guarantee" scheme). In the next two years the number of unemployed will be steadily declining in line with the expected economic recovery.



Figure 15: Registered unemployment flows

Earnings

Last year average gross earnings declined slightly in nominal terms due to a fall in public service activities, while in private sector activities they continued to grow modestly. Growth in average gross earnings in private sector activities eased substantially in the past two years,²² to a mere 0.7% in 2013. Most activities otherwise reported lower earnings than a year earlier, alongside the construction sector especially service activities. In comparison with 2012, more visible increases were seen only in manufacturing and electricity, gas and steam supply. Average earnings in public service activities were down again (-2.3%) due to the full-year effect of the ZUJF²³ and a further decline in public servants' earnings in the middle of the year.²⁴ Earnings in the government sector, the largest part of the public sector, declined (-2.5%), while growth in the average earnings in public corporations (1.7%) remained above average, similar to that in 2012.

²¹ After dropping by 2.0%, on average, in 2009–2012, the number of hours worked rose last year, by 0.7%.

²² The average nominal growth of average gross earnings in 2009–2012 was 2.9%. After relatively strong rises in 2010 (5.1%) and 2011 (2.6%), mainly as a result of the increase in the minimum wage and changes in employment structure owing to a decline in low-paying jobs, it rose only by 0.8% in 2012.

²³ With the enforcement of the ZUJF in June 2012, earnings of all public servants were cut by 8%, but as public servants also received the remaining two quarters of funding intended to eliminate wage disparities, the actual wage reduction of earnings in June totalled only around 3%.

²⁴ In addition to the decline in basic earnings of all public servants in June 2013 (partly in a linear and partly in a progressive manner, by around 1.3%, on average), the measures included abolition of increased seniority bonus paid to women for years of service over 25 years, a reduction of the allowance for specialisation and master's and doctoral studies (by half) and a cut in sickness benefits.

		20	14	20	2016	
Growth rates, in %	2013	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Spring forecast (Mar 14)
Gross wage per employee – nominal	-0.2	0.5	1.2	1.0	1.3	1.9
- Private sector activities	0.7	0.8	1.1	1.5	1.6	2.2
- Public service activities	-2.3	-0.4	1.2	-0.2	0.6	1.0
Gross wage per employee – real	-2.0	-1.4	0.8	-0.4	0.2	0.4
- Private sector activities	-1.1	-1.1	0.8	0.1	0.5	0.7
- Public service activities	-4.1	-2.3	0.9	-1.6	-0.5	-0.5

Table 4: Forecasts for average growth in gross earnings per employee

Source: SURS; 2014–2016 forecasts by IMAD. Note: Private sector activities include activities A–N and R–S; public service activities include activities O–Q.



Figure 16: Average gross earnings per employee

In 2014-2016 we expect modest nominal growth in average gross earnings in both private sector activities and public service activities. The moderate and gradual earnings growth in private sector activities in 2014 and in the next two years will reflect the anticipated economic recovery and further growth in productivity, but at the same time it will be dragged down by persistently high unemployment, the efforts to maintain cost competitiveness and low inflation. The average gross earnings in public service activities will be up in nominal terms in 2014 for the first time in four years due to the beginning of the payment of delayed promotions for 2011 and 2012, which will also influence the expected modest nominal growth in 2015 due to the carry-over effect. In view of the adverse fiscal situation, it is assumed that the restrictions on earnings growth in these activities will remain in place in the next two years.

Inflation

In spite of the VAT-rates increase, inflation declined substantially last year amid a further contraction of economic activity and lower commodity prices. Consumer prices were up 0.7% year-on-year in December 2013,²⁵ which is significantly less than in the previous year (2.7%) despite the relatively large contribution of tax measures.²⁶ This is mainly related to a further slowdown in economic activity and, in turn, deterioration on the labour market. With a fall in oil and other commodity prices, the contribution of food and energy prices halved relative to the previous year. Growth in services prices, which in previous years had mainly been affected by one-off factors, was also down. Prices of other goods also dropped last year.

Assuming the absence of international price shocks and a weak recovery of economic activity, inflation will also remain low in 2014 and in the next two years. In 2014–2016 the recovery of domestic consumption, household consumption in particular, will be weak and very gradual. Consumer price growth is therefore not expected to increase significantly, so that inflation will remain relatively low, well below 2%. In contrast to the previous two years, no additional measures in taxation are anticipated to have a significant impact on inflation in this period. It is assumed that over the years in question there will be no major price shocks from the international commodity markets.

Table 5: Inflation forecast

		2014		2015		2016
In %	2013	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Spring forecast (Mar 14)
Inflation – Dec/Dec	0.7	1.4	0.8	1.7	1.4	1.6
Inflation – annual average	1.8	1.9	0.3	1.4	1.1	1.5

Source: SURS; 2014-2016 forecasts by IMAD.

Figure 17: Contribution of selected groups to year-onyear inflation in Slovenia (HICP)



²⁵ Measured by the CPI.

²⁶ The increases in VAT rates, excise duties and other taxes contributed 0.8 percentage points to inflation last year, according to our estimate.

Box 3: Inflation in the euro area

Given the fall in commodity prices on global markets and weak domestic demand, last year price growth was also down substantially in the entire euro area.¹ Year-on-year inflation in the euro area overall declined from 2.2% at the end of 2012 to 0.8% in December 2013. Low inflation at the end of the year was, as in Slovenia, primarily a result of weak economic activity and the absence of price shocks from commodity markets. With euro prices of oil on global markets down year-on-year (-3.1%), the contribution of energy declined significantly relative to the previous year, while food prices contributed half less to year-on-year growth than in the previous year. In addition to lower rises in food and energy prices, the drop in inflation was also due to the moderation of growth in services prices and prices of other goods. Slower price growth was also a consequence of the fading away of some one-off factors, as the contribution of the increases in taxes and administered prices (linked to fiscal consolidation in many euro area countries) declined last year. Inflation therefore fell in most euro area countries last year, while two recorded deflation.

The ECB and the European Commission expect euro area inflation to fall slightly again this year, before rising only gradually in the next two years. Average euro area inflation is forecast to decline from 1.4% in 2013 to 1.0% in 2014. In the next two years it will be gradually rising and reach 1.5% in 2016, according to the ECB's forecast. The continuation of relatively low inflation will remain mainly a result of the anticipated decline in oil and other commodity prices on international markets, while core inflation is expected to rise gradually in line with the economic recovery.

Figure 18: Contribution of selected groups to year-onyear inflation in the euro area (HICP)



Figure 19: Year-on-year inflation in euro area countries (HICP)



¹ For more on price movements in the euro area see "Analysing current disinflationary trends in the euro area" (EC Winter Forecast, February 2014, pp. 39–41).

Current account of the balance of payments

The current account surplus widened significantly last year and totalled EUR 2.3 bn or 6.5% of GDP. The increase was mainly accounted for by a positive balance of trade in goods, which turned from a deficit in 2012 to a surplus in 2013. In addition to stronger quantity growth in goods exports and a further decline in imports, this was also due to imports of investment equipment for an unfinished energy facility not yet being included in the balance of payments statistics.²⁷ The increase in the total balance also reflected a further widening of the surplus in services trade, which was mainly underpinned by a surplus in trade in business services. The deficit of the balance of factor income narrowed somewhat, while the surplus in current transfers remained similar to that a year earlier.



Table 6: Current account of the balance of payments

		2014			2015		
	2013	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Autumn forecast (Sep 13)	Spring forecast (Mar 14)	Spring forecast (Mar 14)	
Current account, in EUR m	2.279	1.765	2.442	1.817	2.338	2.328	
Current account, as % of GDP	6.5	5.0	6.9	5.1	6.4	6.3	

Source: BS; SURS, 2014-2016 forecasts by IMAD.

The current account will continue to record a relatively large surplus in 2014-2016. This year the surplus will widen slightly again (to 6.9% of GDP) for similar reasons as in 2013. The surplus of trade in goods will increase further amid faster quantity growth in exports than imports and due to better terms of trade. However, with the expected gradual recovery of domestic consumption, its growth will ease substantially over the next two years. The surplus of trade in services will continue to widen as a result of modest growth in the surplus of trade in travel and transport services and a decline in the deficit of trade in other services. The surplus in current transfers will increase this year mainly due to the anticipated improvement in the absorption of EU funds. As this will be slightly lower again in the next two years, the surplus in current transfers will also decline. After last year's decline, the deficit in the balance of factor income will be rising again in 2014 and over the next two years. This will be mainly a result of higher payments of interest on external debt, where the share of government sector repayments will be rising owing to increased borrowing. The widening deficit in factor income will continue to be mitigated by relatively large net inflows of income from labour of daily migrants abroad.

²⁷ The balance of payments statistics uses the principle of economic ownership, meaning that transactions are recorded when economic ownership is transferred from the seller to the buyer. As the data on the exact amount is not available, it can be only inferred from the difference between the goods trade balance according to the balance of payments statistics, and the goods trade balance according to the national-accounts methodology (ESA95), which was EUR 337 m last year.

The downside risks to economic activity remain elevated, but for the first time in a long period the forecast is also subject to upside risks. The main downside risk is related to the course of fiscal consolidation, especially with regard to the insufficiently defined measures for achieving a sustainable level of compensation of employees in the general government sector after 2014. With a smaller narrowing of the general government deficit than foreseen, the perception of Slovenia on international markets could decline again, which would be reflected in a renewed increase in borrowing costs for the government and other economic agents. With the beginning of the stabilisation of the banking sector, the uncertainty among economic agents declined, but the beginning of the recovery in lending activity remains uncertain due to the high indebtedness of the corporate sector. Upside risks are mainly associated with the international environment, as economic activity in Slovenia's trading partners could recover faster than forecast by international institutions. Also, with a successful completion of the asset quality review of the banking system, access to funding could improve more than anticipated in the forecast, which could also have a positive impact on economic activity. On the other hand, the situation in the international environment could deteriorate, especially in the event of a further escalation of the conflict between Ukraine and Russia, which would drag down the expected economic recovery and significantly affect the expectations about commodity price movements.

Figure 21: Baseline forecast of real GDP change and distribution of expected risks²⁸



²⁸ The figure shows uncertainty related to the baseline forecast in the size of one, two and three standard deviations from the forecast value. The standard deviation is calculated from previous forecasting errors or previous revisions in estimating GDP.

Potential GDP growth

Based on IMAD's Spring Forecast of Economic Trends, potential GDP growth has been estimated using a production function method (PF). The latest calculation of potential GDP growth made by the European Commission in February 2014 is also illustrated for comparison. The Commission's calculation uses a production function method (PF) whose basic attributes do not differ from IMAD's method.²⁹ The only significant difference is in the way of estimating the natural unemployment rate (NAWRU). IMAD's calculation is based on a New Keynesian Phillips curve, while the Commission still uses the traditional Phillips curve.³⁰ The differences between the IMAD and the Commission calculations are also a result of the differences in the forecasts on which they are based (the Commission's winter forecast from February 2014 and the spring forecast by IMAD from March 2014) and, in part, differences in input data.³¹ The IMAD forecast also covers a longer period.





²⁹ For a more detailed description of the methodology of the Commission, see F. D'Auria, Cécile Denis, K. Havik, K. Mc Morrow, C. Planas, R. Raciborski, W. Röger and A. Rossi: "The production function methodology for calculating potential growth rates and output gaps," Economic Papers 420, July 2010, DG ECFIN.

³⁰ The cyclical components of TFP and unemployment (NAWRU) were estimated using the GAP programme (Christophe Planas and Alessandro Rossi, European Commission, Joint Research Centre, 2010) available at eemc.jrc.ec.europa.eu/Software-GAP.htm. The NAWRU and the cyclical component of TFP were estimated using the series of real unit labour costs and capacity utilisation in a bivariate unobserved component model. The Commission also recommends the use of the new methodology for calculating NAWRU, but had not yet taken the final decision regarding the change by the time when IMAD's spring forecast was released.

³¹ IMAD's calculation is based on SURS data on GDP growth in 2013 released after the Commission's winter forecast was made. The employment data series according to national accounts statistics also takes account of a correction for the break in the data series in 2002. In addition, the calculation by IMAD is based on its own demographic projection (15–74); for more see IMAD Working Paper: Working projection of the Population for Slovenia (Kraigher, Ferk; August 2013); the Commission uses Eurostat's Europop (15–74).

The calculations indicate a gradual recovery of potential GDP growth. The calculations show that after dropping to -0.5% in 2013, potential GDP growth will recover slowly and stabilise at around 1% in the medium term, which is much lower than before the crisis. It is expected to turn positive only in 2015. The differences in the calculations of potential growth with regard to the autumn forecast 2013 (-1.7% for 2013) are a result of changes to the methodology for calculating the NAWRU, which is now less pro-cyclical, a smaller decline in GDP in 2013 and higher forecasts for GDP growth in the coming years compared with IMAD's autumn forecast.

Among individual components of the calculated potential GDP growth, the contribution of capital will decline most relative to the pre-crisis period in the coming years. After a significant decline in 2009, the contribution of capital has continued to fall (to -0.1 percentage points in 2012-2014), and is expected to remain around zero in the medium term. The contribution of labour, which was relatively low in the entire period before the outbreak of the crisis in 2008, is consistently negative in 2010–2016, according to our calculations. The negative contribution of labour (-0.8 percentage points) is also a deciding factor in the decline of potential GDP in 2013. The rising natural unemployment rate (NAWRU)³² has the largest impact on the negative contribution of labour, while the contributions of the employment rate are also negative until 2014. The contribution of the decline in the population of active working age (according to

Figure 23: Contributions of individual components to potential GDP growth



³² The calculations of the NAWRU take account of the forecasts for the survey unemployment rate, which indicate a reversal in 2013. The NAWRU is estimated by a bivariate unobserved component model using real unit labour costs growth series besides the unemployment series. The calculations show that the NAWRU increased above 9% and no improvement is expected in the medium term. An increase in the NAIRU, which cannot be directly observed, is also indirectly indicated by rising long-term unemployment.

IMAD's demographic projections) has been continuously negative at 0.2 percentage points since 2011 and in the medium term. The contribution of hours worked per employee will be less significant in the medium term, but positive. The contribution of total factor productivity also diminished with the outbreak of the crisis, but a gradual recovery can be expected in this component, although not to the pre-crisis level.

Assessment of forecasting performance

Comparisons of forecasting performance by IMAD and other institutions show no systematic over- or underestimation in IMAD forecasts over a longer period of time. After the release of data for economic activity and inflation in 2013, the forecasting performance by domestic and foreign forecasting institutions was assessed. In assessing the performance of forecasts it is important that their mean error over a longer time horizon be as small as possible. Between 1997 and 2013, the mean absolute error in IMAD forecasts for real GDP growth is 2.13 percentage points in the autumn forecasts for next year, 1.19 percentage points in the spring forecasts for the current year, and 0.59 percentage points in the autumn forecasts for the current year. The mean absolute error in the spring forecasts for inflation in the current year is 0.49 percentage points, while the error in the autumn forecasts for the year ahead is somewhat higher at 0.98 percentage points. These indicator values show that IMAD forecasts are unbiased.

The accuracy of the forecasts for macroeconomic indicators is measured on the basis of a number of statistical criteria³³ for the quality of the forecast and for various time horizons. The assessment of the forecasts by two institutions (IMAD and SKEP) is based on a longer horizon, from 1997 to 2013. The analysis for the 2002–2013 period contains forecasts by six institutions, ³⁴ and for the previous year forecasts by eight³⁵ institutions. The analysis thus covers a period when Slovenia's economy recorded very favourable and relatively stable economic growth and the forecasting errors were relatively small. However, since the beginning of the global economic and financial crisis the forecasting performance indicators have deteriorated. All forecasts³⁶ have been compared against

³³ Mean error, mean absolute error, root mean square error, standardised mean absolute error and standardised root mean square error. For detailed results see Table 13 in the statistical appendix.

³⁴ In addition to the forecasts by the Institute of Macroeconomic Analysis and Development (IMAD), the analysis covers forecasts by the Bank of Slovenia (BS) and SKEP – Economic Outlook, Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia, and among international institutions, the European Commission (EC), the International Monetary Fund (IMF) and Wiener Institut fuer Internationale Wirtschaftsvergleiche (WIIW).

³⁶ In addition to the aforementioned six institutions, the Organisation for Economic Co-operation and Development (OECD) and Consensus.

³⁶ Spring forecasts for the year ahead (PNt+1), autumn forecasts for the year ahead (JNt+1), spring forecasts for the current year (PNt) and autumn forecasts for the current year (JNt).

Figure 24: Movement of variables included in the analysis of forecasting performance



the first statistical annual estimate of economic growth based on quarterly data. A systematic comparison of how the forecasts diverge from the statistical estimate over a longer time horizon reveals the accuracy of forecasting, i.e. the mean errors made by institutions in forecasting a given aggregate. If errors are distributed evenly, the value of this measure is close to zero.

The institutions that release their forecasts at a later time have an information advantage over other institutions, which can result in smaller forecast errors. In forecasting the movements of economic variables, forecasters face various limitations, such as the availability of data at the cut-off date, which change with time. In analysing the forecasts it is thus important to take into account the time when they were made: if the forecast



Figure 25: Timeline of forecasts released by individual institutions in 2013

Source: Forecasts by individual institutions.

is made later in the year, it may include new information that can considerably alter the economic picture. This new information may comprise continuing data for indicator movements in a given month or quarter, revisions of previously released figures, or changes in assumptions about the international environment, which are a strong factor of uncertainty for an open economy such as Slovenia. All institutions included in the analysis tend to release their forecasts twice a year, most of them at a later time than IMAD.

The forecasting performance measures for the longer time horizon were significantly affected by large errors in the forecasts for 2009 and 2011 Forecasting performance is measured by the mean error, which should be as small as possible over a longer period. If the analysed



Figure 26, 27: Mean absolute error in IMAD forecasts for real GDP growth for various periods



Realised: -1.1 %	Spring forecast for the year ahead		Autumn forecast for the year ahead		Spring forecast for the current year		Autumn forecast for the current year	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	1.2	-2.3	-1.4	0.3	-1.9	0.8	-2.4	1.3
BS	0.6	-1.7	-0.7	-0.4	-1.9	0.8	-2.6	1.5
SKEP	0.7	-1.8	-1.7	0.6	-2.6	1.5	-2.6	1.5
EC	0.7	-1.8	-1.6	0.5	-2.0	0.9	-2.7	1.6
IMF	1.4	-2.5	-0.4	-0.7	-2.0	0.9	-2.6	1.5
WIIW	-1.5	0.4	0.5	-1.6	-3.3	2.2	-2.9	1.8
OECD	-0.4	-0.7	-2.1	1.0	-2.3	1.2	-2.3	1.2
Consensus Forecasts	1.3	-2.4	0.5	-1.6	-1.2	0.1	-2.4	1.3

Table 7: Errors made by forecasting institutions in their forecasts of real GDP growth for 2013

Source: forecasts by individual institutions; calculations by IMAD.

time horizon is relatively short, any error (whether in the positive or negative direction) can significantly affect the conclusions of the previous performance analyses. The errors in the forecasts for 2009 and 2011 were much larger and had a great impact on the calculation of mean errors over the entire time horizon (the forecast error in the shorter 2002-2013 period is larger than that in 1997-2013).

Almost all institutions, including IMAD, overestimated real economic growth for 2013 in their forecasts for the next year, while they underestimated it in their forecasts for the current year. The forecasts for 2013 were overestimated the most in spring 2012, by 0.7 to 2.5 percentage points. The next three forecasts came closer to the actual figures, as errors were smaller, though they still ranged between 1.2 and 1.8 percentage points (in the opposite direction) in autumn 2013. The Consensus

forecast in spring 2013 was the most accurate, while IMAD made the most accurate autumn forecast for the next year, and was in second place in the spring and autumn forecasts for the current year.

Almost all institutions overestimated inflation in their forecasts for 2013. The smallest errors in inflation forecasts were made in the spring forecasts for the next year, the most accurate being the forecasts by IMAD and the IMF. Errors in the next forecasts were larger and all institutions except the IMF (in two forecasts) overestimated inflation in their forecasts. Absolute errors in the spring forecasts for the current year ranged between -0.3 and-0.7; errors in the autumn forecasts between -0.1 and -0.7. The most accurate forecasts for the current year were made by the IMF, IMAD and the OECD in the spring and by SKEP, IMAD and the European Commission in the autumn.

Table 8: Errors in average inflation forecasts for 2013, by forecasting institution

Realised: 1.8 %	Spring forecast for the year ahead		Autumn forecast for the year ahead		Spring fore currer	cast for the nt year	Autumn forecast for the current year	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	1.8	0.0	2.2	-0.4	2.1	-0.3	2.0	-0.2
BS	1.7	0.1	2.3	-0.5	2.3	-0.5	2.2	-0.4
SKEP	1.9	-0.1	2.6	-0.8	2.3	-0.5	1.9	-0.1
EC	1.7	0.1	2.2	-0.4	2.2	-0.4	2.1	-0.3
IMF	1.8	0.0	1.5	0.3	1.8	0.0	2.3	-0.5
WIIW	2.0	-0.2	2.0	-0.2	2.5	-0.7	2.5	-0.7
OECD	1.4	0.4	2.3	-0.5	2.1	-0.3	2.2	-0.4
Consensus Forecasts	1.9	-0.1	2.3	-0.5	2.3	-0.5	2.2	-0.4

Source: Forecasts by individual institutions; calculations by IMAD. Note: Negative values indicate an overestimation, while positive values indicate an underestimation.

Looking at Slovenian institutions that forecast economic growth for Slovenia, the smallest average forecast errors for economic growth over a longer period are made by IMAD, while SKEP makes more accurate forecasts for inflation for the current year, followed by IMAD. The mean absolute errors in the forecasts for real economic growth in 2002-2013 ranged between 0.53 and 2.57 percentage points. The root mean square errors, which assign greater weight to larger errors, were much higher (between 0.72 and 4.09) due to errors in 2009 and 2011. In the forecasts for average inflation the mean absolute errors were smaller than in the forecasts for GDP (between 0.11 and 1.56 percentage points), while the root mean square errors ranged between 0.13 and 2.57 percentage points. Detailed results are shown in Table 13 in the statistical appendix.





Slika 29: Mean absolute errors in average inflation forecasts for 2002-2013, by forecasting institution



Source: Forecasts by individual institutions. Note: * BS and WIIW data for PNt+1 for 2003–2012.

statistical appendix

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Table 1: Main macroeconomic indicators of Slovenia

								Real gro	wth rates i	n %, unless	otherwise i	ndicated
										2014	2015	2016
	2005	2006	2007	2008	2009	2010	2011	2012	2013		forecast	
GROSS DOMESTIC PRODUCT	4.0	5.8	7.0	3.4	-7.9	1.3	0.7	-2.5	-1.1	0.5	0.7	1.3
GDP in EUR m (at current prices and at current exchange rate)	28,723	31,050	34,594									
GDP in EUR m (at current prices and at fixed exchange rate 2007)	28,722	31,045	34,594	37,244	35,420	35,485	36,150	35,319	35,275	35,634	36,255	37,219
GDP per capita in EUR (at current prices and at current exchange rate)	14,356	15,464	17,135	18,420	17,349	17,320	17,610	17,172	17,128	17,270	17,551	18,001
GDP per capita in USD (at current prices and at current exchange rate)	17,852	19,397	23,484	27,092	24,198	22,961	24,513	22,063	22,748	23,574	23,974	24,589
EMPLOYMENT, WAGES AND PRODUCT	IVITY											
Employment according to National Accounts	-0.5	1.5	3.3	2.6	-1.8	-2.2	-1.6	-0.8	-2.0	-0.4	0.0	0.5
Registered unemployed (annual average in thousand)	91.9	85.8	71.3	63.2	86.4	100.5	110.7	110.2	119.8	124.6	122.9	119.5
Rate of registered unemployment in %	10.2	9.4	7.7	6.7	9.1	10.7	11.8	12.0	13.1	13.6	13.5	13.1
Rate of unemployment by ILO in %	6.5	6.0	4.9	4.4	5.9	7.3	8.2	8.9	10.1	10.2	10.0	9.7
Gross wage per employee	2.2	2.2	2.2	2.5	2.5	2.1	0.2	-2.4	-2.0	0.8	0.2	0.4
- Private sector	2.8	2.8	3.2	2.0	1.0	3.2	0.8	-1.7	-1.1	0.8	0.5	0.7
- Public sector	0.9	1.0	0.5	3.9	5.8	-1.8	-1.8	-4.7	-4.1	0.9	-0.5	-0.5
Labour productivity (GDP/employee)	4.5	4.2	3.5	0.8	-6.2	3.5	2.4	-1.7	0.9	0.9	0.7	0.8
INTERNATIONAL TRADE												
Exports of goods and services	10.6	12.5	13.7	4.0	-16.1	10.2	7.0	0.6	2.9	4.2	4.8	5.2
Exports of goods	10.3	13.4	13.9	1.8	-16.6	12.0	8.2	-0.1	2.9	4.6	5.2	5.5
Exports of services	12.0	8.6	13.2	14.3	-14.0	3.5	1.9	3.7	2.6	2.6	3.3	4.2
Imports of goods and services	6.7	12.2	16.7	3.7	-19.2	7.4	5.6	-4.7	1.3	3.5	5.2	5.3
Imports of goods	6.8	12.7	16.2	3.0	-20.2	8.3	6.6	-5.1	1.5	3.6	5.5	5.6
Imports of services	5.5	8.8	19.7	8.2	-12.4	2.6	-0.6	-2.2	-0.4	2.9	3.2	3.6
CURRENT ACCOUNT BALANCE												
Current account balance in EUR m	-498	-545	-1,441	-2,028	-173	-50	146	1,159	2,279	2,442	2,338	2,328
As a per cent share relative to GDP	-1.7	-1.8	-4.2	-5.4	-0.5	-0.1	0.4	3.3	6.5	6.9	6.4	6.3
External balance of goods and services in EUR m	-106	74	-409	-716	725	450	519	1,694	2,666	3,071	3,196	3,398
As a per cent share relative to GDP	-0.4	0.2	-1.2	-1.9	2.0	1.3	1.4	4.8	7.6	8.6	8.8	9.1
FINAL DOMESTIC DEMAND - NATIONA	L ACCOU	NTS STAT	ISTICS									
Final consumption	2.4	3.1	4.8	3.2	0.5	1.4	0.2	-3.8	-2.5	-0.7	0.3	1.1
As a % of GDP .	73.2	71.6	69.8	70.7	75.8	77.9	78.3	77.7	76.2	75.1	74.6	74.4
in which:												
Private consumption	2.1	2.8	6.3	2.3	-0.1	1.5	0.8	-4.8	-2.7	-0.4	0.7	1.8
As a % of GDP .	54.3	52.8	52.5	52.6	54.8	56.4	56.8	56.3	56.0	55.2	55.1	55.3
Government consumption	3.5	4.0	0.6	5.9	2.5	1.3	-1.6	-1.3	-2.0	-1.5	-0.9	-0.9
As a % of GDP .	19.0	18.8	17.3	18.1	20.2	20.8	20.8	20.8	20.2	19.9	19.5	19.1
Gross fixed capital formation	3.0	10.4	13.3	7.1	-23.8	-15.3	-5.5	-8.2	0.2	-0.5	1.0	0.0
As a % of GDP .	25.4	26.5	27.8	28.6	23.1	19.7	18.6	17.8	17.9	17.7	17.8	17.7
EXCHANGE RATE AND PRICES												
Average exchange rate SIT/USD, BS	192.7	191.0	174.8									
Average exchange rate SIT/EUR, BS	239.6	239.6	239.6									
Ratio of USD to EUR	1.245	1.256	1.371	1.471	1.393	1.327	1.392	1.286	1.328	1.365	1.366	1.366
Real effective exchange rate -	-0.7	0.3	1.7	2.5	1.3	-1.8	-1.0	-1.1	1.3	-0.5	-0.1	0.0
Inflation (end of the year) ²	2.3	2.8	5.6	2.1	1.8	1.9	2.0	2.7	0.7	0.8	1.4	1.6
Inflation (vear average) ²	2.5	2.5	3.6	5.7	0.9	1.8	1.8	2.6	1.8	0.3	1.1	1.5
Brent Crude Oil Price USD / barrel	54.6	65.2	72.4	96.9	61.7	79.6	111.3	111.7	108.6	104.0	100.0	100.0

Source: SURS, BS, ECB, calculations and forecasts by IMAD. Notes: 'Growth in value denotes real appreciation of national currency and vice versa. ²Consumer price index; . Shares in GDP are calculated for GDP in current prices and at fixed exchange rate 2007 (EUR=239,64).

Table 2a: Gross value added by activity at basic prices and gross domestic product

2014 2015 2016 2005 2006 2007 2008 2009 2010 2011 2012 2013 forecast A Agriculture, forestry and fishing 666.4 627.0 774.7 762.9 729.2 769.9 876.9 827.0 885.2 910.4 942.6 982.6 BCDE Mining and quarrying, manufacturing, electricity and 6,814.2 7,317.2 8,070.1 8,264.8 7,111.2 7,242.2 7,701.5 7,724.8 7,847.1 7,946.3 8,121.1 8,376.1 water supply, waste management of which: C Manufacturing 5,787.6 6,208.6 6.880.6 6,980.7 5,839.7 5.954.6 6,369.0 6,396.2 6,484.2 6,592.2 6.779.7 7.034.4 F Construction 1,671.6 1,957.4 2,450.8 2,761.5 2,464.8 2,016.6 1,887.2 1,822.2 1,730.1 1,853.0 1,939.6 1,954.0 GHI Trade, transportation and 6,338.2 6,286.3 6,271.6 6,288.1 6,378.4 storage, accommodation and food 4,966.6 5,437.3 6,234.1 6,852.0 6,469.3 6,489.6 6,662.2 service activities J Information and communication 1,011.8 1,099.9 1,216.1 1,293.7 1,209.1 1,256.0 1,285.7 1,312.1 1,369.0 1,389.7 1,408.5 1,433.3 K Financial and insurance activities 1,163.8 1,376.1 1,460.3 1,539.2 1,582.1 1,730.2 1,607.7 1,370.5 1,236.0 1,175.9 1,178.6 1,210.0 L Real estate activities 1.920.2 2.007.6 2.150.6 2.387.1 2.612.9 2.507.3 2.438.8 2.305.1 2.278.6 2.244.9 2.326.5 2.266.3 MN Professional, scientific, technical, administrative and 2,050.1 2,269.2 2,610.6 2,902.1 2,755.0 2,837.0 2,863.2 2,781.2 2,745.0 2,743.8 2,773.9 2,847.6 support services OPQ Public administration, education, human health and 4,170.6 4,370.7 4,596.9 5,064.3 5,361.0 5,480.2 5,545.1 5,464.4 5,314.0 5,291.9 5,452.9 5,348.0 social work RST Other service activities 742.2 860.6 855.8 783.9 779.8 762.6 802.8 853.5 855.9 828.6 820.3 800.6 1. TOTAL VALUE ADDED. 23,775.7 25,177.4 27,225.0 30,366.9 32,681.0 31,023.5 30,985.2 31,499.4 30,767.8 30,573.9 31,002.3 31,936.2 basic prices 2. CORRECTIONS (a-b) 3,389.0 4.698.5 4.678.5 3,544.9 3,820.0 4,226.8 4.563.5 4,532.6 4.621.9 4.672.4 4,733.0 4,874.3 a) Taxes on products and 3,520.2 3,697.3 3,953.5 4,420.4 4,769.2 4,735.7 4,847.2 4,841.6 4,898.1 4,878.7 4,938.8 5,085.9 services b) Subsidies on products and 131.2 152.4 133.5 193.7 205.7 203.1 225.4 169.1 199.6 200.2 205.8 211.6 services 3. GROSS DOMESTIC 28,722.3 31,045.0 34,593.6 37,244.4 35,420.2 35,484.6 36,150.0 35,318.6 35,274.9 35,633.7 36,254.9 37,218.8 PRODUCT (3=1+2)

EUR million, current prices (fixed 2007 exchange rate)

Source: SURS, forecasts by IMAD.

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Table 2b: Gross value added by activity at basic prices and gross domestic product

										Structure	nt prices	
	2005	2006	2007	2008	2000	2010	2011	2012	2012	2014	2015	2016
	2005	2006	2007	2008	2009	2010	2011	2012	2013		forecast	
A Agriculture, forestry and fishing	2.3	2.0	2.2	2.0	2.1	2.2	2.4	2.3	2.5	2.6	2.6	2.6
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	23.7	23.6	23.3	22.2	20.1	20.4	21.3	21.9	22.2	22.3	22.4	22.5
of which: C Manufacturing	20.2	20.0	19.9	18.7	16.5	16.8	17.6	18.1	18.4	18.5	18.7	18.9
F Construction	5.8	6.3	7.1	7.4	7.0	5.7	5.2	5.2	4.9	5.2	5.3	5.2
GHI Trade, transportation and storage, accommodation and food service activities	17.3	17.5	18.0	18.4	17.9	17.7	17.9	17.8	17.8	17.9	17.9	17.9
J Information and communication	3.5	3.5	3.5	3.5	3.4	3.5	3.6	3.7	3.9	3.9	3.9	3.9
K Financial and insurance activities	4.1	4.4	4.2	4.1	4.5	4.9	4.4	3.9	3.5	3.3	3.3	3.3
L Real estate activities	6.7	6.5	6.2	6.4	7.4	7.1	6.7	6.5	6.5	6.3	6.3	6.3
MN Professional, scientific, technical, administrative and support services	7.1	7.3	7.5	7.8	7.8	8.0	7.9	7.9	7.8	7.7	7.7	7.7
OPQ Public administration, education, human health and social work	14.5	14.1	13.3	13.6	15.1	15.4	15.3	15.5	15.1	14.9	14.8	14.7
RST Other service activities	2.6	2.5	2.3	2.3	2.4	2.4	2.4	2.3	2.3	2.2	2.2	2.2
1. TOTAL VALUE ADDED	87.7	87.7	87.8	87.7	87.6	87.3	87.2	86.9	86.5	86.2	86.2	86.1
2. CORRECTIONS (a-b)	12.3	12.3	12.2	12.3	12.4	12.7	12.8	13.1	13.5	13.8	13.8	13.9
a) Taxes on products and services	12.9	12.7	12.8	12.8	13.0	13.3	13.2	13.5	14.0	14.4	14.4	14.5
b) Subsidies on products and services	0.5	0.4	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6
3. GROSS DOMESTIC PRODUCT (3=1+2)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
GROSS DOMESTIC PRODUCT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
in which:												
1. Agriculture, forestry, fishing (A)	2.3	2.0	2.2	2.0	2.1	2.2	2.4	2.3	2.5	2.6	2.6	2.6
2. Industry and construction (B+C+D+E+F)	29.5	29.9	30.4	29.6	27.0	26.1	26.5	27.0	27.2	27.5	27.7	27.8
3. Services (GT)	55.8	55.8	55.1	56.1	58.5	59.0	58.3	57.6	56.8	56.2	55.8	55.7
4. Corrections	12.3	12.3	12.2	12.3	12.4	12.7	12.8	13.1	13.5	13.8	13.8	13.9
									As a	share in to	tal value a	dded in %
TOTAL VALUE ADDED, basic prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
in which:												
1. Agriculture, forestry, fishing (A)	2.6	2.3	2.6	2.3	2.4	2.5	2.8	2.7	2.9	3.0	3.0	3.1
2. Industry and construction (B+C+D+E+F)	33.7	34.1	34.6	33.7	30.9	29.9	30.4	31.1	31.4	31.9	32.2	32.2
Industry (B+C+D+E)	27.1	26.9	26.6	25.3	22.9	23.4	24.4	25.2	25.7	25.9	26.0	26.1
Construction F	6.6	7.2	8.1	8.5	7.9	6.5	6.0	5.9	5.7	6.0	6.2	6.1
3. Services (GT)	63.6	63.6	62.8	63.9	66.8	67.6	66.8	66.2	65.7	65.1	64.8	64.7

Source: SURS, calculations and forecasts by IMAD.

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Table 3a: Gross value added by activity at basic prices and gross domestic product

EUR million (fixed 2007 exchange rate)

			c		constant 2013 prices		prices					
	2005	2006	2007	2009	2000	2010	2011	2012	2012	2014	2015	2016
	2005	2000	2007	2008	2009	2010	2011	2012	2013		forecast	
A Agriculture, forestry and fishing	604.3	661.2	661.3	769.8	698.9	739.0	822.9	808.9	797.0	902.9	916.0	925.2
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	6,905.0	7,314.4	7,866.9	8,152.6	7,009.9	7,586.1	7,456.4	7,500.5	7,684.6	7,945.2	8,068.5	8,213.7
of which: C Manufacturing	5,897.6	6,216.2	6,731.3	6,893.0	5,794.5	6,280.9	6,151.2	6,184.5	6,322.4	6,581.4	6,696.7	6,830.6
F Construction	1,533.0	1,914.9	2,301.3	2,570.7	2,387.4	2,023.9	1,806.6	1,758.7	1,695.3	1,798.5	1,815.6	1,779.3
GHI Trade, transportation and storage, accommodation and food service activities	4,810.5	5,324.2	5,816.9	6,444.5	6,237.9	6,424.9	6,418.1	6,220.8	6,252.0	6,325.8	6,392.3	6,507.4
J Information and communication	1,019.7	1,103.9	1,199.4	1,335.5	1,246.3	1,251.2	1,261.6	1,280.5	1,378.1	1,375.8	1,388.9	1,416.7
K Financial and insurance activities	1,207.4	1,228.6	1,582.2	1,513.1	1,551.7	1,600.2	1,648.5	1,578.6	1,307.4	1,217.5	1,223.0	1,241.3
L Real estate activities	1,837.7	1,971.8	2,093.4	2,285.6	2,378.5	2,647.9	2,496.8	2,449.8	2,297.8	2,269.4	2,269.4	2,292.1
MN Professional, scientific, technical, administrative and support services	1,978.7	2,205.3	2,434.9	2,719.6	2,734.9	2,897.4	2,859.1	2,786.1	2,748.6	2,758.7	2,779.4	2,821.1
OPQ Public administration, education, human health and social work	4,069.1	4,247.2	4,454.2	4,675.8	5,156.4	5,434.7	5,493.7	5,628.2	5,413.2	5,332.9	5,343.6	5,359.6
RST Other service activities	729.9	740.5	760.5	805.1	829.4	849.2	854.2	829.4	828.6	803.9	803.9	811.9
	1											1
1. TOTAL VALUE ADDED, basic prices	24,695.2	26,712.2	29,170.8	31,272.3	30,231.5	31,454.3	31,118.1	30,841.7	30,402.6	30,730.7	31,000.6	31,368.3
												1
2. CORRECTIONS (a-b)	3,558.0	3,690.2	4,035.0	4,491.8	4,054.6	4,411.6	4,617.9	4,388.9	4,525.2	4,716.0	4,701.2	4,791.4
a) Taxes on products and services	3,688.4	3,842.7	4,171.3	4,678.4	4,244.5	4,620.5	4,851.2	4,550.8	4,684.2	4,914.3	4,904.4	4,997.6
b) Subsidies on products and services	130.4	152.4	136.4	186.6	189.9	208.9	233.3	161.9	159.0	198.3	203.2	206.3
					-		[[[I		1
3. GROSS DOMESTIC PRODUCT (3=1+2)	28,253.2	30,402.4	33,205.8	35,764.1	34,286.1	35,865.9	35,736.1	35,230.6	34,927.8	35,446.7	35,701.8	36,159.6

Source: SURS, forecasts by IMAD.

Table 3b: Gross value added k	y activity a	t basic prices and	gross domestic	product
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										Real growth rate			
										2014	2015	2016	
	2005	2006	2007	2008	2009	2010	2011	2012	2013		forecast		
A Agriculture, forestry and fishing	-4.1	-0.8	5.5	-0.6	-8.4	1.3	6.9	-7.8	-3.6	2.0	1.5	1.0	
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	3.4	7.3	7.5	1.0	-15.2	6.7	3.0	-2.6	-0.5	1.3	1.6	1.8	
of which: C Manufacturing	3.5	7.4	8.4	0.2	-17.0	7.6	3.3	-2.9	-1.2	1.5	1.8	2.0	
F Construction	3.5	14.6	17.6	4.9	-13.5	-17.9	-10.4	-6.8	-7.0	4.0	1.0	-2.0	
GHI Trade, transportation and storage, accommodation and food service activities	5.0	7.2	7.0	3.4	-9.0	1.4	2.1	-3.8	-0.3	0.6	1.1	1.8	
J Information and communication	11.4	9.1	9.0	9.8	-3.7	3.5	0.4	-0.4	5.0	0.5	1.0	2.0	
K Financial and insurance activities	11.0	5.6	15.0	3.6	0.8	1.1	-4.7	-1.8	-4.6	-1.5	0.5	1.5	
L Real estate activities	3.3	2.7	4.3	6.3	-0.4	1.3	-0.4	0.5	-0.3	-0.4	0.0	1.0	
MN Professional, scientific, technical, administrative and support services	-1.6	7.6	7.3	4.2	-5.8	5.2	0.8	-2.7	-1.2	0.5	0.8	1.5	
OPQ Public administration, education, human health and social work	3.5	1.8	1.9	1.7	1.8	1.4	0.2	1.5	-0.9	0.4	0.2	0.3	
RST Other service activities	6.7	-0.2	-0.3	0.3	-2.8	-1.3	-0.2	-3.1	0.0	-2.0	0.0	1.0	
1. TOTAL VALUE ADDED, basic prices	3.9	6.1	7.1	3.0	-7.5	1.4	0.4	-2.2	-1.0	0.7	0.9	1.2	
2. CORRECTIONS (a-b)	5.0	4.1	5.6	6.3	-11.2	0.4	2.6	-5.0	-1.9	-1.0	-0.3	1.9	
a) Taxes on products and services	4.8	3.9	5.5	5.8	-11.0	0.5	2.6	-5.0	-2.1	-0.8	-0.2	1.9	
b) Subsidies on products and services	-0.6	0.0	2.2	-3.6	-7.7	2.9	3.5	-4.9	-7.4	3.0	2.5	1.5	
3. GROSS DOMESTIC PRODUCT (3=1+2)	4.0	5.8	7.0	3.4	-7.9	1.3	0.7	-2.5	-1.1	0.5	0.7	1.3	

Source: SURS, forecasts by IMAD.

Table 4a: Gross domestic product and primary incomes

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EUR million, current prices (fixed 2007 exchange rate)
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		2005	2006	2007	2008	2000	2010	2011	2012	2012	2014	2015	2016
		2005	2000	2007	2008	2009	2010	2011	2012	2015		forecast	
1.	Compensation of employees	14,615.8	15,649.7	17,211.6	18,956.0	18,791.9	19,000.6	18,905.5	18,513.6	18,086.0	18,127.5	18,342.0	18,798.4
	Wages and salaries	12,538.6	13,420.4	14,781.9	16,302.8	16,130.0	16,317.1	16,227.1	15,885.9	15,545.3	15,598.7	15,782.8	16,177.4
	Employers' social contributions	2,077.1	2,229.3	2,429.8	2,653.2	2,661.8	2,683.5	2,678.4	2,627.6	2,540.6	2,528.8	2,559.2	2,621.0
2.	Taxes on production and imports	4,527.2	4,725.2	5,154.3	5,361.6	4,964.0	5,089.4	5,155.9	5,153.4	5,416.6	5,584.5	5,723.8	5,911.0
	Taxes on products and services	3,697.3	3,953.5	4,420.4	4,769.2	4,599.3	4,728.3	4,789.0	4,782.5	4,953.9	5,115.2	5,214.4	5,387.1
	Other taxes on production	829.9	771.7	733.9	592.4	364.7	361.0	366.9	370.8	462.7	469.3	509.5	523.8
3.	Subsidies	590.2	669.5	761.6	779.5	911.9	986.0	663.5	623.5	602.9	575.6	557.4	571.3
	Subsidies on products and services	152.4	133.5	193.7	205.7	203.1	225.4	170.3	171.7	192.4	199.8	207.6	214.1
	Other subsidies on production	437.8	536.0	568.0	573.7	708.9	760.7	493.1	451.8	410.5	375.8	349.8	357.2
4.	Gross operating surplus/	10,169.5	11,339.6	12,989.4	13,706.2	12,576.3	12,380.7	12,752.0	12,275.2	12,375.3	12,497.3	12,746.4	13,080.7
	Consumption of fixed capital	4,405.5	4,627.9	5,039.2	5,514.0	5,860.1	5,820.5	5,885.8	5,912.0	5,855.2	5,896.2	5,937.5	5,996.9
	Net operating surplus	5,764.0	6,711.7	7,950.2	8,192.2	6,716.2	6,560.2	6,866.2	6,363.2	6,520.1	6,601.1	6,808.9	7,083.8
	Gross operating surplus	7,190.9	8,121.1	9,314.2	9,916.0	9,182.7	9,055.6	9,318.1	8,921.7	8,955.2	9,037.3	9,288.9	9,497.9
	Consumption of fixed capital	3,949.2	4,148.2	4,513.8	4,967.6	5,322.0	5,319.2	5,403.5	5,442.5	5,390.3	5,428.0	5,466.0	5,520.7
	Net operating surplus	3,241.6	3,972.9	4,800.4	4,948.4	3,860.8	3,736.4	3,914.6	3,479.2	3,564.9	3,609.2	3,822.9	3,977.2
	Gross mixed income	2,978.6	3,218.6	3,675.2	3,790.2	3,393.6	3,325.1	3,433.9	3,353.5	3,420.1	3,460.0	3,457.5	3,582.8
_	Consumption of fixed capital	456.2	479.7	525.4	546.4	538.1	501.3	482.3	469.5	465.0	468.2	471.5	476.2
	Net mixed income	2,522.4	2,738.8	3,149.7	3,243.8	2,855.4	2,823.9	2,951.6	2,884.1	2,955.1	2,991.8	2,986.0	3,106.6
6.	GDP (6=1+2-3+4+5)	28,722.3	31,045.0	34,593.6	37,244.4	35,420.2	35,484.6	36,150.0	35,318.6	35,274.9	35,633.7	36,254.9	37,218.8

Source: SURS, forecasts by IMAD.

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Table 4b: Gross domestic product and primary incomes

		_	_	-							Struct	ure in %, curi	ent prices
		2005	2006	2007	2009	2000	2010	2011	2012	2012	2014	2015	2016
		2005	2000	2007	2008	2009	2010	2011	2012	2015		forecast	
1.	Compensation of employees	50.9	50.4	49.8	50.9	53.1	53.5	52.3	52.4	51.3	50.9	50.6	50.5
	Wages and salaries	43.7	43.2	42.7	43.8	45.5	46.0	44.9	45.0	44.1	43.8	43.5	43.5
	Employers' social contributions	7.2	7.2	7.0	7.1	7.5	7.6	7.4	7.4	7.2	7.1	7.1	7.0
2.	Taxes on production and imports	15.8	15.2	14.9	14.4	14.0	14.3	14.3	14.6	15.4	15.7	15.8	15.9
	Taxes on products and services	12.9	12.7	12.8	12.8	13.0	13.3	13.2	13.5	14.0	14.4	14.4	14.5
	Other taxes on production	2.9	2.5	2.1	1.6	1.0	1.0	1.0	1.0	1.3	1.3	1.4	1.4
3.	Subsidies	2.1	2.2	2.2	2.1	2.6	2.8	1.8	1.8	1.7	1.6	1.5	1.5
	Subsidies on products and services	0.5	0.4	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6
	Other subsidies on production	1.5	1.7	1.6	1.5	2.0	2.1	1.4	1.3	1.2	1.1	1.0	1.0
4.	Gross operating surplus/	35.4	36.5	37.5	36.8	35.5	34.9	35.3	34.8	35.1	35.1	35.2	35.1
	Consumption of fixed capital	15.3	14.9	14.6	14.8	16.5	16.4	16.3	16.7	16.6	16.5	16.4	16.1
	Net operating surplus	20.1	21.6	23.0	22.0	19.0	18.5	19.0	18.0	18.5	18.5	18.8	19.0
	Gross operating surplus	25.0	26.2	26.9	26.6	25.9	25.5	25.8	25.3	25.4	25.4	25.6	25.5
	Consumption of fixed capital	13.7	13.4	13.0	13.3	15.0	15.0	14.9	15.4	15.3	15.2	15.1	14.8
	Net operating surplus	11.3	12.8	13.9	13.3	10.9	10.5	10.8	9.9	10.1	10.1	10.5	10.7
	Gross mixed income	10.4	10.4	10.6	10.2	9.6	9.4	9.5	9.5	9.7	9.7	9.5	9.6
	Consumption of fixed capital	1.6	1.5	1.5	1.5	1.5	1.4	1.3	1.3	1.3	1.3	1.3	1.3
	Net mixed income	8.8	8.8	9.1	8.7	8.1	8.0	8.2	8.2	8.4	8.4	8.2	8.3
6.	GDP (6=1+2-3+4+5)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SURS, forecasts by IMAD.

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Table 5a: Gross domestic product by expenditures

EUR million, current prices (fixed 2007 exchange rate)

		2005	2006	2007	2000	2000	2010	2011	2012	2012	2014	2015	2016
		2005	2006	2007	2008	2009	2010	2011	2012	2013		forecast	
1	GROSS DOMESTIC PRODUCT (1=4+5)	28,722.3	31,045.0	34,593.6	37,244.4	35,420.2	35,484.6	36,150.0	35,318.6	35,274.9	35,633.7	36,254.9	37,218.8
2	EXPORTS OF GOODS AND SERVICES	17,858.9	20,657.5	24,040.6	25,293.1	21,022.1	23,688.2	26,389.0	26,869.7	27,565.8	28,798.1	30,354.6	32,451.9
3	IMPORTS OF GOODS AND SERVICES	17,976.2	20,818.1	24,635.9	26,231.0	20,252.8	23,163.1	25,829.9	25,166.9	25,212.8	26,047.5	27,497.1	29,417.6
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	-117.2	-160.6	-595.2	-937.8	769.3	525.1	559.1	1,702.8	2,353.0	2,750.6	2,857.5	3,034.3
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	28,839.5	31,205.6	35,188.9	38,182.3	34,650.9	34,959.5	35,590.9	33,615.8	32,921.9	32,883.1	33,397.4	34,184.5
6	FINAL CONSUMPTION (6=7+8)	21,038.9	22,228.3	24,136.5	26,341.5	26,833.8	27,635.2	28,310.1	27,435.7	26,880.6	26,755.7	27,042.9	27,673.5
7	PRIVATE CONSUMPTION	15,586.5	16,403.6	18,146.9	19,583.2	19,681.8	20,266.4	20,776.8	20,103.1	19,749.0	19,670.9	19,967.8	20,581.2
	Households	15,367.9	16,167.4	17,864.8	19,310.1	19,411.3	20,004.0	20,534.0	19,873.0	19,523.8	19,445.7	19,738.5	20,344.5
	NPISH's	218.6	236.2	282.1	273.1	270.5	262.4	242.8	230.1	225.2	225.2	229.3	236.7
8	GOVERNMENT CONSUMPTION (individual and collective)	5,452.3	5,824.7	5,989.6	6,758.3	7,152.0	7,368.8	7,533.2	7,332.6	7,131.6	7,084.8	7,075.1	7,092.3
9	GROSS CAPITAL FORMATION (9=10+11)	7,800.6	8,977.3	11,052.4	11,840.7	7,817.1	7,324.3	7,280.8	6,180.1	6,041.3	6,127.4	6,354.5	6,511.0
10	GROSS FIXED CAPITAL FORMATION	7,294.4	8,234.6	9,603.6	10,662.6	8,166.7	6,992.7	6,718.8	6,274.2	6,304.0	6,306.9	6,452.8	6,581.9
11	CHANGES IN INVENTORIES AND VALUABLES	506.3	742.7	1,448.8	1,178.1	-349.6	331.6	562.0	-94.1	-262.7	-179.5	-98.3	-70.9

Source: SURS, forecasts by IMAD.

Table 5b: Gross domestic product by expenditures

	,										Structure	in %, currei	nt prices
		2005	2006	2007	2008	2000	2010	2011	2012	2012	2014	2015	2016
		2005	2006	2007	2008	2009	2010	2011	2012	2013		forecast	
1	GROSS DOMESTIC PRODUCT (1=4+5)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2	EXPORTS OF GOODS AND SERVICES	62.2	66.5	69.5	67.9	59.4	66.8	73.0	76.1	78.1	80.8	83.7	87.2
3	IMPORTS OF GOODS AND SERVICES	62.6	67.1	71.2	70.4	57.2	65.3	71.5	71.3	71.5	73.1	75.8	79.0
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	-0.4	-0.5	-1.7	-2.5	2.2	1.5	1.5	4.8	6.7	7.7	7.9	8.2
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	100.4	100.5	101.7	102.5	97.8	98.5	98.5	95.2	93.3	92.3	92.1	91.8
6	FINAL CONSUMPTION (6=7+8)	73.2	71.6	69.8	70.7	75.8	77.9	78.3	77.7	76.2	75.1	74.6	74.4
7	PRIVATE CONSUMPTION	54.3	52.8	52.5	52.6	55.6	57.1	57.5	56.9	56.0	55.2	55.1	55.3
	Households	53.5	52.1	51.6	51.8	54.8	56.4	56.8	56.3	55.3	54.6	54.4	54.7
	NPISH's	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6
8	GOVERNMENT CONSUMPTION (individual and collective)	19.0	18.8	17.3	18.1	20.2	20.8	20.8	20.8	20.2	19.9	19.5	19.1
9	GROSS CAPITAL FORMATION (9=10+11)	27.2	28.9	31.9	31.8	22.1	20.6	20.1	17.5	17.1	17.2	17.5	17.5
10	GROSS FIXED CAPITAL FORMATION	25.4	26.5	27.8	28.6	23.1	19.7	18.6	17.8	17.9	17.7	17.8	17.7
11	CHANGES IN INVENTORIES AND VALUABLES	1.8	2.4	4.2	3.2	-1.0	0.9	1.6	-0.3	-0.7	-0.5	-0.3	-0.2

Source: SURS, forecasts by IMAD.

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constant previous year prices constant 2013 prices 2015 2014 2016 2005 2006 2007 2008 2009 2010 2011 2012 2013 forecast **GROSS DOMESTIC** 28,253.2 30,402.4 33,205.8 35,764.1 34,286.1 35,865.9 35,736.1 35,230.6 34,927.8 35,446.7 35,701.8 36,159.6 1 PRODUCT (1=4+5) EXPORTS OF GOODS AND 17,363.0 20,097.6 23,494.5 25,000.6 21,229.3 31,710.9 2 23,162.1 25,339.8 26,545.7 27,642.0 28,737.3 30,129.8 SERVICES IMPORTS OF GOODS AND 3 17,123.8 20,162.1 24,290.8 25,544.1 21,201.9 21,758.8 24,449.2 25,490.5 28,896.5 24,616.2 26,085.6 27,442.1 SERVICES EXTERNAL BALANCE OF 4 GOODS AND SERVICES 242.5 -64.6 -796.3 -543.5 27.4 1,403.3 890.6 1,929.5 -261.4 2,651.7 2,687.7 2,814.4 (4=2-3) TOTAL DOMESTIC 5 28,014.0 30,466.8 34,002.1 36,307.6 34,258.7 34,462.6 34,845.5 33,301.2 32,776.3 32,795.0 33,014.1 33,345.3 CONSUMPTION (5=6+9) FINAL CONSUMPTION 6 20,540,7 21.692.8 23,291.6 24.911.8 26,484.0 27,217.5 27,691.1 27,224.1 26.750.6 26,699.0 26,774.1 27.077.8 (6=7+8) PRIVATE CONSUMPTION 7 15,242.7 16,023.1 17,429.1 18,569.3 19,555.9 19,971.0 20,437.7 19,786.6 19,564.0 19,670.9 19,809.3 20,175.7 15,030.4 15,793.9 18,309.3 19,290.0 19,710.9 20,194.8 19,557.6 19,445.7 19,581.8 19,943.7 - Households 17,162.3 19,339. - NPISH's 242.9 212.3 229.2 266.8 260.0 265.9 260.1 229.0 224.9 225.2 227.5 232.0 GOVERNMENT 8 CONSUMPTION 5,298.0 5,669.7 5,862.5 6,342.5 6,928.1 7,246.6 7,253.4 7,437.5 7,186.6 7,028.1 6,964.8 6,902.1 (individual and collective) GROSS CAPITAL 9 7,473.3 8,774.1 10,710.5 11,395.7 7,774.7 7,245.1 7,154.4 6,077.1 6,025.7 6,096.0 6,240.0 6,267.4 FORMATION (9=10+11) GROSS FIXED CAPITAL 10 10.283.6 6.992.2 8.053.1 9,328.3 8,126.6 6.921.3 6.610.5 6,169.9 6.287.0 6.275.6 6.338.3 6,338.3 FORMATION CHANGES IN INVENTORIES AND 481.1 721.0 1.382.1 1.112.2 -351.9 323.7 543.9 -92.8 -261.4 -179.5 -98.3 -70.9 11 VALUABLES

Table 6a: Gross domestic product by expenditures

Source: SURS, forecasts by IMAD.

Table 6b: Gross domestic product by expenditures

Real growth rates in % 2014 2015 2016 2005 2006 2007 2008 2009 2010 2011 2012 2013 forecast **GROSS DOMESTIC PRODUCT (1=4+5)** 4.0 5.8 7.0 3.4 -7.9 1.3 0.7 -2.5 -1.1 0.5 0.7 1.3 1 2 EXPORTS OF GOODS AND SERVICES 10.6 12.5 13.7 10.2 4.0 -16.1 7.0 0.6 2.9 4.2 4.8 5.2 3 IMPORTS OF GOODS AND SERVICES 12.2 3.7 -19.2 7.4 -4.7 3.5 5.3 6.7 16.7 5.6 1.3 5.2 EXTERNAL BALANCE OF GOODS AND 4 2.2 0.2 -2.0 0.1 2.6 1.8 1.0 3.8 1.3 0.8 0.1 0.4 SERVICES ' 5 TOTAL DOMESTIC CONSUMPTION (5=6+9) 1.8 5.6 9.0 3.2 -10.3 -0.5 -0.3 -6.4 -2.5 -0.4 0.7 1.0 FINAL CONSUMPTION (6=7+8) -0.7 6 2.4 3.1 4.8 3.2 0.5 1.4 0.2 -3.8 -2.5 0.3 1.1 7 PRIVATE CONSUMPTION 2.1 2.8 2.3 -0.1 1.5 0.8 -4.8 -2.7 -0.4 0.7 6.3 1.8 - Households 2.2 2.8 6.2 2.5 -0.1 1.5 1.0 -4.8 -2.7 -0.4 0.7 1.8 - NPISH's -7.5 4.8 12.9 -7.8 -2.6 -3.9 -7.4 -5.7 -2.3 0.0 1.0 2.0 GOVERNMENT CONSUMPTION 1.3 8 3.5 4.0 0.6 5.9 2.5 -1.6 -1.3 -2.0 -1.5 -0.9 -0.9 (individual and collective) 9 **GROSS CAPITAL FORMATION** 0.1 12.5 19.3 3.1 -34.3 -7.3 -2.3 -16.5 -2.5 0.9 2.4 0.4 10 GROSS FIXED CAPITAL FORMATION -15.3 -0.5 3.0 10.4 13.3 7.1 -23.8 -5.5 -8.2 0.2 1.0 0.0 11 CHANGES IN INVENTORIES AND VALUABLES 7 -0.7 0.7 2.1 -1.0 -4.1 1.9 0.6 -1.8 -0.5 0.2 0.2 0.1

Source: SURS, forecasts by IMAD.

Note: 1 Contribution to real GDP growth (percentage points).

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EUR million (fixed 2007 exchange rate)

Table 7a: Main aggregates of national accounts

EUR million, current prices (fixed 2007 exchange rate)

		2005	2006	2007	2008	2000	2010	2011	2012	2012	2014	2015	2016
		2005	2000	2007	2008	2009	2010	2011	2012	2015		forecast	
1	GROSS DOMESTIC PRODUCT	28,722.3	31,045.0	34,593.6	37,244.4	35,420.2	35,484.6	36,150.0	35,318.6	35,274.9	35,633.7	36,254.9	37,218.8
2	Net primary incomes with the rest of the world (a-b)	-243.6	-367.7	-734.5	-982.6	-597.4	-456.9	-390.5	-387.6	-206.4	-717.8	-901.8	-966.1
	a) Primary incomes receivable from the ROW	765.4	1,032.5	1,333.5	1,406.7	832.6	779.9	1,147.7	923.5	1,109.8	1,061.7	1,098.0	1,208.7
	b) Primary incomes payable to the ROW	1,009.0	1,400.3	2,068.0	2,389.4	1,430.1	1,236.9	1,538.2	1,311.1	1,316.2	1,779.5	1,999.8	2,174.8
3	GROSS NATIONAL INCOME (3=1+2)	28,478.7	30,677.3	33,859.2	36,261.8	34,822.8	35,027.6	35,759.4	34,931.1	35,068.5	34,915.9	35,353.1	36,252.7
4	Net current transfers with the rest of the world (c-d)	-143.1	-215.3	-241.1	-339.1	-304.3	-152.5	-79.8	-209.9	-272.9	88.0	43.0	-104.0
	c) Current transfers receivable from the ROW	630.9	672.2	731.4	506.5	645.4	738.0	862.7	864.4	826.0	870.0	850.0	810.0
	d) Current transfers payable to the ROW	774.0	887.4	972.5	845.5	949.7	890.5	942.5	1,074.4	1,098.9	782.0	807.0	914.0
5	GROSS NATIONAL DISPOSABLE INCOME (5=3+4)	28,335.5	30,462.0	33,618.1	35,922.7	34,518.5	34,875.1	35,679.6	34,721.1	34,795.6	35,003.9	35,396.1	36,148.7
6	FINAL CONSUMPTION EXPENDITURE (e+f)	21,038.9	22,228.3	24,136.5	26,341.5	26,833.8	27,635.2	28,310.0	27,435.7	26,880.6	26,755.7	27,042.9	27,673.5
	e) Private consumption	15,586.5	16,403.6	18,146.9	19,583.2	19,681.8	20,266.4	20,776.8	20,103.1	19,749.0	19,670.9	19,967.8	20,581.2
	f) Government consumption	5,452.3	5,824.7	5,989.6	6,758.3	7,152.0	7,368.8	7,533.2	7,332.6	7,131.6	7,084.8	7,075.1	7,092.3
7	GROSS SAVING (7=5-6)	7,296.7	8,233.7	9,481.6	9,581.2	7,684.6	7,239.9	7,369.6	7,285.4	7,915.0	8,248.2	8,353.2	8,475.3
8	GROSS CAPITAL FORMATION	7,800.6	8,977.3	11,052.4	11,840.7	7,817.1	7,324.3	7,280.8	6,180.1	6,041.3	6,127.4	6,354.5	6,511.0
	- Gross fixed capital formation	7,294.4	8,234.6	9,603.6	10,662.6	8,166.7	6,992.7	6,718.8	6,274.2	6,304.0	6,306.9	6,452.8	6,581.9
	- Changes in inventories and valuables	506.3	742.7	1,448.8	1,178.1	-349.6	331.6	562.0	-94.1	-262.7	-179.5	-98.3	-70.9
9	SURPLUS ON THE CURRENT ACCOUNT WITH THE ROW (9=7-8)	-504.0	-743.6	-1,570.8	-2,259.5	-132.4	-84.4	88.8	1,105.3	1,873.7	2,120.8	1,998.7	1,964.3

Source: SURS, forecast by IMAD.

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Table 7b: Main aggregates of national accounts

								Structure in %, current priv							
		2005	2025	2007			2010	2011	2012	2012	2014	2015	2016		
		2005	2006	2007	2008	2009	2010	2011	2012	2013		forecast			
1	GROSS DOMESTIC PRODUCT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
2	Net primary incomes with the rest of the world (a-b)	-0.8	-1.2	-2.1	-2.6	-1.7	-1.3	-1.1	-1.1	-0.6	-2.0	-2.5	-2.6		
	a) Primary incomes receivable from the ROW	2.7	3.3	3.9	3.8	2.4	2.2	3.2	2.6	3.1	3.0	3.0	3.2		
	b) Primary incomes payable to the ROW	3.5	4.5	6.0	6.4	4.0	3.5	4.3	3.7	3.7	5.0	5.5	5.8		
3	GROSS NATIONAL INCOME (3=1+2)	99.2	98.8	97.9	97.4	98.3	98.7	98.9	98.9	99.4	98.0	97.5	97.4		
4	Net current transfers with the rest of the world (c-d)	-0.5	-0.7	-0.7	-0.9	-0.9	-0.4	-0.2	-0.6	-0.8	0.2	0.1	-0.3		
	c) Current transfers receivable from the ROW	2.2	2.2	2.1	1.4	1.8	2.1	2.4	2.4	2.3	2.4	2.3	2.2		
-	d) Current transfers payable to the ROW	2.7	2.9	2.8	2.3	2.7	2.5	2.6	3.0	3.1	2.2	2.2	2.5		
5	GROSS NATIONAL DISPOSABLE INCOME (5=3+4)	98.7	98.1	97.2	96.5	97.5	98.3	98.7	98.3	98.6	98.2	97.6	97.1		
6	FINAL CONSUMPTION EXPENDITURE (e+f)	73.2	71.6	69.8	70.7	75.8	77.9	78.3	77.7	76.2	75.1	74.6	74.4		
-	e) Private consumption	54.3	52.8	52.5	52.6	55.6	57.1	57.5	56.9	56.0	55.2	55.1	55.3		
	f) Government consumption	19.0	18.8	17.3	18.1	20.2	20.8	20.8	20.8	20.2	19.9	19.5	19.1		
7	GROSS SAVING (7=5-6)	25.4	26.5	27.4	25.7	21.7	20.4	20.4	20.6	22.4	23.1	23.0	22.8		
8	GROSS CAPITAL FORMATION	27.2	28.9	31.9	31.8	22.1	20.6	20.1	17.5	17.1	17.2	17.5	17.5		
-	- Gross fixed capital formation	25.4	26.5	27.8	28.6	23.1	19.7	18.6	17.8	17.9	17.7	17.8	17.7		
	- Changes in inventories and valuables	1.8	2.4	4.2	3.2	-1.0	0.9	1.6	-0.3	-0.7	-0.5	-0.3	-0.2		
9	SURPLUS ON THE CURRENT ACCOUNT WITH THE ROW (9=7-8)	-1.8	-2.4	-4.5	-6.1	-0.4	-0.2	0.2	3.1	5.3	6.0	5.5	5.3		

Source: SURS, forecast by IMAD.

Table 8: Labour market

									Numbe	rs in thousa	ands, indica	tors in %
	2005	2006	2007	2008	2000	2010	2011	2012	2013	2014	2015	2016
	2003	2000	2007	2000	2009	2010	2011	2012	2015		forecast	
LABOUR SUPPLY												
Participation rate (15-64) ¹	70.7	70.9	71.3	71.8	71.8	71.5	70.3	70.4	70.4	70.8	71.3	72.1
- 15-24 years of age ¹	40.5	40.6	41.8	42.9	40.9	39.9	37.4	34.4	36.1	37.3	38.1	38.9
- 25-54 years of age ¹	88.8	89.0	89.3	90.1	89.6	90.0	90.1	90.8	90.6	91.0	91.6	92.8
- 55-64 years of age ¹	32.1	33.4	34.6	34.2	36.9	36.5	33.3	35.1	34.2	33.8	33.6	33.6
Participation rate (65 years and more) ¹	7.8	7.7	8.8	6.4	7.6	7.3	6.3	5.0	4.8	4.6	4.2	3.9
Labour force (LFS concept)	1015	1022	1035	1042	1042	1041	1019	1014	1008	1006	1005	1008
Yearly changes (in perc.)	0.9	0.7	1.3	0.6	0.0	0.0	-2.1	-0.6	-0.6	-0.2	-0.1	0.3
LABOUR DEMAND												
Yearly changes (in %)												
GDP	4.0	5.8	7.0	3.4	-7.9	1.3	0.7	-2.5	-1.1	0.5	0.7	1.3
Productivity	4.5	4.2	3.5	0.8	-6.2	3.5	2.4	-1.7	0.9	0.9	0.7	0.8
Persons in employment (National accouts concept)	-0.5	1.5	3.3	2.6	-1.8	-2.2	-1.6	-0.8	-2.0	-0.4	0.0	0.5
Persons in employment (LFS concept)	0.4	1.3	2.5	1.1	-1.5	-1.5	-3.1	-1.3	-1.9	-0.3	0.1	0.7
Persons in formal employment (statistical register) ²	0.7	1.4	3.5	3.0	-2.4	-2.7	-1.3	-1.7	-2.0	-0.4	0.0	0.5
- Persons in paid employment ²	1.0	1.4	3.3	3.1	-2.8	-2.6	-2.4	-1.6	-2.6	-0.5	0.0	0.6
Numbers (in thousand)												
Persons in employment (National accouts concept)	930.8	945.2	976.7	1001.9	983.7	962.5	946.9	939.1	920.6	917.3	917.7	922.4
Persons in formal employment (statistical register)	813.1	824.8	854.0	879.3	858.2	835.0	824.0	810.0	793.6	790.5	790.5	794.4
- Persons in paid employment ²	731.6	741.6	766.0	789.9	767.4	747.2	729.1	717.0	698.7	695.2	695.3	699.2
- Selfemployed	81.5	83.3	87.9	89.4	90.8	87.8	94.9	93.0	94.9	95.3	95.2	95.2
Persons in employment (LFS concept)	949	961	985	996	981	966	936	924	906	904	905	911
- Employment rate (15-64 y.of age, in %) ¹	66.0	66.6	67.8	68.6	67.5	66.2	64.4	64.1	63.2	63.4	64.0	65.0
Economic structure of employment (L	FS concep	ot in %)										
Agriculture ¹	9.1	9.6	9.9	8.6	9.1	8.8	8.6	8.4	8.4	8.4	8.4	8.4
Industriy and construction ¹	37.1	35.5	35.3	35.2	33.2	32.6	31.7	31.0	31.0	30.9	30.9	31.0
Services ¹	53.8	54.9	54.9	56.2	57.7	58.6	59.7	60.6	60.6	60.7	60.7	60.7
UNEMPLOYMENT												
- ILO concept	66.2	61.0	49.8	45.5	61.1	75.3	83.4	89.7	101.9	102.6	100.6	97.5
- Registered	91.9	85.8	71.3	63.2	86.4	100.5	110.7	110.2	119.8	124.6	122.9	119.5
Rate of unemployment (ILO concept)	6.5	6.0	4.9	4.4	5.9	7.3	8.2	8.9	10.1	10.2	10.0	9.7
Rate of registered unemployment	10.2	9.4	7.7	6.7	9.1	10.7	11.8	12.0	13.1	13.6	13.5	13.1

Source: SORS, ESS, forcasts by IMAD and Eurostat (Population projection) Note: ¹ The annual figure for 2013 is IMAD' statistical estimate, as detailed data for the final quarter has not been officially released yet. ² According to the Statistical Register of Employment, including the estimate of self-employed farmers.

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Table 9: Indicators of international competitiveness

									Annua	growth ra	tes in %
	2005	2006	2007	2008	2000	2010	2011	2012	2012	2014	2015
	2005	2000	2007	2008	2009	2010	2011	2012	2015	fore	cast
Effective exchange rate ¹											
Nominal	-1.0	-0.1	0.4	0.7	1.1	-2.1	-0.1	-1.2	1.0	0.6	0.0
Real - based on consumer prices	-0.7	0.3	1.7	2.5	1.3	-1.8	-1.0	-1.1	1.3	-0.5	-0.1
Real - based on ULC in economy as a whole	-1.0	-0.1	1.2	3.6	6.3	-1.6	-2.3	-2.9	-2.1	-0.5	-0.5
Unit labour costs components											
Nominal unit labour costs	1.5	1.1	2.6	6.4	8.6	0.4	-0.7	0.8	-0.8	-0.1	0.6
Compensation of employees per employee	6.0	5.4	6.2	7.2	1.8	3.9	1.6	-1.0	0.1	0.8	1.3
Labour productivity, real ²	4.5	4.2	3.5	0.8	-6.2	3.5	2.4	-1.7	0.9	0.9	0.7
Real unit labour costs	-0.2	-1.0	-1.6	2.2	5.1	1.5	-1.9	0.5	-1.8	-0.6	-0.4
Labour productivity, nominal ³	6.2	6.4	7.8	5.0	-3.1	2.4	3.6	-1.5	1.9	1.4	1.7

Sources: SURS national accounts statistics, BS, ECB, OECD, Consensus Forecasts February 2014, calculations and forecasts by IMAD. Notes: ¹ Harmonised effective exchange rate - 20 group of trading partners and 17 Euro area countries; a rise in the value indicates appreciation and of national currency and vice versa; ²GDP per employee (in constant prices); ³GDP per employee (in current prices).

Table 10: Balance of payments - balance of payments statistics

											EUI	R million
	2005	2006	2007	2009	2000	2010	2011	2012	2012	2014	2015	2016
	2005	2000	2007	2008	2009	2010	2011	2012	2015		forecast	
I. CURRENT ACCOUNT	-498	-545	-1,441	-2,028	-173	-50	146	1,159	2,279	2,442	2,338	2,328
1. GOODS	-1,026	-919	-1,456	-2,144	-440	-830	-957	-110	653	983	1,000	1,052
1.1. Exports of goods	14,599	17,276	20,022	20,529	16,585	18,973	21,450	21,631	22,079	23,059	24,313	26,040
1.2. Imports of goods	15,625	18,194	21,478	22,673	17,026	19,804	22,407	21,741	21,426	22,076	23,314	24,989
2. SERVICES	920	993	1,047	1,428	1,165	1,281	1,476	1,803	2,013	2,089	2,197	2,346
2.1. Exports	3,214	3,572	4,145	4,952	4,333	4,593	4,842	5,166	5,423	5,672	5,971	6,336
Transport	923	1,058	1,259	1,436	1,085	1,206	1,305	1,334	1,380	1,434	1,505	1,595
Travel	1,451	1,555	1,665	1,827	1,804	1,925	1,975	2,090	2,098	2,160	2,245	2,367
Other	840	959	1,221	1,689	1,444	1,462	1,562	1,742	1,945	2,079	2,221	2,374
2.2. Imports	2,293	2,580	3,098	3,524	3,168	3,312	3,365	3,363	3,411	3,583	3,774	3,990
Transport	525	601	734	875	648	710	720	704	726	752	791	836
Travel	707	772	831	922	913	923	817	734	703	696	725	755
Other	1,061	1,206	1,533	1,727	1,607	1,679	1,829	1,925	1,982	2,135	2,258	2,400
1., 2. EXTERNAL BALANCE OF GOODS AND SERVICES	-106	74	-409	-716	725	450	519	1,694	2,666	3,071	3,196	3,398
Exports of goods and services	17,813	20,848	24,167	25,481	20,919	23,566	26,291	26,797	27,503	28,731	30,284	32,377
Imports of goods and services	17,918	20,774	24,576	26,197	20,194	23,116	25,772	25,104	24,837	25,660	27,088	28,979
3. INCOME	-295	-440	-789	-1,030	-724	-588	-524	-552	-408	-718	-902	-966
3.1. Receipts	647	872	1,169	1,262	683	583	936	699	858	1,062	1,098	1,209
Compensation of employees	205	218	229	238	212	240	327	476	490	505	510	530
Investment	442	654	940	1,024	471	343	609	223	368	557	588	679
3.2. Expenditures	942	1,312	1,957	2,292	1,406	1,172	1,460	1,251	1,266	1,779	2,000	2,175
Compensation of employees	77	110	179	230	116	89	93	99	97	110	150	180
Investment	866	1,202	1,778	2,062	1,290	1,082	1,367	1,152	1,169	1,669	1,850	1,995
4. CURRENT TRANSFERS	-97	-178	-243	-282	-174	88	151	18	21	88	43	-104
4.1. In Slovenia	738	785	941	893	982	1,231	1,404	1,410	1,449	1,570	1,550	1,410
4.2. Abroad	835	963	1,185	1,176	1,155	1,143	1,253	1,392	1,427	1,482	1,507	1,514
II. CAPITAL AND FINANCIAL ACCOUNT	970	1,092	1,920	2,593	162	530	-474	-1,206	-2,967			
A CAPITAL ACCOUNT	-114	-131	-52	-30	9	54	-85	-92	-37			
1. Capital transfers	-109	-126	-51	-26	16	57	-73	-88	-26			
2. Non-produced non-financial assets	-5	-5	-1	-3	-6	-3	-12	-4	-10			
B FINANCIAL ACCOUNT	1,084	1,223	1,972	2,622	153	476	-389	-1,114	-2,930			
1. Direct investment	-43	-174	-256	327	-663	428	633	166	-545			
Abroad	-516	-687	-1,362	-1,002	-189	156	-85	212	-54			
In Slovenia	473	513	1,106	1,329	-474	272	718	-46	-491			
2. Portfolio investment	-1,313	-1,442	-2,255	572	4,628	1,956	1,839	-218	3,946			
3. Financial derivatives	-10	-13	-15	46	-2	-117	-155	-203	-450			
4. Other investment	2,639	1,571	4,358	1,656	-3,977	-1,810	-2,777	-890	-5,875			
4.1. Assets	-1,459	-1,939	-4,696	-322	-271	779	-1,490	-1,474	-1,929			
4.2. Liabilities	4,098	3,510	9,054	1,978	-3,706	-2,589	-1,287	584	-3,946			
5. Reserve assets	-189	1,281	140	21	167	19	72	31	-5			
III. NET ERRORS AND OMISSIONS	-473	-547	-479	-564	10	-480	328	47	688			

Source: BS, forecasts by IMAD.

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Table 11a: Consolidated general government revenues; GFS - IMF Methodology

					E	UR million, cu	irrent prices (f	ixed 2007 exc	hange rate)
CONSOLIDATED GENERAL GOVERNMENT REVENUES	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. TOTAL GENERAL GOVERNMENT REVENUES	11,976	12,959	14,006	15,339	14,408	14,794	14,982	14,999	14,725
TAX REVENUES	10,884	11,762	12,758	13,937	12,955	12,848	13,209	13,118	12,648
TAXES ON INCOME AND PROFIT	2,242	2,735	2,918	3,442	2,805	2,491	2,724	2,657	2,137
Personal income tax	1,648	1,793	1,805	2,185	2,092	2,039	2,054	2,077	1,868
Corporate income tax	594	942	1,113	1,257	712	449	668	579	269
SOCIAL SECURITY CONTRIBUTIONS	3,988	4,231	4,598	5,095	5,161	5,234	5,268	5,244	5,127
TAXSES ON PAYROLL AND WORKFORCE	526	473	418	258	28	28	29	26	23
Payroll tax	506	450	392	230	0	0	0	0	0
Tax on work contracts	20	23	27	28	28	28	29	26	23
TAXES ON PROPERTY	170	189	206	215	207	220	215	233	254
DOMESTIC TAXES ON GOODS AND SERVICES	3,915	4,077	4,498	4,805	4,660	4,781	4,856	4,876	5,027
TAXES ON INTERN. TRADE AND TRANSACTIONS	39	51	117	120	91	91	100	83	77
OTHER TAXES	4	5	2	2	3	4	17	0	2
NON-TAX REVENUES	633	633	709	855	684	923	829	912	987
CAPITAL REVENUES	113	167	136	118	107	176	65	63	67
GRANTS	9	5	12	10	11	13	10	9	32
TRANSFERS REVENUES	34	43	43	54	54	110	54	52	53
RECEIPTS FROM THE EU BUDGET	302	348	348	365	597	723	815	845	938

Source:MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

Table 11b: Consolidated general government revenues; GFS - IMF Methodology

							Pero	ent share rela	tive to GDP
CONSOLIDATED GENERAL GOVERNMENT REVENUES	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. TOTAL GENERAL GOVERNMENT REVENUES	41.7	41.7	40.5	41.2	40.7	41.7	41.5	42.5	41.7
TAX REVENUES	37.9	37.9	36.9	37.4	36.6	36.2	36.5	37.1	35.9
TAXES ON INCOME AND PROFIT	7.8	8.8	8.4	9.2	7.9	7.0	7.5	7.5	6.1
Personal income tax	5.7	5.8	5.2	5.9	5.9	5.7	5.7	5.9	5.3
Corporate income tax	2.1	3.0	3.2	3.4	2.0	1.3	1.8	1.6	0.8
SOCIAL SECURITY CONTRIBUTIONS	13.9	13.6	13.3	13.7	14.6	14.8	14.6	14.8	14.5
TAXSES ON PAYROLL AND WORKFORCE	1.8	1.5	1.2	0.7	0.1	0.1	0.1	0.1	0.1
Payroll tax	1.8	1.4	1.1	0.6	0.0	0.0	0.0	0.0	0.0
Tax on work contracts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TAXES ON PROPERTY	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7
DOMESTIC TAXES ON GOODS AND SERVICES	13.6	13.1	13.0	12.9	13.2	13.5	13.4	13.8	14.3
TAXES ON INTERN. TRADE AND TRANSACTIONS	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2
OTHER TAXES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON-TAX REVENUES	2.2	2.0	2.0	2.3	1.9	2.6	2.3	2.6	2.8
CAPITAL REVENUES	0.4	0.5	0.4	0.3	0.3	0.5	0.2	0.2	0.2
GRANTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
TRANSFERS REVENUES	0.1	0.1	0.1	0.1	0.2	0.3	0.1	0.1	0.1
RECEIPTS FROM THE EU BUDGET	1.1	1.1	1.0	1.0	1.7	2.0	2.3	2.4	2.7

Source: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

CONSOLIDATED GENERAL 2005 2006 2007 2008 2009 2010 2011 2012 2013 **GOVERNMENT EXPENDITURE II. TOTAL EXPENDITURE** 12,276 13,209 13,915 15,442 16,368 16.693 16,546 16.283 16,126 CURRENT EXPENDITURE 6,557 6,927 5,354 5,689 5,951 6,800 6,960 6,814 6,836 WAGES AND OTHER PERSONNEL EXPENDITURE 2,521 2,671 2,761 3,037 3,363 3,359 3,330 3,185 3,114 SOCIAL SECURITY CONTRIBUTIONS 509 515 542 549 553 543 503 495 553 PURCHASES OF GOODS AND SERVICES 1,911 2,073 2,212 2,527 2,510 2,512 2.443 2.373 2.237 INTEREST PAYMENTS 372 376 357 335 336 488 527 648 840 BUDGETARY RESERVES 55 59 105 116 42 47 74 65 142 **CURRENT TRANSFERS** 5,926 6,144 6,743 7,340 7,819 7,671 5,599 7,629 7,687 SUBSIDIES 381 403 423 477 598 582 496 503 519 6,384 TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS 4,629 4,871 5,093 5,619 6,024 6,278 6,534 6,343 OTHER CURRENT DOMESTIC TRANSFERS 589 651 628 647 718 769 789 800 809 **CAPITAL EXPENDITURE TOTAL** 1,714 1789 1,707 1,038 1,306 1,464 1,395 1,235 1,350 1,031 CAPITAL EXPENDITURE 901 1,130 1,256 1,294 1,311 915 654 1,023 CAPITAL TRANSFERS 383 405 334 459 495 396 372 320 319 PAYMENTS TO THE EU BUDGET 286 288 356 428 439 397 405 390 425 GENERAL GOVERNMENT BUDGETARY Ш. -300 -250 91 -103 -1,961 -1,899 -1,564 -1,127 -1,558 SURPLUS / DEFICIT (I. - II.)

EUR million, current prices (fixed exchange rate)

Source: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

Table 12b: Consolidated general government expenditure; GFS - IMF Methodology

								Per cen	t share relati	ve to GDP
	CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2005	2006	2007	2008	2009	2010	2011	2012	2013
п.	TOTAL EXPENDITURE	42.7	42.5	40.2	41.5	46.2	47.1	45.8	45.7	46.2
	CURRENT EXPENDITURE	18.6	18.3	17.2	17.6	19.2	19.6	19.2	19.3	19.4
	WAGES AND OTHER PERSONNEL EXPENDITURE	8.8	8.6	8.0	8.2	9.5	9.5	9.2	9.0	8.8
	SOCIAL SECURITY CONTRIBUTIONS	1.7	1.6	1.5	1.5	1.5	1.6	1.5	1.5	1.4
	PURCHASES OF GOODS AND SERVICES	6.7	6.7	6.4	6.8	7.1	7.1	6.8	6.7	6.3
	INTEREST PAYMENTS	1.3	1.2	1.0	0.9	0.9	1.4	1.5	1.8	2.4
	BUDGETARY RESERVES	0.2	0.2	0.3	0.3	0.1	0.1	0.2	0.2	0.4
	CURRENT TRANSFERS	19.5	19.1	17.8	18.1	20.7	21.5	21.6	21.8	21.7
	SUBSIDIES	1.3	1.3	1.2	1.3	1.7	1.6	1.4	1.4	1.5
	TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	16.1	15.7	14.7	15.1	17.0	17.7	18.1	18.1	18.0
	OTHER CURRENT DOMESTIC TRANSFERS	2.0	2.1	1.8	1.7	2.0	2.2	2.2	2.3	2.3
	CAPITAL EXPENDITURE TOTAL	3.6	4.2	4.2	4.6	5.1	4.8	3.9	3.5	3.8
	CAPITAL EXPENDITURE	2.3	2.9	3.3	3.4	3.7	3.7	2.8	2.6	2.9
	CAPITAL TRANSFERS	1.3	1.3	1.0	1.2	1.4	1.1	1.0	0.9	0.9
	PAYMENTS TO THE EU BUDGET	1.0	0.9	1.0	1.1	1.2	1.1	1.1	1.1	1.2
III.	GENERAL GOVERNMENT BUDGETARY SURPLUS / DEFICIT (I II.)	-1.0	-0.8	0.3	-0.3	-5.5	-5.4	-4.3	-3.2	-4.4

Source: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia.

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			Gross domest	ic product, real		Inflation, year average						
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt			
ME Me	an Error					,						
IMAD	2002 - 2008	-0.03	-0.17	-0.24	0.03	-0.76	-0.36	-0.47	0.11			
	2002 - 2009	1.46	1.21	0.26	0.09	-0.38	0.06	-0.48	0.11			
	2002 - 2010	1.28	1.04	0.17	0.04	-0.36	0.02	-0.48	0.13			
	2002 - 2011	1.41	1.21	0.39	0.21	-0.34	0.11	-0.39	0.10			
	2002 - 2012	1.73	1.49	0.48	0.22	-0.27	0.03	-0.41	0.11			
	2002 - 2013	1.78	1.34	0.38	0.09	-0.25	0.06	-0.35	0.12			
	1997 - 2008	0.01	-0.19	-0.10	0.09	-0.97	-0.45	-0.28	0.14			
	1997 - 2009	1.00	0.73	0.20	-0.04	-0.70	-0.17	-0.29	0.14			
	1997 - 2010	0.91	0.65	0.14	-0.06	-0.66	-0.18	-0.31	0.15			
	1997 - 2011	1.03	0.80	0.29	0.06	-0.63	-0.10	-0.26	0.13			
	1997 - 2012	1.29	1.03	0.36	0.07	-0.56	-0.15	-0.28	0.13			
	1997 - 2013	1.35	0.95	0.29	-0.01	-0.53	-0.11	-0.25	0.14			
BS	2002 - 2008	-0.11	-0.43	-0.39	-0.10	-0.88	-0.81	-0.46	-0.03			
	2002 - 2009	1.36	1.04	0.39	0.05	-0.39	-0.39	-0.46	0.00			
	2002 - 2010	1.29	0.97	0.36	0.03	-0.34	-0.38	-0.43	-0.06			
	2002 - 2011	1.36	1.08	0.52	0.18	-0.34	-0.31	-0.30	0.07			
	2002 - 2012	1.69	1.35	0.57	0.21	-0.34	-0.37	-0.30	0.09			
	2002 - 2013	1.69	1.27	0.46	0.07	-0.32	-0.30	-0.23	0.12			
SKEP	2002 - 2008	-0.14	-0.24	-0.33	0.04	-0.63	-0.43	-0.24	0.06			
	2002 - 2009	1.38	1.19	0.38	0.14	-0.23	-0.04	-0.20	0.04			
	2002 - 2010	1.27	1.00	0.28	0.08	-0.20	-0.09	-0.18	0.04			
	2002 - 2011	1.36	1.11	0.44	0.19	-0.16	-0.03	-0.08	0.02			
	2002 - 2012	1.66	1.29	0.50	0.24	-0.16	-0.11	-0.12	0.00			
	2002 - 2013	1.68	1.13	0.33	0.09	-0.14	-0.03	-0.07	0.01			
	1997 - 2008	-0.18	-0.14	-0.26	0.10	-0.99	-0.71	-0.32	0.09			
	1997 - 2009	0.83	0.80	0.17	0.15	-0.69	-0.43	-0.28	0.08			
	1997 - 2010	0.80	0.70	0.12	0.11	-0.64	-0.43	-0.26	0.08			
	1997 - 2011	0.90	0.80	0.24	0.25	-0.58	-0.36	-0.19	0.06			
	1997 - 2012	1.15	0.96	0.29	0.22	-0.55	-0.40	-0.21	0.04			
	1997 - 2013	1.19	0.86	0.19	0.12	-0.51	-0.33	-0.17	0.05			
EC	2002 - 2008	-0.23	-0.34	-0.37	-0.16	-0.36	-0.10	-0.13	0.17			
	2002 - 2009	1.25	1.04	0.23	-0.09	-0.01	0.26	-0.14	0.15			
	2002 - 2010	1.06	0.93	0.19	-0.09	0.01	0.22	-0.12	0.17			
	2002 - 2011	1.15	1.05	0.38	0.05	0.03	0.22	-0.03	0.16			
	2002 - 2012	1.48	1.25	0.43	0.05	-0.02	0.08	-0.06	0.10			
	2002 - 2013	0.10	0.30	0.32	-0.09	-0.03	0.62	-0.02	0.10			
INIF	2002 - 2008	1.25	-0.39	-0.42	0.04	-0.00	-0.05	-0.56	0.07			
	2002 - 2009	1.25	0.91	0.27	0.03	-0.39	-0.25	-0.50	-0.02			
	2002 - 2010	1.13	1.08	0.23	0.03	-0.29	-0.18	-0.44	-0.02			
	2002 - 2017	1.24	1.00	0.50	0.24	-0.22	-0.21	-0.43	-0.05			
	2002 - 2012	1.63	1.32	0.39	0.08	-0.20	-0.22	-0.40	-0.01			
wiiw	2002 - 2008	-0.73	-0.29	-0.23	-0.43	-1.53	-0.90	-0.44	-0.01			
	2002 - 2009	0.90	1.26	0.78	0.10	-1.01	-0.28	-0.19	0.06			
	2002 - 2010	0.89	1.10	0.67	0.01	-0.82	-0.22	-0.20	0.02			
	2002 - 2011	1.02	1.21	0.82	0.23	-0.72	-0.18	-0.08	0.09			
	2002 - 2012	1.36	1.54	0.86	0.28	-0.66	-0.17	-0.13	0.03			
	2002 - 2013	1.22	1.54	0.61	0.11	-0.59	-0.14	-0.06	0.08			
			1			L						

		Gross domes PNt+1 JNt+1				ic produ	ict, real			Inflation, year average							
		PNt+1 JNt+1 Fror 1.14 1.00 2.10 2.24			PI	٧t	٩L	٨t	PN	t+1	JN	t+1	PI	Nt	١٢	√t	
MAE I	Mean Absolute Erro	rror 1.14 1.00 2.49 2.24															
IMAD	2002 - 2008	1.14		1.00		0.76		0.43		1.10		0.87		0.47		0.17	
	2002 - 2009	2.49		2.24		1.14		0.44		1.25		1.14		0.48		0.16	
	2002 - 2010	2.23		2.02		1.08		0.42		1.13		1.04		0.48		0.18	
	2002 - 2011	2.27		2.09		1.21		0.55		1.04		1.03		0.47		0.18	
	2002 - 2012	2.51		2.29		1.23		0.53		0.98		1.01		0.48		0.18	
	2002 - 2013	2.49		2.13		1.19		0.59		0.90		0.96		0.47		0.18	
	1997 - 2008		1.08		0.90		0.71		0.49		1.34		0.93		0.51		0.19
	1997 - 2009		1.98		1.73		0.95		0.49		1.42		1.10		0.51		0.18
	1997 - 2010		1.84		1.62		0.93		0.48		1.32		1.04		0.51		0.19
	1997 - 2011		1.90		1.70		1.02		0.56		1.24		1.03		0.50		0.19
	1997 - 2012		2.10		1.87		1.13		0.54		1.19		1.01		0.51		0.19
	1997 - 2013		2.11		1.78		1.03		0.59		1.11		0.98		0.49		0.19
BS	2002 - 2008	1.06		1.03		0.79		0.50		1.05		0.81		0.46		0.26	
	2002 - 2009	2.39		2.31		1.41		0.58		1.27		1.04		0.46		0.25	
	2002 - 2010	2.20		2.10		1.27		0.52		1.11		0.96		0.43		0.28	
	2002 - 2011	2.18		2.10		1.34		0.62		1.03		0.89		0.48		0.27	
	2002 - 2012	2.44		2.27		1.32		0.61		0.96		0.90		0.46		0.27	
	2002 - 2013	2.38		2.12		1.28		0.68		0.88		0.87		0.47		0.28	
SKEP	2002 - 2008	1.03		0.93		0.79		0.59		1.20		0.91		0.41		0.09	
	2002 - 2009	2.40		2.21		1.35		0.61		1.38		1.14		0.38		0.09	
	2002 - 2010	2.18		2.02		1.26		0.59		1.22		1.07		0.33		0.09	
	2002 - 2011	2.18		2.03		1.32		0.65		1.12		1.01		0.38		0.10	
	2002 - 2012	2.41		2.13		1.30		0.69		1.04		1.00		0.39		0.11	
	2002 - 2013	2.36		2.00		1.32		0.76		0.96		0.98		0.40		0.11	
	1997 - 2008		0.95		1.00		0.76		0.68		1.61		1.11		0.62		0.19
	1997 - 2009		1.87		1.85		1.11		0.69		1.69		1.24		0.58		0.18
	1997 - 2010		1.75		1.74		1.06		0.67		1.56		1.18		0.54		0.18
	1997 - 2011		1.79		1.77		1.12		0.77		1.46		1.14		0.55		0.18
	1997 - 2012		1.98		1.86		1.12		0.73		1.38		1.12		0.55		0.18
	1997 - 2013		1.97		1.78		1.14		0.78		1.30		1.10		0.55		0.18
EC	2002 - 2008	1.03		1.06		0.89		0.41		1.44		1.07		0.27		0.20	
	2002 - 2009	2.35		2.26		1.33		0.41		1.56		1.29		0.26		0.18	
	2002 - 2010	2.14		2.02		1.19		0.38		1.41		1.16		0.23		0.19	
	2002 - 2011	2.13		2.03		1.28		0.47		1.29		1.06		0.29		0.18	
	2002 - 2012	2.37		2.15		1.25		0.43		1.22		1.08		0.30		0.18	
	2002 - 2013	2.55		2.01		0.00		0.55		1.15		1.05		0.51		0.19	
INF	2002 - 2008	0.99		1.01		0.88		0.57		1.31		1.23		0.64		0.19	
	2002 - 2009	2.20		2.55		1.41		0.09		1.54		1.30		0.61		0.21	
	2002 - 2010	2.04		2.13		1.20		0.83		1.22		1.20		0.57		0.22	
	2002 - 2011	2.00		2.10		1.50		0.90		1.15		1.10		0.50		0.20	
	2002 - 2012	2.50		2.57		1.55		0.00		1.09		1.12		0.54		0.22	
WIIW	2002 - 2013	1 /7		1 11		0.04		0.95		2.12		1 10		0.50		0.24	
****	2002 - 2000	2.82		2.51		1.94		1 10		2.13		1.19		0.01		0.30	
	2002 - 2009	2.05		2.51		1.60		1.10		2.17		1.00		0.91		0.22	
	2002 - 2010	2.00		2.20		1.62		1 17		1.84		1.70		0.86		0.35	
	2002 - 2012	2.76		2.48		1.65		1.14		1.68		1.17		0.84		0.39	
	2002 - 2012	2.57		2.41		1.69		1.19		1.56		1.09		0.83		0.42	
	2002 2015	2.57		2.71		1.57				1.50		1.05		0.05		0.72	

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PNt+1 JNt+1 PNt JNt PNt+1 JNt+1 PNt RMSE Colspan=1 Square Error IMAD 2002 - 2008 1.31 1.14 0.88 0.60 1.45 1.12 0.64	JNt 0.23 0.22
RMSE Root Mean Square Error IMAD 2002 - 2008 1.31 1.14 0.88 0.60 1.45 1.12 0.64	0.23
IMAD 2002-2008 1.31 1.14 0.88 0.60 1.45 1.12 0.64	0.23
	0.22
2002 - 2009 4.38 4.00 1.58 0.58 1.58 1.49 0.62	
2002 - 2010 4.13 3.77 1.50 0.56 1.49 1.41 0.61	0.23
2002 - 2011 4.00 3.68 1.61 0.76 1.42 1.37 0.59	0.23
2002 - 2012 4.09 3.74 1.59 0.73 1.36 1.33 0.59	0.23
2002 - 2013 3.98 3.58 1.54 0.79 1.30 1.28 0.57	0.22
1997 - 2008 1.21 1.03 0.89 0.63 1.78 1.24 0.67	0.28
1997 - 2009 3.36 3.30 1.35 0.62 1.83 1.47 0.66	0.27
1997 - 2010 3.48 3.17 1.32 0.60 1.76 1.42 0.65	0.27
1997 - 2011 3.43 3.14 1.41 0.73 1.69 1.39 0.64	0.27
1997 - 2012 3.43 3.23 1.41 0.71 1.64 1.35 0.63	0.26
1997 - 2013 3.48 3.13 1.38 0.76 1.59 1.31 0.62	0.26
BS 2002 - 2008 1.19 1.19 0.96 0.59 1.47 1.18 0.53	0.32
2002 - 2009 4.28 4.15 2.24 0.67 1.68 1.44 0.53	0.31
2002 - 2010 4.05 3.91 2.11 0.64 1.57 1.36 0.50	0.33
2002 - 2011 3.89 3.77 2.10 0.77 1.49 1.29 0.55	0.32
2002 - 2012 4.00 3.79 2.03 0.75 1.42 1.27 0.54	0.32
2002 - 2013 3.86 3.63 1.96 0.84 1.35 1.22 0.53	0.33
SKEP 2002 - 2008 1.17 1.08 0.94 0.70 1.53 1.14 0.53	0.11
2002 - 2009 4.38 4.09 2.07 0.71 1.70 1.43 0.49	0.11
2002 - 2010 4.13 3.86 1.96 0.68 1.60 1.36 0.46	0.11
2002 - 2011 3.98 3.72 1.95 0.75 1.52 1.30 0.51	0.12
2002 - 2012 4.05 3.67 1.89 0.89 1.45 1.27 0.51	0.13
2002 - 2013 3.91 3.51 1.86 0.95 1.39 1.24 0.51	0.13
<u>1997 - 2008</u> <u>1.08</u> <u>1.19</u> <u>0.92</u> <u>0.86</u> <u>1.98</u> <u>1.46</u> <u>0.74</u>	0.31
<u>1997 - 2009</u> 3.61 3.43 1.71 0.86 2.04 1.60 0.71	0.30
<u>1997 - 2010</u> 3.47 3.30 1.66 0.83 1.96 1.54 0.68	0.29
<u>1997 - 2011</u> 3.40 3.23 1.67 0.97 1.89 1.49 0.69	0.28
<u>1997 - 2012</u> 3.50 3.22 1.64 0.94 1.82 1.46 0.68	0.28
<u>1997 - 2013</u> 3.42 3.12 1.64 0.98 1.77 1.43 0.67	0.27
EC 2002 - 2008 1.19 1.21 1.05 0.50 1.71 1.22 0.43	0.26
2002 - 2009 4.25 3.95 1.84 0.49 1.81 1.51 0.40	0.24
2002 - 2010 4.01 3.72 1.74 0.46 1.71 1.42 0.38	0.25
2002-2011 3.86 3.59 1.78 0.60 1.62 1.35 0.44	0.24
2002-2012 3.95 3.57 1.71 0.57 1.55 1.35 0.44	0.23
2002-2013 3.82 3.42 1.66 0.72 1.49 1.30 0.43	0.24
IMF 2002-2008 1.14 1.19 0.99 0.67 1.58 1.57 0.89 2002-2008 4.14 4.22 2.02 1.26 1.57 0.89	0.22
<u>2002-2009</u> 4.14 4.22 2.03 1.26 1.57 1.69 0.85	0.25
2002-2010 3.90 3.98 1.91 1.20 1.48 1.60 0.81	0.26
2002-2011 3.70 3.80 1.94 1.32 1.42 1.53 0.77	0.24
<u>2002-2012</u> 3.80 3.91 1.89 1.25 1.30 1.40 0.75	0.20
ZUVZ-ZU13 S./O S./S I.OS I.ZO I.3U I.4U U./Z WIIW 2002-2009 1.72 1.21 1.00 0.70 2.20 1.50 1.60	0.29
WIIW 2002-2000 1./3 1.31 1.08 0./9 3.20 1.58 1.00 2002-2000 4.64 4.45 2.04 1.52 2.12 2.07 1.10	0.45
2002-2010 438 420 277 146 206 105 104	0.40
<u>2002-2010</u> 4.30 4.20 2.77 1.40 2.90 1.95 1.04	0.47
2002-2011 T.22 T.0T 2.72 1.55 2.61 1.65 1.04 2002-2012 4.27 4.12 2.62 1.50 2.68 1.77 1.00	0.49
2002 - 2013 4.09 3.97 2.59 1.53 2.57 1.69 0.98	0.51

		Gross dome PNt+1 JNt+1				domestic product, real				Inflation, year average							
		PNt+1 JNt+1 Mean Absolute Error 0.89 0.78 0				PI	Nt	٦L	١t	PN	t+1	JN	t+1	PI	٧t	1L	١t
stdMAE	Standardised Me	PNt+1 JNt+1 d Mean Absolute Error 0.89 0.78 0.57 0.51 0.51															
IMAR	2002 - 2008	0.89		0.78		0.59		0.33		0.58		0.46		0.25		0.09	
	2002 - 2009	0.57		0.51		0.26		0.10		0.58		0.53		0.22		0.08	
	2002 - 2010	0.54		0.49		0.26		0.10		0.53		0.49		0.22		0.08	
	2002 - 2011	0.57		0.53		0.30		0.14		0.49		0.49		0.22		0.09	
	2002 - 2012	0.63		0.57		0.31		0.13		0.49		0.50		0.24		0.09	
	2002 - 2013	0.64		0.54		0.30		0.15		0.45		0.48		0.24		0.09	
	1997 - 2008		1.03		0.86		0.68		0.46		0.55		0.38		0.21		0.08
	1997 - 2009		0.57		0.50		0.28		0.14		0.52		0.40		0.19		0.07
	1997 - 2010		0.55		0.48		0.28		0.14		0.47		0.37		0.18		0.07
	1997 - 2011		0.57		0.51		0.31		0.17		0.44		0.36		0.18		0.07
	1997 - 2012		0.60		0.54		0.33		0.16		0.42		0.36		0.18		0.07
	1997 - 2013		0.61		0.51		0.30		0.17		0.39		0.34		0.17		0.07
BS	2002 - 2008	0.82		0.80		0.61		0.39		0.56		0.43		0.24		0.14	
	2002 - 2009	0.55		0.53		0.32		0.13		0.59		0.48		0.22		0.12	
	2002 - 2010	0.53		0.51		0.31		0.13		0.52		0.45		0.20		0.13	
	2002 - 2011	0.55		0.53		0.34		0.16		0.49		0.42		0.23		0.13	
	2002 - 2012	0.61		0.57		0.33		0.15		0.48		0.45		0.23		0.14	
	2002 - 2013	0.61		0.54		0.33		0.17		0.45		0.44		0.24		0.14	
SKEP	2002 - 2008	0.80		0.72		0.61		0.46		0.64		0.49		0.22		0.05	
	2002 - 2009	0.55		0.51		0.31		0.14		0.64		0.53		0.18		0.04	
	2002 - 2010	0.53		0.49		0.30		0.14		0.57		0.50		0.16		0.04	
	2002 - 2011	0.55		0.51		0.33		0.16		0.53		0.48		0.18		0.05	
	2002 - 2012	0.60		0.53		0.32		0.17		0.51		0.50		0.19		0.05	
	2002 - 2013	0.60		0.51		0.34		0.19		0.48		0.50		0.20		0.05	
	1997 - 2008		0.90		0.95		0.72		0.65		0.66		0.45		0.25		0.08
	1997 - 2009		0.54		0.54		0.32		0.20		0.62		0.45		0.21		0.07
	1997 - 2010		0.52		0.52		0.32		0.20		0.56		0.42		0.19		0.06
	1997 - 2011		0.54		0.53		0.34		0.23		0.51		0.40		0.19		0.06
	1997 - 2012		0.57		0.54		0.32		0.21		0.49		0.40		0.19		0.06
	1997 - 2013		0.57		0.51		0.33		0.22		0.46		0.39		0.19		0.06
EC	2002 - 2008	0.80		0.82		0.69		0.32		0.77		0.57		0.14		0.11	
	2002 - 2009	0.54		0.52		0.30		0.09		0.73		0.60		0.12		0.08	
	2002 - 2010	0.52		0.49		0.29		0.09		0.66		0.54		0.11		0.09	
	2002 - 2011	0.54		0.51		0.32		0.12		0.61		0.50		0.14		0.09	
	2002 - 2012	0.59		0.54		0.31		0.11		0.60		0.54		0.15		0.09	
	2002 - 2013	0.59		0.51		0.31		0.13		0.57		0.52		0.16		0.10	
IMF	2002 - 2008	0.77		0.79		0.68		0.44		0.70		0.65		0.34		0.10	
	2002 - 2009	0.52		0.53		0.32		0.20		0.62		0.64		0.28		0.10	
	2002 - 2010	0.50		0.52		0.31		0.20		0.57		0.59		0.27		0.10	
	2002 - 2011	0.52		0.55		0.34		0.24		0.55		0.56		0.26		0.10	
	2002 - 2012	0.57		0.59		0.34		0.22		0.54		0.55		0.27		0.17	
14/1114/	2002 - 2013	0.59		0.57		0.34		0.24		1.12		0.53		0.25		0.12	
WIIW	2002 - 2008	1.15		0.89		0.73		0.56		1.13		0.63		0.43		0.16	
	2002 - 2009	0.65		0.57		0.41		0.25		1.02		0.72		0.43		0.16	
	2002 - 2010	0.63		0.55		0.39		0.26		0.95		0.60		0.40		0.10	
	2002 - 2011	0.64		0.57		0.42		0.29		0.00		0.01		0.41		0.10	
	2002 - 2012	0.69		0.62		0.41 0.28				0.83 0.58				0.42 0.19			
	2002 - 2013	0.00		0.02		0.43		0.50		0.79		0.55		0.42		0.21	

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		Gross domestic product, real PNt+1 JNt+1 PNt JNt									Inflation, year average						
		PNt+1 JNt+1 Root Mean Square Error 1.02 0.88				PI	Nt	٩L	lt	PN	t+1	JN	t+1	P	٧t	1L	√t
stdRMS	Standardised R	oot Me	an Squa	are Erro	r												
IMAD	2002 - 2008	1.02		0.88		0.69		0.46		0.77		0.60		0.34		0.12	
	2002 - 2009	1.00		0.91		0.36		0.13		0.74		0.70		0.29		0.10	
	2002 - 2010	1.00		0.91		0.36		0.14		0.70		0.66		0.29		0.11	
	2002 - 2011	1.01		0.92		0.41		0.19		0.67		0.65		0.28		0.11	
	2002 - 2012	1.02		0.93		0.40		0.18		0.67		0.66		0.29		0.11	
	2002 - 2013	1.02		0.91		0.39		0.20		0.66		0.64		0.29		0.11	
	1997 - 2008		1.15		0.98		0.84		0.60		0.73		0.51		0.27		0.11
	1997 - 2009		1.05		0.96		0.39		0.18		0.67		0.54		0.24		0.10
	1997 - 2010		1.04		0.95		0.39		0.18		0.47		0.37		0.18		0.07
	1997 - 2011		1.03		0.94		0.42		0.22		0.44		0.36		0.18		0.07
	1997 - 2012		0.99		0.93		0.41		0.20		0.42		0.36		0.18		0.07
	1997 - 2013		1.00		0.90		0.40		0.22		0.39		0.34		0.17		0.07
BS	2002 - 2008	0.93		0.92		0.75		0.46		0.78		0.63		0.28		0.17	
	2002 - 2009	0.98		0.95		0.51		0.15		0.79		0.67		0.25		0.14	
	2002 - 2010	0.98		0.95		0.51		0.15		0.74		0.64		0.23		0.16	
	2002 - 2011	0.98		0.95		0.53		0.19		0.71		0.62		0.26		0.15	
	2002 - 2012	1.00		0.95		0.51		0.19		0.70		0.63		0.27		0.16	
	2002 - 2013	0.99		0.93		0.50		0.21		0.68		0.62		0.27		0.17	
SKEP	2002 - 2008	0.91		0.84		0.74		0.54		0.81		0.61		0.28		0.06	
	2002 - 2009	1.00		0.93		0.47		0.16		0.79		0.67		0.23		0.05	
	2002 - 2010	1.00		0.94		0.48		0.17		0.75		0.64		0.22		0.05	
	2002 - 2011	1.00		0.94		0.49		0.19		0.72		0.62		0.24		0.06	
	2002 - 2012	1.01		0.91		0.47		0.22		0.72		0.63		0.25		0.06	
	2002 - 2013	1.00		0.90		0.48		0.24		0.70		0.62		0.26		0.06	
	1997 - 2008		1.03		1.14		0.87		0.82		0.81		0.60		0.30		0.13
	1997 - 2009		1.05		1.00		0.50		0.25		0.75		0.59		0.26		0.11
	1997 - 2010		1.04		0.98		0.49		0.25		0.70		0.55		0.24		0.10
	1997 - 2011		1.02		0.97		0.50		0.29		0.66		0.52		0.24		0.10
	1997 - 2012		1.01		0.93		0.47		0.27		0.65		0.52		0.24		0.10
	1997 - 2013	ļ	0.99		0.90		0.47		0.28		0.62		0.50		0.24		0.10
EC	2002 - 2008	0.92		0.94		0.82		0.39		0.91		0.65		0.23		0.14	
	2002 - 2009	0.97		0.90		0.42		0.11		0.84		0.70		0.19		0.11	
	2002 - 2010	0.97		0.90		0.42		0.11		0.80		0.67		0.18		0.12	
	2002 - 2011	0.97		0.90		0.45		0.15		0.77		0.64		0.21		0.11	
	2002 - 2012	0.99		0.89		0.43		0.14		0.77		0.67		0.22		0.12	
1845	2002 - 2013	0.96		0.07		0.42		0.10		0.75		0.03		0.22		0.12	
IIVIF	2002 - 2008	0.09		0.95		0.77		0.52		0.04		0.85		0.40		0.12	
	2002 - 2009	0.94		0.90		0.40		0.29		0.75		0.79		0.40		0.12	
	2002 - 2010	0.95		0.97		0.40		0.29		0.70		0.73		0.30		0.12	
	2002 - 2011	0.95		0.97		0.49		0.33		0.67		0.73		0.37		0.12	
	2002 - 2012	0.96		0.96		0.47		0.31		0.66		0.71		0.37		0.15	
WIIW	2002 - 2008	1.35		1.02		0.84		0.62		1.70		0.84		0.53		0.23	
	2002 - 2009	1.06		1.02		0.67		0.35		1.46		0.97		0.51		0.21	
	2002 - 2010	1.06		1.02		0.67		0.36		1.39		0.92		0.49		0.21	
	2002 - 2011	1.06		1.02		0.68		0.39		1.34		0.88		0.49		0.23	
	2002 - 2012	1.07		1.03		0.65		0.37		1.33		0.88		0.50		0.24	
	2002 - 2013	1.05		1.01		0.66		0.39		1.30		0.86		0.50		0.26	
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- Signs: *This is the assessment of forecast accuracy that was based on data available at the time of the preparation of the Spring Forecast of Economic Trends 2014. Negative values indicate an overestimation, while positive values indicate an underestimation.
- The BS and WIIW data for inflation forecast PNt+1 cover the period since 2003;
- the WIIW data for GDP PNt+1 cover the period since 2003. PNt+1 Spring Forecast for the year ahead;
- JNt+1 Autumn Forecast for the year ahead;
- PNt Spring Forecast for the current year; JNt Autumn Forecast for the current year.

Source of data: Spring Forecast of economic trends, Autumn Forecast of economic trends (March, September), Ljubljana, Institute of Macroeconomic Analysis and Development (IMAD).

- Price Stability Report (April, October), Ljubljana, Bank of Slovenia (BS).
- Current Economic Trends and Indicators, Uuny, December), Ljubljana, (SKEP)- Economic Outlook, Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia, Spring Economic Forecast, Autumn Economic Forecast (April, November), European Commission (EC) World Economic Outlook (April, October), Washington, International Monetary Fund (IMF).

Current Analyses and Forecasts (March, November), WIIW

Acronyms

Acronyms in the text

BS – Bank of Slovenia, DUTB - Bank Asset Management Company, EBA - European Banking Authority, EC – European Commission, ECB – European Central Bank, EIA – Energy Information Administration, ESA – European System of Accounts, ESS – Employment Service of Slovenia, EU– European Union, GDP – Gross Domestic Product, GZS - Chamber of Commerce and Industry of Slovenia, HICP–Harmonised Index of Consumer Prices, IMAD – Institute of Macroeconomic Analysis and Development, IMF – International Monetary Fund, MF – Ministry of Finance, NAWRU – Non-Accelerating Wage Rate of unemployment, NPISG – Neprofitne institucije, kislužijo gospodinjstvom, OECD – Organization for Economic Co-operation and Development, PDII – Pension and Disability Insurance Institute, RS – Republic of Slovenia, SKEP - Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia, SNA – System of National Accounts, SURS – Statistical Office of the Republic of Slovenia, TFP – Total Factor Productivity, UN – United Nations, VAT – value added tax, WIIW – The Wienna Institute for International Economic Studies, WTO – World Trade Organization, ZUJF – Fiscal Balance Act, ZZZS – The Health Insurance Institute of Slovenia.

Acronyms of Standard Classification of Activities (SCA)

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

Acronyms of Countries

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

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