

**Slovenian Economic Mirror** (SEM) is a monthly survey of key macroeconomic trends in Slovenia. It is published around the 8<sup>th</sup> day of the month (Slovenian edition around the 2<sup>nd</sup>), except for the April and December issues, which are slightly delayed due to holidays. There is no issue in September. SEM reflects the current situation in the Slovenian economy as seen by the publisher, the Institute of Macroeconomic Analysis and Development of the Republic of Slovenia, using data published by the Statistical Office of the Republic of Slovenia, government bodies, the Bank of Slovenia, the Agency of the Republic of Slovenia for Payments and others. *In the Spotlight* summarises the topical macroeconomic developments.

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Selected indicators of current economic developments, change in %	Latest Data	previous month	Compared to the		
			same period of previous year		
			latest data	pre-latest data	pre-pre latest data
Industrial production, production volume indices	December	-12.6	3.1	2.8	2.4
Manufacturing	December	-14.3	3.5	3.2	2.8
Electricity, gas and water supply	December	21.3	-1.5	-2.7	-2.7
Value of construction put in place	December	-9.1	3.0	2.1	1.4
Exports of goods (FOB, real terms)	December	-15.2	11.9	12.0	11.7
Imports of goods (FOB, real terms)	December	-8.0	11.0	10.5	9.8
Unit labour costs <sup>1</sup>	December	-	-0.4	0.5	1.0
Tolar's real effective exchange rate <sup>2</sup>	January	0.0	-1.0	0.0	0.2
Gross wage per employee, real terms	December	-7.5	2.2	2.7	2.2
Total household savings in banks <sup>3</sup> , real terms	January	0.6	3.6	3.4	6.0
General government revenue, real terms	January	-11.3	0.8	3.9	4.3
Growth in the no. of persons in paid employment	December	-0.6	0.7	0.7	0.7
Growth in the no. of registered unemployed	January	2.8	-0.8	-1.0	-1.3
Growth in the no. of job vacancies	January	15.1	20.4	19.9	19.9
<b>Month</b>		<b>current</b>	<b>previous</b>	<b>pre-previous</b>	
Registered unemployment rate	December	10.2	10.3	10.3	
<b>Month</b>		<b>current</b>	<b>cumulative</b>	<b>annual<sup>4</sup></b>	
Consumer prices	February	0.4	-0.1	2.3	
Retail prices	January	-0.1	-0.1	1.3	
<p><i>Sources of data:</i> SORS, BS, ESS, estimates and calculations by IMAD. <i>Notes:</i> <sup>1</sup>in manufacturing, in the currency basket; <sup>2</sup>measured by relative consumer prices; <sup>3</sup>the year-on-year growth rate is defined as the ratio between the stock at the end of the current month and the stock in the same month of the previous year; <sup>4</sup>total in the last 12 months.</p>					

*The long-term inflation indicators declined further in February 2006. Slovenia is thus estimated to have met the calculated Maastricht criterion for the fourth consecutive month.* Consumer prices rose by 0.4% in February (by 0.6% in February 2005), mainly as a result of rises in the prices of oil and seasonal products. February recorded a decline in both year-on-year (from 2.4% to 2.2%) and average inflation (from 2.5% to 2.4%), which is used to check the convergence with the reference value for the adoption of the euro. The latter stood at 2.6% in January, hence Slovenia still meets this criterion. In order to support the achieved price stability, the government adopted the administered prices plan for 2006-2007 that provides for a continuing restrictive policy on the raising of administered prices and the related tax adjustments. According to this plan, administered prices should rise by a total of 1.2% in 2006 and 0.9% in 2007 (see p. 8).

*According to the balance of payments data, the deficit in goods and services trade narrowed in 2005 in accordance with the autumn forecast. At the same time, manufacturing's industrial production achieved favourable results in 2005 with strongly accelerated growth and improved price and cost competitiveness at the end of the year.* Backed by the incipient recovery in the EU trading partners, which began to show itself more visibly in the second half of the year, along with the robust growth of road vehicles exports, goods exports were up 11.9% in nominal terms (EUR) in 2005. Within that, exports to EU countries were above average (13.4%) and accounted for 75% of Slovenia's total merchandise export growth (see p. 4). Last year's foreign demand boosted manufacturing's activity, which gained considerable momentum in Q4 compared to Q3. In the year as a whole, manufacturing's production value was 3.5% higher than in 2004. This growth was largely underpinned by the increase in the manufacture of metals and metal products and transport equipment (see p. 14). Among labour-intensive industries, wood-processing experienced a strong step-up in production (up 6.7%). Contrary to previous years, there was also an increase in production in the manufacture of leather and leather products; on the other hand, production levels of the textile industry continued to shrink (-10.6%). Owing to the faster growth of labour productivity and the more modest growth of real compensation per employee than expected in autumn, the cost competitiveness of Slovenian manufacturing improved slightly in 2005. Developments in the economy's price competitiveness were also more favourable than projected (see p. 7).

*As export flows rose at a faster pace than import flows, Slovenia's trade balance deficit narrowed which, when coupled with the bigger surplus in services trade, also underpinned the halving of the current account deficit over 2004.* The latter is estimated to have totalled 0.9% of GDP. The increase in the services trade surplus, which was critical to the narrowing of the current account deficit, was generated by all three main categories of services. Transport and travel services expanded their surpluses while other services reduced their deficits. Transport operators again substantially increased their exports in 2005. This rise reflects the positive consequences of Slovenia's entry to the EU – increased access to the EU's internal market and the provision of services to foreign clients. Travel remains the main category in exports of services in 2005, although their relative proportion in total exports of services has been contracting (45.0% in 2005, 47.2% in 2004). Despite the favourable results achieved in 2005, a more realistic assessment of Slovenian services exports' competitiveness must also consider the data on the dynamics of services exports of the new EU members from Central and Eastern Europe. A comparison of Slovenia's market shares in services imports of the main trading partners in the EU (Austria, Italy, Germany, UK) for 2000-2004 shows that these shares mostly grew but not by as much as the corresponding shares of the CEE countries (see p. 6).

*The growth of formal employment in 2005 was in line with the expectations in the autumn forecast while survey employment growth was even higher than projected. The survey unemployment rate (6.5% on average) also slightly exceeded the forecast and the 2004 rate.* The average number of people in formal employment was up 0.7%, which was in line with expectations. Rises were observed in almost all activities, the largest ones in business activities and construction. However, employment dropped in agriculture, mining and quarrying, manufacturing and public administration (see p. 11). Within newly filled vacancies, which boomed last year, the biggest increases were seen in jobs that require higher education whereas the slowest growth was observed in low-skilled jobs. On the other hand, the number of vacancies also rose substantially last year, and the ratio of available vacancies to 100 registered unemployed rose to the high 18.4, almost double the average figure of the 1990s (see p. 12). An almost equal rise as seen in formal employment was also registered in survey employment (+0.6%). Given the high increase in informal employment in 2004, this is even more than we expected in autumn (+0.2%). On the other hand, the number of unemployed people and the unemployment rate rose, particularly in Q4 of 2005. The number of unemployed people according to the survey climbed to 74,000, and the unemployment rate increased to 7.2%. For the time being, this relatively strong increase in survey unemployment does not necessarily signal a long-term deterioration in the labour market since the number of active people (the supply of labour) remained unchanged compared to Q3 while rising by 2.5% year on year. This means that the labour force has remained in the labour market and has continued to seek work.

*The real growth of gross wages totalled 2.2% last year and hence lagged one percentage point behind the estimated 3.2% labour productivity growth, which is in line with the macroeconomic framework and wages policy for 2005 (see p. 13).*

<b>Balance of Payments – Current Account</b>	Slovenian Economic Mirror	IMAD
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Balance of Payments, Jan-Dec 2005, EUR million	Inflows	Outflows	Balance <sup>1</sup>	Balance Jan-Dec 2004
<b>Current account</b>	19,117.3	19,370.9	-253.6	-543.7
Trade balance (FOB)	14,474.3	15,471.3	-996.9	-1,008.8
Services	3,215.3	2,322.3	892.9	686.1
Transport	920.4	524.1	396.3	323.4
Travel	1,445.4	748.4	697.0	606.5
Other services	849.5	1,049.9	-200.3	-243.9
Labour and capital income	682.5	904.3	-221.8	-249.6
Current transfers	745.3	673.1	72.2	28.6

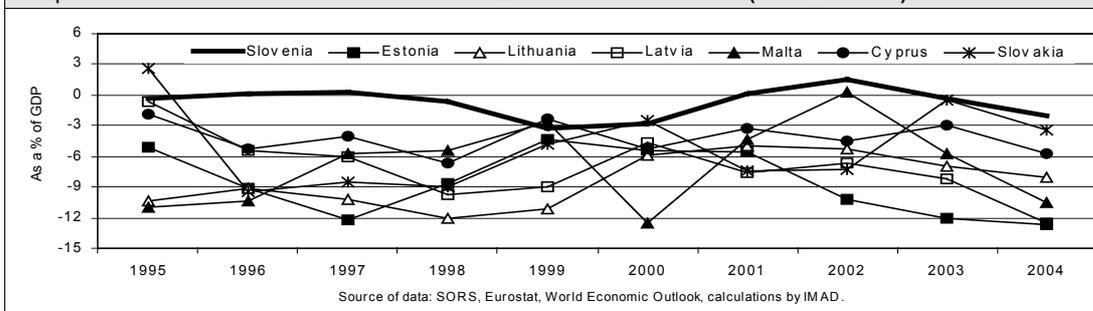
Source of data: BS. Notes: <sup>1</sup>minus sign (-) in the balance indicates a surplus of imports over exports in the current account and an increase in assets in the capital and financial account and the central bank's international reserves.

**The deficit in Slovenia's current account was approximately 50% lower in 2005 than in 2004, largely due to favourable developments in trade in goods and services.** The narrowing of the deficit in the trade balance was supported by the income effect (measured by the growth of export markets), which more than offset the deterioration in the terms of trade. According to the BS' preliminary figures, total exports rose by 12.6% in nominal terms in 2005 over 2004 (goods were up 11.9%, services 15.6%), while imports increased by 10.9% (11.0% for goods and 10.8% for services). The increase in **exports of goods** to EU countries (13.4%) is estimated to have contributed 8.9 p.p. or 75% to the total growth of merchandise exports. The available data on regional exports in the first eleven months of 2005 indicate that exports to Germany were up 2.2% year on year. Exports to France enjoyed robust growth (44.6%); among Slovenia's other main trading partners, strong rises were also recorded in exports to Austria (20.7%), Italy (9.2%) and the UK (19.1%). The vigorous growth in the first three of these countries was largely generated by exports of road vehicles. **Imports of goods** from the EU countries increased by 8.5% in 2005 over 2004, and by 20.4% from non-member states. The slower growth of merchandise imports from EU countries was partly related to the strong imports of intermediate and consumer goods after Slovenia's entry to the EU and consequently the higher comparative basis in 2004. According to the available data for **imports by end-use product groups**, imports of intermediate goods enjoyed the biggest growth (up 12.9%) on the back of the rising prices of oil and other primary commodities coupled with the vigorous growth of exports. A rise was also observed in imports of consumer goods (up 8.6%) whereas investment goods rose at the slowest pace (2.7%). The latter implies modest real growth of gross investment in machinery and equipment. The **surplus in the services balance** rose in comparison to 2004, mainly due to the favourable results of trade in transport and tourism. **The terms of trade** are estimated to have deteriorated by around 2.5% p.p. (the terms of trade in goods deteriorated by 3 p.p. while the terms of trade in services improved by 0.7 p.p.).

**The deficit in factor incomes narrowed, chiefly owing to the lower net capital expenditures.** Commercial banks and other sectors recorded a rise in interest earned on capital exports of investment in debt securities; commercial banks also earned more interest on loans to the rest of the world. On the expenditure side, interest payments on external debt rose due to the substantial borrowing of banks in 2004 and 2005 despite the lowering of the average weighted (fixed and variable) interest rates. The increase in the **surplus in the current transfers balance** was largely underpinned by surpluses in other sectors (other transfers, workers' remittances and insurances) and partly by Slovenia's positive net position vis-à-vis the EU budget, totalling EUR 18.9 m.

**The deficit in Slovenia's current account in 2005 is estimated at 0.9% of GDP.** This figure does not significantly deviate from the proportion of the average deficit recorded in 1995-2004 (0.8% of GDP), while the total balance of the current account of EU countries was roughly in balance. Germany, which had the highest current account surpluses in absolute terms, played a crucial role in determining the current account balance of the EU as a whole. Without Germany's surpluses, the EU's current account would have run a deficit. Among the new EU members participating in the ERM II mechanism, all countries except Slovenia registered considerable deficits in their current accounts (see graph).

Graph: **Current account balance of new EU members included in ERM II (as a % of GDP)**



<b>Balance of Payments – Capital &amp; Financial Account</b>	Slovenian Economic Mirror	IMAD
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Balance of Payments, Jan-Dec 2005, EUR million	Inflows	Outflows	Balance <sup>1</sup>	Balance Jan-Dec 2004
<b>Capital and financial account</b>	4,556.8	-3,893.0	663.8	637.6
Capital account	147.0	-284.3	-137.3	-105.2
Capital transfers	145.0	-277.6	-132.6	-105.6
Patents, Licences	1.9	-6.7	-4.7	0.4
Financial account	4,409.8	-3,608.7	801.2	742.8
Direct investment	417.8	-462.5	-44.7	220.6
Portfolio investment	14.4	-1,218.3	-1,203.9	-574.9
Financial derivatives	-1.7	-1.2	-2.8	-2.2
Other investment	3,979.3	-1,737.9	2,241.4	843.4
Assets	50.8	-1,711.2	-1,660.4	-1,407.8
Liabilities	3,928.5	-26.7	3,901.8	2,251.2
International reserves (BS)	0.0	-188.8	-188.8	255.9
<b>Statistical error</b>	0.0	-410.2	-410.2	-93.8

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

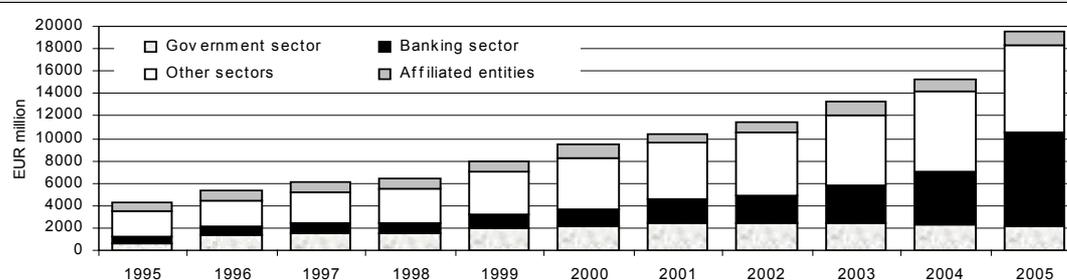
**Financial transactions recorded a net capital inflow of EUR 990 m in 2005, compared to EUR 486.9 m in the same period of the preceding year.** The biggest rise was observed in capital imports via foreign loans, while the most substantial capital outflow was seen in investment in securities. The private sector (enterprises, banks and households) enjoyed a net capital inflow while the government sector and the central bank registered a net outflow.

**The main sources of capital inflows were domestic commercial banks' borrowing abroad, foreign banks' deposits, foreign direct investment and short-term liabilities arising from trade credits.** The commercial banks' strengthened borrowing abroad and the pick-up in foreign banks' deposits enabled domestic banks, among other things, to increase their supply of foreign currency loans. The latter appears to have been underpinned by the ownership affiliation between foreign and domestic banks and the fact that domestic interest rates were still higher than interest rates abroad. The government sector reduced its debt for the second consecutive year. This was largely the result of the government's repayment of its Eurobond liabilities in May (EUR 494.2 m). The inflow of FDI contracted by EUR 244.4 m (EUR 417.8 m), chiefly on account of the withdrawal of Interbrew and the increased claims on affiliated enterprises. The rise in the level of liabilities arising from short-term trade credits in 2005 (EUR 240.7 m) was higher than in 2004 (EUR 210.8 m), which reflected the dynamics of merchandise imports.

**Capital outflows were mainly generated by investment in securities, the outflows of foreign currency and household deposits from the banking system, outward direct investment, loans and short-term trade credits.** Investment in securities rose particularly in the private sector (banks and other sectors), and equity securities were the predominant type of investment. According to the Bank of Slovenia, mutual funds reshaped their portfolios swiftly after restrictions on the proportion of foreign securities were lifted. Significant capital outflows via foreign currency and household deposits continued for the fourth year in a row. The flow of outward direct investment rose by 4.8% in 2005 over 2004, almost entirely owing to investment in equity capital. Lending abroad, within which domestic banks' loans represent 70%, partly compensated for the financing of the rest of the world via short-term credits.

**The total foreign exchange reserves amounted to EUR 8,832.1 m at the end of 2005, i.e. 18% more than at the end of 2004.** They were sufficient to cover 6 months' worth of goods and services imports (5.6 months' worth in 2004). With the reserve position being relatively favourable, Slovenia's gross external debt at the end of 2005 totalled 70.3% of the estimated GDP. Nevertheless, the total foreign exchange reserves were still sufficient to cover the short-term debt by remaining maturity, which is the criterion of an economy's solvency and liquidity recommended by the IMF.

Graph: **Gross external debt by sectors, EUR m**



Source of data: BS.

<b>Trade in Services</b>	Slovenian Economic Mirror	IMAD
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Trade in services, EUR million (current prices)	Exports of services		Imports of services		Balance		% nominal growth 2005/2004	
	2004	2005	2004	2005	2004	2005	Exports	Imports
<b>Total services</b>	2,782.2	3,215.3	-2,096.2	-2,322.3	686.1	892.9	15.6	10.8
Transport	808.2	920.4	-484.8	-524.1	323.4	396.3	13.9	8.1
Travel	1,312.2	1,445.4	-705.7	-748.4	606.5	697.0	10.1	6.1
Other services	661.8	849.5	-905.7	-1,049.9	-243.9	-200.3	28.4	15.9
Communications services	71.9	91.1	-95.8	-109.4	-24.0	-18.3	26.8	14.2
Construction services	72.1	106.5	-49.4	-64.0	22.7	42.4	47.6	29.5
Insurance services	7.9	9.7	-13.9	-9.9	-6.0	-0.1	23.0	-29.2
Financial services	14.4	18.1	-31.2	-36.0	-16.8	-17.9	25.4	15.3
Computer and IT services	78.7	87.6	-95.8	-100.8	-17.1	-13.3	11.2	5.2
Licences, patents, copyrights	9.5	13.1	-98.5	-91.1	-89.0	-78.0	37.4	-7.6
Other business services	378.6	495.0	-454.6	-568.5	-76.1	-73.5	30.7	25.0
-Merchanting	54.7	124.8	-58.7	-58.4	-4.0	66.4	128.2	-0.5
Personal, cultural & recreation services	24.2	22.7	-47.0	-49.4	-22.8	-26.8	-6.3	5.1
Government services	4.5	5.9	-19.2	-20.8	-14.7	-14.9	32.0	8.1

Source of data: the Bank of Slovenia. Note: the figures for 2005 are provisional.

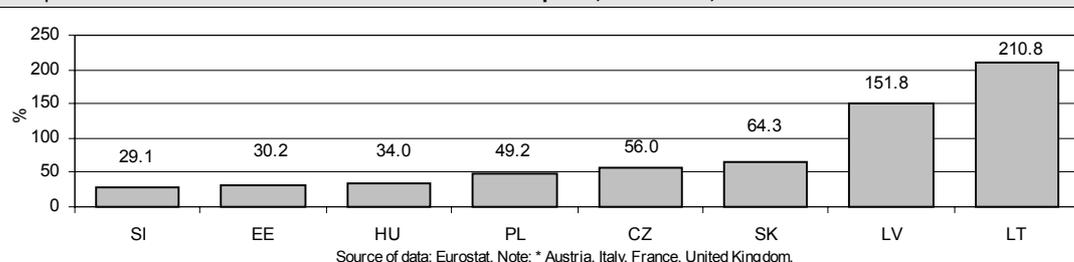
**Trade in services enjoyed much stronger growth in 2005 than trade in goods.** Exports of services topped EUR 3 bn, recording a 15.6% nominal rise over the year before. As this rise was accompanied by weaker growth of services imports (10.8%), the surplus in trade in services rose to its record level of close to EUR 900 m in 2005, i.e. over 30% more than in 2004. These propitious results were underpinned by the performance of all three major categories of services. Transport and travel services increased surplus while other services reduced deficit compared to 2004.

**Other services were the most dynamic category of services in 2005 in both exports and imports.** In all groups of other services except personal, cultural and recreation services, exports were on the increase, most notably in merchanting, construction, and in licences, patents and copyrights (see the table). The level of exports in merchanting has oscillated strongly during the past three years, however in the long-term the significance of merchanting for the conduct of business between agents from different countries is declining as electronic commerce has improved the access to price information and the possibility of doing business directly. Exports of computer and IT services in particular lagged behind the other groups of services within the analysed category, which may indicate that customers from abroad have increasingly started to outsource these services to regions with lower labour costs, e.g. Eastern Europe and Asian countries.

**Transport operators substantially increased exports in 2005 again.** This reflects the positive consequences of Slovenia's entry to the EU – increased access to the EU's internal market and to the provision of services for foreign clients. With the growth rate in transport services imports being lower than that in their exports, the surplus in trade in these services rose sharply in 2005 (by 22.5%). Travel remains the dominant category in services exports in 2005, although its relative proportion in total exports of services is contracting (45.0% in 2005, 47.2% in 2004). Despite the favourable results achieved in 2005, a more realistic assessment of Slovenian services exports' competitiveness has to consider also the data on the dynamics of services exports of the new EU members from Central and Eastern Europe (CEE).

**The developments in the 2000-2004 period indicate that Slovenia's market shares in the services imports of its main EU partners (Austria, Italy, France, United Kingdom) generally grew but their growth was less than the corresponding increases in the market shares of the new EU members from CEE.** No comparable data are available for Germany, the most important market for Slovenian services. Slovenia's shares grew most remarkably in the Italian (83%) and French (28%) markets; its position in Austria improved marginally (by 3%) while its share in the UK fell (by 7%). Slovenia lags behind all new CEE members in the EU in terms of its market shares growth (see graph). Slovenia achieved the largest increase of its market share in the EU-4 imports in transport services (+90%) but it was nevertheless left far behind by some other new members, notably the Baltic states (their increases in these shares were 1.2 to 5-fold). In travel, Slovenia was the only new member state aside from Hungary that lost some of its market share in the EU-4 imports of these services in the analysed period. In other services Slovenia, despite having increased its market share in the EU-4 imports by 21.1%, was outperformed by all new members from CEE except for Estonia and the Czech Republic.

Graph: **Growth of market shares in EU-4\* services imports, 2000-2004, %**



# Competitiveness

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Price and costs competitiveness indicators, average indices – year-on-year comparison	Q I 2005	Q II 2005	Q III 2005	Q IV 2005	2005
<b>Tolar's effective exchange rate<sup>1</sup> - nominal</b>	99.8	100.3	100.2	98.7	99.8
Real exchange rate – based on consumer prices	100.4	100.6	100.3	98.9	100.0
Real exchange rate – based on producer prices	100.1	100.2	99.2	97.8	99.3
<b>Unit labour costs and components</b>					
Unit labour costs, in nominal terms, in SIT <sup>2</sup>	104.2	97.9	100.7	96.9	99.8
In SIT in real terms <sup>3</sup>	99.9	95.1	98.8	95.2	97.2
In the basket of currencies	104.0	98.2	100.9	95.7	99.6
Compensation of employees, in real terms <sup>4</sup>	102.9	102.1	102.5	102.3	102.4
Net wages and other remuneration	104.0	102.9	103.9	102.1	103.2
Tax burden <sup>5</sup>	98.2	97.9	98.1	99.4	98.4
Labour productivity	101.2	106.7	104.7	107.9	105.2
Consumer prices/nominal effective exchange rate	102.5	102.6	102.7	101.2	102.2

Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations by IMAD. Notes: <sup>1</sup>based on market exchange rates of the OECD basket of currencies (EUR, USD, CHF and GBP); growth in index value denotes an appreciation of the tolar and vice versa; <sup>2</sup>in manufacturing, for enterprises and other organisations; <sup>3</sup>measured by industrial producer prices, <sup>4</sup>deflated by consumer prices, <sup>5</sup>ratio of gross wages, taxes and employers' contributions to net wages.

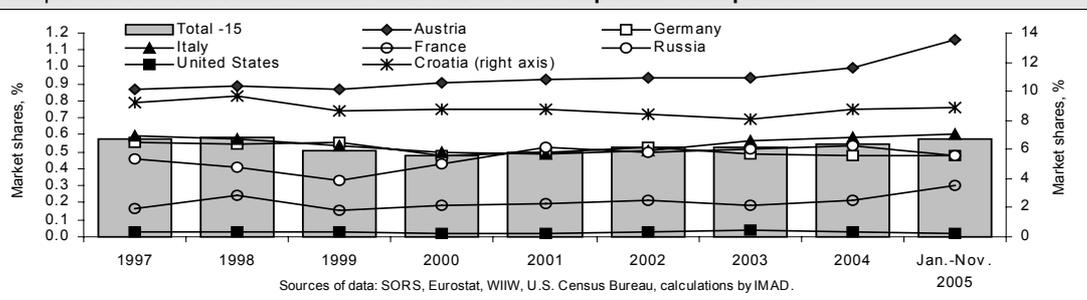
**The significant improvement seen in price competitiveness in the final quarter of 2005 was mainly the result of the considerable appreciation of the US dollar backed by the continuing favourable dynamics of Slovenian prices compared with foreign prices.** The tolar's effective exchange rate fell in nominal terms in Q4 of 2005 at both the quarterly (-0.4%) and year-on-year levels (-1.3%), chiefly owing to the drop in the tolar's nominal value against the US dollar (by 2.6% and 8%, respectively). The impact of the drop in the tolar's nominal value against the pound sterling (0.5% and 2%) and the Swiss franc (0.4% at the quarterly level) on the dynamics of the tolar's nominal effective exchange rate was significantly smaller due to their small share in the currency structure of Slovenian trade in goods. At the quarterly level, Slovenian rises in consumer prices converged with the rises abroad, and the corresponding difference at the year-on-year level narrowed to just 0.1 p.p. As a result, the tolar's effective exchange rate also recorded a real drop (by a respective 0.4% and 1.1%). Measured by relative producer prices, which have been falling since Q2 of 2005, the improvement in Slovenia's price competitiveness was even slightly stronger (by 0.5% and 2.2%).

**Price competitiveness in the euro currency area remained relatively stable also in the final quarter of 2005 due to the sustained favourable dynamics of relative prices. The tolar has also exhibited year-on-year nominal stability against the euro since the middle of 2005.** Measured by relative consumer prices, the slight real appreciation of the tolar against the euro moderated slightly further, to 0.1% at the quarterly level (from 0.2% in Q3) and to 0.5% at the year-on-year level (from 0.6%). Measured by the rise in relative producer prices, price competitiveness in the euro currency area remained at the level of Q3 in the final quarter last year and was 0.5% better than a year ago.

**Following the slight deterioration in the third quarter, the cost competitiveness of Slovenian manufacturing saw a year-on-year improvement in the final quarter of 2005 thanks to the accelerated growth of labour productivity.** The vigorous increase in labour productivity was mainly driven by the more rapid growth of manufacturing's production (up 5.6% relative to 2.9% in Q3), and partly by the slightly faster drop in employment (down 2.2% relative to 1.7%). At the same time, growth of the real compensation per employee slowed down slightly (from 2.5% to 2.3%) and, as a result, unit labour costs in the basket of currencies dropped sharply (by 4.3%; see the table).

**The growth of Slovenia's aggregate market share in the first eleven months of 2005 indicates an improvement in the Slovenian economy's export competitiveness.** The increase of the Slovenian market share in the main international markets (from 0.557% to 0.578% in the first eleven months of 2005) was generated by the growth of Slovenia's market shares in its main trading partners in the EU (except in the German market; see the graph).

Graph: Growth of Slovenia's market shares in the most important trade partners



Price indices	2005		2006		
	Dec 2005/ Dec 2004	Φ (Jan 05-Dec 05)/ Φ (Jan 04-Dec 04)	Jan 2006/ Dec 2005	Jan 2006/ Jan 2005	Φ (Feb 05-Jan 06)/ Φ (Feb 04-Jan 05)
<b>Consumer prices (CPI)</b>	<b>102.3</b>	<b>102.5</b>	<b>99.5</b>	<b>102.4</b>	<b>102.5</b>
Goods	102.0	102.2	99.1	102.3	102.3
Fuels and energy	110.1	111.9	101.7	113.1	112.2
Other	100.2	100.1	98.5	99.7	99.9
Services	103.0	103.2	100.2	102.7	103.1
<b>Consumer prices (HICP)</b>	<b>102.3</b>	<b>102.5</b>	<b>99.5</b>	<b>102.4</b>	<b>102.5</b>
<b>Administered prices<sup>1</sup></b>	<b>107.7</b>	<b>110.0</b>	<b>101.6</b>	<b>110.3</b>	<b>110.6</b>
Energy	109.8	112.6	102.0	113.8	113.3
Other	103.0	104.1	100.4	101.5	103.6
<b>Core inflation</b>					
Trimmean	103.1	102.5	100.3	103.4	102.7
Excluding food and energy	100.8	101.0	99.1	100.4	100.7
<b>Producer prices (IPI)</b>	<b>101.8</b>	<b>102.7</b>	<b>99.9</b>	<b>101.3</b>	<b>102.4</b>
Intermediate goods	102.0	103.2	100.1	101.5	102.8
Investment goods	101.5	103.1	99.5	99.8	102.6
Consumer goods	101.6	102.0	99.8	101.6	101.9
<b>Inflation in the EU-12</b>					
Consumer prices (MUICP)	102.2	102.2	99.6	102.4	102.2
Excluding food, energy, tobacco, alcohol	101.4	101.4	98.9	101.2	101.4
Producer prices (IPI)	104.5	104.1	100.2 <sup>2</sup>	104.6 <sup>2</sup>	104.1 <sup>2</sup>

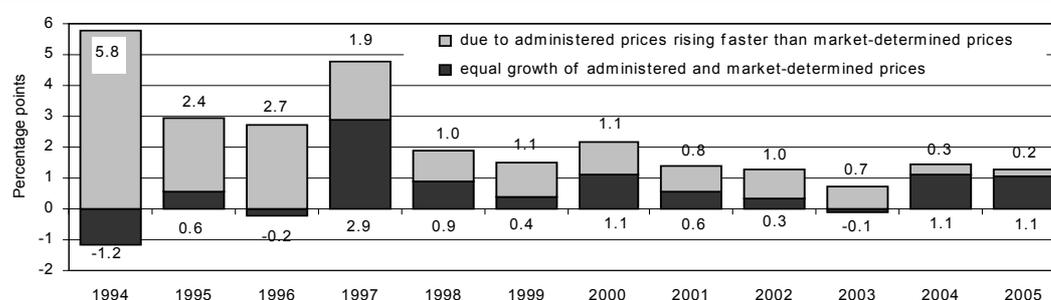
Sources of data: CPI, HICP, IPI: SORS, administered prices, core inflation: estimate by IMAD; MUICP, IPI in the EU: Eurostat (preliminary data) and calculation by IMAD. Notes: figures do not always round off; <sup>1</sup>figures between years are not fully comparable because of changes introduced to the consumer price index in 2005; <sup>2</sup>figure for the previous month.

**Prices fell by 0.5% in January.** January's decrease in prices was similar to that observed in January 2005, when consumer prices were down 0.6%. The deflation was largely underpinned by cuts in the prices of goods which were reduced by an average of 0.9% while services' prices went up by 0.2%. Year-on-year inflation rose by 0.1 p.p. to 2.4% whereas average inflation (CPI) remained unchanged at 2.5%. According to Eurostat's provisional data and the available explanations concerning calculation of the Maastricht inflation criterion, its value stood at 2.6% in January. Slovenia's average inflation (measured by the HICP) totalled 2.5% in January, and thus fell below the Maastricht reference value (by 0.1 p.p.) for the first time.

**Winter sales were the main reason for January's price decline.** The prices in the group clothing and footwear were down 12.1% in January due to winter sales and reduced the total price rise by one whole percentage point. Other price decreases in January were observed in the groups recreation and culture (down 0.7% on average) and health (-0.8%). On the other hand, prices of food and non-alcoholic beverages (as well as petroleum products) rose in January. The group food and non-alcoholic beverages saw a 1.5% average price rise and contributed 0.3 p.p. to the overall price growth. Higher prices of liquid fuels for transport and heating fuelled the price rise in the group transport where prices were up 0.7% on average and added 0.1 p.p. to January's inflation, as well as in the housing group, which contributed a further 0.1 p.p.

**The government adopted the administered prices adjustment plan for 2006 and 2007.** In order to preserve price stability, the government will continue to pursue a restrictive policy on the raising of administered prices and related tax adjustments. In the next two-year period it will strive to ensure that the overall rise of administered prices does not exceed the rise in market-determined prices, and that the rises of individual administered prices do not diverge significantly from the increase in the level of market-determined prices. In line with the assumptions from the last Autumn Report regarding the year-on-year rises of market-regulated prices for 2006 and 2007, the exchange rate stability and the price of oil, which is not expected to exceed the level achieved in the final quarter of 2005, the overall rise of administered prices is projected to total 1.2% in 2006 and 0.9% in 2007.

Graph: **Breakdown of administered prices' contribution to inflation**



Source of data: SORS, calculations by IMAD. Note: the actual contribution of administered prices to inflation is the sum of both values in each column.

<b>The Money Market – Household Savings</b>	Slovenian Economic Mirror	IMAD
	No. 2/2006	p. 9

Household savings in banks and mutual funds managed by domestic administrators	SIT bn, nominal		Real growth rates, in %		
	31 December 2005	31 January 2006	31 Jan 2006/ 30 Dec 2005	31 Jan 2006/ 31 Jan 2005	31 Jan 2005/ 31 Jan 2004
<b>Total savings</b>	2,475.3	2,478.9	0.6	3.6	7.3
<b>Tolar savings, total</b>	1,519.5	1,518.5	0.4	4.5	7.1
Demand deposits	716.1	705.0	-1.1	7.4	33.9
Short-term deposits	673.3	685.0	2.2	6.1	1.1
Long-term deposits	129.4	127.8	-0.7	-14.7	-33.0
<b>Foreign currency savings</b>	955.8	960.4	0.8	2.5	7.7
Short-term, demand d.	858.8	861.3	0.6	1.8	6.9
Long-term deposits	97.0	99.1	2.5	8.5	14.7
<b>Mutual funds</b>	329.6	334.3	1.9	49.4	108.9

Source of data: Monthly Bulletin of the BS, calculations by IMAD. Note: January's figures are not entirely comparable with the data from earlier periods because the reporting is newly done in accordance with the International Accounting Standards instead of the previously used Slovenian Accounting Standards.

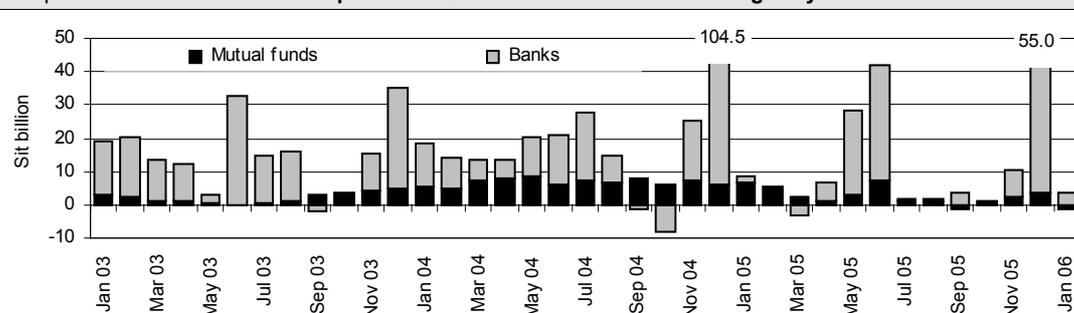
**Although the volume of household savings in banks rose for the third consecutive month, its growth remains modest.** In contrast to previous months, January recorded a slightly stronger rise in foreign currency savings. As the growth of total household savings in banks rose by 0.2 p.p. in January 2006 over January 2005, its year-on-year growth increased by the same amount and achieved the level of 3.6%. The net flows amounted to SIT 3.6 bn in January, which was in real terms over one-half more than in the same month of 2005.

**The main reason for the January real rise in tolar savings should be sought in January's deflation.** The highest, 2.2 p.p. growth was recorded in short-term deposits, which thus achieved one of the highest growth rates in two years. Demand deposits, on the other hand, thus registered the biggest drop of all types of deposits, although they still represent the largest proportion (46.4%) in the structure of household tolar deposits in domestic banks. Tolar savings experienced a net outflow of SIT 1.0 bn in January, which is in real terms less than one-quarter of the net outflow from the same month last year.

**Although January's foreign currency savings registered the highest real growth in the last twelve months, their year-on-year growth remains at a low level.** The relatively biggest rise was observed in long-term deposits, which were up by more than 2% for the second month in a row. The net flows of foreign currency deposits achieved the value of SIT 4.6 bn in January, i.e. 29.9% less in real terms than in the same month last year.

**The number of mutual funds managed by domestic administrators continues to grow rapidly.** At the end of January, there were 55 such funds in Slovenia (51 at the end of 2005). The rise was observed in those mutual funds that mainly invest their assets in foreign securities. Almost half of all domestic mutual funds belonged to this type at the end of the month. Mutual funds recorded a net outflow of SIT 1.3 bn in January, the biggest outflow so far, while they enjoyed one of the highest inflows (SIT 6.6 bn) in the same month last year. Despite the net outflows, the volume of assets in mutual funds rose by 1.4% compared to December 2005 and thus achieved the value of SIT 334.3 bn, which corresponds to 13.5% of household savings in banks. The main reason for this increase is to be sought in the value of investment in the portfolios of individual mutual funds. Mutual funds thus recorded a 1.8% average monthly return in January. Stock mutual funds with a return of 2.2% proved to be the most profitable type of investment, whereas bond mutual funds recorded a negative yield of -0.1%. At the year-on-year level, the average return of mutual funds totalled 5.3%, which is 1.3 p.p. higher than the interest rate on long-term tolar deposits in January 2005. Those mutual funds that mainly invest in foreign securities were more profitable; within these, the highest recorded year-on-year return totalled 39.7%.

Graph: Net flows of household deposits in banks and in mutual funds managed by domestic administrators



Source of data: BS, www.vzajemci.com; calculations by IMAD.

<b>The Money Market – Loans</b>	Slovenian Economic Mirror	IMAD
	No. 2/2006	p. 10

Domestic banks' loans	Nominal amounts, SIT bn		Real loan growth, %		
	31 December 2005	31 Jan 2006	31 Jan 2006/ 31 Dec 2005	31 Jan 2006/ 31 Jan 2005	31 Jan 2005/ 31 Jan 2004
<b>Loans total</b>	3,695.9	3,774.2	2.9	25.0	21.7
<b>Total tolar loans</b>	2,101.4	2,097.4	0.3	0.3	8.4
<b>Tolar loans to enterprises and OFO*</b>	1,088.9	1,093.4	0.9	-6.7	4.8
Short-term, overdrafts, advances	552.9	558.1	1.4	-9.4	5.3
Long-term	535.9	535.3	0.4	-3.7	4.2
<b>Household tolar loans</b>	864.9	869.4	1.0	11.8	17.1
Short-term, overdrafts, advances	145.0	146.3	1.4	6.2	6.5
Long-term	719.9	723.1	0.9	13.0	19.7
<b>Government tolar loans</b>	147.6	134.6	-8.4	-4.5	-3.3
Short-term, overdrafts, advances	24.8	32.4	31.0	160.1	-63.5
Long-term	122.8	102.2	-16.3	-20.4	15.1
<b>Foreign currency loans</b>	1,594.6	1,676.9	5.5	65.6	52.3
Enterprises and OFO	1,455.2	1,530.1	5.5	57.0	51.1
Households	115.0	122.4	6.8	364.4	307.2
Government	24.4	24.3	-0.1	108.4	-11.0

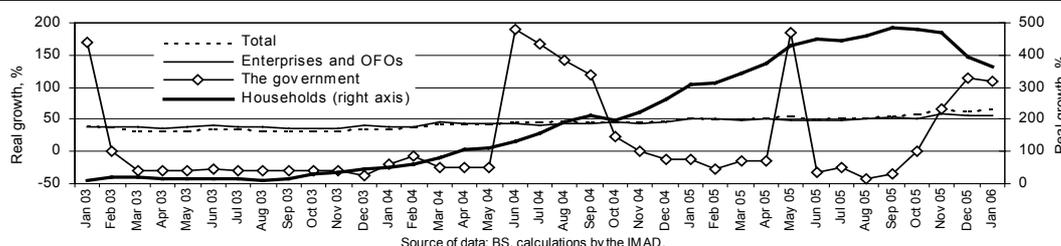
Source of data: BS Bulletin, calculations by IMAD. Note: \*OFO – other financial organisations; January's figures are not entirely comparable with data from earlier periods because the reporting is newly done in accordance with the International Accounting Standards instead of the previously used Slovenian Accounting Standards.

**The volume of domestic banks' total loans to the non-financial sector rose by 2.9% at the monthly level (real terms), while its year-on-year growth strengthened by 0.1 p.p. to the level of 25%.** This increase was primarily due to the strong growth of foreign currency loans that has also continued at the beginning of 2006, mainly on account of the robust borrowing of enterprises and OFO as well as households. The net flow of domestic banks' foreign currency loans to the non-banking sector achieved the value of SIT 82.3 bn in January, recording a 70.8% real increase over the same period of 2005 and a 53.7% increase over last year's monthly average. Considerably lower growth rates were seen in tolar borrowing where, in contrast to last year, enterprises and OFO again recorded net borrowing in tolar loans. Due to the strengthened net repayment of government tolar loans, however, January's total net flows were nevertheless negative (SIT -4.0 bn) after having enjoyed a positive net flow of SIT 18.9 bn in the same period of 2005.

**The real growth of the volume of foreign currency loans to enterprises and OFO has been positive since January 2001 and regularly exceeded 3% during the past seven months.** Enterprises and OFO recorded a net borrowing of SIT 75.0 bn in foreign currency loans, which is the second highest value so far. These loans thus accounted for as much as 58.3% of the total loans to enterprises and OFO at the end of January. A substantial increase in corporate foreign currency borrowing from domestic banks is further indicated by the banks' net borrowing abroad to finance their ample lending activities. This type of borrowing amounted to SIT 567.5 bn, and was 2.4 times the value of the 2004 net flows in real terms. Enterprises and OFO took out foreign loans in the net amount of SIT 67.4 bn in 2005, which is less than 40% of the net borrowing of 2004 in real terms. For the first time since September 2005, enterprises and OFO recorded a net borrowing in tolar loans this January. Although these loans amounted to just SIT 4.5 bn, they represented more than 5% of January's total corporate borrowing from domestic banks.

**Households have continued to take out foreign currency and tolar loans from domestic banks.** Foreign currency borrowing recorded substantially higher growth rates (the average monthly real growth in the last twelve months was 13.7%) but the growth of foreign currency loans has started to soften, not so much because households have borrowed less but chiefly due to the high comparative basis involved. January's net flows of foreign currency loans thus achieved the value of SIT 7.4 bn, which is approximately at the level of last year's monthly average. Much more subdued growth than in foreign currency borrowing was observed in the tolar borrowing of households although the volume of tolar loans still accounts for 87.7% of total household loans in domestic banks.

Graph: Year-on-year growth rates of domestic banks' foreign currency loans to households, enterprises and OFO, and the government



<b>Labour Market</b>	Slovenian Economic Mirror	IMAD
	No. 2/2006	p. 11

Selected labour market indicators		thousands			% growth		
		Ø 2004	Dec 2004	Dec 2005	Dec 05/ Nov 05	Jan-Dec 05/ Jan-Dec 04	Ø 2004/ Ø 2003
A	<b>Registered labour force (A=B+C)</b>	900.3	898.2	906.1	-0.7	0.5	0.1
B	<b>People in formal employment</b>	807.5	807.4	813.6	-0.6	0.7	0.8
	in enterprises and organisations	658.7	659.3	666.7	-0.5	1.1	0.4
	by those self-employed	65.6	65.0	64.8	-2.0	-0.3	-0.8
	self-employed and farmers	83.1	83.1	82.0	-0.1	-1.9	4.9
C	<b>Registered unemployed</b>	92.8	90.7	92.6	-1.4	-1.0	-5.0
	women	49.3	47.8	49.7	-2.4	0.4	-4.5
	aged over 40	39.7	38.4	40.0	0.6	0.9	-7.9
	unemployed over 1 year	42.9	40.4	42.9	-2.5	1.4	-9.8
D	<b>Rate of registered unemployment (C/A), %</b>	10.3	10.1	10.2	-	-	-
	male	8.9	8.7	8.6	-	-	-
	female	12.0	11.8	12.2	-	-	-
E	<b>Job vacancies</b>	14.1	13.8	16.7	7.4	19.9	16.5
	for a fixed term, %	73.7	70.6	72.1	-	-	-
F	<b>No. of people hired</b>	10.1	7.9	9.4	-19.1	12.8	4.2
	Lower education	2.9	2.1	2.5	-19.0	10.6	1.4
	Secondary education	5.5	4.4	5.4	-19.3	13.3	4.2
	Tertiary education	1.6	1.3	1.5	-18.3	14.8	9.7

Sources of data: SORS, ESS; calculations by IMAD.

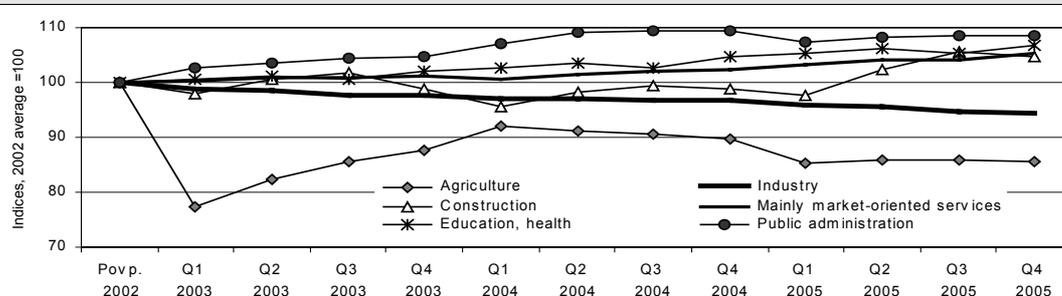
**December 2005 witnessed a characteristic drop in formal employment largely owing to the layoffs of fixed-term workers before the festive season.** The number of people in formal employment dropped by 4,751 or 0.6%, which is slightly less than in December 2004. A decline was observed in all activities, with the highest drops (like every year in December) being recorded in manufacturing (by 2,255 or 1.0%) and construction (by 1,843 or 2.8%). The number of people employed in hotels and restaurants rose by 112 (0.4%); a rise of fewer than 100 workers was also seen in business activities (K) and other community, social and personal services (O).

**On average, formal employment rose by 0.7% in 2005 over 2004.** It increased in almost all activities, notably in business activities (+6.6%) and construction (+4.6%) whereas it fell in agriculture (-6.9%), mining and quarrying (-4.6%), manufacturing (-1.8%) and public administration (-0.5%). Within manufacturing, employment shrank especially in the textile (-10.7%), leather (-10.3%) and food-processing (-4.6%) industries. It went up in just five sub-industries of manufacturing, the most in the manufacture of vehicles (+7.3%) and the manufacture of metals and metal products (+1.9%).

**Like every year, registered unemployment rose in January, chiefly due to the inflow of people who lost their fixed-term jobs in December.** There were 5,783 such people in January (including those whose inclusion in public works schemes expired in December), and 3,198 other employees who lost work. Among the latter, 1,346 people lost their job for business reasons, which is 50% more than the average of the past twelve months and 12% more than in January 2004. The inflow of first-time job-seekers was within the normal seasonal range (1,408). On the other hand, 5,045 unemployed people found work in January (904 of these within the public works scheme) while 3,283 unemployed were deleted from the unemployment records for other reasons. The number of the unemployed thus increased by 2,629 (2.8%) to 95,204.

**The number of vacancies rose in December while the number of people hired dropped.** Like every year, the number of people hired fell in December, albeit less than a year ago. 9,382 people were hired, 1,506 (19.1%) more than in December 2004. There were 16,676 available vacancies, i.e. 1,155 (7.4%) more than in November 2005 and 2,839 (20.5%) more than in December 2004 (also see p. 12).

Graph: Quarterly growth of the number of people in formal employment by activity groups, 2003-2005



Source of data: SORS, calculations by IMAD.

	Average monthly values in the year					% growth			
	2001	2002	2003	2004	2005	2002	2003	2004	2005
<b>Job vacancies</b>	<b>11,929</b>	<b>11,586</b>	<b>12,101</b>	<b>14,100</b>	<b>16,909</b>	<b>-2.9</b>	<b>4.4</b>	<b>16.5</b>	<b>19.9</b>
- fixed-term employment	8,634	8,617	8,928	10,386	12,777	-0.2	3.6	16.3	23.0
%	72.4	74.4	73.8	73.7	75.6	-	-	-	-
<b>per 100 registered unemployed</b>	<b>11.7</b>	<b>11.3</b>	<b>12.4</b>	<b>15.2</b>	<b>18.4</b>	-	-	-	-
- lower education	7.6	6.9	8.4	10.7	13.4	-	-	-	-
- secondary education	12.7	12.6	13.0	15.7	19.1	-	-	-	-
- tertiary education	43.2	41.5	36.6	37.8	40.6	-	-	-	-
<b>By activity groups</b>									
- agriculture, forestry, fishing (A:B)	141	157	175	158	173	11.6	11.5	-9.5	9.3
- industry (C:E)	3,092	3,003	3,057	3,403	4,041	-2.9	1.8	11.3	18.8
- construction (F)	1,699	1,490	1,810	2,117	2,513	-12.3	21.5	16.9	18.7
- mainly market-oriented services (G:K, P)	4,918	4,795	4,947	5,997	7,591	-2.5	3.2	21.2	26.6
- mainly public services (L:O)	2,081	2,141	2,112	2,425	2,591	2.9	-1.4	14.8	6.8
<b>People hired</b>	<b>9,168</b>	<b>9,219</b>	<b>9,709</b>	<b>10,119</b>	<b>11,413</b>	<b>0.6</b>	<b>5.3</b>	<b>4.2</b>	<b>12.8</b>
- lower education	2,810	2,680	2,907	2,948	3,261	-4.6	8.5	1.4	10.6
- secondary education	5,089	5,191	5,302	5,525	6,262	2.0	2.1	4.2	13.3
- tertiary education	1,268	1,347	1,500	1,646	1,890	6.2	11.3	9.7	14.8

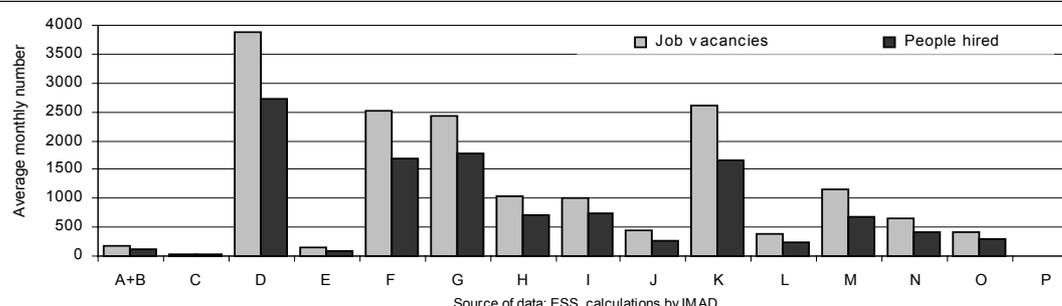
Source of data: ESS; calculations by IMAD.

**The number of vacancies and people hired rose sharply in 2005, also in proportion to the number of the unemployed.** The average monthly number of vacancies reported at the ESS by companies and organisations hovered at a level around 12,300 in the decade spanning 1994-2003; in the last two years, however, it has risen vigorously. In 2005, this number was almost 20% higher than in 2004 and close to 40% above the 1994-2003 average. This means that there were 18.4 vacancies per 100 registered unemployed, almost twice as many as in the 1990s. The ratios between the number of vacancies which require lower or secondary education and the number of unemployed people with such education improved considerably. There was also an improvement in the ratio of vacancies for which tertiary education is required to the number of unemployed people with adequate education (see the table). About 13% more vacancies were filled in 2005 than in 2004.

**The number of vacancies and people hired is rising fastest in mainly market-oriented services. The majority are found in activities with a strong labour force fluctuation.** These chiefly include manufacturing, construction, wholesale and retail trade, and business activities (see the graph). The fastest rise in the number of new vacancies in the last two years was observed in business activities, financial intermediation and transport, storage and communications. In 2005, these sectors also enjoyed robust growth of people hired. The growth rates of the number of vacancies in 2005 in these three activities totalled 51.4%, 34.9% and 31.8%, respectively, while the growth rates of people hired were a respective 34.8%, 24.3% and 22.4%. In most activities, filled vacancies rose at a slower pace than available vacancies. In 2005, the number of people hired was up 15.1% in construction, 17.0% in mainly market-oriented services, and 4.7% in the predominantly public services (the corresponding rises in the number of vacancies are given in the table). The number of filled vacancies in agriculture has been declining for two years. In 2005 it dropped by 9.6% over the year before.

**Within the newly filled vacancies, jobs that require higher education are rising at the fastest pace while those that require lower education are recording the most sluggish growth.** The bulk of the latter is found in construction, manufacturing and business activities (cleaners), whereas most newly employed people with a higher education work in the predominantly public services (over 40%, but the share is falling); half of these find work in the education sector. 19% of newly hired people with a higher education in 2005 were employed in business activities (the share is growing), 13.7% in manufacturing (the share is falling), 11.3% in wholesale and retail trade and 14.2% in other sectors. The majority of filled vacancies for which secondary education was required were recorded in manufacturing and wholesale and retail trade.

Graph: **Vacancies and people hired by activities, 2005**



Gross wage per employee, growth index	Wages in SIT December 2005	In nominal terms		In real terms <sup>1</sup>	
		Dec 2005/ Nov 2005	Dec 2005/ Dec 2004	Dec 2005/ Nov 2005	Dec 2005/ Dec 2004
Gross wage per employee, total	290,505	92.5	100.8	92.5	98.5
<b>Private sector (activities A to K)</b>	273,364	90.4	100.4	90.4	98.2
A Agriculture	233,978	88.5	98.9	88.5	96.6
B Fisheries	241,323	104.7	108.8	104.7	106.4
C Mining and quarrying	340,770	79.3	100.8	79.3	98.5
D Manufacturing	246,795	89.0	101.4	89.0	99.2
E Electricity, gas and water supply	362,186	66.6	84.2	66.6	82.3
F Construction	237,358	96.8	102.1	96.8	99.8
G Wholesale, retail; certain repairs	262,020	95.3	102.4	95.3	100.1
H Hotels and restaurants	212,069	97.2	97.4	97.2	95.2
I Transp., storage & communications	343,074	102.8	101.4	102.8	99.1
J Financial intermediation	432,744	73.4	96.5	73.4	94.3
K Real estate, renting, business services	311,663	93.8	98.9	93.8	96.7
<b>Public services (activities L to O)</b>	339,990	97.9	101.7	97.9	99.4
L Public administration	339,045	99.2	103.2	99.2	100.9
M Education	353,000	99.4	104.4	99.4	102.0
N Health and social work	325,053	97.8	100.7	97.8	98.5
O Other social and personal services	338,659	90.6	92.5	90.6	90.4

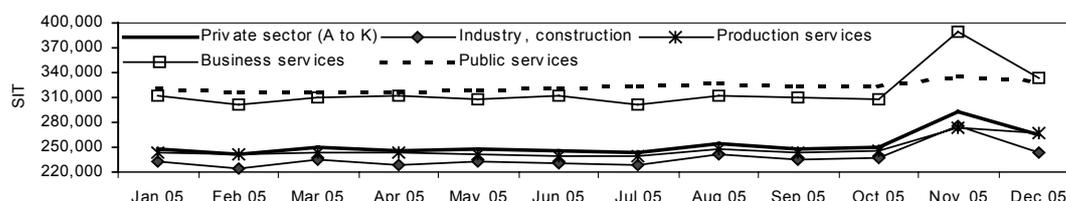
Source of data: SORS; calculations for the private sector and public services by IMAD.  
 Note: <sup>1</sup>deflated by the consumer price index.

The analysis of developments in gross earnings takes into account the revised data on the gross wage per employee in 2004 and 2005 that were published by the SORS on 15 December 2005 (see SEM 12/2005: 10).

**The gross wage per employee fell by 7.5% in nominal terms in December over November. Since consumer prices remained unchanged, wages dropped as much in real terms. In the private sector (activities A to K) the drop was even bigger (-9.6%), which was expected in view of the November data on disbursement of the '13<sup>th</sup> month's pay' and Christmas bonuses (see SEM 1/2006: 12). A slightly stronger decrease in wages (11.8%) was seen in industry and construction (activities C, D, E, F). Among private sector activities, electricity, gas and water supply registered the largest nominal drop in earnings. However, this activity also recorded the biggest rise in November (+53.1%). The smallest contraction in gross wages was seen in production services (activities G, H, I), where November also experienced the smallest increase in payments of 13<sup>th</sup> month's pay and Christmas bonuses. November's relatively low growth of earnings arising from disbursement of the 13<sup>th</sup> month's pay and Christmas bonuses in the transport, storage and communications sector appears to be the most probable reason for the further payment of these supplements in December, since this was the only activity apart from fishing where earnings rose compared to the previous month. The highest nominal fall in gross wages (14.3%) was observed in business services (J, K) following a 25.5% rise in November. In public services (L to O), the gross wage per employee declined by 2.1% in nominal terms. This is attributable to the fact that there are generally no extra payments at the end of the year in this sector, hence there was also no significant rise in November's earnings. The only exception was the group of other community, social and personal services, which for the most part has the characteristics of the private sector. After a substantial rise in earnings in November, this sector also recorded a considerable decrease in wages in December (-9.4%).**

**In 2005, the average Slovenian gross wage per employee rose by 4.8% in nominal terms and 2.2% in real terms over the year before.** An above-average rise, 5.4% in nominal and 2.8% in real terms, was observed in the private sector (activities A to K). In public services (L to O), the gross wage was up 3.4% in nominal and 0.9% in real terms. The growth of the real gross wage per employee thus lagged behind the estimated growth of labour productivity (3.2%) by one percentage point, which is in line with the wages policy agreed in the "Social Agreement for 2003-2005" and the macroeconomic framework for 2005.

Graph: Real gross wage per employee by groups of activities



Source of data: SORS; calculations by IMAD. Note: deflated by consumer price index, 2004=100.

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Selected economic indicators	Growth rates, %			
	Dec 2005/ Nov 2005	Dec 2005/ Dec 2004	Jan-Dec 2005/ Jan-Dec 2004	Jan-Dec 2004/ Jan-Dec 2003
Production value <sup>1</sup>	-14.3	5.6	3.5	4.9 <sup>5</sup>
- highly export-oriented industries <sup>2</sup>	-11.3	16.0	6.8	8.2 <sup>5</sup>
- mainly export-oriented industries <sup>3</sup>	-18.4	4.1	3.9	5.4 <sup>5</sup>
- mainly domestic-market-oriented industries <sup>4</sup>	-8.0	0.2	-0.8	0.3 <sup>5</sup>
Average number of employees	-1.0	-2.6	-1.8	-1.2
Labour productivity	-13.4	8.2	5.4	6.2 <sup>5</sup>
Level of inventories <sup>1</sup>	-0.6	3.4	5.1	15.6 <sup>5</sup>
Turnover <sup>1</sup>	-13.6	7.1	4.8	7.7
New orders <sup>1</sup>	5.4	19.6	11.1	7.8
Industrial producer prices	0.4	1.8	2.7	4.1
- producer prices/inflation	0.4	-0.5	0.2	0.5

Source of data: SORS, calculations by IMAD. Notes: <sup>1</sup>real growth – SORS' calculation by the IPI (provisional data); <sup>2</sup>manufacturing industries (DG, DK, DM) which generate over 70% of their average turnover in foreign markets, according to data for Slovenian commercial companies released by the AJ PES (2004); <sup>3</sup>manufacturing industries (DB, DC, DD, DH, DJ, DL, DN) which generate 50% to 70% of their average turnover in foreign markets; <sup>4</sup>manufacturing industries (DA, DE, DF, DI) which generate less than 50% of their average turnover in foreign markets; <sup>5</sup>figure calculated by using SORS' old methodology which was based on quantity-based data; for 2005, the growth rates of these indicators have been calculated using the new methodology that was introduced in July 2005 and is based on values rather than quantities.

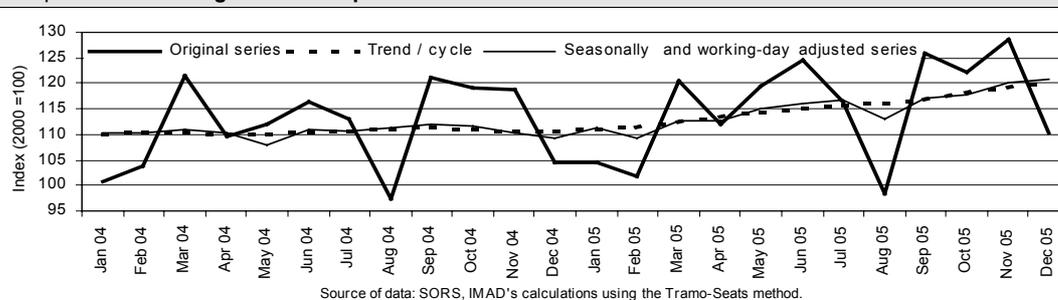
**Manufacturing's production growth was promising last year despite the seasonal drop in December.** According to the SORS' provisional data, the value of production dropped by 14.3% in December over November 2005, while it achieved a 0.5% rise according to seasonally adjusted data. Compared to December 2004, which had two working days more than December 2005, production activity was up 5.6% and by as much as 11.4% if the data are adjusted for working days. From January to December 2005, the year-on-year value of production thus rose by 3.5%, and by a further 0.7 p.p. if the calculation is adjusted for differences in numbers of working days. The trend of manufacturing's production activity is rising.

**An overview by quarters shows variable dynamics of production growth in 2005 but activity was rising constantly within each quarter.** According to seasonally and working-days adjusted data, the 0.7% rise in the value of production in Q1 of 2005 over Q4/2004 was followed by an acceleration of growth in Q2 (+3.2%). After a softening in Q3 (+0.9%), activity growth rebounded substantially again in Q4 (+3.3%). A comparison at the year-on-year level adjusted for working days similarly reveals the brisk dynamics of growth. Following its 0.4% rise in Q1, production value was up 4.4% in Q2. In Q3 its growth eased slightly, totalling 3.8%, only to be followed by another sharp surge in production activity in Q4 (up 8.0%).

**The best results last year were achieved in the manufacture of transport equipment (DM) which belongs to the group of highly export-oriented industries.** In the period between January and December 2005, this sub-industry topped the level of its production from the same period of 2004 by 18.2% and contributed 1.0 p.p. or slightly more than one-quarter to manufacturing's total growth (in the first seven months, its contribution to total growth even totalled 50% but began to contract in the second half of the year due to the lower growth rates). The highest contribution to the overall growth (40% or 1.4 p.p.) came from the manufacture of metals and metal products (DJ), which achieved 8.8% year-on-year production growth. Traditionally good results were also recorded in the manufacture of chemicals and chemical products (DG), which raised its production by 6.4% last year and contributed 23% to total growth. Two labour-intensive industries similarly enjoyed propitious growth of production activity (+6.7%): wood-processing (DD) and, in contrast to previous years, the manufacture of leather and leather products (DC). However, the estimated performance of the latter industry should be treated with considerable caution since this sub-industry displays a significant split between the data obtained by using the old and the new methodologies for calculating industrial production.

**The textile industry (DB) experienced the largest contraction of production activity.** The production activity of this industry dropped by 10.6% in 2005 over 2004. Production value also fell in the manufacture of other non-metal mineral products (DI, -7.1%) and the manufacture of food and beverages (DA, -1.9%) which belong to the group of industries mainly oriented to the domestic market.

Graph: **Manufacturing's industrial production**



## Construction

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Selected construction indicators, real indices	Q4 2005/Q4 2004	2005/2004	2004/2003
Value of construction put in place <sup>1</sup>	103.3	103.0	102.5
Buildings	108.9	110.3	109.2
Residential buildings	107.2	121.6	165.4
Non-residential buildings	109.4	107.1	98.9
Civil engineering	98.1	95.5	96.4
Value of the stock of contracts <sup>1,3</sup> (nominal)	90.1	90.1	111.2
Value of new contracts <sup>1</sup> (nominal)	102.5	108.1	120.7
Average number of people employed in construction	105.9	104.6	98.3
Average gross wage per worker employed in construct. <sup>2</sup>	99.8	100.2	103.4

Sources of data: SORS, CCIS, calculations by IMAD. Notes: <sup>1</sup>the analysis covers enterprises whose value of construction put in place totalled at least SIT 300 m according to the financial statements for 2002, divisions engaged in construction activity employing at least 20 workers, and some non-construction enterprises which carry out construction activity; <sup>2</sup>deflated by the consumer price index; <sup>3</sup>comparison of stocks at the end of the period.

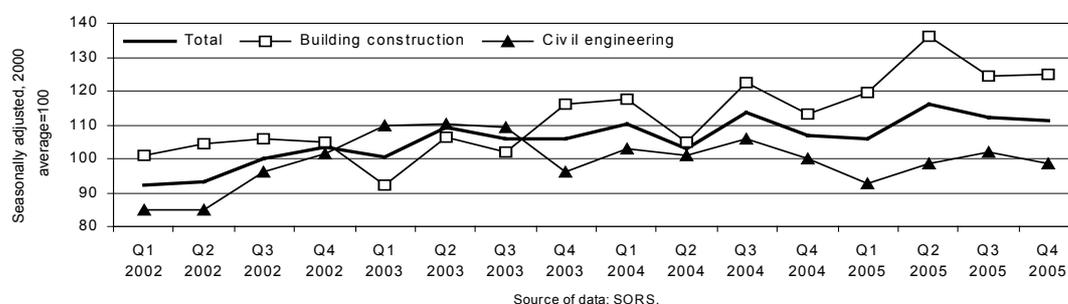
**In Q4 of 2005 construction activity remained at approximately the same level as in Q3.** According to seasonally adjusted data, the value of construction put in place by larger enterprises (see the note below the table) fell by 0.8% over the previous quarter. At the year-on-year level it increased by 3.3%.

**In 2005, the value of construction put in place was up 3.0% in real terms.** Activity picked up most substantially in residential construction although the growth was lower than a year ago. The construction of non-residential buildings strengthened as well, whereas the value of construction put in place in civil engineering dropped for the second year in a row, a result which is linked to the less intensive construction of motorways. Construction activity was strongest in the second quarter. According to seasonally adjusted data, the value of construction put in place reached its highest level in six years in this period. This surge was generated by residential construction. The value of residential construction put in place in Q2 of 2005 was 61.4% higher in real terms than in the same period of the year before. It should, however, be noted that the enterprises included in this survey (see the note below the table) represent a relatively small proportion of total residential construction in Slovenia.

**The number of people employed in the construction industry in 2005 was 4.6% higher than the year before.** However, some of this rise is attributable to the statistical change of activity in one enterprise. In our estimate the increase would total 3.4% if this change is disregarded.

**According to the provisional figures for building permits, 5,780 permits for the construction of buildings were issued in Slovenia last year, 4.3% more than in 2004.** The planned floor area of new buildings and extensions increased by 1.5% in 2005 over 2004 and was the largest in seven years. The planned floor area of residential buildings rose (by 5.1%) while the planned area of non-residential buildings contracted (by 2.8%). The building permits issued were intended for the construction of 6,672 new dwellings (new construction and extensions), i.e. 0.9% fewer than the year before. However, the planned total floor area of these dwellings increased (by 7.9%). The decrease in the number of planned new dwellings on one hand and the increase of the total floor area of these dwellings on the other is linked to the changed structure of dwellings. The number of dwellings in single-dwelling units (which generally occupy larger areas) increased by 14.2% last year, while the number of dwellings in two- or multi-dwelling units dropped by 14.8%.

Graph: Seasonally adjusted real indices of the value of construction put in place



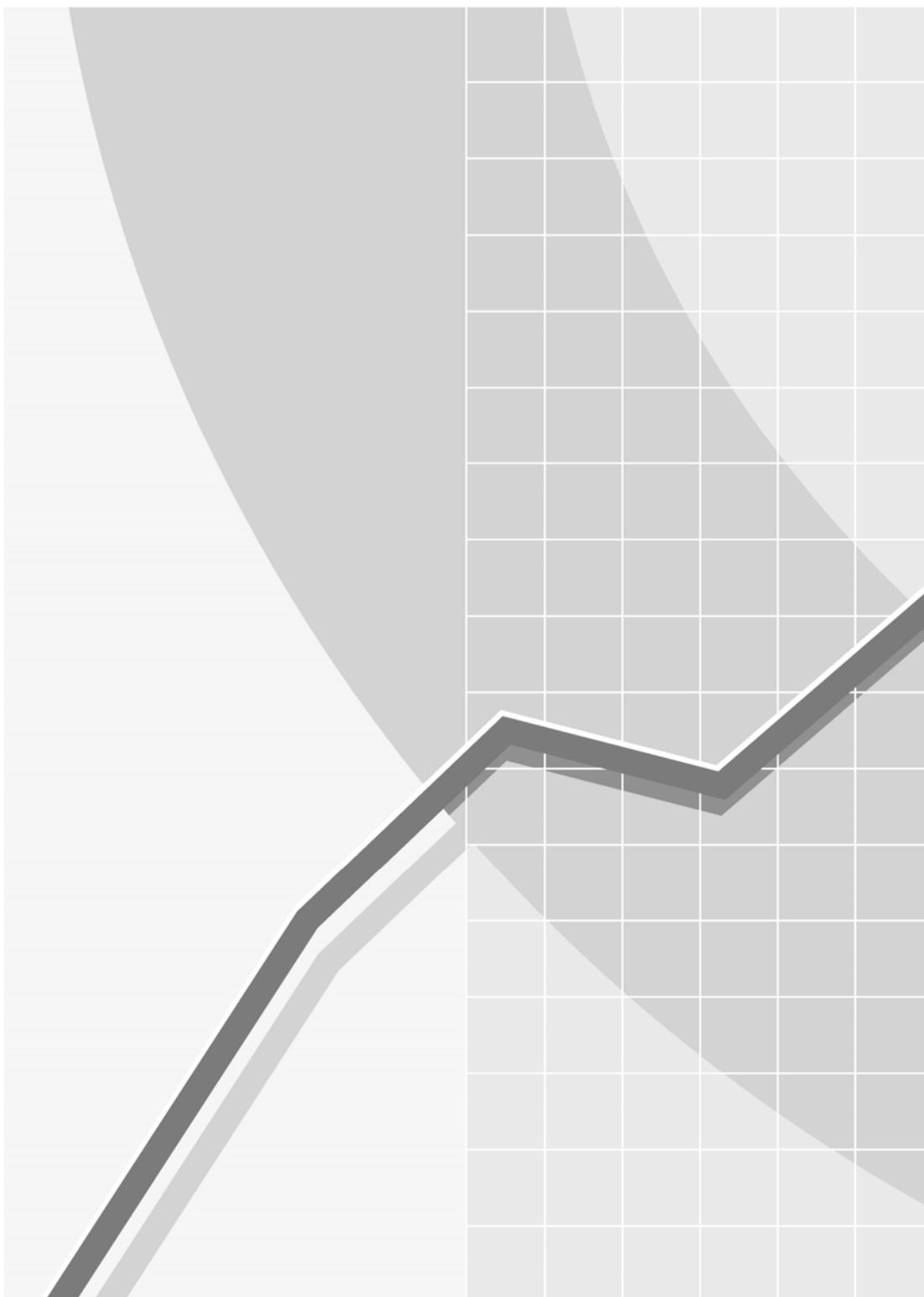
# Selected Topics

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Statistical region	GDP per capita, SIT thousand		Index, SLO = 100		Structure of GVA in 2003			Structure of GVA, SLO = 100 %
	2000	2003	2000	2003	A+B	C+D+E+F	G+..+P	2003
Central Slovenia	3,020	4,195	139.7	144.1	1.0	25.2	73.8	35.7
Obalno-Kraška	2,268	3,010	104.9	103.4	1.3	23.6	75.1	5.4
Gorenjska	1,890	2,530	87.4	86.9	1.8	43.8	54.3	8.6
Goriška	2,122	2,778	98.2	95.4	2.7	39.6	57.7	5.7
Savinjska	1,952	2,585	90.3	88.8	3.1	47.0	49.9	11.4
South-Eastern Slo.	1,981	2,625	91.6	90.2	4.7	50.0	45.3	6.3
Pomurska	1,526	1,994	70.6	68.5	8.1	36.2	55.7	4.2
Notranjsko-Kraška	1,717	2,225	79.4	76.4	5.5	43.8	50.7	1.9
Podravska	1,790	2,426	82.8	83.3	3.1	35.5	61.4	13.3
Koroška	1,768	2,272	81.8	78.0	3.3	50.8	45.9	2.9
Spodnjeoposavska	1,827	2,327	84.5	79.9	5.6	49.2	45.2	2.8
Zasavska	1,715	2,088	79.3	71.7	1.6	49.1	49.3	1.6
SLOVENIA	2,162	2,911	100.0	100.0	2.6	35.6	61.9	100.0

Source of data: SORS, calculations by IMAD.

**Slovenian statistical regions differ in both the level and structure of value added they generate, with Central Slovenia notably in the lead.** Central Slovenia generates over one-third (35.7% in 2003) of Slovenia's gross value added (GVA). A third of GVA comes from Podravska, Savinjska and Gorenjska together, while the rest comes from the remaining eight regions. In 2003 almost 75% of Central Slovenia's GVA was generated by the service sectors, a proportion that was exceeded only by Obalno-Kraška. The leading regions in terms of GVA generated in manufacturing and mining industries were South-Eastern Slovenia and Koroška; the energy sector was strongest in Spodnjeoposavska and Zasavska, construction contributed the highest share in Notranjsko-Kraška, while Pomurska was in the lead in agriculture.

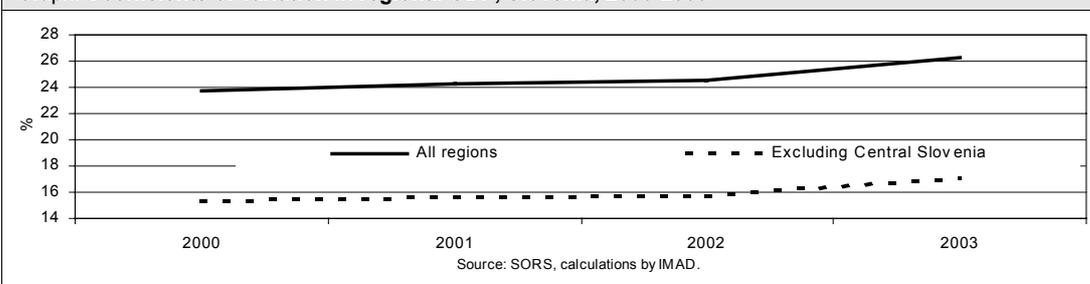
**Central Slovenia also performed best according to the development level measured by GDP per capita.** In the period from 2000 onward, for which revised regional GDP data are available, only Central Slovenia and Obalno-Kraška recorded above-average GDP per capita. Among other regions, Gorenjska came closest to the average. Central Slovenia topped the Slovenian average by more than 44% in 2003; Obalno-Kraška was 3.4% above it. In the entire period, the Pomurska region had the lowest GDP per capita, achieving a mere 68.5% of the average in 2003. Other regions can be divided into two groups. The first group comprises the regions Podravska, Gorenjska, Savinjska and South-Eastern Slovenia, whose GDP ranged between 80% and 90% of the Slovenian average. The second group includes Zasavska, Notranjsko-Kraška, Koroška and Spodnjeoposavska, which achieved between 70% and 80% of the average. Compared to the EU-25, Central Slovenia is estimated to have achieved 110% of its average in 2003 while Pomurska, which had the lowest GDP per capita, produced 52% of the EU-25 average (in PPS).

**Regional differences in GDP per capita widened slightly in 2000-2003, primarily due to Central Slovenia's comparatively faster growth of GDP per capita.** The ratio between the most and least successful region in terms of GDP per capita rose from 2.0:1 to 2.1:1. The gap vis-à-vis the Slovenian average widened most remarkably, by 7.6 index points, in the Zasavska region. This was also the region where the number of jobs in industry dropped most dramatically, which also affected the GDP structure. Although this region received state aid, it has still not managed to create enough new jobs to make up for the loss. The only two regions that improved their ratios vis-à-vis the average were Podravska (by 0.5 of an index point) and Central Slovenia (by 4.4 index points).

**Cross-regional differences in GDP per capita measured by the coefficient of variation have widened slightly since 2000.** The coefficient of variation is defined as the ratio of the standard deviation to the average, and the formula is adjusted for the different sizes of regions. In 2003 the coefficient of variation rose by 1.8 p.p. compared to 2002 to total a high 26.3%. If Central Slovenia, enjoying the highest GDP per capita, is excluded from the analysis, the coefficient of variation falls to between 15.3% and 17.0%. This shows that economic activity is concentrated in Central Slovenia, which also significantly contributes to regional disparities in Slovenia.

**Compared to other EU countries, regional imbalances in Slovenia are relatively marginal.** Generally speaking, disproportions in the EU have been reduced since 1995, but only at the country level, whereas gaps between regions (NUTS2 level) continue to widen. According to the Eurostat (Regions: Statistical Yearbook 2005), the ratios between the two extreme values totalled, for instance, 1:4.3 in the UK and 1:3.1 in Belgium, and were higher than 1:2 in 12 out of 19 EU countries. It is also characteristic of most countries that economic activity is centred in the capital's region, where GDP growth also outperforms the national average.

Graph: Coefficients of variation in regional GDP, Slovenia, 2000-2003



## Prices of Telecommunication Services

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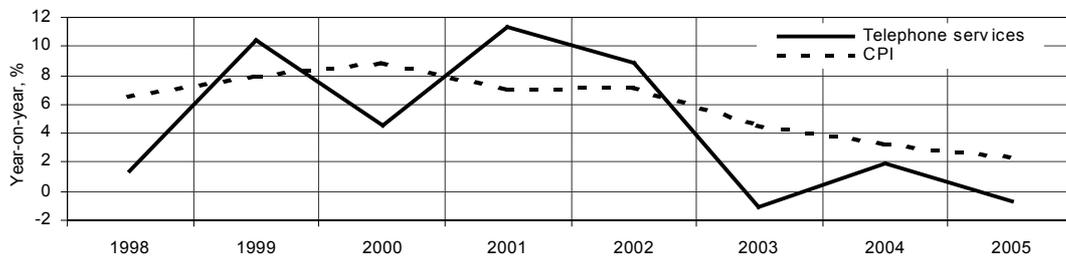
One of the principal goals of liberalising telecommunications is to increase competition and open markets up to enhance the efficiency of the sector, which normally results in lower prices. The price dynamics of telecommunications services depend not only on the level of competition but also, inter alia, on the technological development, higher efficiency and price regulation in the sector. Price cuts in telecommunications are not necessarily achieved swiftly since a number of factors initially put upward pressure on prices. For instance, the adjustment of prices to actual costs can result in price rises in some telecommunications segments. The phased introduction of competition, which allows prices in the monopolised parts of the sector to continue being controlled by the monopolies, can similarly impede price reductions.

Following the rapid increases in the 1990s, the prices of telecommunication services in Slovenia also saw substantial rises at the beginning of this decade due to the abolition of cross subsidisation in fixed telephony. In recent years, however, these rises have eased off. Prior to the establishment of the Telecommunications, Broadcasting and Postal Agency (later renamed the Post and Electronic Communications Agency, or APEK for short) in 2002, prices of telecommunication services were under direct government control. Price rises in telecommunication services can be divided into three periods with regard to their dynamics compared to inflation. In the first half of the 1990s, the prices of telecommunication services included in the consumer price index rose at a faster pace than prices in general. Between 1996 and 2002, their growth converged with inflation but higher rises were observed in 2001 and 2002 when the prices of inland calls and subscriptions rose as a result of introducing cost-oriented services in fixed telephony and the consequent abolition of cross subsidisation. In the last three years price rises in telecommunication services have eased off and been lower than general price rises. In order to determine the cost adequacy of the prices, however, the prices of telecommunication services are more appropriately compared with the industrial producer price index rather than inflation.

We do not expect any substantial price adjustments in fixed telephony services that would exceed the convergence dynamics of general price levels. In comparison with the EU-25 average, the prices in Slovenian fixed telephony are at a level comparable to the level of GDP in terms of purchasing power and the general level of prices in Slovenia relative to the European average. In inland telephone services, Slovenia does not differentiate between local and national calls like most other EU countries since the structure of Slovenia's inland calls is closer to local calls due to the country's smallness. In 2005, the price of inland calls in Slovenia equalled 73% of the average price of local calls in the EU-25. Lower prices compared to Slovenia were recorded in some smaller countries (Cyprus, Malta, Estonia) and in Finland and Italy. Countries with a similar level of development as Slovenia (Spain, Greece) also exhibited similar price levels. Compared to 2002, when the prices of inland telephone calls in Slovenia rose for the last time, the difference between the Slovenian and average European prices was further reduced (by 5 p.p.) due to a decline in the prices of local (but also national) calls in the EU in recent years as a result of competition. Price comparisons in international telephone services are usually based on the price of calls to the USA. In Slovenia, this price totalled 85% of the EU average in 2004. In 2005, the monthly subscription for a single line amounted to 72% of the average monthly subscription in the EU. Five member states had lower subscription fees than Slovenia.

The price dynamics of telecommunication services in Slovenia are also affected by the phased introduction of competition and efficient regulation. The independent telecommunications regulator initially encountered considerable problems and delays in creating the conditions for the entry of competition to the market (e.g. in balancing prices with costs, decoupling of the local loop, decoupling of ISDN-ADSL services, mobile numbers' portability, high prices of finishing calls in the mobile telephony market). Significant progress in this area was achieved only after 2004 when the APEK was strengthened and granted extended powers for ensuring competition. We estimate that the improved regulatory efficiency of the telecommunications market observed in 2005 is already reflected in the price dynamics of some segments of telecommunication services included in the consumer price index, particularly in mobile telephony and international calls in fixed telephony. Nevertheless, the Agency was again late in 2005 in removing the price-related and price non-related obstacles to competition (11<sup>th</sup> report from the European Commission on the European electronic communications regulation and markets, 2006).

Graph: Dynamics of telecommunication services prices and inflation\*



Source of data: SORS. Note: \* the comparison of prices with the CPI allows us to estimate the impact of the market structure on prices in telecommunication services. In order to estimate the cost adequacy of prices, however, it is more appropriate to compare prices with the industrial producer price index.

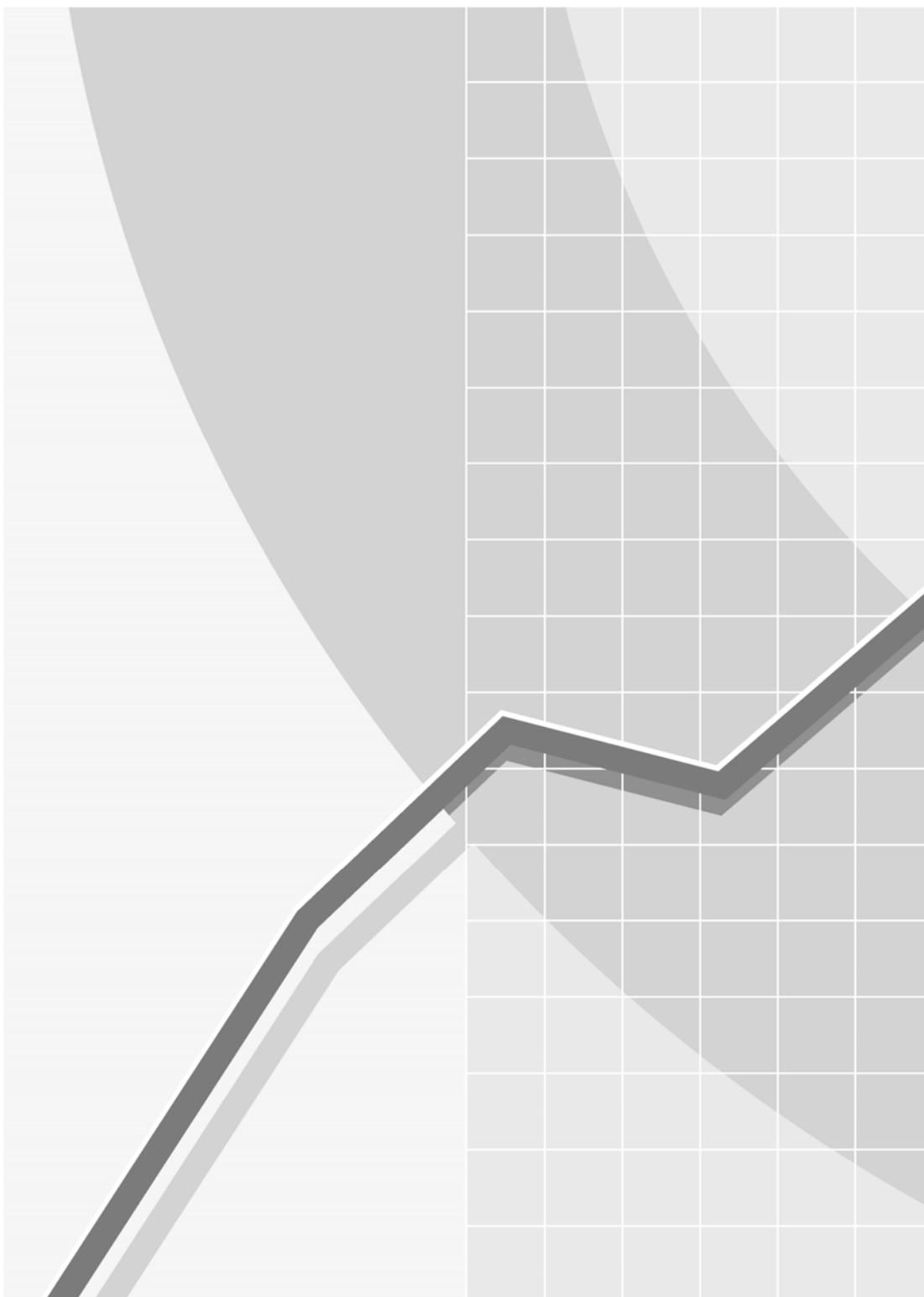
# Statistical Appendix

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# Gross Domestic Product / I

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	2000-2004 constant previous year prices, 2005-2006 constant 2004 prices, in SIT mln							Real growth rates in %					
	2000	2001	2002	2003	2004	2005 estimate	2006 forecast	2001	2002	2003	2004	2005 estimate	2006 forecast
<b>VALUE ADDED BY ACTIVITIES AND GROSS DOMESTIC PRODUCT</b>													
A Agriculture, hunting, forestry	109,790	113,613	139,709	123,680	141,539	137,525	138,969	-4.0	13.3	-15.8	10.8	1.0	1.0
B Fishing	563	735	709	896	1,015	903	903	1.6	-4.5	4.9	-4.3	0.0	0.0
C Mining and quarrying	24,493	23,580	20,980	23,617	27,037	28,205	27,937	-5.4	-8.3	6.2	2.5	-1.0	-1.0
D Manufacturing	963,075	1,036,651	1,164,763	1,259,492	1,388,935	1,461,256	1,526,281	4.8	4.8	4.0	4.2	3.9	4.4
E Electricity, gas and water supply	93,360	109,543	131,475	140,256	152,498	165,231	170,271	6.6	6.4	-1.0	3.1	-1.0	3.0
F Constructing	220,136	227,751	245,150	274,175	292,853	322,107	332,897	-2.3	0.5	3.6	0.9	4.3	3.3
G Wholesale, retail; certain repair	388,901	420,861	489,314	553,700	612,767	656,837	679,497	2.0	3.3	2.8	3.5	4.0	3.4
H Hotels and restaurants	82,706	91,938	99,912	110,905	117,501	127,154	132,940	6.3	3.3	3.5	0.4	3.3	4.5
I Transport, storage and communications	241,293	267,550	297,719	334,458	363,569	405,693	424,152	3.5	2.9	4.0	0.8	4.0	4.5
J Financial intermediation	165,441	190,722	201,104	221,699	255,426	265,873	283,553	2.9	6.0	4.5	14.8	10.0	6.6
K Real estate, renting and business services	514,347	577,120	653,642	742,611	818,961	896,707	937,508	4.1	4.0	3.0	3.8	3.8	4.5
L Public administration and defence	215,122	242,720	277,053	311,343	353,074	376,281	385,876	5.4	3.1	4.3	5.8	2.7	2.5
M Education	184,487	210,792	246,278	269,600	296,046	324,750	333,680	2.2	2.7	2.1	2.7	2.9	2.7
N Health and social work	171,176	196,337	226,148	241,059	261,419	282,850	295,437	2.5	4.0	2.5	3.5	4.5	4.4
O Other community and personal services	130,803	136,297	146,734	158,845	171,961	192,771	201,157	2.9	-0.6	3.9	3.6	4.5	4.3
P Private households with employed persons	1,529	1,540	1,634	1,163	1,228	1,416	1,423	12.5	-8.6	-32.7	-8.1	5.0	0.5
<b>1. VALUE ADDED (A+...+P)</b>	<b>3,507,223</b>	<b>3,847,750</b>	<b>4,342,324</b>	<b>4,767,499</b>	<b>5,255,828</b>	<b>5,645,559</b>	<b>5,872,482</b>	<b>3.2</b>	<b>3.9</b>	<b>2.7</b>	<b>4.1</b>	<b>3.9</b>	<b>4.0</b>
<b>2. CORRECTIONS (taxes on production and imports minus subsidies )</b>	<b>572,454</b>	<b>566,852</b>	<b>622,996</b>	<b>729,864</b>	<b>799,945</b>	<b>849,441</b>	<b>882,518</b>	<b>-1.0</b>	<b>0.3</b>	<b>2.1</b>	<b>4.6</b>	<b>4.2</b>	<b>3.9</b>
Taxes on products and services	595,130	591,080	649,495	751,595	831,143	881,549	915,252	-1.0	0.5	1.9	4.6	4.1	3.8
Subsidies	22,676	24,228	26,499	21,731	31,199	32,108	32,734	-1.6	6.5	-5.7	4.5	2.1	2.0
<b>GDP (1 + 2 )</b>	<b>4,079,676</b>	<b>4,414,601</b>	<b>4,965,320</b>	<b>5,497,364</b>	<b>6,055,773</b>	<b>6,495,000</b>	<b>6,755,000</b>	<b>2.7</b>	<b>3.5</b>	<b>2.7</b>	<b>4.2</b>	<b>3.9</b>	<b>4.0</b>

Source of data: SORS, IMAD – Autumn Forecast 2005.

# Gross Domestic Product / II

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	Current prices, in SIT mln							Structure in %, current prices, GDP=100					
	2000	2001	2002	2003	2004	2005 estimate	2006 forecast	2001	2002	2003	2004	2005 estimate	2006 forecast
<b>SUPPLY AND USE OF RESOURCES</b>													
1. GROSS DOMESTIC PRODUCT	4,300,350	4,799,552	5,355,440	5,813,540	6,251,244	6,651,500	7,074,000	100.0	100.0	100.0	100.0	100.0	100.0
2. Net primary income from the rest of the world	4,480	12,461	-27,640	-36,137	-57,705	-63,111	-65,411	0.3	-0.5	-0.6	-0.9	-0.9	-0.9
3. GROSS NATIONAL INCOME ( 1+2 )	4,304,830	4,812,013	5,327,800	5,777,403	6,193,539	6,588,389	7,008,589	100.3	99.5	99.4	99.1	99.1	99.1
4. Net current transfers from the rest of the world	25,746	31,166	32,180	21,955	10,241	-9,366	22,786	0.6	0.6	0.4	0.1	-0.1	0.3
5. DISPOSABLE GROSS NATIONAL INCOME ( 3+4 )	4,330,577	4,843,179	5,359,980	5,799,357	6,203,780	6,579,022	7,031,375	100.9	100.1	99.8	99.2	98.9	99.4
6. Final national consumption	3,297,482	3,676,235	4,030,681	4,381,303	4,680,583	4,975,566	5,259,560	76.6	75.3	75.4	74.9	74.8	74.4
Private consumption	2,467,667	2,718,270	2,973,195	3,242,175	3,461,491	3,677,233	3,885,923	56.6	55.5	55.8	55.4	55.3	54.9
Government consumption	829,816	957,965	1,057,486	1,139,128	1,219,092	1,298,333	1,373,637	20.0	19.7	19.6	19.5	19.5	19.4
7. GROSS NATIONAL SAVINGS ( 5-6 )	1,033,094	1,166,944	1,329,299	1,418,055	1,523,197	1,603,456	1,771,815	24.3	24.8	24.4	24.3	24.1	25.0
8. Current account balance	-119,071	8,464	78,343	-18,549	-122,975	-104,457	-46,673	0.2	1.5	-0.3	-2.0	-1.6	-0.7
9. GROSS CAPITAL INVESTMENT ( 7-8 )	1,152,166	1,158,480	1,250,957	1,436,604	1,646,171	1,707,913	1,818,488	24.1	23.4	24.7	26.3	25.7	25.7
<i>Source of data: SORS, BS, IMAD – Autumn Report 2005.</i>													
<b>EXPENDITURE ON GROSS DOMESTIC PRODUCT, 2000 – 2004 constant previous year prices, 2005 – 2006 constant 2004 prices, in SIT mln</b>								<b>Real growth rates, in %</b>					
GROSS DOMESTIC PRODUCT ( 3+4+5 )	4,079,676	4,414,601	4,965,320	5,497,364	6,055,773	6,495,000	6,755,773	2.7	3.5	2.7	4.2	3.9	4.0
1. Exports of goods and services	2,167,682	2,540,812	2,930,001	3,155,864	3,652,367	4,083,140	4,402,066	6.3	6.7	3.1	12.5	8.6	7.8
2. Imports of goods and services	2,230,383	2,616,276	2,913,648	3,186,507	3,681,409	4,068,233	4,334,645	3.0	4.8	6.7	13.2	6.0	6.5
3. FOREIGN TRADE BALANCE * ( 1-2 )	-62,701	-75,464	16,353	-30,642	-29,043	14,906	68,021	1.7	1.1	-2.0	-0.4	1.5	0.8
4. FINAL CONSUMPTION	3,042,055	3,387,059	3,743,649	4,150,511	4,515,676	4,836,728	4,977,445	2.7	1.8	3.0	3.1	3.3	2.9
Private consumption	2,287,852	2,525,157	2,754,891	3,075,589	3,343,496	3,587,159	3,697,886	2.3	1.3	3.4	3.1	3.6	3.1
Government consumption (individual and collective)	754,203	861,902	988,758	1,074,922	1,172,180	1,249,569	1,279,559	3.9	3.2	1.6	2.9	2.5	2.4
5. GROSS CAPITAL FORMATION	1,100,323	1,103,006	1,205,317	1,377,495	1,569,140	1,643,366	1,709,534	-4.3	4.0	10.1	9.2	-0.2	4.0
Gross fixed capital investment	1,051,703	1,103,046	1,169,330	1,296,953	1,432,502	1,566,256	1,636,737	0.4	0.9	7.1	5.9	4.0	4.5
Changes in stocks *	48,620	-39	35,988	80,542	136,637	77,110	72,797	-1.2	0.8	0.8	0.9	-1.0	-0.1
<i>Source of data: SORS, IMAD – Autumn Forecast 2005. Note: *As contributions to real GDP growth (in percentage points).</i>													

# Industrial Production

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	2001	2002	2003	2004	2005	2004		2005				2004	2005											
						Q <sub>III</sub>	Q <sub>IV</sub>	Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	Q <sub>IV</sub>	12	1	2	3	4	5	6	7	8	9	10	11	12
INDUSTRIAL PRODUCTION by sectors <sup>*</sup> , indices, 2000=100																								
INDUSTRY, total	102.9	105.4	106.9	112.7	116.2	111.3	115.9	110.5	118.4	113.8	122.2	107.6	106.8	103.7	121.1	112.0	119.2	124.0	116.9	99.6	124.8	123.2	129.9	113.5
C Mining and quarrying	92.1	99.2	104.9	98.1	100.7	98.9	100.1	100.9	90.4	104.3	107.0	102.9	99.9	96.0	106.7	76.0	100.1	95.2	112.3	96.3	104.3	118.0	125.2	77.8
D Manufacturing	102.8	104.8	106.5	111.5	115.4	110.4	114.1	108.9	118.7	113.6	120.4	104.4	104.6	101.8	120.4	112.0	119.4	124.7	116.4	98.5	125.9	122.3	128.7	110.3
DA Food, beverages, tobacco	100.2	98.6	99.6	89.2	87.5	88.9	93.7	75.2	90.5	88.3	96.0	95.6	72.3	69.7	83.7	85.0	92.1	94.4	93.3	85.8	85.9	92.3	96.9	98.7
DB Textiles & textile prod.	92.0	80.5	71.3	61.3	54.7	61.0	60.3	59.9	54.4	53.5	51.2	55.7	69.7	48.7	61.2	53.0	53.0	57.2	61.5	42.9	56.1	54.2	55.9	43.4
DC Leather & textile products	98.4	83.6	72.7	68.2	72.7	61.5	62.8	74.4	73.5	69.8	73.1	52.1	76.0	71.5	75.8	74.8	72.6	73.0	75.1	59.1	75.1	73.2	78.9	67.3
DD Wood & wood products	91.5	94.3	91.0	95.2	101.6	96.0	96.8	91.5	110.4	101.0	103.7	85.9	83.6	90.9	99.9	106.0	113.8	111.4	107.6	79.4	115.9	111.1	109.3	90.7
DE Paper, publishing, printing <sup>1</sup>	95.8	100.9	100.6	101.1	104.9	100.3	105.2	99.5	106.2	102.4	111.6	103.8	97.7	93.0	107.8	101.9	106.6	110.1	101.7	97.7	107.8	111.0	116.6	107.2
DFCoke,petrol. rod.,nuclear fuel <sup>2</sup>	32.6	34.2	36.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DG Chem., prod.,man-made fibres	108.1	114.5	128.0	145.8	155.1	138.6	139.0	157.6	157.9	151.0	153.8	116.0	150.7	139.5	182.7	133.3	162.0	178.4	148.9	133.2	170.8	152.1	164.1	145.1
DH Rubber & plastic prod.	101.2	99.8	103.6	117.6	122.9	118.5	121.2	113.6	125.6	126.5	126.0	100.8	109.9	108.5	122.3	122.2	127.2	127.4	128.4	111.0	140.0	134.0	137.4	106.6
DI Non-metal mineral prod.	100.1	100.9	101.6	84.5	78.5	90.1	86.7	63.3	84.2	86.8	79.6	72.2	57.7	60.1	72.1	78.6	83.1	90.8	87.1	81.9	91.5	86.9	88.1	63.9
DJ Basic metals & fabric. prod.	104.6	108.3	112.0	109.0	118.6	109.3	110.5	112.0	123.2	116.8	122.4	100.8	102.7	110.4	122.9	118.5	122.8	128.3	116.7	107.1	126.6	127.1	129.4	110.7
DK Machinery & equipm. nec.	115.5	128.6	120.9	138.9	142.4	135.7	142.5	135.3	139.8	141.5	152.9	133.1	132.4	122.8	150.7	132.6	142.2	144.6	150.2	115.2	159.2	157.1	160.4	141.1
DL Electrical & optical equip.	106.5	110.3	122.8	154.2	158.2	153.3	159.9	145.0	166.2	154.3	167.4	145.9	134.0	142.4	158.5	164.2	163.6	170.7	149.3	124.3	189.2	164.4	182.3	155.5
DM Transport equipment	101.4	106.4	111.7	143.6	169.7	133.3	160.8	173.5	187.1	143.9	174.3	146.7	162.7	162.1	195.7	168.4	195.3	197.6	183.3	70.0	178.4	177.6	180.8	164.5
DN Manufacturing nec.	108.4	106.3	102.6	102.9	106.7	102.1	108.0	98.3	102.4	102.5	123.5	97.6	96.3	87.8	110.8	97.1	100.8	109.4	98.9	94.3	114.4	125.9	147.3	97.3
E Electr., gas & water supply <sup>3</sup>	109.3	115.3	111.3	132.9	130.9	122.9	148.3	133.4	123.9	115.7	150.5	160.5	137.3	129.4	133.6	125.8	121.9	123.9	120.0	112.5	114.7	133.4	143.7	174.3
NUMBER OF PERSONS IN PAID EMPLOYMENT IN INDUSTRY <sup>4</sup>																								
Total, in 1000	257.8	259.9	255.1	251.7	247.3	251.3	251.2	248.9	248.6	246.5	245.3	249.2	249.2	248.8	248.8	248.6	248.9	248.4	247.2	246.2	246.0	246.2	246.0	243.7
C Mining & quarrying	5.5	5.1	4.8	4.4	4.2	4.4	4.3	4.2	4.2	4.2	4.1	4.3	4.3	4.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.1	4.1	4.1
D Manufacturing	240.8	243.1	238.9	236.1	231.8	235.7	235.7	233.4	233.0	230.9	229.8	233.8	233.7	233.3	233.2	232.9	233.3	232.7	231.6	230.7	230.5	230.7	230.5	228.3
E Electr., gas & water supply	11.5	11.7	11.4	11.3	11.4	11.3	11.2	11.3	11.4	11.4	11.4	11.2	11.2	11.3	11.3	11.4	11.4	11.5	11.4	11.4	11.4	11.4	11.4	11.3
CONSTRUCTION <sup>5</sup> , real indices of construction put in place, indices 2000=100																								
Construction	92.9	97.9	105.7	108.4	111.7	127.2	124.6	75.5	117.2	125.3	128.7	106.5	67.3	69.5	89.7	104.5	118.3	128.7	121.3	128.5	126.2	133.2	132.5	120.5
Buildings	107.1	104.2	104.9	114.6	126.4	136.1	126.6	93.1	136.7	137.9	137.9	111.7	78.3	85.1	116.0	125.9	137.4	146.9	131.5	148.3	133.8	128.1	147.1	138.5
Civil engineering	79.8	92.1	106.4	102.6	98	118.9	122.6	59.1	99.0	113.7	120.3	101.6	57.0	55.1	65.3	84.7	100.6	111.8	111.7	110.2	119.1	138.0	119.1	103.9
Persons in paid employment in construction <sup>4</sup>	100.4	99.4	99.1	97.5	102	98.8	98.3	97.1	101.8	104.8	104.2	96.8	96.7	96.9	97.6	99.4	102.3	103.6	104.3	104.9	105.2	105.4	105.0	102.1

Source of data: SORS. Notes: <sup>1</sup>From February 2004 onwards the industrial production indices have been provisional. For the period up until January 2004 they are calculated according to data on produced quantities of industrial goods. From February 2004 onwards, data on production value have been taken as the basis for the calculation. The value of production is calculated according to the following formula: turnover in the month (x) + value of stocks in the month (x) - value of stocks in the month (x-1). <sup>2</sup>enterprises with activity of publishing are excluded, <sup>3</sup>data not published because of confidentiality, <sup>4</sup>only companies with activity of electricity supply are included, <sup>5</sup>In January 2005, the SORS adopted a new methodology of obtaining data on persons in paid employment. The new source of data for employed and self-employed persons excluding farmers is the Statistical Register of Employment (SRE), while data on farmers are forecast using the ARIMA model based on quarterly figures for farmers from the Labour Force Survey. Data for previous years dating back to January 2000 have also been calculated according to the new methodology, <sup>5</sup>the survey covers all construction enterprises whose value of construction put in place was at least 300 million tolar according to Final Accounts in 2002 and their units having at least 20 persons in paid employment and some other enterprises who perform construction work.

# Production

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	2000	2001	2002	2003	2004	2005	2004	2005					2005										2006			
							Q <sub>IV</sub>	Q <sub>I</sub>	Q <sub>II</sub>	Q <sub>III</sub>	Q <sub>IV</sub>	2	3	4	5	6	7	8	9	10	11	12	1			
<b>TRANSPORT</b>																										
Passengers km, indices 2004 = 100	119.4	112.7	101.8	101.5	100.0	-	95.8	88.5	-	-	-	80.5	91.5	99.7	102.9	-	-	-	-	-	-	-	-	-	-	
Tonne km, indices 2004 = 100	83.9	86.5	77.3	78.1	100.0	-	116.3	127.3	-	-	-	130.8	135.3	135.6	146.6	-	-	-	-	-	-	-	-	-	-	
Passengers carried total <sup>1</sup> , in mln	90.4	87.8	73.3	70.5	60.4	-	16.3	15.3	-	-	-	4.6	5.4	5	5.467	-	-	-	-	-	-	-	-	-	-	
Goods carried total <sup>2</sup> , mln tons	76.5	76.2	82.5	88.9	95.8	-	29.1	20.1	-	-	-	6.6	7.4	8.3	8.225	-	-	-	-	-	-	-	-	-	-	
Urban passenger traffic, in mln	130.0	105.6	103.9	98.4	100.2	97.2	29.7	28.0	25.3	15.1	28.9	8.9	9.6	9.4	8.4	7.4	4.1	3.9	7.1	9.4	9.7	9.7	9.2			
Airport passen. traffic, in 000	1,007	906	873	922	1,047	1,228	236	214	303	449	264	65	78	85	95	123	157	155	137	106	81	77	78			
Harbour freight. Trans., in 000 t	8,525	9,145	10,218	10,483	11,993	12,625	3,160	3,176	3,289	2,787	3,555	825	1,194	1,187	974	1,128	856	1,027	904	1,227	1,088	1,240	1,266			
Loading, unloading, in 000 t	18,663	20,538	21,942	24,917	23,567	-	6,183	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transport of gas, mln m <sup>3</sup>	2,229	1,039	1,007	1,098	1,097	1,136	317	373	239	193	331	124	117	90	79	70	57	65	71	89	114	128	-			
<b>TOURISM, overnight stays, in 000</b>																										
Total	6,719	7,130	7,321	7,503	7,589	7,569	1,258	1,362	1,805	3,101	1,299	449	488	468	605	733	1,114	1,260	727	528	374	398	445			
Domestic tourists	3,313	3,316	3,300	3,327	3,226	3,171	575	659	733	1,204	576	251	226	209	215	308	473	479	251	196	182	197	185			
Foreign tourists	3,404	3,814	4,021	4,175	4,363	4,393	682	704	1,073	1,898	724	198	262	259	389	424	648	781	476	332	191	201	260			
Health resorts	2,113	2,284	2,327	2,360	2,417	-	529	504	598	814	-	157	177	187	207	205	268	324	221	212	-	-	-			
Seaside	1,884	2,016	2,052	2,010	2,002	-	270	207	517	955	-	57	108	123	154	240	370	381	204	122	-	-	-			
<b>AGRICULTURE, slaughter in slaughterhouses, in 000 tons</b>																										
Cattle	34.6	39.2	40.5	43.1	40.1	37.4	11.3	9.2	9.4	8.2	10.7	2.6	3.4	3.3	3.3	2.8	2.5	2.9	2.8	3.0	3.9	3.9	3.0			
Pigs	38.0	35.8	37.1	37.3	34.6	31.7	8.5	7.3	8.2	7.5	8.7	2.3	3.0	2.8	2.8	2.6	2.4	2.7	2.4	2.5	3.1	3.2	2.7			
Poultry	52.1	56.6	51.4	56.0	52.0	53.4	13.6	12.2	13.7	14.0	13.4	3.9	4.4	4.5	4.7	4.6	4.4	4.8	4.8	4.9	4.5	4.0	3.8			
Purchase of agricultural products, SIT mln	88.9	98.7	101.6	103.3	102.4	104.1	31.8	21.5	25.0	25.2	32.3	6.7	8.0	8.5	8.6	8.0	7.4	8.5	9.4	9.7	9.3	12.9	6.7			
<b>FISHING, in 000 tons</b>																										
Catches in marine waters	1.7	1.7	1.6	1.2	1.1	1.2	0.2	0.2	0.2	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	-		
<p>Source of data: SORS, Notes: Data for road goods transport for 2000 are estimated on the basis of the previous survey, pilot surveys, current survey and other indicators. Series break in 2003.<sup>1</sup>excluding private carriers (taxis, buses, cars),  <sup>2</sup>excluding private carriers.</p>																										

# Balance of Payments

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	2000	2001	2002	2003	2004	2005	2004	2005				2005											
							Q IV	Q I	Q II	Q III	Q IV	1	2	3	4	5	6	7	8	9	10	11	12
<b>BALANCE OF PAYMENTS, EUR mln</b>																							
Current account	-583	38	344	-81	-544	-254	-204	-120	41	75	-249	4	-56	-68	-36	15	62	-18	73	20	19	-89	-178
Trade balance <sup>1</sup>	-1,227	-684	-265	-543	-1,009	-997	-354	-182	-106	-244	-464	-17	-82	-84	-58	-37	-11	-58	-109	-77	-54	-162	-247
Exports	9,574	10,454	11,082	11,417	12,933	14,474	3,453	3,350	3,742	3,564	3,818	1,032	1,059	1,259	1,208	1,222	1,313	1,233	984	1,347	1,289	1,368	1,161
Imports	10,801	11,139	11,347	11,960	13,942	15,471	3,807	3,532	3,848	3,808	4,283	1,048	1,140	1,343	1,266	1,258	1,324	1,291	1,093	1,424	1,344	1,531	1,408
Services	489	536	620	541	686	893	172	169	225	248	65	45	59	34	106	85	35	110	106	88	103	57	
Exports	2,052	2,178	2,440	2,465	2,782	3,215	691	610	772	1,008	826	202	185	223	222	273	277	320	375	314	257	288	281
Imports	1,562	1,642	1,820	1,924	2,096	2,322	519	441	546	758	578	137	140	164	188	167	192	285	264	208	169	185	224
Income	29	43	-153	-173	-250	-222	-41	-57	-97	-20	-48	1	-7	-51	-25	-49	-23	0	-12	-8	-5	-5	-38
Receipts	471	511	491	542	583	682	157	147	162	220	154	47	45	55	58	52	52	70	77	72	53	50	51
Expenditure	442	468	645	715	833	904	199	204	259	240	202	46	52	106	83	100	75	70	89	80	58	55	89
Current transfers	125	144	142	94	29	72	20	-50	18	88	16	-46	-12	8	13	-6	11	5	84	-1	-11	-25	51
Receipts	371	436	478	448	543	745	164	137	170	246	193	39	32	66	60	47	62	58	133	54	40	41	112
Expenditure	245	293	336	354	515	673	144	186	152	157	177	85	43	58	48	53	51	53	49	55	51	66	61
Capital and financial account	542	-148	-145	-12	638	664	306	118	-62	99	509	-62	97	82	96	-85	-73	39	6	54	20	78	412
Capital account	4	-4	-164	-165	-105	-137	-48	-4	-35	-36	-62	7	-3	-8	-7	-4	-24	-6	-7	-23	6	-11	-57
Financial account	538	-144	19	154	743	801	354	121	-27	135	571	-68	100	89	103	-81	-49	45	12	78	14	89	468
Direct investment <sup>2</sup>	77	251	1,538	-118	221	-45	132	-169	8	-10	127	-54	-70	-45	51	-63	20	-25	146	-131	7	-9	129
Domestic abroad	-72	-161	-162	-418	-442	-463	-132	-126	-59	-219	-59	-40	3	-90	-15	-35	-10	-60	26	-184	-15	-19	-25
Foreign in Slovenia	149	412	1,700	300	662	418	263	-43	66	209	186	-14	-73	44	65	-29	30	35	120	54	22	10	154
Portfolio investment <sup>3</sup>	185	80	-69	-223	-575	-1,204	-9	-260	-357	-174	-413	-45	-58	-158	119	-477	1	-141	-32	-1	-237	31	-206
Financial derivatives	0	0	0	0	-2	-3	-1	-3	-1	-1	2	-1	0	-1	0	-1	0	-1	1	-1	-1	0	2
Other investment	462	964	435	759	843	2,241	331	558	362	475	847	107	285	166	-96	69	390	246	-147	376	91	105	651
Assets	-576	248	-668	-825	-1,408	-1,660	-255	-303	-626	-452	-279	30	-151	-183	-197	-79	-351	-180	-282	10	-173	-189	84
Commercial credits <sup>4</sup>	-174	-239	-135	-116	-238	-236	133	-206	-131	10	91	-82	-33	-91	-21	-56	-53	-43	125	-71	-87	-9	187
Loans	-72	19	-214	-214	-277	-381	-38	5	-162	-87	-137	4	-17	19	-70	-41	-52	-56	-41	11	-66	-29	-43
Currency and deposits	-296	500	-247	-427	-823	-956	-321	-107	-322	-350	-177	79	-93	-93	-107	3	-218	-86	-330	65	1	-127	-51
Other assets	-33	-32	-71	-68	-69	-88	-30	5	-12	-25	-55	30	-8	-18	1	15	-27	5	-36	5	-21	-25	-9
Liabilities	1,038	716	1,102	1,584	2,251	3,902	587	861	988	927	1,126	77	436	348	100	147	741	426	135	366	265	294	567
Commercial credits <sup>4</sup>	-21	-10	95	59	211	241	25	26	99	3	113	-52	25	52	48	22	28	-26	-60	88	42	61	10
Loans	1,038	575	837	1,128	1,673	2,623	404	295	801	658	868	-6	216	84	150	84	568	143	249	267	246	213	409
Deposits	34	152	130	428	335	1,014	155	551	97	245	120	142	200	210	-96	48	145	300	-60	5	-16	18	119
Other liabilities	-13	-1	39	-31	33	25	2	-11	-10	20	25	-6	-6	1	-2	-6	-1	9	6	5	-7	2	29
International reserves <sup>5</sup>	-187	-1,439	-1,885	-264	256	-189	-99	-4	-38	-155	8	-76	-57	128	31	392	-461	-34	44	-165	153	-37	-108
Statistical error	41	110	-199	93	-94	-410	-102	3	21	-174	-260	58	-42	-14	-60	70	11	-21	-79	-74	-38	12	-233
<b>FOREIGN TRADE BALANCE BY END USE, in EUR mln</b>																							
Export of investment goods	1,219	1,417	1,542	1,634	1,832	n.p.	483	452	550	499	n.p.	137	142	173	175	180	195	176	139	184	177	190	n.p.
Intermediate goods	4,643	5,039	5,245	5,463	6,220	n.p.	1,589	1,619	1,800	1,717	n.p.	514	515	590	589	587	624	583	490	644	611	648	n.p.
Consumer goods	3,629	3,891	4,175	4,188	4,485	n.p.	1,249	1,246	1,339	1,279	n.p.	374	390	482	430	437	472	454	327	498	483	513	n.p.
Import of investment goods	1,981	2,009	2,072	2,322	2,403	n.p.	654	549	625	608	n.p.	171	168	210	204	205	216	221	167	220	226	289	n.p.
Intermediate goods	6,552	6,700	6,816	7,079	8,096	n.p.	2,191	2,194	2,366	2,350	n.p.	657	712	825	772	772	822	808	675	867	807	910	n.p.
Consumer goods	2,451	2,635	2,686	2,836	3,200	n.p.	815	833	899	890	n.p.	235	279	319	291	297	311	275	257	358	328	350	n.p.

Sources of data: BS, SORS. Notes: <sup>1</sup> exports and imports (F.O.B.) include also the adjustment for exports and imports of goods by ITRS and duty-free shops reports, <sup>2</sup> only cash flows, corrections will be reported, <sup>3</sup> includes issue of government bonds in exchange for a part of allocated foreign debt in the amount of US\$ 465.4 m - banks' liabilities in foreign loans are decreased by the same amount. Includes issue of Eurobonds in the amount of US\$ 320.6 m, balanced by receipts on government deposits at BS, shown in international reserves, <sup>4</sup> short-term claims include net changes in commercial credits, <sup>5</sup> reserve assets of the BS.

# Monetary Indicators

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	2000	2001	2002	2003	2004	2005	2004		2005											
	December						11	12	1	2	3	4	5	6	7	8	9	10	11	12
	MAIN MONETARY AGGREGATES, end of the month, in SIT bln, national definition																			
Currency in circulation	119.8	142.1	143.1	156.0	167.9	187.2	160.1	167.9	163.1	164.4	166.1	173.1	174.9	179.2	179.0	174.6	177.6	186.0	177.1	187.2
Sight deposits with banks	421.6	490.3	564.5	627.0	838.1	954.8	759.2	838.1	827.5	829.9	835.2	849.4	871.5	887.4	870.7	869.2	881.3	885.0	887.1	954.8
Deposits of enterprises and OFO with the BS	4.9	6.7	8.0	10.3	10.1	6.6	7.7	10.1	10.6	9.2	8.2	6.8	5.6	5.2	5.0	4.7	6.2	5.3	6.3	6.6
State budget deposits with the BS	3.4	8.9	4.5	3.8	2.8	2.7	2.9	2.8	2.7	2.6	2.8	2.9	2.8	3.0	2.7	3.1	3.3	2.7	2.9	6.6
Total sight deposits of non-banking sectors with the BS	8.4	15.6	12.6	14.1	12.8	9.3	10.6	12.8	13.3	11.9	11.0	9.7	8.4	8.2	7.7	7.8	9.5	8.0	9.2	9.3
Tolar savings and time deposits with banks	1002.0	1296.4	1545.3	1591.2	1472.0	1614.1	1494.8	1472.0	1518.0	1505.4	1542.2	1562.9	1564.7	1489.2	1518.2	1550.3	1578.6	1581.3	1648.0	1614.1
Public sector's time deposits with the BS	0.0	19.9	130.3	105.8	124.7	0.0	111.0	124.7	110.9	110.8	110.9	110.9	28.0	26.0	18.7	22.1	27.9	27.9	25.4	0.0
Tolar securities	65.9	96.1	181.1	217.7	203.6	195.2	200.1	203.6	195.5	199.8	195.1	198.6	198.1	200.5	202.1	198.9	202.5	206.9	202.5	195.2
Foreign currency deposits with banks	739.7	962.6	1020.8	1064.4	1214.7	1295.0	1194.0	1214.7	1239.2	1239.6	1233.8	1235.0	1222.5	1238.9	1250.5	1262.4	1277.0	1269.6	1296.7	1295
Foreign currency securities	13.3	17.5	3.1	3.7	2.1	2.6	3.9	2.1	1.4	1.5	0.3	0.9	2.2	2.0	1.2	2.9	1.3	0.3	2.8	2.6
M1	549.8	648.1	720.1	797.2	1018.9	1151.3	930.0	1018.9	1003.9	1006.1	1012.3	1032.2	1054.8	1074.7	1057.4	1051.6	1068.4	1079.1	1073.4	1151.3
M2	1617.6	2060.4	2576.8	2711.8	2819.2	2960.6	2735.8	2819.2	2828.2	2822.2	2860.5	2904.5	2845.6	2790.3	2796.4	2822.9	2877.4	2895.2	2949.3	2960.6
M3	2370.6	3040.6	3600.7	3780.1	4036.0	4258.3	3933.7	4036.0	4068.8	4063.3	4094.6	4140.4	4070.3	4031.2	4048.2	4088.3	4155.8	4164.5	4248.9	4258.3
DEPOSIT MONEY BANKS CLAIMS, end of the month, in SIT bln																				
Claims of BS on central gov.	17.8	9.8	9.2	27.0	29.7	21.8	29.5	29.7	30.1	30.1	29.7	29.8	21.2	21.4	21.8	21.8	21.8	21.6	21.7	21.8
Deposit money banks claims to general government	73.1	83.3	110.1	139.2	145.2	234.9	138.2	144.1	150.6	147.2	147.0	148.4	166.0	169.5	169.0	178.6	192.9	195.8	210.4	234.9
To central government	401.8	457.8	576.2	605.5	727.6	788.8	749.9	742.5	760.9	759.0	794.2	798.1	824.5	744.0	738.0	732.9	758.9	772.6	775.4	788.8
To individuals	495.0	535.8	577.4	643.8	779.8	979.8	768.9	779.2	785.0	793.4	815.3	832.8	853.3	872.9	889.7	907.4	929.5	948.3	964.8	979.8
To enterprises	1078.0	1328.0	1481.3	1734.8	2080.9	2540.4	2008.8	2080.9	2133.3	2163.7	2219.6	2277.9	2288.9	2306.0	2342.1	2357.0	2396.0	2421.1	2499.8	2540.4
Tolar loans: Up to 1 year	497.6	585.2	580.9	596.8	625.4	580.8	636.4	624.5	622.4	617.9	639.0	645.7	648.3	632.0	621.1	608.9	611.6	591.4	589.0	580.8
Over 1 year	793.1	906.0	996.3	1126.8	1281.5	1378.6	1250.6	1281.3	1292.6	1294.3	1302.1	1314.8	1305.1	1314.3	1325.8	1338.0	1350.9	1357.4	1359.8	1378.6
Com.papers and bonds(tolar)	355.7	425.4	531.9	576.3	698.9	775.3	679.4	699.1	721.5	722.6	760.2	766.7	791.8	715.7	710.5	707.4	733.9	752.1	772.6	775.3
DEPOSIT MONEY BANK LIABILITIES TO DOMESTIC NON-BANKING SECTORS, end of the month, in SIT bln																				
Total tolar deposits	1419.0	1781.8	2105.0	2210.0	2309.7	2566.8	2253.3	2309.7	2344.2	2334.3	2375.5	2410.9	2435.4	2375.7	2388.1	2418.5	2459.1	2465.4	2533.9	2567.1
Demand deposits	421.6	490.3	564.5	627.0	838.1	954.8	759.2	838.1	827.5	829.9	835.2	849.4	871.5	887.4	870.7	869.2	881.3	885.0	887.1	954.8
Savings deposits	22.2	24.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Time deposits	970.8	1261.7	1537.7	1579.1	1464.0	1605.3	1487.3	1464.0	1509.9	1496.2	1533.1	1553.6	1555.7	1479.3	1509.5	1541.4	1569.8	1572.5	1638.7	1605
Short-term	682.4	876.2	1050.0	1135.8	1148.4	1337.3	1168.1	1148.4	1200.4	1188.8	1226.2	1246.7	1249.9	1180.4	1215.2	1248.0	1279.0	1292.4	1368.0	1337.3
1- 30 days	92.1	98.5	121.1	110.6	105.1	152.7	147.3	105.1	94.1	83.4	91.0	90.0	128.2	93.9	97.1	105.2	116.9	90.7	149.9	152.7
31 - 90 days	221.8	256.0	346.0	418.1	575.1	675.8	568.4	575.1	609.3	609.4	629.0	640.1	602.0	566.0	591.7	612.3	631.1	672.2	688.0	675.8
91 days - 1 year	368.6	521.6	582.9	607.1	468.1	508.8	452.4	468.1	496.9	496.0	506.2	516.6	519.6	520.4	526.4	530.5	530.9	529.5	530.1	508.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over 1 year	288.3	385.5	487.7	443.2	315.6	267.8	319.3	315.6	309.5	307.4	306.9	306.8	305.8	298.9	294.2	293.4	290.9	280.1	270.7	267.8
Total foreign current liabilities	704.0	931.4	990.8	1027.4	1153.5	1216.4	1146.7	1156.1	1174.7	1178.0	1179.1	1177.1	1188.4	1200.6	1208.0	1203.7	1215.1	1211.7	1237.1	1216.4
Demand deposits	117.3	154.7	167.0	192.5	245.0	272.8	251.3	247.1	255.9	259.4	258.8	256.9	263.4	270.3	272.4	273.2	271.6	267.0	284.5	272.8
Savings deposits	147.4	233.1	230.8	243.2	90.2	236.8	90.2	90.2	89.2	90.0	89.0	91.3	91.0	91.4	91.0	90.4	89.8	90.0	91.7	236.8
Time deposits	386.1	504.4	567.7	570.9	800.2	688.2	769.2	800.4	800.6	800.1	798.2	798.7	798.5	806.6	808.1	811.5	826.9	829.0	825.8	688.2
Short-term	306.8	399.8	448.9	454.4	638.6	491.8	626.8	638.7	632.3	629.3	620.1	619.3	619.2	623.1	625.2	631.8	639.0	638.9	634.4	491.8
Long-term	79.4	104.7	118.8	116.4	161.6	196.5	142.3	161.6	168.3	170.8	178.1	179.5	179.2	183.5	182.9	179.7	187.9	190.2	191.4	196.5

Source of data: BS. Note: <sup>1</sup>General government, individuals, companies and non-profit institutions.

# Prices

Indices, 2005 =100	2000	2001	2002	2003	2004	2005	2005				2005												2006
							Q I	Q II	Q III	Q IV	1	2	3	4	5	6	7	8	9	10	11	12	1
GROWTH IN SELECTED PRICE INDICATORS																							
Consumer price index	76.6	83.0	89.2	94.2	97.6	100.0	98.6	99.8	100.6	101.0	97.9	98.5	99.5	99.6	99.9	100.0	100.7	100.0	101.1	101.3	100.8	100.8	100.2
Food, non-alcoholic beverages	81.7	89.2	95.9	100.3	100.8	100.0	101.5	100.3	98.7	99.5	100.2	101.5	102.9	100.5	101.1	99.3	98.8	98.5	98.9	98.7	99.5	100.2	101.6
Alcoholic beverages, tobacco	65.7	70.7	80.8	91.0	96.3	100.0	98.4	98.5	101.8	101.3	98.4	98.4	98.4	98.5	98.6	98.4	101.8	101.9	101.7	101.6	101.2	101.2	101.3
Clothing and footwear	88.8	90.5	93.5	99.3	101.0	100.0	96.1	103.0	97.4	103.5	94.3	93.5	100.5	102.2	103.4	103.4	102.4	90.8	98.9	103.7	104.9	102.0	89.6
Housing, water, electricity, gas	67.6	75.1	80.2	85.4	91.7	100.0	96.4	98.7	101.8	103.1	95.7	96.3	97.1	98.5	98.4	99.2	100.9	101.2	103.3	103.8	102.8	102.8	103.6
Furnishings, household equip.	79.1	85.3	90.1	94.3	96.5	100.0	98.0	100.3	100.6	101.1	97.8	97.8	98.4	99.8	100.6	100.4	100.5	100.6	100.7	100.9	101.3	101.1	101.7
Medical, pharmaceutical products	77.8	87.5	93.4	98.8	100.3	100.0	100.9	100.8	99.1	99.2	100.9	101.0	100.9	100.8	100.8	100.7	99.1	99.1	99.2	99.2	99.2	99.2	98.3
Transport	74.3	82.0	88.0	92.1	97.4	100.0	98.2	99.3	101.7	100.8	97.1	98.4	99.2	99.2	99.0	99.6	100.6	101.3	103.3	103.2	99.7	99.5	100.2
Communications	77.1	85.5	98.5	99.8	100.0	100.0	100.6	99.5	99.8	100.2	100.7	100.6	100.4	100.2	99.4	98.9	98.9	100.1	100.4	100.2	100.2	100.1	100.1
Recreation and culture	79.5	83.9	89.8	94.2	97.7	100.0	98.4	99.2	102.9	99.5	98.1	98.8	98.3	98.0	99.0	100.6	103.4	104.3	101.1	99.2	99.1	100.1	99.4
Education	69.3	75.9	83.5	87.1	93.4	100.0	96.3	100.6	100.9	102.2	95.5	96.3	97.2	100.6	100.6	100.6	100.6	100.6	101.3	102.1	102.1	102.5	102.5
Catering services	72.8	77.8	84.9	91.1	95.8	100.0	98.4	99.3	100.7	101.6	98.1	98.5	98.5	99.0	99.2	99.8	100.2	100.7	101.3	101.8	101.6	101.4	101.9
Miscellaneous goods & services	76.0	81.8	88.8	94.5	98.1	100.0	98.6	99.8	100.8	100.8	98.2	98.5	99.0	99.6	99.9	100.0	100.8	100.7	100.9	100.4	101.0	101.0	101.1
Harmonized consumer price index; 2000=100	76.4	82.9	89.1	94.2	97.6	100.0	98.6	99.8	100.7	100.9	97.8	98.5	99.5	99.5	99.9	99.9	100.7	100.2	101.2	101.4	100.8	100.7	100.3
Producer price index	79.5	86.6	91.0	93.4	97.4	100.0	99.7	99.9	99.9	100.6	99.4	99.8	99.8	100.2	99.8	99.8	99.7	99.9	100.2	100.4	100.5	100.9	100.8
Intermediate goods	79.0	86.4	89.6	91.4	96.9	100.0	99.6	100.0	99.9	100.6	99.8	99.7	99.5	100.1	100.0	99.8	99.6	99.9	100.2	100.3	100.4	101.2	101.3
Capital goods	89.0	92.5	95.1	94.7	97.0	100.0	100.0	100.3	99.5	100.2	99.8	99.9	100.3	101.0	100.1	99.8	99.5	99.5	99.6	100.1	100.3	100.1	99.6
Consumption goods	77.7	85.2	91.6	95.3	98.1	100.0	99.5	99.7	100.0	100.6	98.8	99.8	99.9	99.8	99.5	99.9	99.7	99.9	100.4	100.6	100.6	100.6	100.4
PRICE CONTROL <sup>1</sup>																							
Energy prices	67.2	76.3	81.1	83.3	89.4	100.0	93.5	98.2	104.5	103.8	91.8	93.8	95.0	98.1	97.5	99.1	102.4	103.2	107.9	107.3	102.0	102.0	104.1
Oil products	62.7	74.0	78.9	80.2	86.7	100.0	91.8	97.5	105.8	104.8	89.6	92.1	93.7	97.4	96.6	98.7	103.0	104.1	110.4	109.5	102.5	102.5	105.0
Electr. for households	80.9	85.4	90.4	93.8	98.6	100.0	99.1	100.3	100.3	100.3	99.1	99.1	99.1	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.8
Basic utilities	56.4	71.0	83.4	88.6	96.2	100.0	100.0	100.1	100.0	99.9	100.4	99.8	99.9	99.9	100.1	100.1	99.9	100.0	100.0	100.0	100.0	99.9	99.9
Transport & commun.	60.9	70.7	91.5	95.2	97.9	100.0	98.8	99.2	101.1	101.0	98.8	98.8	98.8	98.8	99.2	99.6	101.3	101.0	101.0	101.0	101.0	101.0	101.0
Other controlled prices	78.6	81.7	86.0	89.8	95.7	100.0	99.1	99.5	100.7	100.7	98.8	99.1	99.5	99.5	99.6	99.6	100.6	100.7	100.7	100.7	100.7	100.7	101.8
Direct control – total	64.9	74.7	82.5	85.5	91.5	100.0	95.3	98.7	103.3	102.8	94.1	95.4	96.3	98.5	98.1	99.3	101.8	102.4	105.6	105.2	101.6	101.6	103.2
Source of data: SORS, calculations and estimates IMAD. Note: <sup>1</sup> the structure of groups varies, data published are not directly comparable to those published previously.																							

# Monetary Indicators

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	End year						2004	2005											
	2000	2001	2002	2003	2004	2005	12	1	2	3	4	5	6	7	8	9	10	11	12
INTEREST RATES, in %																			
Discount rate	8.67	10.75	9.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General legal penal. rate	24.65	27.99	21.16	18.25	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50
Tolar bills (7 days)	2.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange bills	4.16	4.08	3.14	2.17	2.00	2.10	2.09	2.06	2.06	2.06	2.06	2.04	2.04	2.04	2.04	2.04	2.06	2.31	2.36
Deposits interest rates (r)																			
Demand deposits (n)	1.0	1.0	1.0	1.0	0.6	0.3	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Time deposits 31-90 days (r)	0.9	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Time deposits over 1 year (r)	4.5	4.7	3.6	1.7	0.6	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Lending interest rates																			
Short-term loans	6.2	5.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loans	7.9	7.8	7.4	6.2	4.9	4.2	4.7	4.7	4.6	4.7	4.7	4.1	3.9	3.9	3.9	3.9	3.9	3.9	4.0
REVALUATION CLAUSES, in %																			
Tolar: annualised rate	9.10	8.62	7.66	5.96	3.87	2.95	3.60	3.59	3.98	2.38	3.71	2.38	2.46	2.38	2.38	2.46	3.59	3.71	2.38
Forex clause: annualised	7.2	4.7	4.0	2.8	1.3	-0.1	-0.1	0.0	0.0	-0.1	-0.3	-0.3	-0.2	0.0	0.0	0.0	0.2	-0.3	0.0
INVESTMENT, outlays, in SIT mln																			
<b>Total</b>	447,992	514,497	524,626	610,923	760,662	772,675	127,612	73,145	58,250	53,049	46,622	43,871	61,053	58,460	53,929	61,924	52,422	81,795	128,155
Industry total	90,736	121,197	114,794	136,349	184,271	181,466	26,997	12,707	16,685	10,326	14,492	10,652	14,422	14,469	18,200	14,475	13,292	21,655	20,091
Energy sector	28,415	26,743	36,959	31,538	39,105	38,701	11,142	3,509	2,938	1,944	1,973	1,533	3,321	3,970	3,760	4,194	1,884	3,050	6,625
Manufacturing	62,321	94,454	77,835	104,811	145,163	142,765	15,855	9,198	13,747	8,382	12,519	9,119	11,101	10,499	14,440	10,281	11,408	18,605	13,466
Construction	8,825	9,391	8,937	11,350	21,470	129,610	3,299	1,453	1,753	1,794	2,461	1,877	1,629	1,666	1,724	71,722	8,272	12,852	22,406
Transport and communications	85,236	82,479	58,244	39,779	54,720	63,689	8,646	13,838	3,274	4,592	3,074	3,841	3,762	4,584	3,894	3,016	4,387	8,279	7,148
Trade	43,452	56,554	66,950	67,852	80,272	93,793	11,101	12,773	7,412	2,390	5,068	4,326	4,801	6,401	5,533	11,465	5,282	12,105	16,237
Hotels and restaurants	8,174	7,687	9,144	14,665	14,206	15,641	1,521	1,325	564	928	850	1,117	2,867	1,109	715	2,080	651	693	2,742
Financial and technical services	23,217	30,796	40,339	48,049	52,291	48,192	14,221	4,865	5,728	3,292	3,287	3,921	5,055	4,153	2,965	2,896	2,376	3,995	5,659
Other	188,352	206,393	226,220	292,876	353,432	240,285	61,827	26,184	22,834	29,727	17,390	18,137	28,517	26,078	20,898	-43,730	18,162	22,216	53,872
In econ. infrastructure, total <sup>1</sup>	173,825	166,027	162,078	177,777	223,096	180,751	39,184	11,630	12,910	17,456	8,656	11,379	15,647	15,414	13,344	16,749	10,942	17,214	29,409
Energy sector	28,414	26,742	36,959	46,562	46,469	42,212	11,142	3,509	2,938	5,453	1,973	1,533	3,321	3,970	3,760	4,194	1,884	3,050	6,625
Electricity supply	20,100	16,012	25,132	26,903	23,107	24,251	2,683	1,916	1,648	3,029	1,077	1,120	2,411	2,974	2,292	2,654	940	1,756	2,433
Gas supply	1,012	506	1,380	1,282	689	678	123	69	30	112	43	15	27	30	33	77	57	74	111
Hot water supply	1,034	966	1,168	2,725	2,027	2,564	273	231	179	414	125	95	139	410	244	190	140	253	144
Cold water supply	6,267	9,259	9,280	15,652	20,645	14,720	8,063	1,293	1,082	1,898	728	303	744	555	1,191	1,273	746	966	3,939
Transport infrastructure	145,410	139,285	125,119	131,215	176,627	138,539	28,043	8,121	9,971	12,003	6,683	9,846	12,326	11,444	9,583	12,555	9,058	14,164	22,783
Railways	34,113	30,074	16,924	1,717	1,822	2,615	269	39	61	31	204	245	481	256	306	351	87	291	263
Air traffic	798	821	618	1,774	2,660	3,462	582	616	223	426	184	563	267	233	116	170	77	450	137
Roads, motorways	75,490	67,506	81,467	103,849	141,157	106,040	23,786	5,511	7,770	8,835	4,583	6,932	9,682	8,729	7,181	9,894	6,116	10,930	19,875
Postal and telecom services	33,252	38,757	24,573	20,923	26,717	24,143	2,894	1,661	1,746	2,269	1,535	1,912	1,741	1,997	1,893	1,944	2,693	2,359	2,393
Other	1,757	2,127	1,538	2,952	4,271	2,279	511	293	171	442	176	193	156	229	87	195	85	135	116

Sources of data: SORS, BS, AP. Notes: A large infrastructure company has been included in the construction activity since September 2005. <sup>1</sup>outlays collected on the basis of data for individual investors.

# Labour Market

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	Number in thousand	2000	2001	2002	2003	2004	2005	2004	2005					2005											
								Q IV	Q I	Q II	Q III	Q IV	1	2	3	4	5	6	7	8	9	10	11	12	
A	FORMAL LABOUR FORCE (A=B+E)	907.1	908.2	911.4	899.1	900.3	905.0	902.4	900.5	904.5	905.0	910.0	899.0	900.5	901.8	903.8	904.6	905.0	904.6	903.3	907.2	911.7	912.2	906.1	
B	PERSONS IN FORMAL EMPLOYM. (C+D)	800.5	806.3	808.7	801.4	807.5	813.1	811.0	807.5	814.3	814.1	816.5	805.6	807.4	809.5	812.2	814.8	816.1	813.5	812.7	816.1	817.5	818.3	813.6	
	In agriculture, forestry, fishing	43.8	42.3	45.4	37.7	41.2	38.7	40.7	38.7	39.0	38.9	38.8	38.7	38.7	38.8	39.0	39.0	39.0	38.9	38.9	38.9	38.9	38.9	38.6	
	In industry, construction	321.8	321.8	323.3	318.4	313.9	310.9	314.0	310.9	313.5	313.3	311.8	310.9	310.6	311.1	312.0	314.2	314.5	313.7	313.2	313.1	313.5	313.0	308.8	
	Of which: in manufacturing	240.6	240.8	243.1	238.9	236.1	233.7	235.7	233.4	233.0	230.9	229.8	233.7	233.3	233.2	232.9	233.3	232.7	231.6	230.7	230.5	230.7	230.5	228.3	
	In construction	63.8	64.1	63.4	63.3	62.2	61.7	62.7	61.9	64.9	66.9	66.5	61.7	61.8	62.3	63.4	65.3	66.1	66.5	66.9	67.1	67.2	67.0	65.2	
	In services	434.9	442.2	440.0	445.2	452.3	463.5	456.3	457.9	461.8	461.9	465.9	456.0	458.1	459.6	461.2	461.6	462.6	460.9	460.7	464.0	465.1	466.4	466.1	
	Of which: in public administration	43.1	44.6	45.9	47.7	49.9	49.1	50.3	49.3	49.7	49.8	49.9	49.1	49.4	49.4	49.5	49.7	49.9	49.8	49.8	49.9	49.9	49.9	49.8	
	in education, health-services soc. work	107.7	110.1	101.6	102.7	105.0	106.5	106.2	106.9	107.7	107.0	108.4	106.5	106.9	107.3	107.5	107.7	107.9	106.7	106.4	107.9	108.2	108.5	108.4	
C	FORMALLY EMPLOYED <sup>1</sup>	715.4	722.1	721.4	722.1	724.4	731.6	727.8	726.4	732.9	732.6	734.4	724.6	726.3	728.3	730.9	733.4	734.6	732.1	731.3	734.4	735.5	736.2	731.5	
	In enterprises and organisations	647.9	653.8	654.6	656.0	658.7	666.2	661.8	662.4	667.1	666.6	668.6	660.7	662.5	663.9	665.4	667.4	668.4	666.1	665.5	668.3	669.1	670.1	666.7	
	In small scale sector	67.5	68.4	66.8	66.2	65.6	65.4	66.0	64.0	65.9	66.0	65.8	63.9	63.9	64.4	65.4	66.0	66.2	66.0	65.8	66.2	66.4	66.2	64.8	
D	SELF EMPLOYED AND FARMERS	85.1	84.2	87.3	79.2	83.1	81.5	83.2	81.1	81.4	81.5	82.0	81.1	81.1	81.2	81.3	81.4	81.4	81.4	81.5	81.6	82.0	82.1	82.0	
E	REGISTERED UNEMPLOYMENT	106.6	101.9	102.6	97.7	92.8	91.9	91.4	92.9	90.1	90.9	93.6	93.4	93.1	92.3	91.6	89.8	88.9	91.1	90.6	91.1	94.2	93.9	92.6	
	Female	54.1	51.7	52.5	51.6	49.3	49.4	48.6	48.8	48.6	49.7	50.6	48.9	48.8	48.8	49.0	48.4	48.3	50.0	49.6	49.7	51.3	50.9	49.7	
	By age: Under 26	25.0	24.5	24.7	25.5	24.3	22.2	25.1	21.1	22.1	21.7	23.9	21.3	21.1	20.9	22.9	22.0	21.4	21.7	21.4	22.1	24.6	24.4	22.8	
	Older than 40	55.1	51.5	50.7	43.1	39.7	40.1	38.1	41.2	39.4	39.8	39.9	41.3	41.2	41.0	39.7	39.4	39.2	39.7	39.9	39.8	39.9	39.8	40.0	
	Unskilled	50.4	47.9	48.2	43.2	38.6	37.5	37.3	38.4	37.0	36.9	37.5	38.4	38.6	38.3	37.7	36.9	36.4	36.6	36.8	37.3	37.6	37.7	37.2	
	For more than 1 year	67.0	60.0	55.8	47.5	42.9	43.4	41.7	42.6	42.9	44.6	43.6	42.3	42.6	42.8	43.0	42.9	42.9	44.0	44.4	45.5	43.9	44.0	42.9	
	Those receiving benefits	31.0	25.8	24.4	24.3	22.3	23.3	21.4	23.6	22.9	23.5	23.2	23.3	23.5	24.0	23.1	22.9	22.8	23.1	23.9	23.5	22.7	23.1	23.7	
F	RATE OF REG. UNEMPLOYM., E/A, in %	<b>11.8</b>	<b>11.2</b>	<b>11.3</b>	<b>10.9</b>	<b>10.3</b>	<b>10.2</b>	<b>10.1</b>	<b>10.3</b>	<b>10.0</b>	<b>10.0</b>	<b>10.3</b>	<b>10.4</b>	<b>10.3</b>	<b>10.2</b>	<b>10.2</b>	<b>10.1</b>	<b>9.8</b>	<b>10.1</b>	<b>10.0</b>	<b>10.0</b>	<b>10.3</b>	<b>10.3</b>	<b>10.2</b>	
G	FLOWS OF FORMAL LABOUR FORCE	1.3	2.8	-2.3	-10.2	2.4	8.0	-3.2	3.7	3.2	2.2	-1.0	0.8	1.6	1.3	2.0	0.8	0.4	-0.4	-1.3	3.8	4.6	0.5	-6.1	
	New unemployed first job seekers	20.5	21.9	21.4	25.4	26.0	21.7	9.5	3.3	3.4	6.3	8.6	1.2	0.9	1.2	1.3	1.0	1.1	1.1	1.4	3.8	5.6	1.9	1.1	
	Redundancies	61.8	65.8	66.0	68.8	69.6	67.2	18.8	18.6	14.7	17.0	17.0	8.7	4.9	5.2	4.9	4.9	4.9	6.0	5.3	5.6	5.3	5.6	6.0	
	Reg.unemployed who found employment	60.2	52.7	52.2	50.5	54.3	53.9	12.8	14.9	14.1	12.9	11.9	5.3	4.4	5.1	5.0	4.9	4.2	3.1	4.8	5.0	4.3	4.4	3.2	
	Other unemployed erased out of register	31.9	35.3	39.9	47.3	46.6	33.1	15.5	5.5	7.4	8.2	12.1	1.9	1.7	2.3	2.2	2.7	2.6	1.9	2.4	3.8	3.5	3.4	5.3	
	Change in no. of work permits for foreigners	2.9	-6.4	2.1	3.5	-0.5	3.9	-1.9	-0.2	3.0	1.4	-0.3	-0.2	0.2	-0.2	1.7	0.9	0.4	0.9	0.7	-0.2	-0.1	-0.1	-0.1	
	Retirements <sup>2</sup>	14.8	16.2	16.2	15.5	17.9	12.3	5.1	1.6	2.7	4.2	3.9	1.5	1.0	0.3	0.8	0.9	1.0	1.1	1.1	1.9	1.7	1.1	1.0	
	Deaths <sup>2</sup>	2.6	2.7	2.6	2.5	2.5	2.5	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
	Others who found employment <sup>2</sup>	25.2	39.3	30.7	24.3	41.8	28.9	9.9	8.0	7.1	6.9	6.8	3.3	3.1	3.0	1.9	2.7	2.7	0.7	0.3	6.0	4.2	3.3	-0.8	
H	JOB VACANCIES	12.9	11.9	11.6	12.1	14.1	16.9	15.0	14.3	18.3	18.0	16.5	15.3	14.1	15.2	16.9	18.6	19.2	17.2	15.8	21.1	17.2	15.5	16.7	
	For fixed term, in %	70.7	72.4	74.4	73.8	73.7	75.6	72.9	73.8	76.4	77.9	73.7	70.6	74.6	76.3	76.3	76.2	76.6	75.5	83.6	75.5	75.0	73.9	72.1	
I	WORK PERMITS FOR FOREIGNERS	39.9	38.2	35.3	39.7	39.7	41.6	39.2	38.9	39.5	42.0	43.3	38.8	39.0	38.8	40.6	41.4	41.9	42.8	43.5	43.3	43.2	43.0	43.0	
	As % of labour force (I/A)	4.4	4.2	3.9	4.4	4.4	4.6	4.3	4.3	4.4	4.6	4.8	4.3	4.3	4.3	4.5	4.6	4.6	4.7	4.8	4.8	4.7	4.7	4.7	

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

# Wages, Competitiveness, Exchange Rate

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	2000	2001	2002	2002	2003	2004	2004	2005	2004				2005				2005			
									Q I	Q II	Q III	Q IV	Q I	Q II	Q III	Q IV	9	10	11	12
<b>GROSS WAGE PER EMPLOYEE, in SIT<sup>1</sup></b>	<b>New methodology</b>																			
Total	191,669	214,561	235,436	235,436	253,200	267,571	264,403	277,279	255,199	257,639	263,816	280,958	267,391	270,945	275,944	294,659	277,374	279,506	313,965	290,505
Agriculture, fishing	171,605	185,256	200,608	196,197	207,446	217,474	215,981	224,253	208,439	211,493	213,960	230,033	215,223	217,556	223,266	240,966	224,381	225,272	263,472	234,155
A Agriculture	171,669	185,550	201,007	196,758	207,565	217,554	216,252	224,225	208,785	211,845	213,929	230,449	215,269	217,738	223,375	241,171	224,541	225,229	264,305	233,978
B Fishing	166,131	172,752	183,110	183,110	197,567	207,828	205,207	218,670	195,677	197,649	215,722	211,781	213,271	209,434	218,378	232,990	216,878	227,108	230,539	241,323
Industry, construction	164,859	182,498	201,146	200,160	215,547	230,884	229,615	243,067	220,339	222,363	229,109	246,648	233,610	236,353	241,806	260,500	243,545	245,164	284,908	251,428
C Mining and quarrying	218,705	248,031	274,202	274,202	298,122	326,739	324,410	344,670	313,947	311,467	324,588	347,638	328,429	340,491	339,288	371,164	343,936	343,040	429,683	340,770
D Manufacturing	161,296	178,596	197,166	196,220	211,060	226,029	225,806	238,985	217,256	219,097	225,238	241,633	231,044	232,293	237,742	255,026	239,215	241,126	277,158	246,795
E Elect., gas&water supply	219,212	250,000	278,616	277,009	299,812	324,344	322,478	353,836	297,225	300,610	316,321	375,757	322,401	329,251	343,676	420,375	349,465	355,189	543,751	362,186
F Construction	159,541	173,179	189,015	188,911	204,316	218,781	214,536	224,794	205,582	208,940	216,011	227,610	214,090	221,927	225,868	236,563	227,709	227,058	245,273	237,358
Production services	180,635	199,109	216,813	216,457	232,528	247,320	242,355	253,747	233,583	235,974	240,296	259,568	245,079	247,339	250,493	272,077	251,513	256,038	283,231	276,960
G Distributive trade	173,119	189,609	207,203	207,059	222,101	237,002	233,682	244,880	225,131	227,740	232,286	249,573	236,359	239,801	242,147	260,919	243,131	245,925	274,812	262,020
H Hotels & restaurants	150,527	165,159	178,438	178,105	189,230	200,054	196,458	202,895	188,979	193,178	196,533	207,141	196,853	198,691	203,743	212,225	202,979	206,529	218,077	212,069
I Transport, storage & communications	208,417	232,483	252,308	251,625	272,238	290,603	284,881	299,377	274,107	275,804	280,753	308,860	288,958	288,468	292,814	326,711	294,559	303,318	333,740	343,074
Business services	234,470	262,436	287,424	283,209	305,446	322,248	312,967	325,355	301,341	303,828	307,028	339,673	310,803	317,632	317,531	355,454	321,306	320,118	401,887	344,356
J Financial intermediation	279,107	313,370	339,900	339,900	370,832	392,954	388,044	413,896	362,797	378,078	374,881	436,419	380,954	407,582	393,531	471,964	403,903	393,382	589,766	432,744
K Real estate	207,803	233,439	258,709	254,626	273,716	288,965	283,421	292,763	276,337	274,473	280,158	302,718	284,126	284,678	289,166	312,335	290,583	293,101	332,240	311,663
Public services	230,598	262,648	285,571	293,973	312,583	321,405	319,911	330,580	312,116	314,679	322,786	330,064	321,851	325,880	333,536	341,066	333,562	335,906	347,301	339,990
L Public administration	244,662	278,826	299,889	299,889	321,502	322,912	322,928	333,302	319,090	317,043	325,519	330,061	325,806	330,083	337,434	339,869	339,196	338,944	341,618	339,045
M Education	220,572	255,222	288,267	288,038	309,968	326,002	325,463	340,967	314,427	318,533	331,902	336,990	329,453	334,639	347,544	352,250	347,915	348,599	355,151	353,000
N Health & social work	224,575	253,131	267,824	291,318	308,013	312,423	310,990	316,827	304,864	308,846	312,349	317,901	310,231	313,273	317,824	325,926	315,768	320,518	332,207	325,053
O Other soc.&person.serv.	245,579	273,443	293,855	293,764	307,184	325,541	316,566	325,159	304,059	310,819	313,569	337,818	316,045	318,560	319,481	346,260	318,012	326,343	373,778	338,659
<b>INDICATORS OF OVERALL COMPETITIVENESS, 1995=100</b>																				
<b>Foreign exchange rates</b>																				
Effective exch. rate <sup>2</sup> nominal	138.4	146.9	151.3	-	151.6	152.6	-	153.0	151.5	153.2	153.6	152.1	151.7	152.7	153.4	154.0	153.2	153.7	154.3	154.1
Real (relative consum. prices)	100.9	101.0	98.4	-	94.8	94.0	-	94.0	93.9	94.3	94.4	93.4	93.6	93.7	94.1	94.5	93.9	94.1	94.5	94.8
Real (relative ind.prod.prices)	108.7	107.3	105.0	-	103.7	102.6	-	103.3	102.0	103.0	103.2	102.2	101.8	102.8	104.0	104.5	104.2	105	104.6	104.1
SIT/US\$ <sup>3</sup>	222.7	242.7	240.2	-	207.1	192.4	-	192.7	189.8	197.9	196.3	185.4	182.7	190.2	196.4	201.5	195.3	199.3	203.2	202.2
SIT/EUR <sup>3</sup>	205.0	217.2	226.2	-	233.7	238.9	-	239.6	237.4	238.5	239.8	239.8	239.7	239.6	239.6	239.6	239.6	239.6	239.6	239.6
<b>Unit labour costs<sup>4</sup></b>																				
Nominal (original series)	135.8	146.0	155.3	-	160.4	162.9	163.1	162.8	157.5	164.8	162.0	170.1	164.0	161.3	163.1	164.9	143.5	152.7	164.2	177.7
Real <sup>5</sup> (original series)	102.8	101.6	102.6	-	103.4	100.7	100.8	98.0	99.2	102.1	99.5	103.6	99.1	97.1	98.2	98.7	86.2	91.5	98.4	106.1
In currency basket <sup>6</sup> (orig.ser.)	98.2	99.4	102.6	-	105.8	106.7	106.9	106.4	104	107.6	105.4	111.9	108.1	105.7	106.3	107	93.6	99.3	106.5	115.4
Sources of data: SORS, AP, BS, OECD Main Economic Indicators, calculations IMAD. Notes: The September 2005 data on the monthly gross wage per employee were calculated according to the new methodology for 2004 and beyond. <sup>1</sup> data on wages based on SCA, basic data on wages - SORS, since January 2002. SORS' figures used, which ignore the changes in subgroup 85.322 - organisations for handicapped persons. Figures in the second column for 2002 and onwards include corrections made by the SORS to the subgroup 85.322. <sup>2</sup> based on market exchange rates, growth in index value denotes drop in the value of tolar and vice versa. <sup>3</sup> exchange rates of BS. <sup>4</sup> for manufacturing in enterprises and organisations. <sup>5</sup> based on producer prices in SIT. <sup>6</sup> only domestic factors.																				

# Public Finance

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Current prices in SIT million	2000	2001	2002	2003	2004	2004			2005			2005						
						QII	QIII	QIV	QI	QII	QIII	5	6	7	8	9	10	11
CONSOLIDATED GENERAL GOVERNMENT REVENUES, EXPENDITURES AND FINANCING; GFS - IMF METHODOLOGY																		
<b>CONSOLIDATED GENERAL GOVERNMENT REVENUES</b>																		
TOTAL GENERAL GOVERNMENT REVENUES	1,793,528	2,048,224	2,176,399	2,477,425	2,683,055	662,538	635,917	755,867	657,214	693,961	718,595	235,455	225,763	221,756	259,013	237,826	228,085	273,457
Current revenues	1,761,845	2,017,807	2,136,049	2,440,298	2,609,053	644,901	620,149	720,151	636,538	680,052	687,104	231,649	220,125	215,077	240,811	231,215	221,267	260,709
Tax revenues	1,666,398	1,878,783	2,002,134	2,291,071	2,446,899	605,842	577,653	679,594	609,274	646,633	641,479	221,619	206,208	204,611	230,114	206,754	204,825	247,057
Taxes on income and profit	311,429	357,877	395,045	460,520	506,878	151,416	108,442	134,539	118,919	155,316	119,541	43,795	33,045	35,438	43,770	40,333	43,868	44,774
Social security contributions	619,265	701,347	774,355	839,216	899,400	219,232	223,263	242,240	228,022	233,486	237,070	76,859	78,680	78,777	77,764	80,528	79,807	81,703
Taxes on payroll and workforce	68,071	83,369	93,897	107,424	117,676	28,568	28,821	32,331	29,098	30,198	30,812	9,959	10,215	10,278	10,040	10,493	10,379	10,844
Taxes on property	26,513	32,965	34,428	34,419	39,513	9,158	13,705	12,203	5,493	10,570	12,456	3,774	4,851	3,394	5,752	3,310	2,805	5,893
Domestic taxes on goods and services	602,895	673,380	672,703	814,577	856,610	189,780	196,598	255,760	229,437	214,583	239,187	86,471	78,730	75,759	92,186	71,241	62,931	102,901
Taxes on internat. trade & transactions	38,089	29,607	31,341	34,653	19,339	7,287	1,717	2,238	2,133	2,381	2,175	710	664	667	703	804	804	879
Other taxes	136	238	365	261	7,484	401	5,105	282	-3,829	99	238	52	24	297	-103	45	4,232	63
Non-tax revenues	95,447	139,024	133,915	149,227	162,154	39,058	42,496	40,558	27,265	33,418	45,625	10,029	13,917	10,467	10,697	24,461	16,442	13,652
Capital revenues	9,674	10,199	15,165	15,857	20,751	3,417	3,777	9,927	4,597	4,028	6,681	1,436	1,904	2,707	1,699	2,275	2,969	2,125
Voluntary donations	7,421	10,788	14,223	13,384	1,877	728	370	462	222	475	631	161	208	230	233	167	191	243
Grants	14,588	9,431	10,962	7,887	7,536	182	183	6,992	130	402	296	34	309	77	109	110	241	6,721
Receipts from the EU budget	-	-	-	-	43,838	13,310	11,438	18,336	15,726	9,004	23,884	2,175	3,217	3,663	16,162	4,059	3,417	3,659
<b>CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE</b>																		
TOTAL EXPENDITURE	1,848,249	2,111,417	2,332,422	2,555,894	2,768,427	710,332	660,599	762,587	691,662	743,743	681,185	252,441	240,165	219,178	238,982	223,025	230,460	260,449
Current expenditure	863,813	1,004,446	1,118,539	1,225,523	1,234,113	327,923	281,611	330,383	310,638	334,830	295,171	105,257	100,156	98,474	99,622	97,074	104,498	109,935
Wages, salaries and other personnel expenditure in government agencies and local communities	454,306	536,849	607,464	662,776	700,349	185,192	171,747	179,899	173,907	189,379	180,665	59,086	59,804	59,120	61,847	59,699	59,604	61,309
Purchases of goods and services in state bodies and local communities	335,955	385,770	417,688	451,440	429,861	107,537	100,142	126,036	99,733	111,363	105,357	33,802	35,750	35,409	35,752	34,195	35,409	41,374
Interest payments	60,956	72,809	83,528	92,661	91,933	34,228	7,530	16,432	34,698	31,744	5,629	11,622	3,709	2,686	868	2,075	8,275	5,891
Reserves	12,597	9,018	9,858	18,646	11,969	966	2,192	8,015	2,299	2,343	3,519	747	892	1,259	1,156	1,105	1,209	1,360
Current transfers	813,491	908,026	1,006,977	1,097,369	1,249,909	325,015	303,106	322,938	315,995	349,625	321,761	128,278	115,979	102,754	115,972	103,035	104,364	113,487
Subsidies	58,951	63,161	60,435	69,470	77,571	12,423	13,846	29,446	24,520	21,180	9,228	3,176	14,366	3,165	3,560	2,503	3,284	6,003
Current transfers to individuals and households	731,077	821,358	910,391	986,100	1,053,417	282,621	257,983	259,591	265,338	295,887	273,111	114,708	89,596	89,373	95,477	88,261	89,234	93,448
Current transfers to non-profit institut., other current domestic transfers	19,641	18,085	31,075	36,722	113,675	28,575	30,234	31,779	25,757	30,780	36,981	10,150	11,075	9,525	16,221	11,234	11,521	13,406
Current transfers	3,822	5,421	5,076	5,077	5,247	1,395	1,043	2,121	380	1,777	2,441	244	942	692	713	1,036	325	630
Capital expenditure	111,003	127,996	128,733	142,131	151,305	26,498	35,851	63,374	26,361	26,340	32,182	7,490	11,294	8,723	11,468	11,991	12,169	16,548
Capital transfers	59,942	70,949	78,174	90,871	92,464	20,555	22,987	32,642	14,851	19,614	16,704	6,527	7,980	4,405	7,097	5,202	5,503	14,733
Payments to the EU budget	-	-	-	-	40,637	10,342	17,044	13,251	23,818	13,335	15,368	4,888	4,756	4,822	4,823	5,723	3,927	5,745
<b>SURPLUS / DEFICIT</b>	<b>-54,720</b>	<b>-63,193</b>	<b>-156,023</b>	<b>-78,469</b>	<b>-85,372</b>	<b>-</b>												

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

<b>Main Indicators</b>	<b>Slovenian Economic Mirror</b>		<b>IMAD</b>
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Real growth rates, in %	2000	2001	2002	2003	2004	2005	2005	2006	2007
							Autumn Forecast		
GDP	4.1	2.7	3.5	2.7	4.2	-	3.9	4.0	4.0
GDP per capita, in EUR	10,543	11,094	11,866	12,461	13,103	-	13,896	14,772	15,703
GDP per capita, PPS <sup>1</sup>	14,600	15,400	16,000	16,500	17,900	-	-	-	-
Standardised rate of unemployment (ILO)	7.0	6.4	6.4	6.7	6.3	-	6.1	5.8	5.6
Labour productivity (GDP per employee)	3.3	2.2	3.9	3.0	4.1	-	3.2	3.5	3.5
Inflation <sup>2</sup> , annual average	8.9	8.4	7.5	5.6	3.6	2.5	2.5	2.5	2.4
<b>INTERNATIONAL TRADE – BALANCE OF PAYMENTS STATISTICS</b>									
Exports of goods and services <sup>3</sup>	13.2	6.3	6.7	3.1	12.5	-	8.6	7.8	8.1
Exports of goods	13.2	7.0	6.4	4.4	12.8	-	9.4	8.1	8.4
Exports of services	13.4	3.2	8.0	-2.5	10.9	-	4.6	6.5	6.5
Imports of goods and services <sup>3</sup>	7.3	3.0	4.8	6.7	13.2	-	6.0	6.5	7.3
Imports of goods	7.4	3.2	4.4	7.3	14.5	-	6.3	6.6	7.3
Imports of services	6.8	1.8	7.5	3.0	5.6	-	4.2	6.2	7.1
Current account balance, In EUR million	-583	38	344	-81	-544	-	-436	-195	48
Average exchange rate, SIT/EUR	205.0	217.2	226.2	233.7	238.9	239.6	239.6	239.6	239.6
Foreign exchange reserves, In EUR million	4,705	6,514	7,842	7,703	7,484	8,832	-	-	-
Gross external debt, In EUR million	9,490	10,403	11,484	13,259	15,278	18,926 <sup>4</sup>	-	-	-
<b>DOMESTIC DEMAND – NATIONAL ACCOUNTS STATISTICS (share in GDP in %)</b>									
Private consumption	57.4	56.6	55.5	55.8	55.4	-	55.3	54.9	54.5
Government consumption	19.3	20.0	19.7	19.6	19.5	-	19.5	19.4	19.3
Gross fixed capital formation	25.6	24.1	22.6	23.3	24.1	-	24.5	24.7	24.9
<b>CONSOLIDATED GENERAL GOVERNMENT REVENUE AND EXPENDITURE BY THE GFS – IMF METHODOLOGY (as a % of GDP)</b>									
General government revenue	41.7	42.7	40.6	42.6	42.9	-	43.6	43.1	43.0
General government expenditure	43.0	44.0	43.5	44.0	44.3	-	45.0	44.5	44.2
Surplus (deficit)	-1.3	-1.3	-2.9	-1.4	-1.4	-	-1.4	-1.4	-1.2
Sources of data: SORS, BS, MF, calculations, estimate and forecasts by the IMAD – Autumn forecast 2005.									
Notes: <sup>1</sup> Eurostat – New Cronos, January 2006; <sup>2</sup> the consumer price index; <sup>3</sup> balance of payments statistics (exports F.O.B., imports F.O.B.), changes in exchange rates and prices in foreign markets eliminated by calculating real rates;									
<sup>4</sup> end November 2005.									

# International Comparisons / I

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	Real GDP growth				GDP per capita in PPS <sup>1</sup> EU25=100				Inflation <sup>2</sup> (annual average)			
	2001	2002	2003	2004	2001	2002	2003	2004	2002	2003	2004	2005
<b>Slovenia</b>	2.7	3.5	2.7	4.2	74.2	74.9	76.3	79.5	7.5	5.6	3.6	2.5
EU25	1.8	1.1	1.1	2.4	100	100	100	100	2.1	1.9	2.1	2.2
Euro Area	1.7	0.9	0.7	2.1	108.4	107.6	107.2	106.6	2.3	2.1	2.1	2.2
Belgium	0.7	0.9	1.3	2.9	117.7	118.1	118.6	118.9	1.6	1.5	1.9	2.5
Czech Republic	2.6	1.5	3.2	4.4	65.1	66.6	68.1	70.6	1.4	-0.1	2.6	1.6
Denmark	0.7	0.6	0.7	2.4	125.4	121.1	120.9	121.7	2.4	2.0	0.9	1.7
Germany	1.2	0.1	-0.2	1.6	110.5	109.2	108.9	109.1	1.3	1.0	1.8	1.9
Estonia	6.5	7.2	6.7	7.8	42.4	45.3	48.5	51.5	3.6	1.4	3.0	4.1
Greece	4.6	3.8	4.6	4.7	72.8	76.9	80.7	81.8	3.9	3.4	3.0	3.5
Spain	3.5	2.7	2.9	3.1	93.5	95.6	97.8	98.0	3.6	3.1	3.1	3.4
France	2.1	1.2	0.8	2.3	114.5	112.7	111.8	109.8	1.9	2.2	2.3	1.9
Ireland	6.2	6.1	4.4	4.5	129.4	133.5	134.7	137.7	4.7	4.0	2.3	N/A
Italy	1.8	0.4	0.3	1.2	109.7	107.6	105.5	103.4	2.6	2.8	2.3	2.2
Cyprus	4.1	2.1	1.9	3.7	83.2	82.4	80.5	83.6	2.8	4.0	1.9	2.0
Latvia	8.0	6.4	7.2	8.3	36.9	38.4	40.5	43.1	2.0	2.9	6.2	6.9
Lithuania	6.4	6.7	10.4	7.0	40.3	42.1	45.5	48.0	0.4	-1.1	1.1	2.7
Luxembourg	1.5	2.5	2.9	4.5	210.3	210.0	219.1	227.2	2.1	2.5	3.2	3.8
Hungary	3.8	3.5	2.9	4.2	56.1	58.4	59.6	60.4	5.2	4.7	6.8	3.5
Malta	0.2	0.8	-1.9	0.4	72.7	72.6	71.7	69.4	2.6	1.9	2.7	2.5
Netherlands	1.4	0.1	-0.1	1.7	127.6	125.9	125.3	125.0	3.9	2.2	1.4	1.5
Austria	0.8	1.0	1.4	2.4	122.6	120.5	121.4	123.2	1.7	1.3	2.0	2.1
Poland	1.0	1.4	3.8	5.3	46.3	46.6	47.2	49.1	1.9	0.7	3.6	2.2
Portugal	2.0	0.5	-1.2	1.2	80.1	79.6	72.9	72.4	3.7	3.3	2.5	2.1
Slovakia	3.8	4.6	4.5	5.5	48.2	50.6	51.7	52.1	3.5	8.5	7.4	2.8
Finland	1.0	2.2	2.4	3.6	113.2	112.7	111.7	112.8	2.0	1.3	0.1	0.8
Sweden	1.0	2.0	1.5	3.6	115.7	114.2	116.4	117.9	2.0	2.3	1.0	0.8
United Kingdom	2.2	2.0	2.5	3.2	113.7	116.6	116.7	116.8	1.3	1.4	1.3	2.1
USA	0.8	1.6	2.7	4.2	149.1	146.1	148.6	151.2	1.6	2.3	2.7	3.4

Sources of data: SORS; Eurostat, New Cronos. Notes: <sup>1</sup> PPS – Purchasing Power Standard. Data for 2004 are second estimates published by Eurostat on 20 December 2005.

<sup>2</sup> Harmonised Index of Consumer Prices for EU countries and Consumer Price Index for the USA.

# International Comparisons / II

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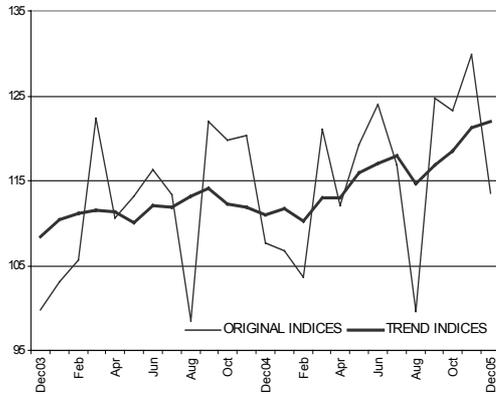
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	Survey Unemployment Rate				Current account balance <sup>1</sup> , % GDP				General Government Balance <sup>2</sup> , % GDP				General Government Gross Debt <sup>2</sup> , % GDP			
	2001	2002	2003	2004	2001	2002	2003	2004	2001	2002	2003	2004	2001	2002	2003	2004
Slovenia	6.4	6.4	6.7	6.3	0.2	1.5	-0.3	-2.1	-3.9	-2.7	-2.7	-2.1	28.4	29.8	29.4	29.8
EU25	8.5	8.9	9.1	9.0	-0.8	0.0	-0.1	-0.2	-1.3	-2.3	-3.0	-2.6	62.0	61.4	63.0	63.4
Euro Area	8.0	8.4	8.9	8.8	0.0	0.9	0.3	0.6	-1.9	-2.5	-3.0	-2.7	69.3	69.2	70.4	70.8
Belgium	6.7	7.3	8.1	7.8	4.1	5.0	4.5	3.5	0.6	0.0	0.1	0.0	108.0	105.4	100.0	95.7
Czech Republik	8.0	7.3	7.8	8.3	-5.4	-5.6	-6.3	-5.2	-5.9	-6.8	-12.5	-3.0	26.3	29.8	36.8	36.8
Denmark	4.3	4.6	5.6	5.4	3.1	2.5	3.3	2.5	2.6	1.4	1.0	2.3	48.0	47.6	45.0	43.2
Germany	7.8	8.7	9.6	9.5	0.0	2.2	2.1	3.7	-2.9	-3.8	-4.1	-3.7	59.6	61.2	64.8	66.4
Estonia	11.8	9.5	10.1	9.2	-5.6	-10.2	-12.0	-12.7	0.3	1.5	2.6	1.7	4.7	5.8	6.0	5.5
Greece	10.4	10.0	9.3	10.3	-7.1	-7.8	-8.5	-8.2	-6.1	-4.9	-5.7	-6.6	114.4	111.6	108.8	109.3
Spain	10.6	11.3	11.3	10.8	-4.5	-3.9	-4.2	-5.9	-0.5	-0.3	0.0	-0.1	56.3	53.2	49.4	46.9
France	8.4	8.9	9.4	9.6	1.2	0.8	0.2	-0.7	-1.6	-3.2	-4.2	-3.6	-56.8	-58.8	63.2	65.1
Ireland	3.9	4.3	4.6	4.5	-0.6	-1.0	0.0	-0.8	0.8	-0.4	0.2	1.4	35.9	32.4	31.5	29.8
Italy	9.4	9.0	8.6	8.0	0.3	-0.3	-0.8	-0.4	-3.2	-2.7	-3.2	-3.2	110.9	108.3	106.8	106.5
Cyprus	4.4	3.9	4.4	5.0	-3.3	-4.5	-3.0	-5.7	-2.3	-4.5	-6.3	-4.1	61.9	65.2	69.8	72.0
Latvia	12.9	12.6	10.5	9.8	-7.6	-6.7	-8.2	-12.6	-2.1	-2.3	-1.2	-1.0	15.0	14.2	14.6	14.7
Lithuania	16.4	13.5	12.7	10.8	-4.9	-5.3	-6.9	-8.0	-2.0	-1.4	-1.2	-1.4	22.9	22.4	21.4	19.6
Luxembourg	2.1	2.8	3.7	4.2	9.0	11.8	8.2	8.4	6.1	2.1	0.2	-0.6	6.7	6.8	6.7	6.6
Hungary	5.6	5.6	5.8	5.9	-6.1	-7.1	-8.7	-8.8	-3.5	-8.5	-6.5	-5.4	52.2	55.5	57.4	57.4
Malta	7.7	7.7	8.0	7.3	-4.3	0.3	-5.8	-10.5	-6.6	-5.7	-10.4	-5.1	63.5	63.3	72.8	75.9
Netherlands	2.5	2.7	3.8	4.7	5.2	6.0	5.8	6.1	-0.2	-2.0	-3.2	-2.1	51.5	51.3	52.6	53.1
Austria	3.6	4.2	4.3	4.5	-1.9	0.4	-0.5	0.3	0.1	-0.4	-1.2	-1.0	67.0	66.7	65.1	64.3
Poland	18.5	19.8	19.2	18.8	-2.9	-2.6	-2.2	-4.2	-3.7	-3.3	-4.8	-3.9	36.7	41.2	45.3	43.6
Portugal	4.0	5.0	6.3	6.7	-10.5	-8.2	-6.1	-7.8	-4.2	-2.8	-2.9	-3.0	53.6	56.1	57.7	59.4
Slovakia	19.4	18.7	17.1	18.0	-7.4	-7.3	-0.5	-3.4	-6.6	-7.8	-3.8	-3.1	49.2	43.7	43.1	42.5
Finland	9.1	9.1	9.0	8.8	6.9	7.3	3.8	4.1	5.2	4.3	2.5	2.1	43.6	42.3	45.2	45.1
Sweden	4.9	4.9	5.6	6.3	4.6	5.4	5.9	7.8	2.5	-0.3	0.2	1.6	54.3	52.4	52.0	51.1
United Kingdom	5.0	5.1	5.0	4.7	-2.2	-1.6	-1.5	-2.0	0.7	-1.6	-3.3	-3.1	38.7	38.2	39.7	41.5
USA	4.8	5.8	6.0	5.5	-3.7	-4.4	-4.6	-5.6	-0.4	-3.8	-4.6	-4.4	58.8	58.6	60.6	63.1

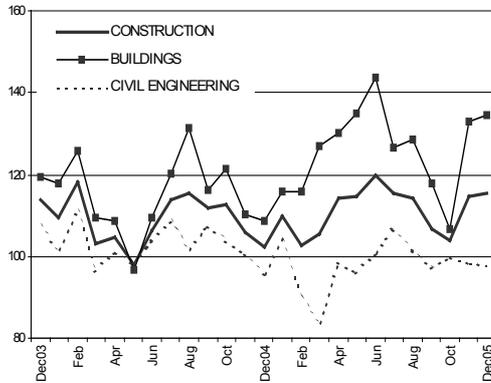
Sources of data: SORS; Eurostat. Notes: <sup>1</sup>EU25 and euro area aggregates are adjusted for reporting errors concerning intra-EU trade; <sup>2</sup> data from Eurostat news release on 26 September 2005.

# Graphs

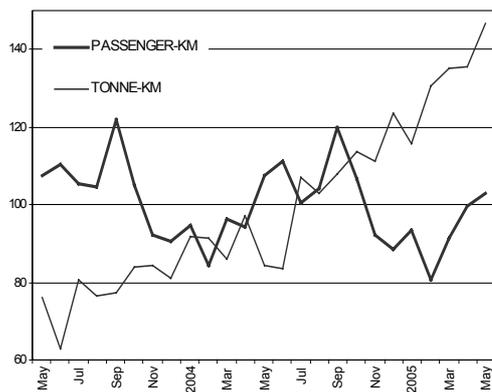
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trend indices by the TRAMO-SEATS method



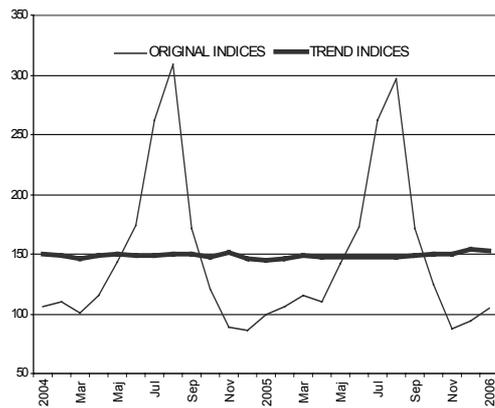
REAL INDICES OF CONSTRUCTION PUT IN PLACE  
indices: average 2000=100;  
trend indices by the TRAMO-SEATS method



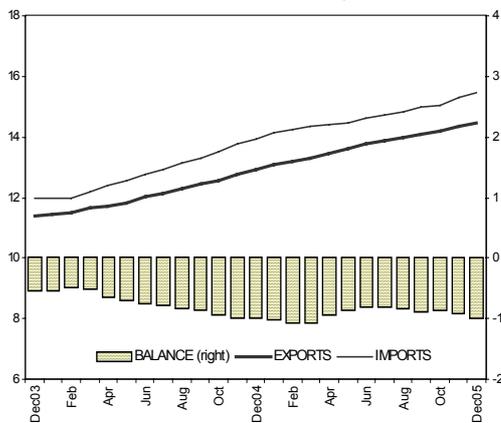
TRANSPORT OF PASSENGER AND GOODS  
indices: average 2004=100



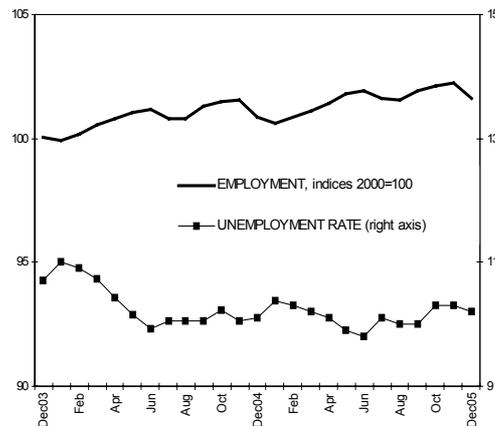
OVERNIGHT STAYS TOTAL indices: average 1992=100;  
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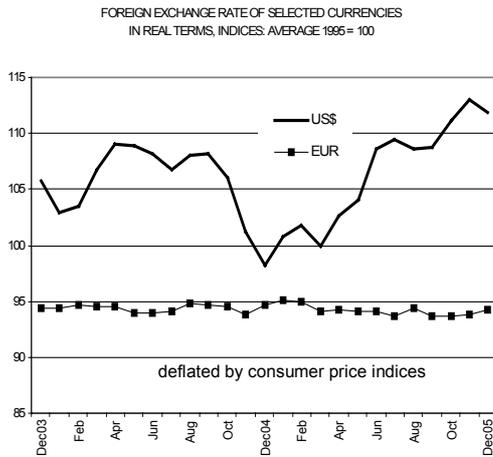
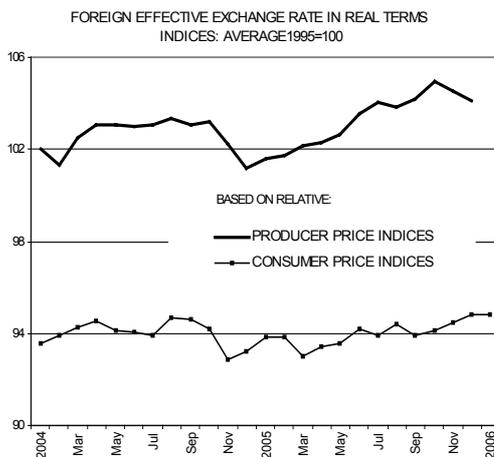
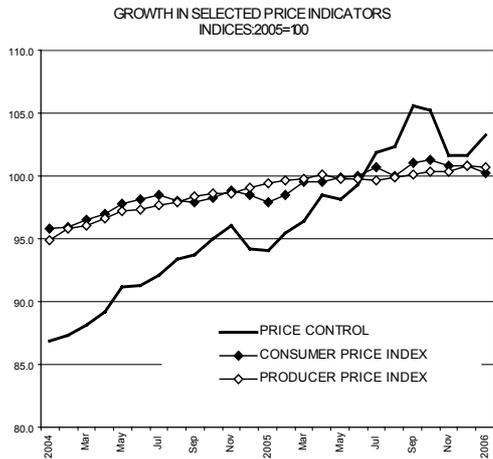
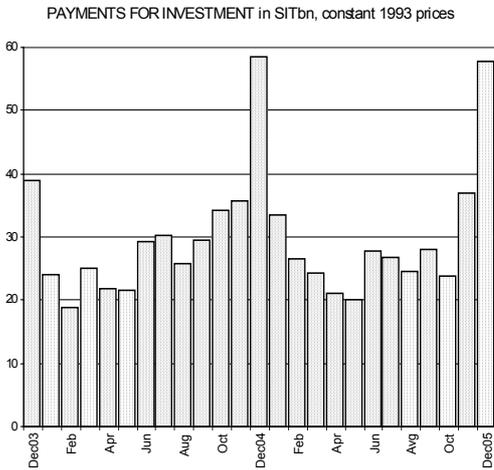
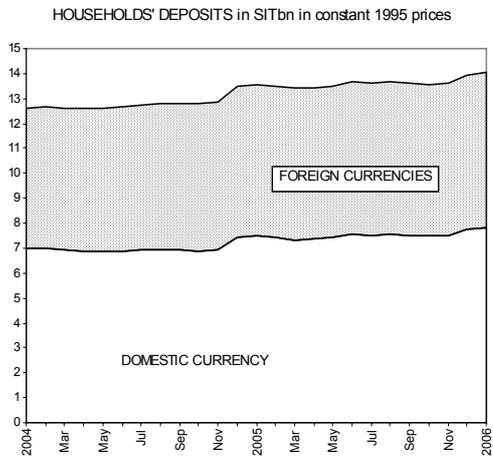
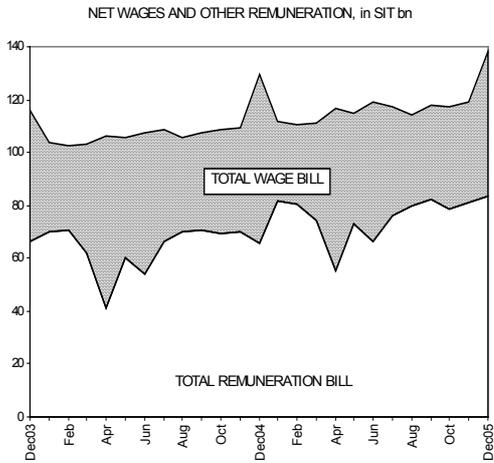
GOODS TRADE FOB, EXCL. INTERCURRENCY CHANGES  
12-month cummulative in EUR, bn



EMPLOYMENT AND UNEMPLOYMENT



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**Acronyms** in the text have the following meanings: **AIS**-Agricultural Institute of Slovenia, **AJPES**-Agency for Public Legal Records and Related Services, **AP**-Agency of the Republic of Slovenia for Payments, **APr**-Agency of the Republic of Slovenia for Privatisation, **BS**-Bank of Slovenia, bn – billion, **CCIS**-Chamber of Commerce and Industry of Slovenia, **CSCC**-Central Securities Clearing Corporation, **DAIA**-Directorate of Administrative Interior Affairs, **EIMV**-Electro Institute Milian Vidmar, **ELES**-Electro Slovenia, **ESS**-Employment Service of Slovenia, **GEM**-Global Entrepreneurship Monitor, **HICP**-Harmonized Index of Consumer Prices, **HII**-Health Insurance Institute, **ICT**-information and communications technologies, **IER**-Institute for Economic Research, **IMAD**-Institute of Macroeconomic Analysis and Development, **IPI**-Industrial Price Index, **LSE**-Ljubljana Stock Exchange, **m** – million, **MAFF**-Ministry of Agriculture, Forestry and Food, **MEA**-Ministry of Economic Affairs, **MES**-Ministry of Education and Sport, **MF**-Ministry of Finance, **MIA**-Ministry of Internal Affairs, **MLFSA**-Ministry of Labour, Family and Social Affairs, **MMTS**-Market Maker Trading Segment, **MST**-Ministry of Science and Technology, **N/A** or (-) – not available, **N/R** – not reasonable, **NFC** - National Financial Corporation, **OG**-Uradni list Republike Slovenije (Official Gazette of the Republic of Slovenia), **PDII**-Pension and Disability Insurance Institute, **p.p.** -percentage points, **PPA**-Public Payments Administration of the Republic of Slovenia, **PPP** – purchasing power parity, **PPS** – purchasing parity standards, **SDC**-Slovene Development Corporation, **SEC**-Slovene Exports Corporation, **SIA**-Slovenian Insurance Association, **SITC**-Standard International Trade Classification, **SORS**-Statistical Office of the Republic of Slovenia.

**Acronyms of Standard Classification of Activities (SCA):** A-Agriculture, hunting, forestry, B-Fishing, C-Mining and quarrying, D-manufacturing, DA-food beverages and tobacco, DB-textiles and textile products, DC-leather and leather products, DD-wood and wood products, DE-paper, publishing, printing, DF-coke, petroleum products and nuclear fuel, DG-chemicals, DH-rubber and plastic products, DI-non-metal mineral products, DJ-metals and metal products, DK-machinery and equipment, DL-electrical and optical equipment, DM-transport equipment, DN-furniture and NEC, E-Electricity, gas and water supply, F-Construction, H-Hotels and restaurants, G-Wholesale, retail, trade, repair, H-Hotels and restaurants, I-Transport, storage, communications, J-Financial intermediation, K-Real estate, renting and business activities, L-Public administ.& defence; comp.soc.sec., M-Education, N-Health and social work, O-Other social and personal services .

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**Note:** the index covering previous volumes of Slovenian Economic Mirror (including the year of 2000) is published in the Annual Slovenian Economic Mirror 2000 & 2001.

## ERRATA

Due to errors in calculating the cumulative growth rates in the table “Selected labour market indicators”, revised calculations of the cumulative growth rates for the period January-November 2005 are given below. We apologise for the inaccuracies and thank readers for their understanding.

Slovenian Economic Mirror No.:		3/05	4/05	5/05	6/05	7/05	8–9/05	10/05	11/05	12/05	1/06
Selected labour market indicators		% growth									
		I 05/ I 04	I–II 05/ I–II 04	I–III 05/ I–III 04	I–IV 05/ I–IV 04	I–V 05/ I–V 04	I–VII 05/ I–VII 04	I–VIII 05/ I–VIII 04	I–IX 05/ I–IX 04	I–X 05/ I–X 04	I–XI 05/ I–XI 04
A	<b>Registered labour force (A=B+C)</b>	0.0	0.0	0.0	0.1	0.2	0.3	0.4	0.4	0.4	0.5
	<b>People in formal employment</b>	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	in enterprises and organisations	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1
B	by those self-employed	-0.5	-0.5	-0.6	-0.4	-0.4	-0.3	-0.3	-0.4	-0.3	-0.3
	self-employed and farmers	-2.7	-2.6	-2.6	-2.5	-2.4	-2.2	-2.1	-2.1	-2.1	-2.0
	<b>Registered unemployed</b>	-5.7	-5.4	-5.1	-4.5	-4.0	-2.8	-2.4	-2.1	-1.7	-1.3
C	women	-4.8	-4.5	-4.1	-3.4	-2.8	-1.5	-1.2	-0.9	-0.5	0.0
	aged over 40	-2.5	-2.4	-2.0	-2.1	-2.0	-1.2	-0.8	-0.3	0.1	0.6
	unemployed over 1 year	-6.0	-5.6	-4.8	-4.1	-3.3	-1.5	-0.6	0.3	0.6	0.9
	<b>Rate of registered unemployment (C/A), %</b>	-	-	-	-	-	-	-	-	-	-
D	male	-	-	-	-	-	-	-	-	-	-
	female	-	-	-	-	-	-	-	-	-	-
E	<b>Job vacancies</b>	27.9	26.6	20.6	25.8	25.1	23.1	22.6	23.6	20.7	19.9
	for a fixed term, %	-	-	-	-	-	-	-	-	-	-
	<b>No. of people hired</b>	21.3	17.6	13.1	12.3	10.5	9.9	10.1	11.3	12.3	12.3
F	Lower education	17.2	15.2	9.8	10.1	8.3	8.5	8.8	9.1	10.0	10.1
	Secondary education	20.2	16.1	12.3	11.0	9.7	8.9	9.3	11.1	12.7	12.8
	Tertiary education	30.6	26.4	21.9	21.4	17.9	16.5	16.7	16.3	15.5	14.9

Sources of data: SORS, ESS; calculations by IMAD.

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