

Republic of Slovenia: Selected Issues and Statistical Appendix

This Selected Issues paper and Statistical Appendix for the Republic of Slovenia was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on June 20, 2005. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of the Republic of Slovenia or the Executive Board of the IMF.

The policy of publication of staff reports and other documents by the IMF allows for the deletion of market-sensitive information.

To assist the IMF in evaluating the publication policy, reader comments are invited and may be sent by e-mail to publicationpolicy@imf.org.

Copies of this report are available to the public from

International Monetary Fund • Publication Services
700 19th Street, N.W. • Washington, D.C. 20431
Telephone: (202) 623-7430 • Telefax: (202) 623-7201
E-mail: publications@imf.org • Internet: <http://www.imf.org>

Price: \$15.00 a copy

**International Monetary Fund
Washington, D.C.**

INTERNATIONAL MONETARY FUND

REPUBLIC OF SLOVENIA

Selected Issues and Statistical Appendix

Prepared by Philippe Egoume-Bossogo (EUR)
and Hiroko Oura (ICM)

Approved by European Department

July 5, 2005

	Page
I. A Credit Boom Without a Demand Boom.....	3
A. Introduction.....	3
B. Developments in Private Sector Bank Credit	4
C. Relationship Between Domestic Demand and Credit Growth	6
D. Explaining the Credit Boom Without a Demand Boom in Slovenia	9
E. Conclusions.....	14
References.....	19
Figures	
1. Real Private Sector Credit, 2000–04.....	3
2. Selected Interest Rates, 2000–05	4
3. Private Sector Credit-to-GDP Ratio, 1990–2004	6
Text Tables	
1. NMSs: Regression Analyses of Determinants of Demand Growth, 2000–04.....	8
2. Household Flow of Funds, 2000–04.....	9
3. Returns from Major Assets, 2000–04	11
4. Asset Allocation of Mutual Funds, 2000–04	12
5. Corporate Sector Financing and Outward FDI, 2000–04	13
Tables	
1. NMSs: Domestic Demand and Its Correlation with Credit, 2000–04	15
2. Noncore Euro Area Countries: Domestic Demand and Its Correlation With Credit, 5 Years Before Euro Adoption	16
3. Estimate of Household Balance Sheet, 2000–04	17
4. NMSs: Households’ Position Vis-à-vis Banks and Assets at Non-bank Financial Institutions, 2000–04.....	18

Statistical Appendix Tables

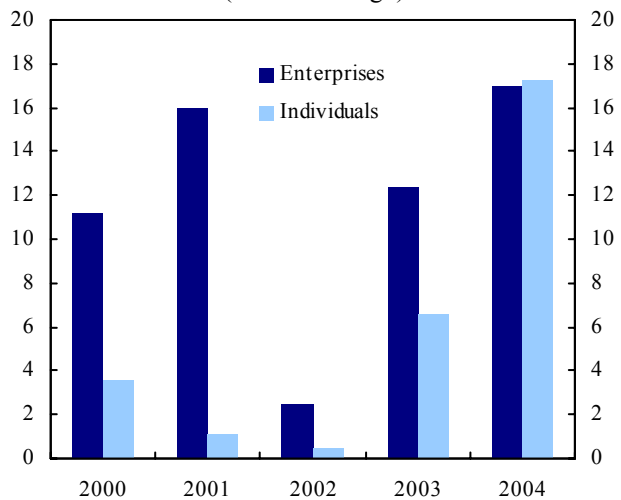
A1.	Basic Data	20
A2.	Growth of Real GDP and its Components, 2000–04	21
A3.	Aggregate Supply and Demand at Current Prices, 2000–04	22
A4.	Aggregate Supply and Demand at Constant Prices, 2000–04	23
A5.	Cost Structure of Gross Domestic Product, 2000–03	24
A6.	Gross Fixed Capital Formation, 2000–03	25
A7.	Inflation, 2000–05	26
A8.	Increases in Administered and Regulated Prices, 2000–04	27
A9.	Employment by Sector, 2000–04	28
A10.	Average Monthly Gross Wages by Sector, 2000–04	29
A11.	Summary of General Government Operations, 2000–05 (In billions of tolar)	30
A12.	Summary of General Government Operations, 2000–05 (In percent of GDP)	31
A13.	State Budget, 2000–05	32
A14.	Local Government Operations, 2000–05	33
A15.	Summary of Health Fund Operations, 2000–05	34
A16.	Summary of Pension Fund Operations, 2000–05	35
A17.	General Government Debt, 2000–04	36
A18.	Balance Sheet of the Bank of Slovenia, 2000–04	37
A19.	Monetary Survey, 2000–04	38
A20.	Selected Interest Rates, 1999–2004	39
A21.	Balance of Payments, 2000–04	40
A22.	Geographical Composition of Exports, 2000–04	41
A23.	Geographical Composition of Imports (c.i.f.), 2000–04	42
A24.	Commodity Composition of Exports, 2000–04	43
A25.	Commodity Composition of Imports, 2000–04	44
A26.	Foreign Direct Investment Inflows by Industry and Origin, 2000–03	45
A27.	Stock of Inward Foreign Direct Investment by Industry and Origin, 2000–03	46
A28.	Direct Investment Flows Abroad by Destination, 2000–03	47
A29.	Stock of Direct Investment Abroad by Destination, 2000–03	48
A30.	Gross External Debt, 2000–04	49

I. A CREDIT BOOM WITHOUT A DEMAND BOOM¹

A. Introduction

1. **Slovenia experienced rapid private sector credit growth in 2004 fueled by interest rate convergence and heightened competition in the banking sector** (Figure 1). Nevertheless, contrary to expectations, this was not accompanied by a commensurate pick-up in domestic demand. This paper discusses several features of the Slovene economy that may explain the weak relationship between credit and domestic demand growth. We also compare Slovenia's experience with those of selected European Union (EU) new member states (NMSs). The peer countries include the Czech Republic, Estonia, Lithuania, Poland, and the Slovak Republic.

Figure 1. Slovenia: Real Private Sector Credit, 2000-04
(Percent change)



Source: Bank of Slovenia.

2. The paper is organized as follows. Section B reviews credit growth developments in Slovenia and in selected NMSs, and compares their experiences with that of noncore euro area countries, including Ireland, Greece, Portugal, and Spain, before their adoption of the euro. Section C presents findings on the relationships between credit and domestic demand based on simple correlation and regression analyses. The simple correlation analysis shows that, contrary to expectations, the relationship between credit growth and growth in components of domestic demand, in particular private consumption, is not always strong. The correlations are negative in some cases. Furthermore, while a simple panel regression shows a statistically significant role of credit growth in explaining private consumption growth, the significance disappears once we control for income growth. Section D discusses specific factors in Slovenia, especially higher household savings in non-bank financial institutions and outflows of investable resources, which may have mitigated the transmission from credit growth to domestic demand. Section E concludes.

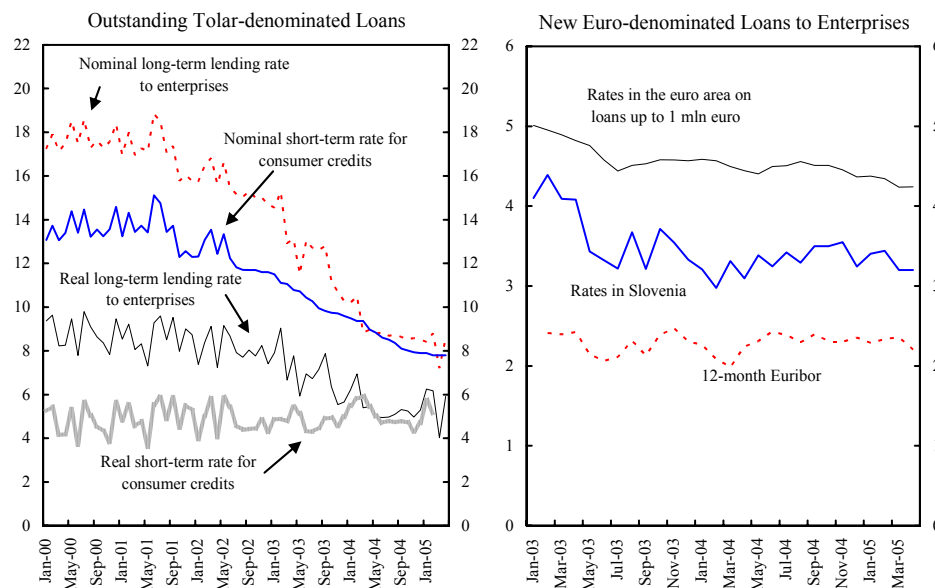
¹ Prepared by Hiroko Oura (ICM).

B. Developments in Private Sector Bank Credit²

3. **In 2004, Slovenia experienced strong credit growth, meeting Honohan's (1997) criterion of a credit boom.**³ Credit to both enterprises and households increased by over 17 percent in real terms and the total loan-to-GDP ratio rose to 44 percent from 39 percent in 2003. Credit to enterprises, which had picked up in 2003, strengthened further in 2004. Nonetheless, credit to the private sector⁴ took off when household credit growth accelerated following EU accession.

4. **Supply side factors facilitated the credit boom.** First, there has been considerable

Figure 2. Slovenia: Selected Interest Rates, 2000-05
(In percent)



Sources: Bank of Slovenia; Eurostat; and Statistical Office of the Republic of Slovenia.

convergence of interest rates since 2000, as the Bank of Slovenia (BoS) gradually lowered its

² Credit is measured as bank loans excluding other claims.

³ Honohan (1997) classifies real credit growth of over 10 percent per year as a credit boom. Exact thresholds differ among studies. For example, Kaminsky and Reinhart (1999) define a growth in the credit-to-GDP ratio of over 9.3 percent GDP as a boom. Gourinchas and others (1999) estimate a trend in the credit-to-GDP ratio with HP-filter and identify a credit boom at the following thresholds: (1) absolute deviation from trend of over 4.8 percent of GDP, and (2) a relative deviation from trend of over 24.9 percent.

⁴ The private sector includes the corporate and household sectors.

policy rate in response to declining inflation. Moreover, in the past two years, competition in the Slovene banking sector has intensified, and aggressive pricing by foreign-owned banks to increase market share has resulted in lower interest rates than comparable rates in the euro area for some products (Figure 2). Second, an easing of regulations on foreign currency lending and reserve requirements on foreign currency deposits triggered higher foreign-currency denominated lending. Third, retail banking expanded strongly, as banks searched for unexploited lines of business in Slovene households, which had smaller debt compared with the euro area average.⁵

5. **Among selected NMSs, the Baltics showed more remarkable credit growth than that of other countries** (Table 1). As for private sector credit, both Estonia and Lithuania maintained growth rate of over 15 percent per year in recent years. In Estonia, the growth rate progressively increased to 37 percent in 2004, while in Lithuania, the growth rate peaked in 2003. Slovenia's private sector credit growth since 2001 was not as strong as that of the Baltics; however, it was generally stronger than that of other Central European countries, as the Czech Republic and the Slovak Republic went through banking sector restructuring. Household credit generally grew at a much faster rate than private sector credit for all NMSs in our sample, partly reflecting small bases of household credit. Once again, the Baltics showed much stronger household credit growth than other NMSs. Slovenia's household credit growth was relatively moderate compared to the others, despite its strong jump in 2004.

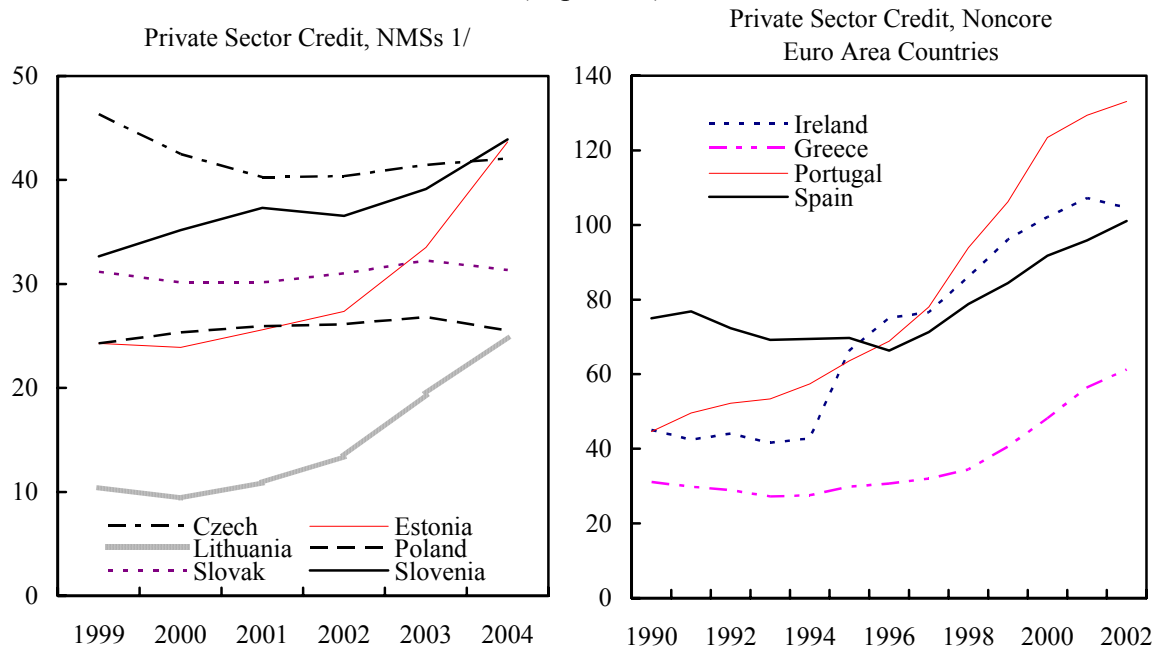
6. **The relatively lower growth in credit to households in Slovenia can be explained in part by its high housing ownership ratio (over 90 percent), which limits the potential demand for housing loans.** The share of housing loans in the outstanding bank credit to households at end-2004 was 26 percent in Slovenia, compared with 70–75 percent in Estonia and the Czech Republic, and about 40 percent in Poland. In addition, Slovene banks have been lending to households from earlier on, and the households' credit-to-GDP ratio in Slovenia was the highest among our NMS sample as of end-1999.

7. **Despite the strong credit growth in NMSs, the growth rate, on average, was not as strong as that for noncore euro area countries before their adoption of the euro, although the Baltics had stronger credit growth exceeding that of noncore countries.** This tendency is better highlighted with the ratio of credit-to-GDP (Figure 3), as it is less influenced by base effects. The credit-to-GDP ratio of noncore euro area jumped from nearly 60 percent in 1995 to 100 percent in 2000. In comparison, the average for the NMSs in our sample increased from about 28 percent in 1999 and to 35 percent in 2004. Even for the Baltics, the annual changes in the ratios were not as remarkable as those for noncore euro area countries.

⁵ As of the end of 2004, the household debt was about 20 percent of gross disposable income in Slovenia, one fourth of the euro area average.

8. **The difference in the magnitude of credit booms between the NMSs and the noncore euro area countries suggests the existence of some fundamental differences in their economic environment.** For example, Schadler and others (2005) consider weak creditors' rights protection and a higher perceived uncertainty about the adequacy of credit assessments by banks as likely reasons why credit booms in NMSs were not stronger. Also, as elaborated in Section D, financial deepening and changes in households' saving pattern away from banks to non-banks might have contributed to restraining domestic credit growth below potential in Slovenia.

Figure 3. Private Sector Credit-to-GDP Ratio, 1990-2004
(In percent)



Sources: National Authorities; various IMF staff reports; Schadler and others (2005).
1/ Czech and Slovak data are adjusted for write-offs.

C. Relationship Between Domestic Demand and Credit Growth

Correlation analysis

9. **Despite a credit boom, domestic demand did not take off in Slovenia in 2004.** Consumption and investment exhibited contrasting trends. Investment growth slowed owing to a smaller contribution from inventory accumulation. However, private consumption strengthened appreciably, seemingly hand in hand with credit growth to households. While there is a strong correlation between private consumption and household credit growth (0.74 during 2000–2004, Table 1), this is not conclusive evidence of their linkage per se since we also need to take into account the influence of other determinants of consumption—especially income. We will show later in this section that the importance of credit growth diminishes once developments in disposable income are taken into account.

10. **The simple correlation between household credit growth and domestic demand growth shows a diverse pattern among NMSs** (Table 1). In three out of the six countries (Estonia, Poland, and the Slovak Republic) the correlation between private consumption growth and household credit growth is negative. Lithuania and Slovenia have the strongest positive correlations. To allow for the role of housing loans, we examine the relationship of household credit growth with investment growth (not shown in the table) as well as with total domestic demand growth. In many cases, the positive linkage becomes stronger or the negative linkage is weakened, suggesting the importance of investment as a use of credit. However, surprisingly, the negative linkage is intensified in Estonia (a country with one of the strongest credit growths and a large share of housing loans).

11. **The simple correlation between private sector credit and domestic demand also shows mixed linkages, mostly following a similar pattern to that of correlation between domestic demand and household credit.** The linkage between private sector credit and domestic demand components becomes stronger than that with household credit. In particular, correlation between private sector credit and total demand is often higher than that between household credit and private consumption.

12. **Correlation analysis seems to suggest that credit boom episodes during the convergence period did not always result in a domestic demand boom in many noncore euro area countries.** The correlation between credit and domestic demand in noncore euro area countries, except for Spain, during the 5 years period before their adoption of the euro is weaker than that for NMSs (Table 2). Spain shows a strong and positive correlation between credit and private consumption as well as domestic demand. As for Portugal, the correlation is strong only for private consumption. Interestingly, Ireland has a negative correlation during the 5 years before its adoption of the euro as well as during a shorter four-year period excluding 1995 data when the country had an extraordinary credit expansion. Consumption continued to grow steadily for years after a big credit expansion in 1995, even though credit growth in those years was relatively subdued.

Regression analysis

13. **We examine the relationship between demand and credit growth in a multivariable context after controlling the effects of income growth on consumption.** We pooled the observations on five NMSs⁶ over 2000–04, and ran regressions with the real growth of domestic demand components as dependent variables. Explanatory variables include household and private sector credit growth, disposable income growth, and country dummies. Text Table 1 summarizes the results.

⁶ Poland is excluded because disposable income data is not available. We obtain a similar conclusion in a sample including Poland in an alternative analysis with total compensation for workers as an income measure, which is available for all the 6 countries.

Text Table 1. NMSs: Regression Analyses of Determinants of Demand Growth, 2000-04

Dependent Variable	Real Growth in Private Consumption					Real Growth in Total Domestic Demand				
	1	2	3	4	5	6	7	8	9	10
constant	5.64 (3.5) ***	1.7 (1.9) *	5.62 (3.3) ***	1.77 (1.9) *	1.81 (2.3)	6.52 (4.3) ***	3.72 (2.2) **	6.69 (3.9) **	3.89 (2.0) *	4.03 (2.1) **
Household loans real growth	0.04 (2.3) **	0.01 (0.7)				0.05 (4.8) ***	0.03 (6.6) ***			
Private sector loans real growth			0.07 (2.1) **	0.01 (0.3)				0.08 (3.6) ***	0.03 (2.3) *	
Disposable income growth		0.81 (6.7) ***		0.82 (8.3) ***	0.85 (6.6) ***		0.55 (2.2) **		0.59 (2.3) **	0.69 (2.5) **
Country dummies										
Czech	-3.38 (-2.3) **	-0.93 (-1.8) *	-2.59 (-1.4)	-0.83 (-1.3)	-0.93 (-1.8) *	-4.11 (-2.5) **	-2.39 (-2.3) **	-3.35 (-1.8) *	-2.06 (-1.7)	-2.4 (-2.3) **
Lithuania	-0.37 (-0.2)	-0.55 (-0.5)	-0.22 (-0.1)	-0.51 (-0.6)	-0.46 (-0.4)	-2.66 (-1.3)	-2.62 (-1.4)	-2.42 (-1.1)	-2.52 (-1.3)	-2.38 (-1.2)
Slovakia	-4.01 (-2.3) **	0.09 (0.1)	-3.37 (-1.6)	0.19 (0.2)	0.17 (0.1)	-5.24 (-2.5) **	-2.38 (-1.6)	-4.65 (-2.0) *	-2.06 (-1.1)	-2.15 (-1.2)
Slovenia	-4.07 (-2.0) *	-1.23 (-0.9)	-4.51 (-2.3) **	-1.36 (-1.0)	-1.36 (-1.0)	-4.00 (-2.0) *	-1.91 (-0.8)	-4.64 (-2.1) **	-2.06 (-0.9)	-2.29 (-0.9)
Adj. R square	0.55	0.72	0.54	0.71	0.73	0.48	0.52	0.45	0.49	0.51
N	25	23	25	23	23	25	23	25	23	23

Notes: t-statistics in parenthesis indicate *** significant at 1 percent level; ** significant at 5 percent level; and * significant at 10 percent level.

- On its own, household credit growth has a significant, positive coefficient for private consumption (Model 1). However, when the model is augmented by disposable income growth, the coefficient for household credit growth becomes statistically insignificant (Model 2). In contrast, the coefficient for disposable income is significant, and the explanatory power of the model improves appreciably with the income measure. That is, current income flows are a primal determinant for consumption growth rather than credit. Indeed, when we start from a specification only with income (Model 5) and add a credit growth measure (Model 2), the explanatory power of estimation decreases. In addition, it is notable that two country dummies that are significant in Model 1 become insignificant in Model 2, implying country-specific elements that explain consumption growth are picked up by income measures. Similar results hold in explaining private consumption growth with private sector credit growth as an explanatory variable (Model 3 and 4).
- On the other hand, credit growth variables seem to have robust statistical significance in explaining total domestic demand growth (Model 6–9). Credit growth measures are statistically significant even after controlling for income growth. This suggests that the investment component of total demand is more strongly determined by credit growth. However, the coefficient for credit growth is still small and overwhelmed by that for disposable income, and the overall explanatory power of models for total demand is weaker than that for private consumption.

D. Explaining the Credit Boom Without a Demand Boom in Slovenia

14. A number of factors explain why the credit boom in Slovenia did not lead to a domestic demand boom, and why the credit boom was not as strong as that of noncore countries before their adoption of the euro: (i) financial deepening and strengthened propensity to save in non-bank financial assets; (ii) outward oriented asset allocation of the mutual funds; (iii) continued outward investment by Slovene firms; and (iv) conservative practices in the Slovene banking sector. These factors are discussed in detail later.

Structural changes in household saving behavior

15. **Households' financial savings appear to have increased in the midst of a credit boom.** Text Table 2 shows the flow of funds for households, including domestic deposits and

Text Table 2. Slovenia: Household Flow of Funds, 2000-04 1/

	Deposit, Domestic	Loan, Domestic 2/	Net Domestic Deposit	Currency & Deposit Abroad 3/	Total Net Deposit	Mutual Fund (MF) 4/	Insurance	Voluntary Pension Fund	MF, Insurance, Pension	Total Saving
	1	2	3=1-2	4	5=3+4	6	7	8	9=6+7+8	10=5+9
(In billions of tolar)										
2000	260	56	204	3	207	1	37	0	39	246
2001	462	41	422	-176	246	1	43	11	55	301
2002	179	46	133	134	267	26	49	24	99	366
2003	160	66	94	138	232	23	58	39	120	352
2004	203	135	67	170	237	73	75	64	213	450
(In percent of household disposable income)										
2000	9.2	2.0	7.2	0.1	7.3	0.1	1.3	0.0	1.4	8.7
2001	14.6	1.3	13.3	-5.6	7.8	0.0	1.4	0.3	1.7	9.5
2002	5.2	1.3	3.9	3.9	7.7	0.8	1.4	0.7	2.9	10.6
2003	4.3	1.8	2.5	3.7	6.3	0.6	1.6	1.1	3.3	9.5
2004	5.2	3.5	1.7	4.4	6.1	1.9	1.9	1.6	5.5	11.5
(In percent of GDP)										
2000	6.1	1.3	4.8	0.1	4.9	0.0	0.9	0.0	0.9	5.8
2001	9.7	0.9	8.9	-3.7	5.2	0.0	0.9	0.2	1.2	6.3
2002	3.4	0.9	2.5	2.5	5.0	0.5	0.9	0.5	1.9	6.9
2003	2.8	1.2	1.6	2.4	4.0	0.4	1.0	0.7	2.1	6.1
2004	3.3	2.2	1.1	2.7	3.8	1.2	1.2	1.0	3.4	7.3

Sources: Bank of Slovenia; IMAD; and IMF staff calculations.

1/ The table shows net flow data for currency and deposits abroad, mutual fund, insurance, and voluntary pension. Annual net flows for domestic deposits and loans are estimated from end-of-period stock data.

2/ Positive number implies an increase in loans.

3/ Data from BOP. The item may include funds transferred for transactions abroad.

4/ Estimated as 90 percent of total inflows to mutual funds.

bank borrowing, deposits abroad, investments in mutual funds, insurance companies, and voluntary pension funds.⁷ Households' net position vis-à-vis domestic banks—net deposits—weakened both in absolute amounts and as a ratio of disposable income and GDP, as households borrowed more than added to deposits. However, savings in alternative non-bank financial instruments and deposits abroad increased markedly and more than compensated for the fall in domestic net deposits. This seems to suggest dualism in the household sector: one group (most likely those with higher income) saved increasing amounts and another (those with lower income) borrowed more as costs of credit declined.

16. A number of factors supported the strong growth in household savings in financial instruments in the midst of a credit boom.

- **Participation in their voluntary private pension insurance schemes has increased steadily since its introduction in 2000** as a part of pension reform. Helped by tax incentives to participate, the proportion of policyholders in active working population increased to 27 percent at end-2003 from 10.5 percent at end-2001. The participation in the schemes received a boost in 2003 when a special scheme was established for public sector employees. As participation grew, assets under management of the voluntary pension insurance scheme increased to 0.9 percent of GDP in 2003 from 0.1 percent in 2001.
- **Investments in mutual funds surged in 2002 and grew progressively thereafter.** Households have been attracted to their higher returns. The unit values of mutual fund shares increased by over 17 percent in 2004, supported by the strong domestic equity market performance, as Slovene mutual funds invested 40–70 percent of their assets in domestic equities (Text Table 3). The decline in bank deposit rates during the convergence process further increased the incentives for households to invest more in mutual funds. The net inflows to mutual funds from households were about 36 percent of deposit inflows in 2004 compared to about 15 percent in 2002 and 2003. An additional contributing factor was improvements in mutual funds' legislative framework, as it was harmonized with the European legislation. Initially,

⁷ An estimate of the aggregate household balance sheet is given in Table 3. Other financial assets not included in the table are direct investment in domestic and foreign securities. This is due to the lack of flow data, as well as because the change in stocks is most likely to reflect valuation change rather than new inflows. As of September 2004, households held SIT 1,103 billion of domestic securities, up from SIT 920 billion at end-2003, and SIT 29 billion of foreign securities at end-2004, up from SIT 12 billion at end-2003. For reference, the stock of domestic bank deposits held by households at the end of 2004 was SIT 2,341 billion. The change in the stock of direct securities holdings most likely reflects valuation changes caused by the strong performance in equities in Europe rather than new inflows. Therefore, it would be better to leave them out in order to measure saving propensity accurately.

the sales of mutual fund shares used to be on a door-to-door basis without any established offices or quality customer services. Investment processes have become modernized since then. Recently, banks have established mutual fund subsidiaries and started selling their shares in the parent banks' branches, and foreign mutual funds started operations in Slovenia.

Text Table 3. Slovenia: Returns from Major Assets, 2000-04
(In percent)

	2000	2001	2002	2003	2004
Bank deposit (end-of-period)	10.9	8.5	7.6	4.8	3.2
Bank deposit in euro (end-of-period)				2.5	2.4
Stock prices (Dec-Dec growth)	1.0	19.1	55.2	17.7	24.9
Mutual fund (annual growth in unit value)	3.2	23.2	54.2	17.2	17.8
Memorandum item:					
Bank deposit rate in Croatia in euros (end-of-period) 1/	5.2	4.7	4.7	4.7	4.9

Sources: Bank of Slovenia; Bank of Croatia; and Bloomberg.

1/ Deposit rate on long-term household deposits in euro.

- **Higher deposit rates abroad**, in particular Croatian banks that offer deposit rates of over 200 bps higher than those in Slovenia, strengthened households' incentive to deposit abroad. To some extent, this represented substitution away from deposits in domestic banks, rather than an increase in incremental savings.
- The income distribution has shifted in favor of higher-paid workers, who tend to have a higher saving propensity.

Investment pattern of the mutual funds

17. **Non-bank financial institutions in Slovenia did not finance domestic demand directly, even though they increasingly absorbed household savings.** Text Table 4 shows the asset allocation of mutual funds.⁸ Mutual funds have tended to channel most of their resources to equities, but the proportion has declined steadily over time as they started to diversify their investment, in particular to foreign securities. This created significant capital outflows from the country and helped reduce resources in domestic financial markets that could have fueled domestic demand. In addition, even the resources that remained in the domestic market did not seem to have financed domestic demand. Despite the strong performance in the domestic equity market, initial public offerings were rare. Furthermore, the bond market is extremely small and comprises mainly of government securities. Even the

⁸ On the liability side, about 90 percent of the inflows to mutual funds come from households.

indirect channel via a vicious cycle of asset price inflation and credit creation, should their investment in domestic asset market bid up the price of equities, was not possible as banks do not accept equity-type financial instruments as quality collaterals.

18. **Since 2003, mutual funds have been increasingly investing in foreign securities and transferring domestic savings abroad.** This is because mutual funds managers dislike small and illiquid domestic capital markets with inelastic supply, which are unable to absorb additional funds without causing excessive price movements.⁹ Deregulations in 2004, allowing qualified funds to invest more abroad by eliminating the 10 percent cap on investment in foreign securities, have further intensified this tendency.

Text Table 4. Slovenia: Asset Allocation of Mutual Funds, 2000-04

	Bank Deposit	Bonds	Equity	Foreign Securities	Other	Total
(In billions of tolar)						
2000	0.2	1.3	8.5	0.2	0.6	10.7
2001	0.7	1.9	11.5	0.2	0.5	14.7
2002	2.5	12.7	35.2	0.5	4.9	55.8
2003	1.9	19.4	54.6	8.5	8.7	93.1
2004	20.4	41.2	90.2	34.4	24.0	210.1
(Share of total, in percent)						
2000	1.9	12.0	79.0	1.8	5.3	100
2001	4.8	12.6	77.9	1.3	3.4	100
2002	4.5	22.7	63.2	0.8	8.8	100
2003	2.0	20.9	58.6	9.1	9.3	100
2004	9.7	19.6	42.9	16.3	11.4	100

Source: Bank of Slovenia.

Shift in borrowing structure and outward investment by Slovene companies

19. **To some extent, domestic credit growth to enterprises reflects substitution of direct foreign borrowing by the corporate sector** (Text Table 5). From 2000, loan financing by Slovene enterprises fluctuated both in its total amount and its composition. Total loans, including domestic and international loans, had a dip in 2002 as well as a shift to international loans. Total loans recovered strongly in 2003, and enterprises almost tripled domestic loans while they reduced international loans. Similar trends continued in 2004 except that both types of loans increased. However, the trend of substitution away from

⁹ Capital market liquidity, especially in bond markets, is extremely low. On average, there is only one trade in every 3–4 weeks. In 2004, one trade of about 10,000 euros caused a decline in bond prices of over 2 percent.

Text Table 5. Slovenia: Corporate Sector Financing and Outward FDI, 2000-04

	Domestic Loans 1/	International Loan 1/	Total Loans 1/	Outward FDI	Domestic/ Total	International /Total	Total Loans / GDP	Outward FDI / GDP
	1	2	3=1+2	4	5=1/3	6=2/3	7	8
	(In millions of euros)				(In percent)			
2000	542	647	1,189	72	45.6	54.4	5.7	0.3
2001	877	497	1,374	161	63.8	36.2	6.3	0.7
2002	321	583	904	168	35.5	64.5	3.8	0.7
2003	855	571	1,426	414	60.0	40.0	5.8	1.7
2004	1,303	739	2,042	401	63.8	36.2	7.9	1.5

Source: Bank of Slovenia.

1/ Flows per year estimated from end of period stock data.

international loans to domestic loans continued, as domestic loans grew faster than international loans. The switch to domestic loans in 2004 reflects interest rate convergence, particularly, an excessive convergence for some products where domestic rates are lower than international rates as a result of fierce competition in the banking sector.

20. **Not all the increase in bank credit to enterprises was going to finance domestic investment.** A part of it was supporting foreign direct investment abroad, which increased markedly in 2003 to 1.7 percent GDP and remained close to this level in 2004. Higher investment abroad was for trade promotion purposes as well as for labor-cost efficiency reasons. In particular, Slovene enterprises are more inclined to invest directly in former Yugoslav countries for trade promotion purposes have strengthened, as Slovenia abandoned a free trade agreement with them upon its EU accession. EU accession promoted investment in more developed EU member countries to promote marketing of Slovene exports. The ongoing tendency to invest abroad is likely to have dampened domestic investment.

Household saving behavior in other NMSs

21. **Data on household financial saving behavior in other NMSs are available only partially, hence we are unable to discuss households' saving propensity for them as we did for Slovenia.** Partial information on the behavior indicates some contrasting trends as well as similarities with Slovenia (Table 4). On the one hand, the net position vis-à-vis domestic banks deteriorated in all the countries, as households borrowed increasingly. In Poland and the Slovak Republic, household deposits declined nominally, adding pressure to reduce net deposits. Households in Estonia, the Czech Republic, and Slovenia increased their domestic bank deposits, but the increase did not match up with borrowing. On the other hand, non-bank financial institutions also have been rapidly growing in other NMSs. In the Czech Republic, Poland, and Estonia, investment funds' or mutual funds' relative size to GDP exceeds that of Slovenia. As in Slovenia, legislative harmonization in the course of EU accession, declines in bank deposit rates owing to interest rates convergence and strong financial market (equity in particular) performances seem to be related to the growth in investment funds in some other NMSs.

22. **On asset allocation of investment funds and pension funds, the tendency to invest more in foreign securities is not specific to Slovenia.** It is interesting to note that Estonian investment funds are also increasingly channeling domestic savings abroad as is the case in Slovenia, given the strong negative correlations between domestic demand and credit,. According to the 2004 Financial Stability Report for Estonia, the share of foreign assets in the total assets of investment funds has increased, amounting to 62 percent in September 2004—much higher than Slovenia’s 16 percent share as of end–2004. Investment in domestic stock and bond markets and domestically issued shares of investment funds amounted to only 20 percent of investment funds’ assets in Estonia. Estonian pension funds have similar asset allocation.

E. Conclusions

23. **Overall, the rapid credit growth in Slovenia and some NMSs has not led to a commensurate pick-up in domestic demand so far.** There were country specific factors at work that mitigated the expansionary effects of credit growth. Since there was no demand boom, the risks to inflation from the credit boom were subdued. The link between credit growth and consumption growth was weak on average for these NMSs, and the ties weakened further once we control for income growth. However, higher credit growth does create the need for vigilance and greater supervisory oversight of credit risk.

Table 1. NMSs: Domestic Demand and Its Correlation with Credit, 2000-04

	2000	2001	2002	2003	2004	Correlation 1/	
						Private sector credit	Household credit
(Real growth in percent)							
Czech							
Total domestic demand	2.8	3.6	3.3	4.7	2.9	0.49	0.36
Private consumption	2.9	2.8	2.7	4.9	2.4	0.34	0.27
Private sector credit 2/	-8.0	-2.0	3.9	7.4	6.7		
Household credit	5.2	8.8	29.6	29.5	29.1		
Estonia							
Total domestic demand	10.5	7.1	12.2	5.3	6.6	-0.69	-0.53
Private consumption	8.5	5.9	9.9	5.4	6.1	-0.61	-0.43
Private sector credit	6.4	15.6	16.6	30.4	37.2		
Household credit	21.1	28.7	37.2	46.6	44.2		
Lithuania							
Total domestic demand	2.0	5.5	6.5	11.0	7.6	0.99	0.94
Private consumption	6.1	3.6	6.1	12.4	9.3	0.74	0.73
Private sector credit	-6.4	20.3	32.6	59.7	37.6		
Household credit	-14.4	22.2	72.0	99.6	79.5		
Poland							
Total domestic demand	3.1	-1.6	0.8	2.4	4.5	-0.14	0.09
Private consumption	2.8	2.1	3.3	3.1	3.2	-0.30	-0.35
Private sector credit	8.6	3.8	2.7	5.3	-1.1		
Household credit	17.3	10.6	7.1	12.0	7.1		
Slovakia							
Total domestic demand	-2.1	7.1	3.7	-0.2	2.8	0.28	-0.24
Private consumption	-0.9	4.9	5.5	-0.8	3.5	0.47	-0.25
Private sector credit 2/	-1.3	1.4	8.4	4.1	1.2		
Household credit	12.5	11.2	14.2	27.2	29.8		
Slovenia							
Total domestic demand	1.3	0.9	2.4	4.7	4.7	0.48	0.77
Private consumption	0.1	2.3	0.3	2.7	3.5	0.87	0.74
Private sector credit	8.5	11.0	1.9	10.7	17.1		
Household credit	3.5	1.1	0.4	6.6	17.3		

Sources: Local authorities; staff report for Lithuania (2005); briefing paper for Poland (2005); WEO; and IMF staff calculations.

1/ Correlation between real growth in domestic demand components and real growth in credit measures.

2/ Adjusted for write-offs.

Table 2. Noncore Euro Area Countries: Domestic Demand and Its Correlation with Credit, 5 Years Before Euro Adoption 1/

	(Real growth in percent)					Correlation 2/ Private sector credit
Greece						
	1997	1998	1999	2000	2001	
Total domestic demand	3.4	4.7	3.3	5.6	2.4	0.03
Private consumption	2.7	3.5	2.5	2.2	2.8	-0.59
Private sector credit	4.3	7.7	17.8	18.6	17.2	
Ireland 3/						
	1995	1996	1997	1998	1999	
Total domestic demand	7.4	8.0	9.8	9.5	8.5	-0.71 (-0.10)
Private consumption	4.2	6.4	7.2	7.2	8.7	-0.84 (-0.10)
Private sector credit	55.1	13.1	2.0	12.4	11.7	
Portugal						
	1995	1996	1997	1998	1999	
Total domestic demand	1.7	3.0	5.1	6.7	5.9	0.03
Private consumption	1.7	3.0	3.3	5.0	5.1	0.76
Private sector credit	10.6	8.3	13.3	20.4	13.1	
Spain						
	1995	1996	1997	1998	1999	
Total domestic demand	3.1	1.9	3.5	5.7	5.6	0.92
Private consumption	1.7	2.2	3.2	4.4	4.7	0.82
Private sector credit	0.3	-4.8	7.5	10.5	7.1	

Sources: Schadler et al (2004); WEO; and IMF staff calculations.

1/ Including euro adoption year. 1997-2001 for Greece and 1995-1999 for the others.

2/ Correlation between real growth in domestic demand components and real growth in credit measures.

3/ The correlation in parenthesis is calculated with data excluding 1995.

Table 3. Slovenia: Estimate of Household Balance Sheet, 2000-04

	Assets						Liability	Net assets	
	Deposit, domestic 1	Currency and deposit abroad 1/ 2	Mutual fund (MF) 2/ 3	Insurance and pension 3/ 4	Investment in domestic securities 5	Investment in foreign securities 6	Total estimated assets 7=sum(1:6)	Loan, domestic 8	9=7-8
	(In billions of tolar)								
2000	1,294	...	10	87	700	1	2,091	495	1,596
2001	1,756	17	13	121	677	1	2,585	535	2,050
2002	1,978	151	50	171	1,006	5	3,361	577	2,783
2003	2,139	289	84	226	919	12	3,669	644	3,025
2004	2,341	458	189	290	1,102	29	4,410	779	3,630
	(In percent of GDP)								
2000	30.4	...	0.2	2.0	16.5	0.0	49.2	11.6	37.5
2001	36.9	0.4	0.3	2.5	14.2	0.0	54.3	11.2	43.1
2002	37.2	2.8	0.9	3.2	18.9	0.1	63.2	10.9	52.4
2003	37.2	5.0	1.5	3.9	16.0	0.2	63.8	11.2	52.6
2004	37.8	7.4	3.1	4.7	17.8	0.5	71.2	12.6	58.6

Source: Bank of Slovenia.

1/ Estimated by setting 2000 as 0 and take cumulative sum of flow data.

2/ Estimated as 90 percent of total asset of mutual funds.

3/ Including mathematical provisions of insurance companies and from the year 2001 asset of voluntary supplementary pension insurance. 2004 data refer to September.

Table 4. NMSs: Households' Position vis-à-vis Banks and Assets at Non-bank Financial Institutions, 2000-04
(In percent of GDP)

	2000	2001	2002	2003	2004
			Czech		
Banks, total assets	...	90.5	106.8	100.9	95.8
<i>Of which</i> : Loans to households	5.7	6.0	7.5	9.3	11.4
Bank deposits, households	34.6	35.7	34.7	34.7	34.5
Household net deposits	28.9	29.7	27.2	25.4	23.1
Mutual funds, assets 1/	3.5	2.8	4.1	4.2	...
			Estonia		
Banks, total assets	62.4	65.6	69.9	78.5	96.0
<i>Of which</i> : Loans to households	7.3	8.7	11.0	15.1	20.7
Bank deposits, households	16.8	18.5	18.4	18.7	19.6
Household net deposits	9.4	9.8	7.4	3.5	-1.1
Pension fund, assets 2/ 3/	...	...	0.2	1.0	1.7
Investment funds, assets 3/ 4/	...	2.9	3.5	4.8	5.1
			Poland		
Banks, total assets	62.3	65.6	64.4	64.7	65.4
<i>Of which</i> : Loans to households	9.7	10.5	11.0	12.0	12.4
Bank deposits, households	27.8	29.4	27.8	26.1	23.8
Household net deposits	18.1	18.9	16.8	14.1	11.3
Open pension fund net assets	1.4	2.5	4.1	5.5	...
Insurance companies, assets	...	...	7.4	8.1	...
Investment funds, assets	...	...	2.9	4.0	...
			Slovakia		
Banks, total assets	102.0	92.2	92.6	82.8	87.7
<i>Of which</i> : Loans to households	4.7	5.1	5.6	7.1	8.8
Bank deposits, households	38.2	39.2	36.2	31.8	27.7
Household net deposits	33.5	34.1	30.6	24.7	18.9
Supplementary pension insurance companies	...	0.5	0.7	0.9	...
Domestic mutual funds, value of shares	...	...	0.5	1.6	...
			Slovenia		
Banks, total assets	76.9	84.9	86.8	88.8	92.1
<i>Of which</i> : Loans to households	11.6	11.2	10.9	11.2	12.6
Bank deposits, households	30.4	36.9	37.2	37.2	37.8
Household net deposits	18.8	25.7	26.4	26.0	25.2
Voluntary pension fund net assets	...	0.1	0.4	0.9	...
Insurance companies, assets 5/	2.1	2.6	3.2	3.9	...
Mutual funds, assets	0.3	0.3	1.0	1.6	3.4

Sources: Central banks.

1/ Chart IV.44 Financial Stability Report 2004, CNB.

2/ Figure 5.5 Financial Stability Review November 2004, Bank of Estonia.

3/ For 2004 data refer to September.

4/ Figure 5.2 Financial Stability Review November 2004, Bank of Estonia.

5/ Assets covering mathematical provisions.

REFERENCES

Bank of Estonia, 2004, "Financial Stability Review."

Bank of Slovenia, 2004, "Financial Stability Report for 2003."

Czech National Bank, 2004, "Financial Stability Report."

Gourinchas, P.O., R. Valdes, and O. Landerretche, 1999, "Lending Booms: Some Stylized Facts," (unpublished; Cambridge, Massachusetts: MIT).

Honohan, P., 1997, "Banking System Failures in Developing and Transition Countries: Diagnosis and Prediction," Working Paper 39 (Basle, Switzerland: BIS, Monetary and Economic Department).

Kaminsky, G., and C. Reinhart, 1999, "The Twin Crisis: The Causes of Banking and Balance-of-Payments Problems," *American Economic Review*, Vol. 89, pp. 473-500.

Schadler, S., P. Drummond, L. Kuijs, Z. Murgasova, and R. van Elkan, 2005, "Adopting the Euro in Central Europe: Challenges of the Next Step in European Integration," IMF Occasional Paper 234, (Washington: International Monetary Fund).

Table A1. Slovenia: Basic Data

	Slovenia		EU-15		
Social and demographic indicators					
Area (thousand square kilometers)		20.3		3,154	
Population (million; 2002)		2.0		377.7	
Rate of population growth (percent; 2004)		0.0		0.3	
GDP per capita (PPS; EU-15=100; 2004)		71		100	
Income distribution (ratio of income received by top and bottom quintiles, 2002)		3.1		4.6	
Adult population with upper secondary education (percent; 2002)		76.8		64.6	
Total R&D expenditure (percent of GDP, 2003)		1.5		2.0	
Household internet access (percent of total, 2004)		47.0		45.0	
Life expectancy at birth (years; 2002)					
Male		72.7		75.8	
Female		80.5		81.9	
Number of practicing physicians (per 100,000 inhabitants; 2002 for Slovenia, 1999 for EU-15)		228		363	
	2000	2001	2002	2003	2004
Real economy (change in percent)					
Real GDP	3.9	2.7	3.3	2.5	4.6
Domestic demand	1.5	0.9	2.3	4.7	4.7
CPI (average)	8.9	8.4	7.5	5.6	3.6
Unemployment rate (ILO definition; in percent)	7.0	6.4	6.3	6.7	6.4
Gross national saving (percent of GDP)	23.8	24.1	25.2	24.9	25.9
Gross domestic investment (percent of GDP)	26.7	23.9	23.8	25.3	26.8
Public finance (percent of GDP)					
General government revenue	40.6	41.3	40.6 1/	41.3	41.7
General government expenditure	41.9	42.6	42.1	42.7	43.1
General government balance	-1.3	-1.3	-1.5 1/	-1.4	-1.4
General government debt	27.4	28.1	29.5	29.4	29.5
Money and credit (end of year; percent change)					
M3 (including foreign currency deposits)	15.3	28.3	18.4	5	6.8
Credit to the private sector	18.1	18.5	10.5	15.5	20.2
Interest rates (end of year; in percent)					
Rate on 60-day Bank of Slovenia bills	10.0	8.0	8.3	6.0	4.0
Lending rates	14.6-18.4	12.3-15.8	11.6-14.7	9.0-10.3	7.9-8.5
Deposit rates 2/	10.9-13.2	8.5-11.0	7.6-8.6	4.8-5.7	3.2-4.0
Balance of payments (percent of GDP)					
Exports of goods (volume; percent change)	12.9	7.0	6.5	4.4	13.2
Imports of goods (volume; percent change)	7.7	3.2	4.4	7.3	13.2
Merchandise balance	-5.9	-3.1	-1.1	-2.2	-3.2
Current account balance	-2.8	0.2	1.4	-0.4	-0.9
Exchange rates					
Exchange rate regime	Pegged to euro under ERM2(Central parity of SIT 239.64 per euro)				
Present rate (June 20, 2005)	SIT 196.108 per US\$; SIT 239.537 per euro				
Nominal effective rate (1998Q1=100, period average)	90.6	85.0	81.8	80.6	79.1
Real effective rate (CPI based, 1998Q1=100, period average)	102.3	101.4	103.1	105.4	105.1

Sources: Slovene authorities; Eurostat; and IMF staff calculations.

1/ The revenues and deficit figures have been adjusted for the shift of budget accounting to a pure cash basis. Without the adjustment, the general government deficit would had reached SIT 156 bn, or 3.0 percent of GDP, as the unadjusted figures contained only 11 months of VAT and excise tax revenues.

2/ For deposits with maturity between 31 days and 1 year.

Table A2. Slovenia: Growth of Real GDP and Its Components, 2000-04
(Real growth rate in percent, 2000 prices)

	2000	2001	2002	2003	2004
Gross domestic product (GDP) by activity					
GDP	3.9	2.7	3.3	2.5	4.6
Total value added (basic prices)	4.4	3.1	3.7	2.5	4.4
Agriculture, hunting, forestry	0.8	-12.2	15.5	-15.4	11.2
Fishing	-2.7	1.6	-4.2	5.1	-2.9
Mining and quarrying	-1.4	-5.5	-8.4	5.8	-5.2
Manufacturing	8.9	5.1	4.8	3.9	5.4
Electricity, gas, and water supply	5.5	7.0	6.1	-3.1	4.9
Construction	0.9	-2.2	0.6	3.4	1.6
Wholesale, retail, trade, and repair	1.3	2.4	3.5	2.9	3.8
Hotels and restaurants	4.2	6.5	3.4	3.5	2.3
Transport, storage, and communications	2.8	5.0	3.1	3.4	3.8
Financial intermediation	2.5	6.4	5.8	6.1	10.4
Real estate, renting and business activities	0.7	4.1	3.3	3.7	3.8
Public administration and defense	5.6	5.3	3.3	4.4	3.1
Education	4.9	2.2	2.6	2.4	2.4
Health and social work	4.3	2.6	4.0	3.1	4.9
Other community and personal activities	3.8	2.8	-2.2	1.5	3.9
Private households with employed persons	11.0	12.5	-9.8	-34.1	-7.8
Financial intermediation services measured indirectly	2.1	12.2	7.0	12.3	8.2
Taxes on products minus subsidies on products	1.5	0.0	0.6	2.5	5.7
Expenditure on gross domestic product					
GDP	3.9	2.7	3.3	2.5	4.6
Total domestic demand	1.5	0.9	2.3	4.7	4.7
Final consumption	0.8	2.7	0.7	2.7	3.0
Private consumption	0.3	2.3	0.3	2.7	3.5
Government consumption	2.3	3.9	1.7	2.6	1.7
Gross capital formation	3.3	-4.3	7.4	10.5	9.1
Gross fixed capital formation	2.6	4.1	3.1	6.3	6.8
Exports of goods and services	13.0	6.3	6.7	3.2	12.6
Imports of goods and services	7.6	3.0	4.9	6.8	12.4

Source: Statistical Office of the Republic of Slovenia.

Table A3. Slovenia: Aggregate Supply and Demand at Current Prices, 2000-04
(In billions of tolar, current prices)

	2000	2001	2002	2003	2004
Gross domestic product (GDP) by activity					
GDP	4,252.3	4,761.8	5,314.5	5,747.2	6,191.2
Total value added (basic prices)	3,679.4	4,138.5	4,600.1	4,980.0	...
Agriculture, hunting, forestry	118.7	121.9	148.0	131.8	...
Fishing	0.7	0.8	0.9	1.1	...
Mining and quarrying	25.6	23.5	22.8	27.0	...
Manufacturing	1,013.2	1,139.2	1,242.1	1,365.1	...
Electricity, gas, and water supply	105.5	127.0	144.5	148.4	...
Construction	237.3	248.4	264.7	290.8	...
Wholesale, retail, trade, and repair	422.0	484.8	541.1	593.9	...
Hotels and restaurants	87.8	98.3	104.1	113.9	...
Transport, storage, and communications	264.2	295.8	327.6	363.2	...
Financial intermediation	186.8	184.6	242.6	232.7	...
Real estate, renting, and business activities	559.9	635.0	736.7	798.2	...
Public administration and defense	230.6	269.1	298.9	333.2	...
Education	206.5	239.8	263.8	287.9	...
Health and social work	191.9	217.9	234.4	251.7	...
Other community and personal activities	134.2	149.6	154.9	168.5	...
Private households with employed persons	1.4	1.8	1.7	1.3	...
Financial intermediation services measured indirectly	-106.9	-99.0	-128.7	-128.8	...
Taxes on products minus subsidies on products	572.9	623.4	714.4	767.2	...
Expenditure on gross domestic product					
GDP	4,252.3	4,761.8	5,314.5	5,747.2	6,191.2
Total domestic demand	4,403.1	4,793.8	5,235.9	5,749.0	6,228.9
Final consumption	3,269.5	3,656.7	3,973.0	4,294.0	4,569.1
Private consumption	2,426.0	2,682.0	2,900.0	3,128.0	3,341.8
Government consumption	843.5	974.7	1,073.0	1,166.0	1,227.3
Gross capital formation	1,133.6	1,137.1	1,262.9	1,455.0	1,659.7
Gross fixed capital formation	1,066.8	1,164.4	1,239.2	1,373.3	1,529.1
Changes in inventories and valuables	66.9	-27.3	23.7	81.7	130.7
Exports of goods and services	2,387.3	2,744.5	3,060.3	3,245.4	3,710.8
Imports of goods and services	2,538.1	2,776.5	2,981.7	3,247.3	3,748.5

Source: Statistical Office of the Republic of Slovenia.

Table A4. Slovenia: Aggregate Supply and Demand at Constant Prices, 2000-04
(In billions of tolar, 2000 prices)

	2000	2001	2002	2003	2004
Gross domestic product by activity					
GDP	4,252.3	4,366.2	4,511.4	4,625.3	4,836.9
Total value added (basic prices)	3,679.4	3,793.1	3,934.6	4,034.2	4,212.2
Agriculture, hunting, forestry	118.7	104.3	120.4	101.8	113.2
Fishing	0.7	0.7	0.7	0.7	0.7
Mining and quarrying	25.6	24.2	22.1	23.4	22.2
Manufacturing	1,013.2	1,064.4	1,115.8	1,159.4	1,222.4
Electricity, gas, and water supply	105.5	112.9	119.8	116.0	121.8
Construction	237.3	232.1	233.6	241.5	245.3
Wholesale, retail, trade, and repair	422.0	431.9	447.2	460.1	477.8
Hotels and restaurants	87.8	93.5	96.7	100.2	102.5
Transport, storage, and communications	264.2	277.3	285.8	295.5	306.9
Financial intermediation	186.8	198.7	210.2	222.9	246.2
Real estate, renting, and business activities	559.9	582.9	602.4	624.7	648.3
Public administration and defense	230.6	242.8	250.8	261.8	269.8
Education	206.5	210.9	216.4	221.5	226.8
Health and social work	191.9	196.8	204.6	210.9	221.2
Other community and personal activities	134.2	138.0	134.9	137.0	142.3
Private households with employed persons	1.4	1.5	1.4	0.9	0.8
Financial intermediation services measured indirectly	-106.9	-120.0	-128.4	-144.2	-156.0
Taxes on products minus subsidies on products	572.9	573.2	576.8	591.1	624.7
Expenditure on gross domestic product					
GDP	4,252.3	4,366.2	4,511.4	4,625.3	4,836.9
Total domestic demand	4,403.1	4,443.9	4,546.1	4,758.8	4,980.7
Final consumption	3,269.5	3,358.8	3,381.0	3,471.9	3,576.6
Private consumption	2,426.0	2,482.3	2,489.9	2,557.9	2,647.5
Government consumption	843.5	876.5	891.1	913.9	929.1
Gross capital formation	1,133.6	1,085.1	1,165.1	1,286.9	1,404.1
Gross fixed capital formation	1,066.8	1,110.6	1,144.8	1,216.5	1,298.9
Changes in inventories and valuables	66.9	-25.5	20.3	70.4	105.2
Exports of goods and services	2,387.3	2,537.2	2,707.4	2,794.2	3,146.3
Imports of goods and services	2,538.1	2,614.9	2,742.1	2,927.7	3,290.0

Source: Statistical Office of the Republic of Slovenia.

Table A5. Slovenia: Cost Structure of Gross Domestic Product, 2000-03

	2000	2001	2002	2003
	(In billions of tolar, current prices)			
Gross domestic product	4,252.3	4,761.8	5,314.5	5,747.2
Compensation of employees	2,275.7	2,564.4	2,818.6	3,040.2
Wages and salaries	2,033.2	2,293.6	2,517.7	2,715.2
Employees' actual social security contributions	242.6	270.9	300.9	324.9
Gross operating surplus	998.7	1,132.3	1,253.9	1,394.2
Consumption of fixed capital	661.8	732.2	780.5	800.8
Net operating surplus	336.9	400.0	473.4	593.4
Gross mixed income	340.5	361.2	427.6	433.6
Consumption of fixed capital	83.2	90.9	92.6	95.8
Net mixed income	257.3	270.4	335.0	337.8
Taxes on production and imports	700.7	771.9	878.9	963.1
Taxes on products	597.1	646.0	737.5	795.4
Other taxes on production	103.6	125.9	141.5	167.8
Less: Subsidies	63.2	68.0	64.5	83.9
Subsidies on products	24.2	22.6	23.1	28.1
Other subsidies	39.0	45.3	41.4	55.8
Cost structure of gross domestic product	(Share of GDP at current prices, in percent)			
Compensation of employees	53.5	53.9	53.0	52.9
Wages and salaries	47.8	48.2	47.4	47.2
Employees' actual social security contributions	5.7	5.7	5.7	5.7
Gross operating surplus	23.5	23.8	23.6	24.3
Consumption of fixed capital	15.6	15.4	14.7	13.9
Net operating surplus	7.9	8.4	8.9	10.3
Gross mixed income	8.0	7.6	8.0	7.5
Consumption of fixed capital	2.0	1.9	1.7	1.7
Net mixed income	6.0	5.7	6.3	5.9
Taxes on production and imports	16.5	16.2	16.5	16.8
Taxes on products	14.0	13.6	13.9	13.8
Other taxes on production	2.4	2.6	2.7	2.9
Less: Subsidies	1.5	1.4	1.2	1.5
Subsidies on products	0.6	0.5	0.4	0.5
Other subsidies	0.9	1.0	0.8	1.0

Source: Statistical Office of the Republic of Slovenia.

Table A6. Slovenia: Gross Fixed Capital Formation, 2000-03

	2000	2001	2002	2003
(In billions of tolar, current prices)				
Total gross fixed capital formation	1,085.9	1,136.8	1,234.8	1,303.0
Buildings and construction works	545.6	547.9	636.8	...
Transport equipment	104.4	110.7	119.5	...
Other machinery and equipment	376.7	410.1	420.3	...
Others	9.4	9.6	9.6	...
Intangible fixed assets	49.8	58.6	48.6	...
(In billions of tolar, 2000 prices)				
Total gross fixed capital formation	1,085.9	1,081.7	1,096.0	1,156.2
Buildings and construction works	545.6	509.9	503.2	...
Transport equipment	104.4	105.2	106.9	...
Other machinery and equipment	376.7	400.5	418.0	...
Others	9.4	8.9	6.5	...
Intangible fixed assets	49.8	57.2	61.3	...

Source: Statistical Office of the Republic of Slovenia.

Table A7. Slovenia: Inflation, 2000-05

	Consumer Price Inflation			Increases in Administered and Regulated Prices 1/	Core Inflation 2/	Producer Price Inflation
	Total	Goods 1/	Services 1/			
(In percent, period average)						
2000	8.9	9.1	8.5	...	6.1	7.6
2001	8.4	7.8	10.2	...	7.6	8.9
2002	7.5	6.3	10.7	...	6.9	5.2
2003	5.6	5.0	6.9	...	4.7	2.5
2004	3.6	2.6	6.0		2.8	4.3
(In percent, year-on-year)						
Mar-00	8.3	8.4	8.5	12.7	4.8	5.2
Jun-00	9.3	9.5	9.1	19.2	5.2	7.1
Sep-00	8.6	9.1	7.6	16.5	6.8	9.0
Dec-00	9.2	9.4	8.8	16.0	7.4	9.2
Mar-01	8.7	8.0	10.4	17.6	7.9	10.2
Jun-01	9.4	9.0	10.4	16.0	8.0	9.9
Sep-01	8.4	7.8	10.2	13.7	7.1	8.5
Dec-01	7.3	6.3	10.0	10.6	7.2	7.3
Mar-02	8.0	7.1	10.7	5.2	6.8	5.8
Jun-02	7.5	6.4	10.9	3.9	7.1	5.7
Sep-02	7.3	5.7	11.6	7.3	6.9	5.5
Dec-02	7.1	6.1	9.6	9.2	6.7	4.0
Mar-03	6.4	5.9	7.5	6.0	6.0	3.0
Jun-03	5.7	5.1	7.2	5.6	5.3	2.6
Sep-03	5.5	4.9	6.8	4.4	4.1	2.1
Dec-03	4.9	4.3	6.3	4.0	3.4	2.1
Mar-04	3.7	2.7	6.2	1.8	2.7	3.2
Jun-04	3.7	2.8	6.1	3.5	2.7	4.2
Sep-04	3.6	2.5	6.2	2.7	3.2	4.8
Dec-04	3.4	2.5	5.4	0.5	2.5	5.0
Mar-05	2.7	1.9	4.4	10.7	1.1	4.3

Sources: Statistical Office of the Republic of Slovenia; Institute of Macroeconomic Analysis and Development; and Bank of Slovenia.

1/ In 1999-2003, the average weights of goods, services, and administered and regulated prices in the consumer price index were 73.4, 26.6, and 14.3 percent, respectively.

2/ Bank of Slovenia's measure of core inflation excludes prices of energy, seasonal food, and impact of indirect taxes.

Table A8. Slovenia: Increases in Administered and Regulated Prices, 2000-04

	2000	2001	2002	2003	2004
All administered and regulated prices	16.0	10.6	9.2	4.0	9.0
Gasoline prices	26.2	7.7	7.7	3.3	14.2
Municipal services charges	20.1	22.4	17.8	5.8	11.4
Telephone services	5.7	17.4	23.7	...	...
Electricity tariffs	8.2	5.0	2.8	3.9	4.0

Source: Institute of Macroeconomic Analysis and Development.

Table A9. Slovenia: Employment by Sector, 2000-04

	2000	2001	2002	2003	2004
	(Full-time-equivalent, in thousands)				
Total economy	898.5	901.5	897.5	894.8	899.4
Agriculture, fishing and forestry	106.2	102.7	99.9	96.6	93.1
Agriculture	105.9	102.5	99.6	96.4	92.8
Fishing	0.3	0.3	0.3	0.3	0.3
Industry and construction	340.6	341.1	335.0	329.0	325.2
Mining and quarrying	5.7	5.3	5.0	4.7	4.3
Manufacturing	256.0	257.0	252.1	246.4	244.0
Electricity, gas and water supply	12.0	11.9	12.0	12.0	11.8
Construction	66.8	66.8	66.0	65.8	65.1
Production services	192.4	192.7	193.4	192.8	192.2
Wholesale, retail, trade, repair	109.3	109.0	109.4	109.5	109.6
Hotels and restaurants	30.3	30.2	29.9	29.5	29.6
Transport, storage and communications	52.7	53.5	54.1	53.8	53.0
Business services	84.1	87.5	89.9	92.6	95.2
Financial intermediation	19.9	20.4	20.7	20.7	21.2
Real estate, renting, and business services	64.3	67.1	69.1	71.9	74.0
Public services	175.3	177.5	179.3	183.8	193.75
Public administration	43.5	45.0	46.3	48.1	50.5
Education	53.8	54.6	55.5	56.3	57.2
Health and social work	44.3	45.0	46.1	47.5	49.8
Other social and personal services	28.8	29.1	28.1	28.9	29.2
Private households with employees	0.8	0.8	0.8	0.5	0.5
	(In percent of total employment)				
Agriculture and fishing	11.8	11.4	11.1	10.8	10.3
Industry and construction	37.9	37.8	37.3	36.8	36.2
Mining and quarrying	0.6	0.6	0.6	0.5	0.5
Manufacturing	28.5	28.5	28.1	27.5	27.1
Electric, gas and water supply	1.3	1.3	1.3	1.3	1.3
Construction	7.4	7.4	7.4	7.4	7.2
Production services	21.4	21.4	21.5	21.6	21.4
Distributive trade	12.2	12.1	12.2	12.2	12.2
Hotels and restaurants	3.4	3.3	3.3	3.3	3.3
Transport, storage, and communications	5.9	5.9	6.0	6.0	5.9
Business services	9.4	9.7	10.0	10.4	10.6
Financial intermediation	2.2	2.3	2.3	2.3	2.4
Real estate, renting, and business services	7.2	7.4	7.7	8.0	8.2
Public services	19.5	19.7	20.0	20.5	21.5
Public administration	4.8	5.0	5.2	5.4	5.6
Education	6.0	6.1	6.2	6.3	6.4
Health and social work	4.9	5.0	5.1	5.3	5.5
Other social and personal services	3.2	3.2	3.1	3.2	3.2
Private households with employees	0.1	0.1	0.1	0.1	0.1

Source: Statistical Office of the Republic of Slovenia.

Table A10. Slovenia: Average Monthly Gross Wages by Sector, 2000-04 1/

	Old classification			New classification		
	2000	2001	2002	2002	2003	2004
	(In tolar)					
Total economy	191,622	214,500	235,421	235,421	253,163	267,523
Agriculture and fishing						
Agriculture	171,756	185,664	196,488	201,230	212,437	221,777
Fishing	166,418	172,723	183,100	183,100	197,818	208,246
Industry and construction						
Mining and quarrying	218,795	248,176	274,425	274,425	298,266	326,860
Manufacturing	161,267	178,614	196,108	197,202	212,386	227,187
Electricity, gas and water supply	219,234	250,047	277,187	188,995	204,456	218,889
Construction	159,511	173,122	188,865	278,744	299,869	324,281
Production services						
Distributive trade	173,073	189,436	207,002	207,165	222,231	237,105
Hotels and restaurants	150,479	165,050	178,083	178,448	189,644	200,348
Transport, storage, and communications	208,383	232,256	251,519	252,337	273,798	291,987
Business services						
Financial intermediation	278,844	313,109	339,698	339,698	370,603	392,818
Real estate, renting, and business services	207,754	232,983	253,766	258,522	278,742	293,236
Public services						
Public administration	244,562	278,773	299,848	299,848	321,486	322,879
Education	220,549	255,181	288,011	288,252	310,265	326,265
Health and social work	224,466	253,104	295,277	267,790	280,989	289,694
Other social and personal services	245,545	273,408	293,666	293,764	307,270	325,660
	(Percent change)					
Total economy	10.6	11.9	9.8	...	7.5	5.7
Agriculture and fishing						
Agriculture	6.4	8.1	5.8	...	5.6	4.4
Fishing	7.9	3.8	6.0	...	8.0	5.3
Industry and construction						
Mining and quarrying	13.3	13.4	10.6	...	8.7	9.6
Manufacturing	11.9	10.8	9.8	...	7.7	7.0
Electricity, gas, and water supply	9.4	14.1	10.9	...	8.2	7.1
Construction	8.1	8.5	9.1	...	7.6	8.1
Production services						
Distributive trade	6.2	9.5	9.3	...	7.3	6.7
Hotels and restaurants	8.1	9.7	7.9	...	6.3	5.6
Transport, storage, and communications	11.5	11.5	8.3	...	8.5	6.6
Business services						
Financial intermediation	9.3	12.3	8.5	...	9.1	6.0
Real estate, renting, and business services	11.5	12.1	8.9	...	7.8	5.2
Public services						
Public administration	9.2	14.0	7.6	...	7.2	0.4
Education	14.8	15.7	12.9	...	7.6	5.2
Health and social work	10.5	12.8	16.7	...	4.9	3.1
Other social and personal services	7.7	11.3	7.4	...	4.6	6.0

Source: Statistical Office of the Republic of Slovenia.

1/ Sectoral average wage data are not consistent over time, owing to a sectoral reclassification of workers that occurred in 2002.

Table A11. Slovenia: Summary of General Government Operations, 2000-05

(In billions of tolar)

	2000	2001	2002	2003	2004	Revised budget 2005
Total revenues	1,726.7	1,967.8	2,159.5 1/	2,375.8	2,584.3	2,799.6
Tax revenues	1,599.6	1,798.3	1,909.6	2,189.5	2,348.2	2,484.3
Personal income tax	259.6	289.1	319.8	353.1	382.7	388.2
Corporate income tax	51.8	68.8	75.2	107.4	124.4	146.3
Social security contributions	552.6	620.9	681.8	737.6	801.0	850.1
Taxes on payroll and workforce	68.1	83.4	93.9	107.4	117.7	123.3
Domestic taxes on goods and services	602.9	673.4	672.7	814.6	857.4	927.1
<i>Of which</i> : Value added tax	410.4	440.6	423.7	525.9	539.3	589.0
Excises	134.1	166.4	170.9	197.8	218.0	237.6
Other	58.4	66.3	78.1	90.9	100.0	100.5
Nontax revenues	95.4	139.0	133.9	149.2	162.2	173.4
Capital revenues and grants	17.1	21.0	29.4	29.2	22.6	18.4
Transfers from extrabudgetary funds	14.6	9.4	11.0	7.9	7.5	7.6
Receipts from the EU budget 2/	...	...	...	...	43.8	115.9
Adjustment for methodological change 1/	...	...	75.6	...	...	...
Total expenditures	1,781.4	2,031.0	2,239.9	2,454.3	2,669.7	2,885.8
Wages and social security contributions	387.5	456.4	514.9	561.2	588.7	625.4
Central and local government	131.9	155.3	174.0	195.5	205.0	217.4
Public institutions	255.6	301.1	340.9	365.6	383.6	408.0
Premium for supplementary pension insurance	...	...	...	...	13.0	10.0
Expenditure on goods and services	336.0	385.8	417.7	451.4	429.9	462.1
Interest payments	61.0	72.8	83.5	92.7	91.9	89.3
Reserves	12.6	9.0	9.9	18.6	12.0	14.8
Transfers to individuals and households	731.1	821.4	910.4	986.1	1,053.4	1,105.7
<i>Of which</i> : Pensions	490.7	544.5	600.8	640.2	677.5	716.0
Subsidies	59.0	63.2	60.4	69.5	77.6	85.3
Other current transfers	23.5	23.5	36.2	41.8	118.3	142.1
Capital expenditures and transfers	170.9	198.9	206.9	233.0	244.4	277.9
Transfers to the EU budget	...	...	...	...	40.6	73.1
Overall balance	-54.7	-63.2	-80.4 1/	-78.5	-85.4	-86.2

Source: Ministry of Finance of the Republic of Slovenia.

1/ Revenues and deficit figures have been adjusted for the shift of budget accounting to a pure cash basis. Without the adjustment, the general government deficit would have reached SIT 156 bn, or 3.0 percent of GDP, as the unadjusted figures contained only 11 months of VAT and excise tax.

2/ Pre-accession aid of the EU was until 2003 classified as grants.

Table A12. Slovenia: Summary of General Government Operations, 2000-05

(In percent of GDP)

	2000	2001	2002	2003	2004	Revised budget
						2005
Total revenues	40.6	41.3	40.6 1/	41.3	41.7	42.5
Tax revenues	37.6	37.8	35.9	38.1	37.9	37.7
Personal income tax	6.1	6.1	6.0	6.1	6.2	5.9
Corporate income tax	1.2	1.4	1.4	1.9	2.0	2.2
Social security contributions	13.0	13.0	12.8	12.8	12.9	12.9
Taxes on payroll and workforce	1.6	1.8	1.8	1.9	1.9	1.9
Domestic taxes on goods and services	14.2	14.1	12.7	14.2	13.8	14.1
<i>Of which</i> : Value added tax	9.7	9.3	8.0	9.2	8.7	8.9
Excises	3.2	3.5	3.2	3.4	3.5	3.6
Other	1.4	1.4	1.5	1.6	1.6	1.5
Nontax revenues	2.2	2.9	2.5	2.6	2.6	2.6
Capital revenues and grants	0.4	0.4	0.6	0.5	0.4	0.3
Transfers from extrabudgetary funds	0.3	0.2	0.2	0.1	0.1	0.1
Receipts from the EU budget 2/	...	...	...	...	0.7	1.8
Adjustment for methodological change 1/	...	...	1.4	...	...	...
Total expenditures	41.9	42.6	42.2	42.7	43.1	43.8
Wages and social security contributions	9.1	9.6	9.7	9.8	9.5	9.5
Central and local government	3.1	3.3	3.3	3.4	3.3	3.3
Public institutions	6.0	6.3	6.4	6.4	6.2	6.2
Premium for supplementary pension insurance	...	...	...	...	0.2	0.2
Expenditure on goods and services	7.9	8.1	7.9	7.9	6.9	7.0
Interest payments	1.4	1.5	1.6	1.6	1.5	1.4
Reserves	0.3	0.2	0.2	0.3	0.2	0.2
Transfers to individuals and households	17.2	17.2	17.1	17.2	17.0	16.8
<i>Of which</i> : Pensions	11.5	11.4	11.3	11.1	10.9	10.9
Subsidies	1.4	1.3	1.1	1.2	1.3	1.3
Other current transfers	0.6	0.5	0.7	0.7	1.9	2.2
Capital expenditures and transfers	4.0	4.2	3.9	4.1	3.9	4.2
Transfers to the EU budget	...	...	...	...	0.7	1.1
Overall balance	-1.3	-1.3	-1.5 1/	-1.4	-1.4	-1.3

Source: Ministry of Finance of the Republic of Slovenia.

1/ Revenues and deficit figures have been adjusted for the shift of budget accounting to a pure cash basis. Without the adjustment, the general government deficit would have reached SIT 156 bn, or 3.0 percent of GDP, as the unadjustable figures contained only 11 months of VAT and excise tax.

2/ Pre-accession aid of the EU was until 2003 classified as grants.

Table A13. Slovenia: State Budget, 2000-05

	2000	2001	2002	2003	2004	Revised budget 2005
	(In billions of tolar)					
Total revenues	991.0	1,144.6	1,248.7 1/	1,392.7	1,515.3	1,683.0
Tax revenues	927.7	1,039.6	1,071.3	1,281.8	1,365.5	1,449.7
Personal income tax	168.8	187.9	208.1	229.5	248.6	252.3
Corporate income tax	51.8	68.8	75.2	107.4	124.4	146.3
Social security contributions	6.6	7.3	8.1	8.8	9.4	10.2
Taxes on payroll and workforce	68.1	83.4	93.9	107.4	117.7	123.3
Domestic taxes on goods and services	593.3	659.3	652.5	793.5	835.8	906.1
Sales taxes on goods and services	11.2	2.0	0.8	1.5	...	...
Value added tax	399.2	438.7	422.9	524.5	539.3	589.0
Excises	134.1	166.4	170.9	197.8	217.6	237.6
Other taxes on goods and services	48.8	52.3	57.9	69.7	78.9	79.5
Taxes on international trade and transactions	38.1	29.6	33.5	34.7	22.1	8.7
Other taxes	1.0	3.3	0.3	0.2	7.5	2.7
Nontax revenues	56.0	94.0	86.3	96.8	102.7	111.6
Capital revenues and grants	7.3	11.0	15.3	14.0	3.2	5.7
Receipts from the EU budget 2/	...	...	...	...	43.8	115.9
Total expenditures	1,028.9	1,194.2	1,313.3	1,461.2	1,595.7	1,775.0
Current expenditures						
Wages and social security contributions	303.6	363.5	414.9	460.1	500.7	532.5
Central government institutions	133.4	157.4	176.9	199.4	212.7	224.1
Other public institutions	170.2	206.1	238.1	260.7	288.1	308.4
Expenditures on goods and services	152.6	178.7	187.9	199.6	193.3	216.5
Central government institutions	109.2	133.5	140.3	147.9	142.8	166.8
Other public institutions	43.4	45.2	47.6	51.7	50.5	49.7
Interest payments	60.3	71.0	82.5	90.0	89.2	88.1
Current transfers						
Transfers to individuals and households	150.6	165.2	178.8	201.0	215.0	218.6
Transfers from the state budget to the pension fund and the health fund	153.9	193.3	226.1	238.0	248.1	263.7
Transfers to local governments	32.8	33.7	33.5	38.6	39.7	50.4
Subsidies	52.8	56.8	56.7	64.4	72.7	80.2
Other current transfers	21.3	19.5	23.3	35.6	57.7	81.0
Capital expenditures	101.2	112.4	109.6	133.9	138.7	170.8
Acquisitions of capital assets	50.9	58.6	50.4	64.5	70.0	82.1
Capital transfers	50.3	53.8	59.2	69.5	68.7	88.7
Transfers to the EU budget	...	...	...	...	40.6	73.1
Overall balance	-38.0	-49.6	-64.6 1/	-68.5	-80.4	-91.9
Memorandum item:						
	In percent of GDP					
Total revenue	23.3	24.0	23.5 1/	24.2	24.5	25.5
Tax revenue	21.8	21.8	20.2	22.3	22.1	22.0
Total expenditure	24.2	25.1	24.7	25.4	25.8	26.9
Overall balance	-0.9	-1.0	-1.2 1/	-1.2	-1.3	-1.4

Source: Ministry of Finance of the Republic of Slovenia.

1/ Revenues and deficit figures have been adjusted for the shift of budget accounting to a pure cash basis. Without the adjustment, the central government deficit would have reached SIT 140 bn, or 2.7 percent of GDP, as the unadjusted figures contained only 11 months of VAT and excise tax.

2/ Pre-accession aid of the EU was until 2003 classified as grants.

Table A14. Slovenia: Local Government Operations, 2000-05
(In billions of tolar)

	2000	2001	2002	2003	2004	Revised budget 2005
Total revenues	215.0	240.6	264.9	289.7	311.0	330.7
Tax revenues	125.9	145.1	164.6	178.8	191.4	194.6
Taxes on income and profit	90.9	101.2	111.7	123.6	133.9	135.9
Taxes on property	25.5	29.8	32.6	34.1	36.7	37.8
Domestic taxes on goods and services	9.6	14.1	20.2	21.1	20.8	21.0
Other taxes	0.0	0.0	0.0	0.0	0.0	0.0
Nontax revenues	29.2	36.0	37.4	41.4	44.9	46.8
Capital revenues and grants	9.8	9.9	13.8	14.9	18.1	12.7
Transfers from other units of general government	50.1	49.6	49.0	54.6	55.6	76.7
Transfers from the state budget	47.2	46.4	45.8	51.1	50.0	70.6
Transfers from the local budgets	1.6	2.1	2.2	1.9	2.8	2.8
Transfers from other extra-budgetary funds	1.4	1.1	1.1	1.7	2.9	3.3
Total expenditures	214.4	242.5	273.5	290.8	310.8	330.5
Current expenditures						
Wages and social security contributions	31.4	35.4	38.1	40.1	40.2	41.7
Local government administration	13.5	15.8	17.7	19.4	20.7	21.4
Public institutions	17.9	19.7	20.4	20.7	19.5	20.3
Expenditures on goods and services	54.3	60.2	69.2	73.5	73.1	77.1
Local government administration	31.3	36.0	41.9	46.5	50.4	53.5
Public institutions	23.0	24.3	27.3	27.0	22.6	23.5
Interest payments	0.6	0.7	0.8	1.0	1.0	1.1
Current transfers						
Transfers to individuals and households	23.6	28.7	33.1	38.2	44.6	47.1
Transfers to other levels of general government	3.9	3.8	5.6	4.4	4.2	4.4
Subsidies	6.2	6.4	3.8	5.1	4.9	5.0
Other current transfers	10.6	11.1	12.3	14.0	21.7	23.1
Current transfers to local extra-budgetary funds	5.6	5.1	4.5	5.2	5.7	5.9
Capital expenditures	78.3	91.0	106.1	109.3	115.5	125.3
Acquisitions of capital assets	58.3	67.9	76.5	75.9	79.3	83.8
Capital transfers	20.0	23.2	29.6	33.4	36.2	41.4
Overall balance	0.6	-1.9	-8.7	-1.1	0.1	0.2

Source: Ministry of Finance of the Republic of Slovenia.

Table A15. Slovenia: Summary of Health Fund Operations, 2000-05

(In billions of tolar)

	2000	2001	2002	2003	2004	Revised budget 2005
Total revenues	267.4	301.7	340.4	367.5	396.2	427.4
Social security contributions	213.2	242.1	271.3	293.8	315.2	336.2
Employees contributions	102.1	112.4	123.5	129.3	138.4	147.9
Employers contributions	97.8	111.5	127.5	142.8	154.1	164.6
Other contributions	13.3	18.2	20.3	21.7	22.6	23.6
Nontax revenues	5.8	4.1	4.5	4.6	7.9	8.1
Transfers from the state budget	1.8	3.7	4.3	4.2	4.0	4.4
Transfers from the local government budgets	2.1	2.4	3.0	3.7	4.2	4.3
Transfers from other units of general government	44.3	49.3	57.2	61.2	64.9	74.4
Total expenditures	270.4	313.4	349.2	378.9	405.9	421.8
Current expenditures of the health fund administration	8.5	8.5	9.3	9.7	10.9	9.2
Transfers to individuals and households	25.2	30.9	36.7	40.1	43.2	46.3
Sick leave compensation	22.7	28.4	34.3	37.2	40.3	43.3
Other transfers to individuals	2.5	2.5	2.4	2.8	2.9	3.0
Transfers to nonprofit organisations	0.8	0.9	1.0	1.0	0.1	0.1
Current transfers to health institutions	232.8	268.5	297.9	324.0	347.9	360.7
Wages and salaries	113.3	130.8	146.2	162.0	174.2	182.3
Goods and services	76.6	86.3	93.8	94.1	102.7	104.8
Medicaments	33.4	41.2	46.3	57.9	60.9	64.1
Orthopedic instruments	9.5	10.2	11.5	10.0	10.1	9.4
Other current expenditures	1.5	3.6	3.2	3.1	2.6	4.3
Capital expenditures	1.5	1.0	1.2	1.1	1.3	1.3
Overall balance	-3.0	-11.8	-8.8	-11.3	-9.8	5.5

Source: Ministry of Finance of the Republic of Slovenia.

Table A16. Slovenia: Summary of Pension Fund Operations, 2000-05

(In billions of tolar)

	2000	2001	2002	2003	2004	Revised budget 2005
Total revenues	573.6	655.2	732.9	783.7	833.2	881.5
Social security contributions	399.6	452.0	495.0	536.6	574.8	607.7
Employees' contributions	236.3	261.5	287.7	312.8	336.6	356.4
Employers' contributions	139.5	155.1	170.2	184.9	198.6	210.2
Other contributions	23.7	35.3	37.1	38.9	39.7	41.2
Nontax revenues	4.4	5.1	5.7	6.8	7.1	7.1
Transfers from the state budget	156.3	189.6	221.8	233.5	244.5	260.0
Transfers from other funds	13.3	8.7	10.4	6.8	6.8	6.8
Total expenditures	587.9	655.2	732.8	781.3	828.6	881.5
Pensions	490.7	541.2	600.8	640.2	677.5	716.0
Old age pensions	303.0	336.3	375.7	403.9	429.9	454.4
Disability pensions	80.6	87.6	95.3	99.7	103.0	106.5
Family pensions	60.2	66.4	74.3	78.7	82.8	86.3
Other pensions	29.0	31.0	33.8	35.0	37.2	38.9
Supplement for recreation of pensioners	17.9	19.9	21.7	22.9	24.6	29.9
Social security allowances	23.1	28.6	33.5	36.0	38.9	41.1
Salary compensations	22.3	31.0	31.0	34.2	37.5	40.0
Social security for pensioners	44.1	48.8	56.6	60.5	64.2	73.0
Other current expenditures of pension fund	7.0	8.9	9.6	9.5	9.6	10.3
Other expenditures	0.8	1.0	1.2	0.7	0.8	1.1
Overall balance	-14.3	0.0	0.0	2.5	4.6	0.0

Source: Ministry of Finance of the Republic of Slovenia.

Table A17. Slovenia: General Government Debt, 2000-04

(In billions of tolar)

	2000	2001	2002	2003	2004
General government	1,166.7	1,339.6	1,569.3	1,687.2	1,823.9
Central government	1,136.2	1,308.7	1,524.5	1,628.8	1,757.0
Domestic	566.3	676.4	895.5	996.9	1,171.2
External	569.9	632.4	629.0	631.9	585.8
Local governments	7.3	8.1	14.3	18.4	21.1
Of which: Domestic	7.3	8.1	14.3	18.4	21.1
Health and Pension Funds	23.2	22.8	30.5	40.1	45.8
Of which: Domestic	23.2	22.8	30.5	40.1	45.8
Memorandum items:					
General government debt (in percent of GDP)	27.4	28.1	29.5	29.4	29.5
Domestic	13.7	14.5	17.3	18.0	19.6
External	13.8	13.6	12.2	11.4	9.8

Source: Ministry of Finance of the Republic of Slovenia.

Table A18. Slovenia: Balance Sheet of the Bank of Slovenia, 2000-04

	2000	2001	2002	2003	2004
	(In billions of tolar, end-of-period)				
Assets	768.9	1,141.0	1,601.5	1,678.0	1,619.2
Foreign Assets	739.9	1,122.5	1,580.3	1,644.7	1,584.5
International monetary reserves	726.7	1,103.4	1,561.5	1,628.2	1,568.3
<i>Of which:</i> foreign securities	482.8	588.3	936.9	1,193.0	1,361.2
Other claims	13.2	19.1	18.7	16.5	16.2
Domestic Assets	29.0	18.5	21.3	33.4	34.7
Claims on general government	16.8	8.5	7.7	24.5	26.6
Claims on deposit money banks	6.8	0.5	1.3	0.1	0.1
<i>Of which:</i>					
Repurchase agreements	6.3	0.0	1.1	0.0	0.0
Other assets	5.4	9.5	12.3	8.7	8.0
Liabilities	768.9	1,141.0	1,601.5	1,678.1	1,619.2
Reserve money	206.4	279.7	272.9	285.3	295.9
Currency outside banks	139.6	165.8	172.1	186.0	195.4
Deposit money banks' deposits	66.8	114.0	100.8	99.3	100.6
General government deposits	39.1	60.0	164.8	146.7	188.7
Other demand deposits	4.9	6.7	8.0	10.3	10.4
Bank of Slovenia bills	365.3	584.7	926.8	1,027.6	924.1
Restricted deposits	4.6	4.9	4.8	8.2	0.2
Foreign liabilities	0.1	0.3	0.0	0.0	1.7
SDR allocation	7.5	8.0	7.6	7.2	6.9
Capital and reserves	56.9	128.2	189.9	224.0	177.6
Other liabilities	84.0	68.5	26.7	-31.4	13.7

Source: Bank of Slovenia.

Table A19. Slovenia: Monetary Survey, 2000-04

	2000	2001	2002	2003	2004
	(In billions of tolar, end-of-period)				
Net foreign assets	774.2	1,187.3	1,429.7	1,240.0	920.8
Assets	1,150.1	1,649.7	2,047.6	2,108.5	2,110.3
Bank of Slovenia	739.9	1,122.5	1,580.3	1,644.7	1,584.5
Deposit money banks	447.2	565.5	499.3	488.4	550.8
Less claims on National Bank of Yugoslavia	-37.0	-38.3	-31.9	-24.6	-25.0
Liabilities	-375.9	-462.4	-617.9	-868.5	-1,189.5
Bank of Slovenia	-0.1	-0.3	0.0	0.0	-1.7
Deposit money banks	-375.8	-462.1	-617.9	-868.5	-1,187.8
Net domestic assets	1,596.4	1,853.2	2,171.0	2,539.9	3,115.2
Claims on government (net)	361.5	423.3	443.1	513.7	597.7
Credit	441.1	491.8	614.3	664.9	789.5
Bank of Slovenia on central government	17.8	9.8	9.2	27.0	29.8
Banks on general government	423.3	482.0	605.1	638.0	759.7
Deposits	-79.5	-68.6	-171.2	-151.2	-191.8
Claims on enterprises	1,078.0	1,328.0	1,481.3	1,734.8	2,080.9
Claims on individuals	495.0	535.8	577.4	643.8	779.2
Claims on nonbanking financial institutions	51.6	59.1	81.1	106.7	126.8
Claims on National Bank of Yugoslavia	37.0	38.3	31.9	24.6	25.0
Securities	-79.2	-113.6	-184.2	-221.4	-205.7
Restricted deposits	-9.0	-9.9	-7.6	-12.1	-7.7
Other items (net)	-338.4	-407.6	-252.1	-250.2	-281.2
Broad money (M3)	2,370.6	3,040.5	3,600.8	3,779.9	4,036.0
Currency	119.8	142.1	143.1	156.0	167.9
Demand deposits	430.0	505.9	577.1	641.1	851.0
Bank of Slovenia	8.4	15.6	12.6	14.1	12.8
Deposit money banks	421.6	490.3	564.5	627.0	838.1
Quasi money	1,820.9	2,392.5	2,880.7	2,982.8	3,017.1
Tolar deposits	1,002.0	1,316.3	1,675.6	1,697.0	1,596.8
Foreign currency deposits	739.7	962.6	1,020.8	1,064.4	1,214.7
Tolar securities	65.9	96.1	181.1	217.7	203.6
Foreign currency securities	13.3	17.5	3.1	3.7	2.1
Memorandum items:					
Base Money	212.2	292.3	279.7	291.2	297.5
	(Percent change, end-of-period)				
Base money	1.9	37.7	-4.3	4.1	2.2
M1 (currency + demand deposits)	8.3	17.9	11.1	10.7	27.8
M2 (M1 + tolar deposits)	9.7	27.4	25.1	5.2	4.0
M3 (M2 + foreign currency deposits)	15.3	28.3	18.4	5.0	6.8
	(Percentage points)				
Contributions to M3 growth					
Net foreign assets	5.2	17.4	8.0	-5.3	-8.4
Net domestic assets	10.1	10.8	10.5	10.2	15.2
	(Percent)				
Share of foreign currency-denominated credit					
Private sector	14.3	16.9	20.6	25.3	30.6
Enterprises and nonprofit institutions	20.6	23.5	28.4	34.3	41.0
Individuals	0.6	0.7	0.7	1.0	2.9

Source: Bank of Slovenia.

Table A20. Slovenia: Selected Interest Rates, 1999–2004
(In percent per annum, end-of-period)

	Bank of Slovenia Rates			Interbank		Credits (commercial banks)			Deposits (commercial banks)				
	Discount Rate 1/	Lombard Rate	Liquidity Loan of Last Resort 2/	60-Day Tolar Bills	Up to 30 Days (Average)	Working Capital Loans	Short term Consumer Credits	Long term Loans for Capital Assets	Up to 30 Days	31-91 Days	91-180 Days	181 Days-1 Year	Over 1 Year
2000 Mar.	8.00	9.00	22.98	8.00	6.99	15.17	13.06	17.14	3.66	9.57	10.62	11.39	13.40
Jun.	9.00	10.00	25.08	8.00	7.57	15.62	13.41	17.50	3.65	9.88	10.94	11.72	13.72
Sep.	9.00	10.00	25.08	8.50	6.26	15.75	13.55	17.61	3.62	9.87	11.18	12.20	13.96
Dec.	10.00	11.00	27.86	10.00	7.22	16.30	14.59	18.38	3.92	10.86	12.18	13.22	14.99
2001 Mar.	10.00	11.00	26.56	11.00	7.27	14.90	13.44	16.95	4.03	9.68	11.11	12.11	13.63
Jun.	11.00	12.00	29.98	11.00	7.74	16.67	15.12	18.84	4.87	11.42	12.94	13.94	15.33
Sep.	11.00	12.00	28.66	11.00	6.73	15.26	13.73	17.37	4.97	10.09	11.61	12.59	13.96
Dec.	11.00	12.00	27.10	8.00	4.74	13.74	12.30	15.78	4.71	8.51	10.02	10.98	12.30
2002 Mar.	9.00	11.00	22.06	8.00	4.64	14.94	13.54	16.82	3.83	9.44	10.71	11.60	13.03
Jun.	10.00	11.00	21.05	8.75	5.68	13.70	12.24	15.47	3.85	8.11	9.13	9.95	11.24
Sep.	10.00	11.00	21.05	8.75	5.07	12.18	11.70	15.31	3.73	7.77	8.26	8.88	11.08
Dec.	10.00	10.50	...	8.25	4.73	11.80	11.60	14.70	4.00	7.60	8.00	8.60	10.50
2003 Mar.	...	9.75	...	7.50	6.07	11.40	11.10	12.90	4.00	6.80	7.10	7.80	8.60
Jun.	...	8.25	...	6.50	5.78	10.80	10.40	13.00	3.80	6.00	6.10	6.40	8.20
Sep.	...	8.25	...	6.50	6.18	10.20	9.80	12.80	3.80	5.40	5.40	5.40	7.40
Dec.	...	7.25	...	6.00	4.69	9.90	9.60	10.30	3.50	4.80	4.80	4.90	5.70
2004 Mar.	...	6.75	...	5.25	5.50	9.40	9.40	8.80	3.50	4.70	4.70	4.70	4.30
Jun.	...	5.00	...	4.00	4.40	8.50	8.60	8.80	2.60	3.70	3.60	3.70	4.40
Sep.	...	5.00	...	4.00	3.80	8.10	8.10	8.60	2.40	3.20	3.10	3.20	4.10
Dec.	...	5.00	...	4.00	3.40	8.00	7.90	8.50	2.50	3.20	3.10	3.20	4.00

Source: Bank of Slovenia.

1/ Abolished in January 2003.

2/ Abolished in October 2002.

Table A21. Slovenia: Balance of Payments, 2000-04
(In millions of euros)

	2000	2001	2002	2003	2004
Current account	-583.0	38.0	335.4	-91.2	-238.3
Trade balance	-1,227.0	-684.5	-269.0	-545.8	-839.9
Exports	9,574.2	10,454.3	11,082.0	11,414.0	12,736.1
Imports	-10,801.2	-11,138.7	-11,351.0	-11,959.9	-13,576.0
Services	489.2	535.6	616.0	538.4	671.9
Exports	2,051.5	2,177.6	2,440.0	2,468.6	2,792.8
<i>Of which</i> : Tourism	1,044.8	1,104.8	1,142.7	1,186.3	1,311.7
Imports	-1,562.3	-1,642.1	-1,824.0	-1,930.3	-2,120.9
Income, net	29.3	43.2	-154.0	-178.0	-100.8
Current transfers, net	125.5	143.6	142.4	94.2	30.5
Capital account	4.0	-4.0	-163.6	-165.5	-178.0
Financial account	724.4	1,295.0	1,906.6	456.1	292.0
Direct investment, net	77.4	251.2	1,582.3	-114.8	21.0
Portfolio investment, net	185.2	79.8	-69.1	-217.5	-618.7
Other investment, net	461.8	964.0	393.4	788.5	890.0
Government	85.5	-74.0	-85.3	-64.6	5.0
Nongovernment	376.3	1,038.0	478.7	853.1	885.0
Bank of Slovenia	-5.9	-6.7	-6.1	-0.2	-1.5
Private sector	382.2	1,044.7	484.8	853.2	886.5
Net errors and omissions	41.4	110.4	-193.2	64.8	-130.0
Overall balance	186.8	1,439.3	1,885.2	264.2	-255.9
Change in official reserves (-, increase)	-186.8	-1,439.3	-1,885.3	-264.2	255.9
Memorandum items:					
Current account balance (percent of GDP)	-2.8	0.2	1.4	-0.4	-0.9
Exports volume (goods, percent change)	12.9	6.9	6.5	4.4	13.2
Imports volume (goods, percent change)	7.7	3.2	4.4	7.3	13.2
Official reserves (in millions of euros) 1/	3,435.9	4,983.7	6,781.4	6,878.9	6,542.0
(in months of imports of goods and nonfactor services)	3.3	4.7	6.2	5.9	5.0

Sources: Bank of Slovenia; and IMF calculations.

1/ Stocks and flows may not reconcile due to valuation changes.

Table A22. Slovenia: Geographical Composition of Exports, 2000-04

	2000	2001	2002	2003	2004
	(In millions of euros)				
European Union (EU-15)	6,055	6,431	6,509	6,348	6,950
<i>Of which:</i>					
Austria	714	773	774	827	931
France	672	702	734	638	802
Germany	2,574	2,715	2,714	2,611	2,676
Italy	1,289	1,290	1,323	1,483	1,619
United Kingdom	203	290	268	252	281
New EU member states	752	828	954	1,291	1,319
<i>Of which:</i>					
Czech Republic	164	188	201	205	238
Hungary	183	175	196	223	242
Poland	245	271	305	311	334
EFTA 1/	136	134	207	176	165
<i>Of which:</i> Switzerland	111	108	180	150	138
Others	2,549	2,953	3,292	3,469	4,102
<i>Of which:</i>					
Countries of former SFRY 2/	1,486	1,750	1,952	1,967	2,247
<i>Of which:</i> Croatia	750	894	954	1,007	1,164
Former Soviet Union	278	417	455	498	603
United States	293	273	297	410	399
Total exports	9,492	10,347	10,962	11,285	12,537
	(In percent of total exports)				
European Union (EU-15)	63.8	62.2	59.4	56.3	55.4
<i>Of which:</i>					
Austria	7.5	7.5	7.1	7.3	7.4
France	7.1	6.8	6.7	5.7	6.4
Germany	27.1	26.2	24.8	23.1	21.3
Italy	13.6	12.5	12.1	13.1	12.9
United Kingdom	2.1	2.8	2.4	2.2	2.2
New EU member countries	7.9	8.0	8.7	11.4	10.5
<i>Of which:</i>					
Czech Republic	1.7	1.8	1.8	1.8	1.9
Hungary	1.9	1.7	1.8	2.0	1.9
Poland	2.6	2.6	2.8	2.8	2.7
EFTA 1/	1.4	1.3	1.9	1.6	1.3
<i>Of which:</i> Switzerland	1.2	1.0	1.6	1.3	1.1
Others	26.9	28.5	30.0	30.7	32.7
<i>Of which:</i>					
Countries of former SFRY 2/	15.7	16.9	17.8	17.4	17.9
<i>Of which:</i> Croatia	7.9	8.6	8.7	8.9	9.3
Former Soviet Union	2.9	4.0	4.2	4.4	4.8
United States	3.1	2.6	2.7	3.6	3.2
Total exports	100.0	100.0	100.0	100.0	100.0

Source: Statistical Office of the Republic of Slovenia.

1/ EFTA countries are Iceland, Liechtenstein, Norway, and Switzerland.

2/ Socialist Federal Republic of Yugoslavia.

Table A23. Slovenia: Geographical Composition of Imports (c.i.f.), 2000-04

	2000	2001	2002	2003	2004
	(In millions of euros)				
European Union (EU-15)	7,443	7,674	7869	8,201	9,626
<i>Of which:</i>					
Austria	906	944	956	1,052	1,587
France	1,127	1,205	1,190	1,230	1,175
Germany	2,082	2,178	2,216	2,359	2,688
Italy	1,917	2,004	2,070	2,240	2,540
United Kingdom	337	292	278	256	238
New EU member countries	997	1,081	1,094	1,154	1,241
<i>Of which:</i>					
Czech Republic	274	278	288	308	333
Hungary	320	352	341	352	480
Poland	150	161	168	189	196
EFTA 1/	230	192	202	221	219
<i>Of which: Switzerland</i>	175	170	186	200	207
Others	2,314	2,398	2,408	2,664	2,612
<i>Of which:</i>					
Countries of former SFRY 2/	648	604	575	613	797
<i>Of which: Croatia</i>	487	451	419	444	508
Former Soviet Union	286	361	342	374	384
United States	325	333	334	294	223
Total imports	10,984	11,344	11,574	12,239	13,699
	(In percent of total imports)				
European Union (EU-15)	67.8	67.6	68.0	67.0	70.3
<i>Of which:</i>					
Austria	8.2	8.3	8.3	8.6	11.6
France	10.3	10.6	10.3	10.0	8.6
Germany	19.0	19.2	19.1	19.3	19.6
Italy	17.5	17.7	17.9	18.3	18.5
United Kingdom	3.1	2.6	2.4	2.1	1.7
New EU member countries	9.1	9.5	9.5	9.4	9.1
<i>Of which:</i>					
Czech Republic	2.5	2.5	2.5	2.5	2.4
Hungary	2.9	3.1	2.9	2.9	3.5
Poland	1.4	1.4	1.5	1.5	1.4
EFTA 1/	2.1	1.7	1.7	1.8	1.6
<i>Of which: Switzerland</i>	1.6	1.5	1.6	1.6	1.5
Others	21.1	21.1	20.8	21.8	19.1
<i>Of which:</i>					
Countries of former SFRY 2/	5.9	5.3	5.0	5.0	5.8
<i>Of which: Croatia</i>	4.4	4.0	3.6	3.6	3.7
Former Soviet Union	2.6	3.2	3.0	3.1	2.8
United States	3.0	2.9	2.9	2.4	1.6
Total imports	100.0	100.0	100.0	100.0	100.0

Source: Statistical Office of the Republic of Slovenia.

1/ EFTA countries are Iceland, Liechtenstein, Norway, and Switzerland.

2/ Socialist Federal Republic of Yugoslavia.

Table A24. Slovenia: Commodity Composition of Exports, 2000-04

	2000	2001	2002	2003	2004
	(In millions of euros)				
Total exports	9,492	10,347	10,962	11,285	12,537
Food and live animals	224	248	246	242	251
Beverages and tobacco	120	122	143	143	85
Crude materials except fuels	183	187	190	194	231
Mineral fuels and lubricants	62	99	118	153	201
Animal and vegetable oils and fats	6	7	10	7	6
Chemical products	1,063	1,197	1,354	1,552	1,690
Manufactured goods classified by material	2,590	2,769	2,860	2,890	3,215
Machinery and transport equipment	3,411	3,738	4,064	4,125	4,739
Miscellaneous manufactured articles	1,831	1,979	1,968	1,974	2,115
Other commodities and transactions	1	1	9	6	2
Intermediate goods	4,643	5,039	5,245	5,463	6,220
Capital goods	1,219	1,417	1,542	1,634	1,831
Consumption goods	3,629	3,891	4,175	4,188	4,485
	(In percent of total exports)				
Total exports	100.0	100.0	100.0	100.0	100.0
Food and live animals	2.4	2.4	2.2	2.1	2.0
Beverages and tobacco	1.3	1.2	1.3	1.3	0.7
Crude materials except fuels	1.9	1.8	1.7	1.7	1.8
Mineral fuels and lubricants	0.7	1.0	1.1	1.4	1.6
Animal and vegetable oils and fats	0.1	0.1	0.1	0.1	0.1
Chemical products	11.2	11.6	12.4	13.8	13.5
Manufactured goods classified by material	27.3	26.8	26.1	25.6	25.6
Machinery and transport equipment	35.9	36.1	37.1	36.6	37.8
Miscellaneous manufactured articles	19.3	19.1	18.0	17.5	16.9
Other commodities and transactions	0.0	0.0	0.1	0.1	0.0
Intermediate goods	48.9	48.7	47.8	48.4	49.6
Capital goods	12.8	13.7	14.1	14.5	14.6
Consumption goods	38.2	37.6	38.1	37.1	35.8

Source: Statistical Office of the Republic of Slovenia.

Table A25. Slovenia: Commodity Composition of Imports, 2000-04

	2000	2001	2002	2003	2004
	(In millions of euros)				
Total imports	10,984	11,344	11,574	12,237	13,699
Food and live animals	558	604	604	620	693
Beverages and tobacco	63	58	63	61	86
Crude materials except fuels	594	568	575	601	702
Mineral fuels and lubricants	997	916	815	946	1,133
Animal and vegetable oils and fats	32	35	41	39	36
Chemical products	1,361	1,442	1,548	1,633	1,798
Manufactured goods classified by material	2,406	2,598	2,661	2,799	3,189
Machinery and transport equipment	3,748	3,816	3,937	4,210	4,663
Miscellaneous manufactured articles	1,210	1,293	1,318	1,320	1,390
Other commodities and transactions	14	15	11	8	8
Intermediate goods	6,552	6,701	6,816	7,080	8,096
Capital goods	1,981	2,009	2,072	2,320	2,403
Consumption goods	2,451	2,635	2,686	2,837	3,200
	(In percent of total imports)				
Total imports	100.0	100.0	100.0	100.0	100.0
Food and live animals	5.1	5.3	5.2	5.1	5.1
Beverages and tobacco	0.6	0.5	0.5	0.5	0.6
Crude materials except fuels	5.4	5.0	5.0	4.9	5.1
Mineral fuels and lubricants	9.1	8.1	7.0	7.7	8.3
Animal and vegetable oils and fats	0.3	0.3	0.4	0.3	0.3
Chemical products	12.4	12.7	13.4	13.3	13.1
Manufactured goods classified by material	21.9	22.9	23.0	22.9	23.3
Machinery and transport equipment	34.1	33.6	34.0	34.4	34.0
Miscellaneous manufactured articles	11.0	11.4	11.4	10.8	10.1
Other commodities and transactions	0.1	0.1	0.1	0.1	0.1
Intermediate goods	59.6	59.1	58.9	57.9	59.1
Capital goods	18.0	17.7	17.9	19.0	17.5
Consumption goods	22.3	23.2	23.2	23.2	23.4

Source: Statistical Office of the Republic of Slovenia.

Table A26. Slovenia: Foreign Direct Investment Inflows by Industry and Origin, 2000–03 1/
(In millions of euros)

	2000	2001	2002	2003
By industry				
Nonmanufacturing	122.9	120.4	344.6	1359.0
Agriculture, hunting, and forestry	-0.1	0.4	0.2	0.5
Electricity, gas, and water supply	-1.8	12.5	3.7	253.4
Construction	-2.7	-0.8	-1.5	-20.3
Trade, hotels, and restaurants	57.3	47.2	26.3	943.7
Transport, storage, and communications	3.4	5.8	-46.8	-9.6
Financial intermediation	14.1	38.6	249.7	95.6
Real estate and business activities	63.0	15.4	106.1	83.3
Education	0.1	0.1	0.0	0.0
Health and social work	0.1	1.1	0.1	-1.9
Other social and personal services	-10.5	0.7	8.2	14.3
Manufacturing	89.6	135.3	543.9	-192.1
Food and tobacco	4.1	22.4	11.7	1.6
Textiles, wearing apparel, and leather	7.2	3.4	13.3	13.9
Wood, paper and publishing	21.4	23.4	57.7	-17.3
Refined petroleum and chemicals	13.7	30.5	404.8	-285.6
Nonmetal products	-4.2	6.6	3.2	13.5
Basic metals and metal products	10.9	7.2	30.1	14.6
Machinery and equipment	36.4	38.5	25.9	67.3
Recycling and other manufacturing	0.2	3.4	-2.7	-0.1
Total	212.5	255.7	888.5	1,167.2
By origin				
European Union (EU-25)	151.1	192.6	550.7	452.5
<i>Of which:</i>				
Austria	69.7	32.9	169.3	186.9
Denmark	7.7	5.4	8.3	18.5
France	23.7	39.3	32.7	-71.5
Germany	26.7	49.7	22.2	-14.6
Italy	20.6	36.7	59.3	42.6
Netherlands	0.6	29.1	29.2	52.1
United Kingdom	6.4	-7.4	6.3	66.6
Czech Republic	10.1	14.7	3.7	-17.7
Hungary	...	...	0.9	6.9
Countries of former Yugoslavia	10.4	5.9	31.8	257.6
<i>Of which:</i>				
Bosnia and Herzegovina	3.9	3.4	7.8	7.5
Croatia	6.5	1.9	23.8	250.3
Countries of former Soviet Union	0.1	0.4	0.0	-0.5
<i>Of which:</i>				
Russian Federation	0.1	0.4	-0.1	-0.6
Other countries	40.5	39.6	301.7	457.6
<i>Of which:</i>				
Switzerland	22.1	3.6	345.3	509.1
United States	13.9	26.3	-50.9	-52.1
Total	212.5	255.7	888.5	1,167.2

Source: Bank of Slovenia.

1/ Direct investment flows are defined as a sum of net change in equity capital and reinvested earnings.

Table A27. Slovenia: Stock of Inward Foreign Direct Investment by Industry and Origin, 2000–03 1/
(In millions of euros, end-of-period)

	2000	2001	2002	2003
By industry				
Nonmanufacturing	1,765.4	1,539.3	2,155.2	3,497.0
Agriculture, hunting, and forestry	0.5	0.9	1.0	1.8
Electricity, gas, and water supply	21.6	33.1	39.3	267.2
Construction	5.0	-1.0	3.3	-3.2
Trade, hotels, and restaurants	490.5	558.3	579.7	1,635.4
Transport, storage, and communications	53.6	122.5	168.5	125.0
Financial intermediation	750.3	381.5	739.7	822.3
Real estate and business activities	418.1	425.3	599.5	617.9
Education	0.3	0.2	0.3	0.3
Health and social work	1.4	2.2	4.0	2.0
Other social and personal services	24.1	16.3	19.9	28.3
Manufacturing	1,344.0	1,413.0	1,813.0	1,573.1
Food and tobacco	113.5	139.9	144.4	143.0
Textiles, wearing apparel, and leather	68.8	44.2	77.9	83.6
Wood, paper, and publishing	212.3	228.4	267.3	266.0
Refined petroleum and chemicals	332.4	365.1	746.5	416.3
Nonmetal products	85.5	87.3	126.2	129.5
Basic metals and metal products	96.8	108.8	105.1	117.1
Machinery and equipment	429.8	431.0	340.6	413.1
Recycling and other manufacturing	4.9	8.3	5.0	4.5
Total	3,109.8	2,952.4	3,967.9	5,069.7
By origin				
European Union (EU-25)	2,732.7	2,585.5	3,247.8	3,472.7
<i>Of which:</i>				
Austria	1,384.1	1,003.1	1,177.3	1,175.5
Denmark	45.6	45.9	52.6	61.7
France	320.5	438.1	386.7	377.9
Germany	372.3	430.1	445.5	395.6
Italy	193.9	235.4	291.7	326.5
Netherlands	96.4	133.1	236.0	274.5
United Kingdom	124.1	83.5	79.8	139.7
Czech Republic	112.8	127.8	125.9	119.6
Hungary	7.3	11.1	12.6	19.0
Countries of former Yugoslavia	64.8	74.2	103.6	333.3
<i>Of which:</i>				
Bosnia and Herzegovina	9.6	14.2	21.7	25.5
Croatia	54.6	60.8	85.0	310.9
Countries of former Soviet Union	1.7	-1.0	-1.1	-2.7
<i>Of which:</i>				
Russian Federation	1.1	-1.5	-2.3	-4.7
Other countries	310.6	293.7	617.6	1,266.5
<i>Of which:</i>				
Switzerland	129.6	98.7	441.7	1,106.1
United States	119.3	108.4	70.9	82.7
Total	3,109.8	2,952.4	3,967.9	5,069.7

Source: Bank of Slovenia.

1/ Direct investment includes equity capital, reinvested earnings, claims on and liabilities to affiliated enterprises abroad, and any other investment that gives the investor a long-term role in managing a company.

Table A28. Slovenia: Direct Investment Flows Abroad by Destination, 2000–03 1/

(In millions of euros)

	2000	2001	2002	2003
European Union (EU-15)	20.7	22.6	108.9	18.0
<i>Of which:</i>				
Austria	18.4	4.7	6.5	23.6
France	0.3	0.2	0.3	0.1
Germany	0.5	2.9	15.9	-5.6
Italy	0.8	5.8	0.7	-0.2
United Kingdom	-0.4	0.2	-0.2	-1.1
New EU member states	20.1	23.5	30.9	4.5
<i>Of which:</i>				
Czech Republic	5.7	2.5	0.4	0.9
Poland	3.4	13.2	4.9	-1.6
Countries of former Yugoslavia	58.5	119.7	116.1	207.7
Bosnia and Herzegovina	7.5	20.4	41.5	40.7
Croatia	40.6	82.4	35.6	70.5
FR Yugoslavia	2.1	11.6	28.9	78.4
FYR Macedonia	8.3	5.3	10.0	18.1
Countries of former Soviet Union	5.2	9.3	11.5	13.5
<i>Of which:</i>				
Russian Federation	5.1	8.2	10.4	13.1
Other countries	3.2	3.3	-24.4	10.5
Liberia	2.7	2.9	-1.8	8.1
United States	0.6	0.4	-22.6	2.4
Total	107.7	178.4	243.0	254.2

Source: Bank of Slovenia

1/ Direct investment flows are defined as a sum of net change in equity capital and reinvested earnings.

Table A29. Slovenia: Stock of Direct Investment Abroad by Destination, 2000–03 1/
(In millions of euros, end-of-period)

	2000	2001	2002	2003
European Union (EU-15)	118.0	211.1	292.0	360.8
<i>Of which:</i>				
Austria	41.0	57.6	62.3	64.7
France	9.0	9.8	9.7	13.7
Germany	44.1	99.6	108.2	101.9
Italy	10.1	5.4	7.3	13
United Kingdom	12.2	13.7	10.7	10.5
New EU member countries	91.3	134.5	185.8	244.2
<i>Of which:</i>				
Czech Republic	13.0	13.9	14.5	19.3
Poland	60.7	89.0	94.6	98.2
Countries of former Yugoslavia	530.2	663.9	854.4	1,101.4
<i>Of which:</i>				
Bosnia and Herzegovina	67.9	109.5	171.2	206.7
Croatia	380.2	452.2	527.4	609.8
FR Yugoslavia	31.9	49.0	94.5	205.5
FYR Macedonia	50.1	53.3	61.4	79.4
Countries of former Soviet Union	28.6	44.8	64.5	81.3
<i>Of which:</i>				
Russian Federation	19.6	39.2	53.8	63.0
Other countries	57.1	84.9	64.8	61.2
<i>Of which:</i>				
Liberia	25.9	27.0	20.0	19.7
United States	27.9	41.0	23.2	80.3
Total	825.3	1,139.2	1,461.5	1,848.9

Source: Bank of Slovenia.

1/ Direct investment includes equity capital, reinvested earnings, claims on and liabilities to affiliated enterprises abroad, and any other investment that gives the investor a long-term role in managing a company.

Table A30. Slovenia: Gross External Debt, 2000–04
(In millions of euros, end-of-period)

	2000	2001	2002	2003	2004
Total debt outstanding	9,490	10,403	11,455	13,305	15,397
Medium and long-term debt 1/	7,207	8,180	9,149	10,857	12,575
Public and publicly guaranteed	2,883	3,122	3,201	3,565	3,785
Bonds and notes	1,688	1,908	1,894	2,082	1,946
Loans	1,195	1,214	1,307	1,483	1,839
Private	4,324	5,058	5,948	7,292	8,790
<i>Of which</i>					
Bonds and notes	60	26	41	63	234
Loans	2,788	3,918	4,591	5,560	6,680
Currency and deposits	...	162	279	506	744
Trade credits	87	56	33	26	17
Other debt liabilities	78	79	68	57	66
Debt liabilities to affiliated enterprises	176	130	162	184	133
Debt liabilities to direct investors	1,136	702	840	936	943
Short-term debt 1/	2,283	2,223	2,305	2,447	2,823
		Medium- and long-term debt 1/			
Principal repayments	1,059	726	1,002	1,562	2,054
Public and publicly guaranteed	71	499	116	85	254
Private	988	227	886	1,478	1,800
		Total debt			
Interest payments	315	430	401	388	429
Public and publicly guaranteed	158	182	168	165	155
Private	157	248	233	223	273

Source: Bank of Slovenia.

1/ Original maturity basis.