



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM



NBS MONTHLY BULLETIN

NOVEMBER 2009

Published by:
© Národná banka Slovenska

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Prepared on the basis of the Report on the
Economic Development in November 2009, approved
by the NBS Bank Board on 16 December 2009.

ISSN 1337-9526 (online)



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ABBREVIATIONS

CPI	Consumer Price Index
ECB	European Central Bank
EMU	Economic and Monetary Union
EONIA	Euro OverNight Index Average
ESA 95	European System of National Accounts 1995
EU	European Union
Eurostat	Statistical Office of the European Communities
FDI	Foreign Direct Investment
Fed	Federal Reserve System
EMU	Economic and Monetary Union
EURIBOR	Euro Interbank Offered Rate
FNM	Fond národného majetku – National Property Fund
FOMC	Federal Open Market Committee
GDP	Gross domestic product
GNDI	Gross National Disposable Income
GNI	Gross National Income
HICP	Harmonised Index of Consumer Prices
IMF	International Monetary Fund
IPP	Industrial Production Index
IRF	Initial Rate Fixation
MB	Mortgage Bonds
MFI	Monetary Financial Institutions
MF SR	Ministry of Finance of the Slovak Republic
NARKS	National Association of Real Estate Agencies of Slovakia
NBS	National Bank of Slovakia
NEER	Nominal Effective Exchange Rate
NPISH	Non-profit Institutions Serving Households
OIF	Open-end Investment Funds
p.a.	per annum
p.p.	percentage points
q-q	quarter-on-quarter
PPI	Producer Price Index
REER	Real Effective Exchange Rate
RULC	Real Unit Labour Costs
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
SO of the SR	Statistical Office of the SR
SR	Slovenská republika – Slovak Republic
ULC	Unit Labour Costs
VAT	Value Added Tax
Y-Y	Year-on-year

Symbols used in the tables

- . – Data are not yet available.
- – Data do not exist / data are not applicable.
- (p) – Preliminary data



1 SUMMARY

According to a flash Eurostat estimate, the annual rate of euro-area inflation, as measured by the Harmonised Index of Consumer Prices (HICP), reached 0.5% in November, compared with -0.1% in October. The pace of decline in the euro-area economy moderated in comparison with the same period a year earlier, to 4.1% in the third quarter of 2009. Thus, the euro-area economy has started growing, following five months of GDP decline. The exchange rate of the euro against the US dollar strengthened on a month-on-month basis in November. At its October meeting, the Governing Council decided to leave the key ECB interest rates unchanged. The rate for the main refinancing operations remained at 1.00%, and those for marginal lending and deposit facilities at 1.75% and 0.25% respectively.

In November, the Czech Republic and Hungary recorded an acceleration in the annual rate of price increase. In Poland, the year-on-year price dynamics remained at the same level as in the previous month. In the third quarter of 2009, all economies of the region continued to reflect the impacts of the economic crisis. In Hungary, the pace of economic decline deepened to 8%. In the Czech Republic, the decline moderated on a year-on-year basis, to 4.1%. Poland was the only EU country to maintain a positive rate of economic growth, which, however, slowed to 1%. The exchange rates of the Polish zloty and the Czech koruna vis-à-vis the euro strengthened in November, compared with the previous month. The Hungarian forint depreciated somewhat in relation to the euro. Key interest rates in Poland and the Czech Republic remained unchanged. Magyar Nemzeti Bank reduced its base rate and extended the interest rates corridor between refinancing and sterilisation instruments to +/-1 percentage point around the base rate.

The annual inflation rate in Slovakia, as measured by the Harmonised Index of Consumer Prices, stood at 0.0% in November, accelerating by 0.1 of percentage points in comparison with the previous month. These developments were mainly caused by a more pronounced slowdown

in the year-on-year decline in energy and food prices. On the other hand, prices of non-energy goods and services decelerated somewhat, without outweighing the developments in other inflation components. Energy prices mirrored mainly a marked slowdown in the year-on-year decline in fuel prices. As in previous months, prices of non-energy industrial goods reflected the continuing decline in prices of consumer semi-durables. The prices of services were affected by a deceleration or stagnation in the year-on-year pace of price growth in all services sectors. Industrial producer prices continued to fall on a year-on-year basis in October, mainly as a result of a further decline in energy prices. The year-on-year fall in manufacturing products prices slowed somewhat.

Slovakia's gross domestic product, based on revised data from the Statistical Office of the SR, declined at constant prices by 4.8% year-on-year in the third quarter of 2009, following a decline of 5.5% in the previous quarter. In seasonally adjusted quarter-on-quarter terms, GDP grew by 1.6% in the third quarter, indicating that the trend of gradual economic recovery from the second quarter continued. In terms of production, GDP was influenced by a fall in value added, mainly in services, accompanied by value added growth in agriculture and construction, and value added stagnation in industry. In terms of GDP utilisation, economic decline was influenced by the weakening domestic and foreign demand. A positive contribution to GDP growth came from net exports in connection with the moderating decline in exports, combined with low imports.

Unit labour costs again recorded a year-on-year increase in the third quarter, as a result of labour productivity and wage developments. Compared with the previous quarter, however, their dynamics weakened to a significant extent, owing to the moderating decline in real labour productivity combined with slower growth in compensation per employee. The strong dynamics of unit labour costs are associated with strategies of companies, which attempt to maintain the level of employment despite the sharply falling labour productivity. Hence,



their dynamics are expected to moderate with the gradual recovering economic growth. The maintenance of sustainable growth in the coming period will need more moderate growth in unit labour costs so that the country's competitiveness and inflation are not affected adversely by the wage costs.

Although economic activity experienced a certain recovery in the third quarter (compared with the previous quarter), unemployment continue to grow in that period. The impact of the economic crisis on unemployment was partially dampened by various schemes of working time reduction and redundancy restriction. Thus, the recovery of economic growth will first be reflected in the increasing number of hours worked and then, with a certain delay, in renewed employment growth accompanied by a decrease in unemployment. Overall, the weakening economic activity in Slovakia was also connected with the continuing year-on-year decline in the profits of non-financial corporations. However, financial corporations already recorded a modest year-on-year increase in their profits.

In October, the negative current account balance deepened in comparison with the previous month. The month-on-month increase in the deficit was mainly caused by an increase in the negative balance of current transfers and a decrease in the trade balance surplus. On the other hand, the current account balance was positively influenced by the smaller deficits in the services and income balances. The industrial production index continued to show a positive tendency in October. The improved dynamics were mainly the result of a base effect, since production stagnated on a month-on-month basis. Industry continued to be positively influenced by growing demand from abroad. The November business tendency survey in industry again confirmed the expectations of growing production and a modest increase in current demand. These results combined with the improving external environment point to the prospect of gradual growth in industrial production in the short-term horizon. In construction, the year-on-year decline in production deepened in October, because of the weakening demand and the base effect of strong production from the end of the previous year. The November business tendency surveys

confirmed the insufficient level of demand. For the first time, expectations of production growth prevailed, but this does not necessarily point to a permanent trend.

Overall revenues in the selected sectors recorded a certain slowdown in the year-on-year rate of decline in October, as a result of moderating year-on-year fall in industrial revenues. The year-on-year dynamics of revenues of entities specialising in the sale and repair of motor vehicles weakened on a year-on-year basis at an accelerated rate, owing to the persistent base effect of increased revenues from the end of 2008. This was partly due to the cautious behaviour of consumers under crisis conditions, despite the falling prices of motor vehicles. The economic sentiment indicator rose on a month-on-month basis in November. The indicator was positively influenced by an increase in confidence in industry, while a rise in optimism was also recorded in services and construction. Decreases were recorded in the indicators of consumer confidence and confidence in retail trade.

On average, the year-on-year dynamics of nominal wages in the selected sector slowed in October (compared with September), and reached a negative value. Nominal wages recorded a fall, for the first time. Average employment in the selected sectors dropped considerably on a year-on-year basis in October, while showing unchanged dynamics in comparison with the previous month. The rate of registered unemployment reached 12.4% in October, representing a slight fall in comparison with the previous month.

October saw decreases in the volumes of all types of deposits. The most significant decrease occurred in the most liquid deposits (demand deposits). The same trend was recorded in the household and non-financial corporate sectors. Developments in deposits were influenced by the growing difference between short-term and long-term deposit rates, mainly in the household sector. For that reason, households tended to shift their funds from M3 deposits to long-term deposits (with an agreed maturity of over 2 years). Within the structure of loans, loans in the private sector increased somewhat, mainly loans to households, while loans to other sectors decreased (non-financial corporations, other



financial intermediaries). Customer interest rates did not reflect the euro-area interbank market trends even in October. Lending rates increased slightly for both non-financial corporations and households. In the household sector, interest rates on consumer loans reached a record high, probably because banks had tightened their lending conditions by increasing their margins to cover the increased risks. Interest rates on deposits were more or less stable.



2 THE EXTERNAL ECONOMIC ENVIRONMENT¹

2.1 THE EURO AREA

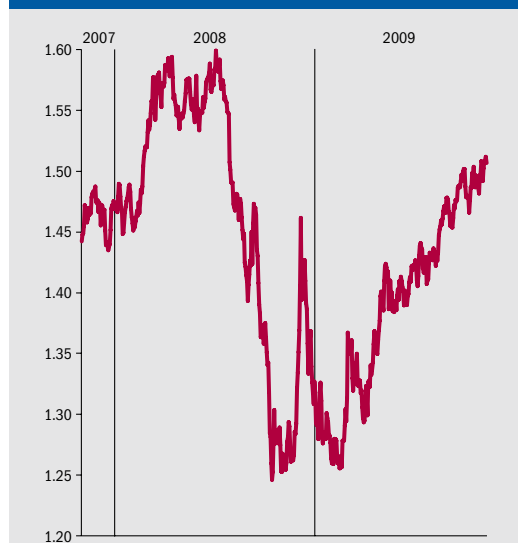
Annual inflation rate, as measured by the Harmonised Index of Consumer Prices (HICP), stood at 0.5% in the euro area in November. Consumer prices were still slightly negative in October (-0.1%). On a year-on-year basis, consumer prices declined in Ireland (by 2.8%), Portugal (0.8%) and Malta (0.1%). The highest price increases were recorded in Greece (2.1%), Slovenia (1.8%) and Luxembourg (1.7%). The annual inflation rate was affected by prices in the category of alcohol and tobacco (4.5%), miscellaneous goods and services (2.2%) and education (1.6%). On the other hand, year-on-year price decline in the euro area was registered in food (by 1.2%), housing (1.0%) and post and telecommunications (0.7%). In the same period of the previous year, consumer prices in the euro area increased on a year-on-year basis by 2.1%.

The exchange rate of the euro against the US dollar strengthened in the first third of November, and then hovered around the level of USD/EUR 1.49 in the second third of the month. In the remaining period, the euro strengthened again. At the beginning of November, the exchange

rate was influenced by data released on the rising unemployment in the United States (to a two-digit record level), and by the weakening index of activity in the service sector. At the same time, the euro exchange rate was supported by the expectations that interest rates in the US would remain low for a long time. The modest temporary appreciation of the dollar was connected with a rise in risk aversion in connection with the debt servicing problems of Dubai World. The exchange rate of the euro against the US dollar strengthened on a month-on-month basis by 1.5%. Since the beginning of the year, the single European currency had appreciated against the dollar by 8.3% (compared with the same period of 2008, the euro had appreciated by 18.0%).

At its meeting on 3 December 2009, the Governing Council decided to leave the key ECB interest rates unchanged. The rate for the main refinancing operations remained at 1.00%, and those for marginal lending and deposit facilities at 1.75% and 0.25% respectively. At the same time, the Governing Council of the ECB released detailed data on refinancing operations for the period until 7 April 2010.²

Chart 1 USD/EUR exchange rate



Sources: ECB, NBS.

Chart 2 Exchange rate indices of V4 currencies against the euro (29 December 2006=100)



Sources: Eurostat, NBS calculations.
Note: A fall in value denotes appreciation.

1 The chapter on international economic developments includes a tabular / graphical overview, which is available in the Statistics annex.
2 More detailed information on refinancing operations for the period until 7 April 2010 is available at www.ecb.int



2.2 DEVELOPMENTS IN THE CZECH REPUBLIC, HUNGARY AND POLAND

Consumer prices in the Czech Republic, as measured by the Harmonised Index of Consumer Prices, accelerated in November, when the previous price decline of 0.6% was replaced by a year-on-year price growth of 0.2%. Similarly, inflation increased in Hungary, by 1 percentage point to 5.2%. A higher growth was registered in energy prices in both of the countries, and, in addition, unprocessed food prices increased in Hungary. In Poland, price increases were stagnant, at the level of 3.8%.

At the beginning of November, the exchange rates of the neighbouring currencies modified

the depreciating trend from the previous month. The appreciation lasted until approximately the middle of November, when these currencies started to depreciate again as a result of growing aversion in the international markets. Compared with the end of October, the Polish zloty strengthened by almost 2.3% and the Czech koruna by 1.2%. The Hungarian forint depreciated slightly, by almost 0.18%.

In November, only one central bank changed its key interest rates in the region. With effect from 24 November, Magyar Nemzeti Bank lowered its base rate by 0.5 of a percentage point, to 6.5%. At the same time, MNB extended the interest rate corridor between refinancing and sterilisation instruments, to +/-1 percentage point around the base rate.

Box 1

QUARTERLY REPORT ON THE INTERNATIONAL ECONOMY – SEPTEMBER 2009³

The decline in the global economy had probably reached a bottom in the previous quarters. In the second quarter, gross domestic product in the OECD countries was stagnant, and then started to grow again in the third quarter. Renewed economic growth was also recorded in the United States, following a steady fall in economic activity over the previous quarters. After five months of GDP decline, the euro-area economy also started to grow. The stabilising trend in the economy was also confirmed by the development of gross domestic product in the Czech Republic and Poland (quarterly growth). Relatively steep economic decline was still observed in Hungary, though the pace of decline moderated on a quarter-on-quarter basis.

The base effect related to oil and food prices continued to dampen the consumer price increase. Anti-inflationary effects were also exerted by the falling economic activity and weakening demand. In the OECD countries, inflation reached negative values in September and the price decline deepened somewhat in comparison with the end of the previous quarter.

The gradual fading-away of the base effect related to oil prices was reflected in the gradual slowdown in the price decline in the US and the euro area. Energy and unprocessed food prices contributed to the slower price developments in the Czech Republic and Poland. In Hungary, inflation accelerated in the third quarter as a result of an indirect tax increase.

During the third quarter and in the following months (until the beginning of December), neither the FED nor the ECB moved to change their key interest rates. In that period, the ECB continued to use non-standard monetary-policy measures in support of liquidity in EUR, as well as in USD and CHF. At the beginning of December, the Governing Council approved the details of refinancing operations for the period until 7 April 2010. ČNB slightly lowered its key interest rates (by 0.25 of a percentage point). At the same time, MNB approved a sharp base rate reduction (3 percentage points in five steps). NBP left its key interest rates unchanged, but extended the portfolio of refinancing instruments and offered longer maturities for such operations.

³ More detailed information is available in Annex 1.



3 ECONOMIC DEVELOPMENTS IN SLOVAKIA

3.1 PRICE DEVELOPMENTS

3.1.1 CONSUMER PRICES

Consumer prices, as measured by the Harmonised Index of Consumer Prices (HICP), increased on a month-on-month basis in November by 0.3%, with prices of goods rising by 0.4% and prices of services remaining stagnant. HICP inflation was somewhat lower than expected by NBS, because of month-on-month stagnation in services prices and a decline in non-energy industrial goods prices.

The annual inflation rate accelerated in comparison with the previous month by 0.1 of percentage points, to 0.0%. These developments were mainly caused by a more pronounced slowdown in the year-on-year decline in energy and food prices. On the other hand, prices of non-energy goods and services decelerated somewhat, without outweighing the developments in other inflation components. Energy prices mirrored mainly a marked slowdown in the year-on-year decline in fuel prices. Processed food prices reflected the increase in the prices of cigarettes resulting from the excise tax increase of February 2009, and the year-on-year decline in the prices of milk, dairy products, and oils and fats. The year-on-year decline in the prices of unprocessed food moderated somewhat, due to a slowdown in the year-on-year pace of

decline in the prices of meat, fruits and vegetables. Similarly as in previous months, the prices of non-energy industrial goods reflected the continuing decline in prices of consumer semi-durables, mainly clothes and footwear. The prices of services were affected by a deceleration or stagnation in the year-on-year pace of price growth in all services sectors (transportation, housing, recreational and personal services, post and telecommunications, and other services).

Between December 2008 and November 2009, the average year-on-year 12-month inflation rate reached 1.2%, representing a fall of 0.3 percentage points compared with the previous month.

Next month, the HICP should again show positive year-on-year dynamics, owing to a continuing rise in cigarette prices and a slowdown in the year-on-year decline in the prices of non-energy industrial goods, and in energy and non-processed food prices.

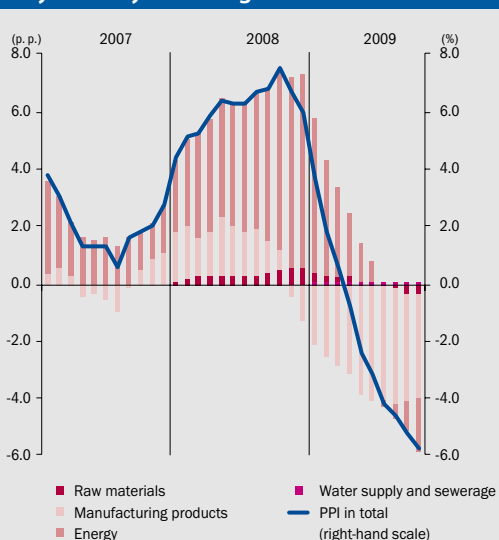
The consumer price index (CPI) rose on a month-on-month basis by 0.3% in November, while regulated prices increased by 0.1% and core inflation by 0.2%. The effect of change in indirect taxes (excise tax on cigarettes) reached 0.1 of a percentage point. The 12-month rate of

Table 1 Producer price developments in October 2009 (%)

	Month-on-month changes		Year-on-year changes			
	Sep. 2009	Okt. 2009	Okt. 2008	Sep. 2009	Okt. 2009	Average since begin. of 2009
Industrial producer prices (for the domestic market)	0.0	0.2	7.5	-5.2	-5.8	-2.1
– Prices of manufacturing products	-0.1	0.1	1.3	-7.0	-6.8	-6.2
– Prices of mining /quarrying products	0.5	1.3	26.1	-14.5	-14.8	0.6
– Prices of energy	0.2	0.2	15.7	-2.5	-4.3	3.2
– Prices for water supply and sewerage	0.5	0.4	7.4	4.8	5.0	4.5
Industrial producer prices (for export)	-0.2	-0.3	-0.2	-9.8	-10.0	-10.7
– Prices of manufacturing products	-0.3	-0.5	-1.1	-9.4	-9.7	-10.3
Construction prices	0.2	0.1	6.3	1.5	1.6	2.9
Building materials prices	-0.6	-1.1	2.2	-9.1	-10.0	-5.1
Agricultural prices	-	-	-11.0	-27.7	-22.4	-27.5
– Prices of vegetable products	-	-	-23.5	-30.5	-22.8	-35.2
– Prices of animal products	-	-	0.8	-23.4	-21.9	-20.6

Source: Statistical Office of the SR.

Chart 3 Contributions of main components to year-on-year changes in PPI



Source: Statistical Office of the SR.

The deepening year-on-year decline in energy prices in October was the result of a further fall in prices for gas production and the distribution of gaseous fuels via pipelines (by 1.7 percentage points, to -26.6%), accompanied by a slowdown in the year-on-year dynamics of prices for steam and air-conditioning supply (by 3.3 percentage points, to 1.9%) and electricity supply (by 1.2 percentage points, to 6.2%).

The decelerated year-on-year decline in manufacturing products prices in October (compared with the previous month) can be attributed to smaller falls in the prices of refined oil products (4.2 percentage points, to -30.5%) and electrical equipment (1.1 percentage points, to -3.8%).

In October 2009, the year-on-year decline in agricultural prices moderated still further (by 5.3 percentage points, to -22.4%), mainly as a result of smaller decreases in oilseed, poultry, and unpasteurised milk prices.

consumer-price inflation stood at 0.4% (as in October 2009).

3.1.2 PRODUCER PRICES

Industrial producer prices for the domestic market rose on a month-on-month basis by 0.2% in October, owing to a month-on-month increase in all basic price components. On a year-on-year basis, industrial producer prices continued to fall in October, mainly as a result of a further decline in energy prices. The year-on-year fall in manufacturing products prices slowed somewhat.

With global oil and food prices showing relatively stabilised dynamics, the energy price decline was coming to an end. As a result, the year-on-year decline in industrial producer prices is expected to moderate in November, compared with the previous month.

According to the latest agrarian market news, intervention purchases were arranged at the beginning of November 2009 to reduce the high cereal supplies. The purchase prices of oilseed

Table 2 Balance of payments current account (EUR millions)

	September		October	
	2009	2009	2009	2008
Balance of trade	256.8	225.3	225.3	2.5
Exports	3,688.0	3,810.9	3,810.9	4,435.7
Imports	3,431.2	3,585.6	3,585.6	4,433.2
Balance of services	-139.5	-78.9	-78.9	-189.2
Balance of income	-197.8	-155.0	-155.0	-119.5
of which: income from investment	-293.6	-251.1	-251.1	-232.4
of which: reinvested earnings ⁴	-93.3	31.3	31.3	-46.5
Current transfers	-7.3	-146.3	-146.3	-92.9
Current account in total	-87.8	-154.9	-154.9	-399.1

Sources: NBS and the Statistical Office of the SR.

⁴ In 2009, a change was made to the methodology used for recording dividends and reinvested profits. Before the change, reinvested profits were estimated and, together with dividends paid, served as the profitability indicator for companies with foreign equity participation. Since 2009 the profitability is primarily estimated, and the reinvested profits are added to dividends paid. Therefore, in the months in which the amount of dividends is lower (higher) than the total profitability, an outflow (inflow) of funds in the form of reinvested profits is registered.



rape and sunflower more or less stabilised. The year-on-year decline in the already low purchase prices of cereals and oilseed rape is expected to moderate in the coming period. Among animal products, beef prices (for live animals) are expected to rise somewhat, and pork prices to stabilise. The purchase price of unpasteurised milk will rise gradually. Overall, the year-on-year decline in agricultural prices is expected to moderate further in November 2009.

3.2 THE REAL ECONOMY AND THE LABOUR MARKET

3.2.1 TRADE BALANCE

The current account balance deteriorated in October, compared with the previous month. The size of the deficit increased on a month-on-month basis, mainly as a result of a larger deficit in current transfers (increased payments to the EU budget). The deterioration was also supported by a smaller surplus in the balance of trade. On the other hand, a positive effect on the current account balance

was exerted by a decrease in the services balance deficit (the improved developments in revenues from passenger air transport services were affected by a loss of revenues in September after the collapse of Sky Europe) and in the income balance deficit, which partially offset the month-on-month increase in the current account deficit.

Exports and imports continued to show negative year-on-year dynamics, while the year-on-year declines changed only slightly in comparison with September, when export dynamics slowed somewhat and import dynamics accelerated. Export volumes increased in comparison with the previous month as a result of an improvement in foreign demand (mainly in the automotive industry), supported by seasonal factors (October is one of the strongest months in terms of exports). Both exports and imports decreased on a year-on-year basis, by 18.1% and 21.8% respectively.

The trade balance achieved in October, as well as the export and import volumes, were in line with the expectations of NBS.

Box 2

BALANCE OF PAYMENTS FROM JANUARY TO SEPTEMBER 2009⁵

Despite the economic crisis, the balance of payments on current account for January to September 2009 improved on a year-on-year basis (by €1,835.8 million), while the deficit amounted to €1,266.2 million. The year-on-year decrease in the deficit was supported by improvements in the trade and income balances and, to a lesser extent, in the balance of current transfers. On the other hand, the overall improvement in the current account balance was moderated by an increased deficit in the balance of services.

Compared with the same period in 2008, exports decreased over the first nine months of 2009 by 25.4% and imports by 27.9%.

During the first nine months of 2009, the most significant decrease in comparison with the same period a year earlier took place in the exports of machinery and transport equipment; it accounted for almost a half of the overall decline in exports. The year-on-year decline in

exports in this category was mainly caused by a year-on-year decrease in exports in the 'transport equipment' subcategory (decline in passenger car exports). The decline in the exports of machines was moderated to some extent by a year-on-year increase in television exports. Apart from machines and transport vehicles, chemical products and semi-finished goods also recorded a significant decline in exports. The lower exports were attributable to year-on-year declines in semi-finished goods and chemical products exports, in connection with the falling prices of oil products. A year-on-year decline was also recorded in the exports of finished products and raw materials.

The sharpest year-on-year fall in imports was recorded, as in exports, in the 'machinery and transport equipment' category. The lower imports were connected with the steep decline in exports, which was mainly

⁵ More detailed information is available in Annex 2.



reflected in the falling imports of components for the automotive industry. In the 'machinery' subcategory, the most significant fall in imports took place in components for the electrical industry and automated data processing machines. A marked year-on-year decrease in imports was also recorded in the 'chemical products and semi-finished goods' category, which significantly contributed to the year-on-year fall in total imports. The decrease in raw material imports was, as in the case of exports, markedly affected by the world-market price of oil, which led to decline in crude oil imports. The smallest year-on-year decrease in imports was recorded in the 'finished products' category, mainly in passenger car imports.

In services, the year-on-year increase in the deficit was mainly caused by smaller revenues in the three main subcategories. The year-on-year improvement in the income balance was caused by a decrease in the negative balance

of income from investment, which exceeded the decrease in the employee compensation surplus. The year-on-year decrease in the current transfers deficit was mainly caused by positive developments in the balance of private transfers, resulting from a marked decrease in payments and increased drawings from EU funds within the balance of government transfers.

During the first nine months of 2009, the balance of payments on capital and financial account resulted in a surplus of €2,115.5 million (compared with a surplus of €4,062.9 million in the same period of 2008). The lower inflow can be attributed to the fact that the year-on-year change from an inflow (last year) to an outflow in the balance of direct and portfolio investments, caused by an outflow of other capital in direct investment and growth in demand among residents for foreign debt securities, exceeded the increased inflow in other investment.

3.2.3 PRODUCTION AND REVENUES

In October, the industrial production index (IPI) continued to improve: its negative year-on-year dynamics moderated to -3.8% (from -5.6% in September). This improvement was mainly the result of a base effect, since production was stagnant in month-on-month terms.⁶ From the first half of 2008 to December 2008, production declined by approximately 27%. This decline was followed by recovery to the current level, i.e. 10% below the level of average production in the reference period. It is still reasonable to assume that this recovery is driven by the gradually growing demand in the euro area and the rest of the EU, which is likely to continue in the fourth quarter of 2009 (according to the current indicators)⁷.

The negative dynamics of IPI were mainly moderated by transport vehicle production (-10.1% in October; -19.1% in September) and electricity and gas production (-3.2%; -14.8%). This development was negatively affected by a fall in electronics production (-13.4%; -1.3%), despite the fact that production in this industry shows a growing tendency (average production in 2009 is 5.2% higher than the 2008 figure)⁸. The current negative dynamics are due to

the exceptionally strong activity in this sector at the end of 2008. The November business

Chart 4 Industrial production index and construction production index (3-month moving averages; index, same period a year earlier = 100)



Source: Statistical Office of the SR and NBS calculations.
Note: The industrial production index is adjusted for calendar effects.

- 6 Statistical Office of the SR, Industrial Production in October 2009, seasonally adjusted.
- 7 Source: ECB Monthly Bulletin, December 2009.
- 8 The revision of IPI data for the reference period (October 2009) significantly moderated the previously published year-on-year rate of production growth in this sector.



Table 3 Production and revenues

Statistical classification of economic activities (SK NACE Rev. 2)	EUR millions, current prices	Indices			
	October 2009	October 2008	Jan.-Dec. 2008	Sep. 2009	October 2009
Industrial production index ^{1), 2)}	-	98.8	103.3	94.4	96.2
Production in construction ²⁾	511.8	116.3	112.0	83.1	78.0
Revenues ³⁾					
Manufacturing in total	5,486.9	99.1	105.9	80.4	83.2
Construction	865.1	.	.	86.6	80.1
Wholesale trade, excluding motor vehicles	2,014.1	113.9	113.7	73.7	72.2
Retail trade, excluding motor vehicles	1,515.5	.	.	88.3	87.2
Sale and maintenance of vehicles	313.2	.	.	75.6	70.4
Accommodation and food services	99.1	.	.	77.9	78.9
Transportation and storage	474.5	.	.	86.1	83.6
Selected market services	670.6	.	.	90.5	92.1
Information and communication	420.9	.	.	97.5	101.1
Revenues from own output and sales for the selected sectors	11,859.6	.	.	81.6	81.9

Source: Statistical Office of the SR and NBS calculations.

1) Adjusted for calendar effects (continuously revised time series).

2) Index, same period a year earlier = 100 (constant prices).

3) Index, same period a year earlier = 100 (current prices).

Table 4 Wage developments in selected sectors (index, same period a year earlier = 100)

	Average monthly nominal wage		Average monthly real wage ¹⁾	
	September 2009	October 2009	September 2009	October 2009
Industry	101,8	100,9	101,2	100,5
of which: manufacturing	101,8	101,0	101,2	100,6
Construction	97,3	95,5	96,7	95,1
Sale and maintenance of vehicles	96,9	97,8	96,3	97,4
Wholesale trade	102,6	93,0	102,0	92,6
Retail trade	105,6	100,7	105,0	100,3
Accommodation	101,4	99,5	100,8	99,1
Restaurant services	101,7	101,6	101,1	101,2
Transport and storage	100,9	97,1	100,3	96,7
Information and communications	101,5	97,1	100,9	96,7
Selected market services	103,7	106,0	103,1	105,6
Average for the selected sectors	101,4	99,1	100,8	98,8
Consumer prices	100,6	100,4	-	-

Source: Statistical Office of the SR, NBS calculations.

1) Real wage index = nominal wage index / consumer price index.

Note: As from January 2009, the SO of the SR applies a new classification of economic activities (SK NACE).

tendency survey in industry⁹ again confirmed the expectations of expanding production and gradually growing current demand. These results combined with the improving external

environment point to the prospect of gradual growth in industrial production over the short-term horizon. If the level of production remains unchanged (a conservative estimate), its year-

⁹ Statistical Office of the SR, Business Tendency Surveys, November 2009.

Table 5 Employment in selected sectors (index, same period a year earlier = 100)

	Employment	
	September 2009	October 2009
Industry	81.9	82.1
of which: manufacturing	80.9	80.9
Construction	99.8	99.2
Sale and maintenance of vehicles	90.2	89.4
Wholesale trade	73.9	73.3
Retail trade	96.0	95.7
Accommodation	91.6	95.4
Restaurant services	78.0	78.3
Transport and storage	99.2	98.9
Information and communication	101.3	101.5
Selected market services	90.8	91.9
Average for the selected sectors	88.0	88.1

Source: Statistical Office of the SR, NBS calculations.

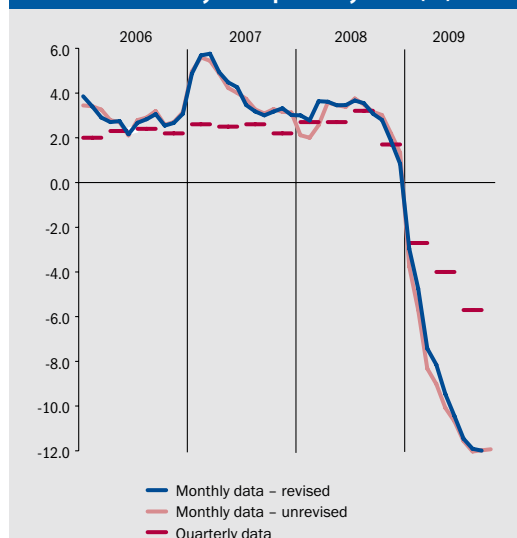
on-year dynamics will reach about 6 to 7% in November.

In construction, the year-on-year decline deepened to -22% in October (from -16.9% in September), owing to the falling demand (by approximately 7% month-on-month for the second successive month¹⁰) and the base effect of increased production at the end of 2008. The negative year-on-year dynamics were mainly the result

of permanent decline in building construction (by 24.9% in October) and, to a lesser extent, in civil engineering construction (13.3%). The November business tendency surveys confirmed the insufficient level of demand. For the first time, expectations of production growth prevailed, but this is not necessarily a sign of a permanent trend.

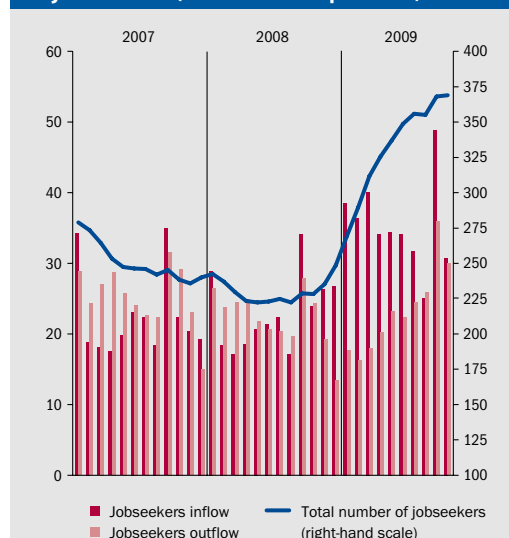
Overall revenues in the selected sector recorded a certain slowdown in the year-on-year rate of

Chart 5 Comparison of employment rates based on monthly and quarterly data (%)



Source: Statistical Office of the SR and NBS calculations.

Chart 6 Inflow, outflow and the total number of jobseekers (thousands of persons)



Source: Centre for Labour, Social Affairs and Family.

¹⁰ Statistical Office of the SR, Production in Construction, October 2009, seasonally adjusted data.



decline, as a result of slower year-on-year declines in industrial revenues (mainly in the production of transport vehicles) and revenues in selected market services, accompanied by moderate year-on-year growth in revenues in information and communication. On the other hand, accelerated year-on-year decline was recorded in construction, the sale of motor vehicles, transport, storage, retail and wholesale trade.

In October, retail sales revenues at current prices recorded a slight acceleration in the annual rate of decline in comparison with September, as a result of slower year-on-year growth in receipts in non-specialised retail shops and somewhat faster decline in receipts from retail trade in other household goods.

The year-on-year dynamics of revenues from the sale and maintenance of motor vehicles in October indicated an acceleration in the year-on-year pace of decline (for the fourth consecutive month), compared with September. This was due to the base effect of high revenues from the end of 2008 and to the cautious behaviour of consumers under crisis conditions, despite the falling prices of motor vehicles.

3.2.3 WAGES, EMPLOYMENT AND UNEMPLOYMENT

In October, average nominal wages in the sectors under review showed weaker year-on-year dynamics than in September. For the first time, the level of nominal wages recorded a fall. Nominal wages dropped in wholesale trade, construction, information and communication,

transport and storage, the sale and repair of motor vehicles, and accommodation services. Nominal wages grew at a faster pace only in selected market services (real estate, renting and leasing, travel agencies, legal activities, etc.). Wage statistics from the selected sectors for October indicate that the average rate of nominal wage growth in the economy as a whole will slow in the fourth quarter of 2009, to -0.9% (from 2.5% in the third quarter of 2009).

Average employment in the selected sectors dropped considerably on a year-on-year basis in October, while showing virtually unchanged dynamics (11.9%) in comparison with the previous month. As in the previous month, employment showed the weakest dynamics in year-on-year terms in wholesale trade, restaurant and food service activities, and industry. Average monthly data from the selected sectors for October indicate that employment in the fourth quarter will follow approximately the same trend as in the previous quarter.

According to data from the Centre for Labour, Social Affairs and Family, the total number of unemployed increased on a quarter-on-quarter basis by 961, to 367,000 in October. The rate of registered unemployment reached 12.4% in October, representing a fall of 0.1 of a percentage point in comparison with the previous month. The inflow of job applicants reached 30,700, which roughly corresponded to the outflow.

Box 3

DEVELOPMENT OF THE REAL ECONOMY IN THE THIRD QUARTER OF 2009¹¹

Gross domestic product (GDP), based on revised data from the Statistical Office of the SR, contracted at constant prices by 4.8% year-on-year in the third quarter of 2009, following a decline of 5.5% in the previous quarter. According to seasonally adjusted quarter-on-quarter data, however, GDP expanded by 1.6% in the third quarter of 2009. Thus, in quarter-on-quarter terms, the economy has started growing at a gradual pace.

In terms of production, GDP was influenced by a fall in value added, mainly in services, accompanied by value added growth in agriculture and construction, and value added stagnation in industry.

In terms of GDP utilisation, the economic decline was caused by a fall in domestic demand (-6.2% at constant prices). The fall took place in all components of domestic demand. After growing in the previous quarter, final consumption in the

¹¹ More detailed information is available in Annex 3.



household and general government sectors decreased. On the other hand, the sharp decline in investment (starting at the beginning of 2009) moderated in the third quarter. A positive contribution to GDP growth came from net exports in connection with the moderating decline in exports, combined with low imports.

The average monthly nominal wage of an employee in the Slovak economy increased year-on-year by 2.5% in the third quarter of 2009 (to €722.5). This represented a slowdown of 0.3 of a percentage point compared with the previous quarter. The growth rate of real wages accelerated by 1.3% in the third quarter of 2009. Nominal compensation per employee (ESA 95) grew year-on-year by 4.8%, but the rate of growth slowed by 1.6 percentage points compared with the previous quarter.

The economic decline was still mirrored in the falling level of employment. According to the methodology of national accounts (ESA 95), employment fell by 3.7% in the third quarter of 2009, compared with 1.3% in the previous quarter. In terms of structure, overall employment was influenced by a decrease in the number of employees, accompanied by a year-on-year increase in the number of entrepreneurs. According to seasonally adjusted quarter-on-quarter data, however, employment fell by 1.3% in the third quarter.

Employment expressed in terms of the hours worked dropped year-on-year by 8.8% in the third quarter of 2009. The third quarter, however, saw a change in this trend on a quarter-on-quarter basis: the number of hours worked increased in comparison with the previous quarters. The quarter-on-quarter growth in the number of hours

worked is expected to continue in the coming periods.

Labour productivity fell in nominal terms by 2.1% year-on-year and in real terms by 1.2% in the third quarter, in connection with the GDP decline. Compared with the second quarter, however, the labour productivity decline moderated, mainly as a result of a sharp fall in employment.

Unit labour costs increased by 6.0% year-on-year in the third quarter (according to ECB methodology), but their dynamics slowed by 5.2 percentage points compared with the second quarter of 2009. The slowdown in the growth of unit labour costs was caused by slower decline in real labour productivity, accompanied by slower growth in compensation per employee in the third quarter.

According to a labour force sample survey, the number of unemployed increased in year-on-year terms by 38.9% in the third quarter of 2009. This increase was also reflected in the rate of unemployment, which reached 12.5% in the third quarter. This was 1.2 percentage points more than in the second quarter of 2009.

The decline in economic activity in the third quarter was caused primarily by the weakening domestic demand, in line with the expectations of NBS. In the following quarters, economic activity is expected to strengthen gradually on a quarter-on-quarter basis. This trend is connected with the expected recovery of the global economy, driven by growing foreign demand. The economic decline in the third quarter was also reflected in the labour market indicators. In the following periods, nominal compensation per employee is expected to grow at a decelerating pace. This is likely to be accompanied by a fall in employment.

3.2.4 THE ECONOMIC SENTIMENT INDICATOR

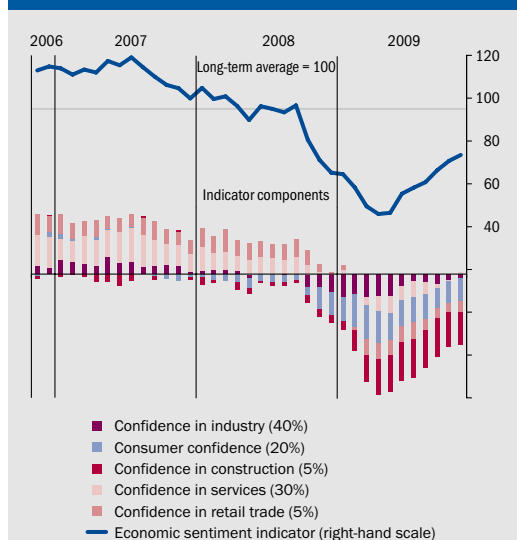
In November, the economic sentiment indicator rose by 2.8 percentage points in comparison with October (to 73.5 points), and was 2.3 percentage points higher than in the same period a year earlier. The indicator was positively influenced by an increase in confidence in industry, while a rise

in optimism was also recorded in services and construction. A fall was recorded in the indicators of consumer confidence and confidence in retail trade.

In industry, optimism increased as a result of positive expectations regarding industrial production in



Chart 7 Economic sentiment indicator



Source: European Commission.

Note: The percentages given in the legend represent the weights of individual components in the economic sentiment indicator.

the next three months. In construction, confidence increased owing to an expected slowdown in the pace of decline in employment in the next three months. The favourable trend in confidence in services was mainly influenced by optimistic views of the current level of demand. The unfavourable trend in confidence in retail trade was caused by pessimistic views of the current economic situation.

Compared with the previous month, consumer confidence deteriorated in respect of the expected financial situation of households and the expected unemployment situation. According to the November survey, expectations regarding the expected economic situation and household savings in Slovakia were at approximately the level of the previous month. Compared with the previous survey, the consumer confidence indicator dropped by 0.6 of a percentage point, while falling on a year-on-year basis by 2.1 percentage points.

3.3 MONETARY AGGREGATES AND INTEREST RATES

In October, the M3 monetary aggregate¹² for analytical purposes decreased month-on-month

by €126 million (year-on-year by €1,209.2 million), and its year-on-year dynamics strengthened in comparison with the previous month by 0.7 of a percentage point, to -3.4%.

The contribution of domestic monetary financial institutions (MFIs) to euro-area M3 growth continued to decrease in October, when M3 fell by €229 million month-on-month. The year-on-year rate of M3 growth accelerated by 0.9 of a percentage point, to 5.5%. This was partly the result of a base effect from last year, when the M3 aggregate significantly decreased as a result of an outflow of funds from money market funds after the collapse of Lehman Brothers.

Among the M3 components, all types of deposits decreased in volume. The most significant decrease occurred in the most liquid deposits (demand deposits). Deposits with agreed maturity recorded only a slight fall. The same trend was observed in the two key sectors (households and non-financial corporations). A small part of the deposits was transferred to other non-monetary institutions, including other financial intermediaries, financial auxiliaries, insurance companies, and pension funds. The decline in non-financial corporate deposits accelerated in October, compared with the previous month. The sharpest decline took place in short-term deposits, while other deposits remained virtually unchanged. In the household sector, different developments were recorded. The total volume of deposits fell somewhat, but the individual types of deposits showed different tendencies. Short-term deposits increased slightly, following four months of decline. Deposits with an agreed maturity of up to 2 years recorded a sharp fall. These deposits had been falling for nine months, but the sharpest fall occurred in October. In the past three months, this trend had been influenced by the shape of the yield curve, for the difference between short-term and long-term deposit rates markedly increased. For that reason, households tended to shift their funds from M3 deposits to long-term deposits (with an agreed maturity of over 2 years), which are part of the M3 counterparts. Part of these funds (deposits) were invested in mutual funds other than money market funds.

Within the counterparts of M3, bank loans to the private sector continued to grow, but at a slower

¹² As a result of a change in the methodology used for recording monetary aggregates (2009), the time series of individual monetary aggregates, as well as their year-on-year dynamics, have become inconsistent with their time series and dynamics from the previous years.

The contribution of Slovakia's M3 monetary aggregate to that of the euro area (influenced by a change in methodology) increased year-on-year by €1,815 million to €37,558 million in October, and its dynamics reached 5.5% (4.6% in September).

The year-on-year growth rates of monetary aggregates and their counterparts are calculated from end-of-month data, including non-transaction operations, which comprise all movements in the outstanding amounts of balancesheet items, resulting from changes in the valuation of marketable instruments, the depreciation/write-off of loans, exchange rate differentials, reclassification, and other changes.

**Table 6 Monthly net sales of open-end investment funds¹⁾ in the SR (EUR millions)**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cumulative
2006	58.4	14.3	39.2	-54.0	-3.6	-12.5	1.8	-61.8	-14.8	39.6	81.3	47.8	135.7
2007	129.9	8.9	28.7	50.0	60.4	71.2	69.6	72.1	43.2	23.0	41.6	65.8	664.4
2008	101.3	70.3	-22.1	19.4	24.3	29.6	-32.5	-52.0	-157.2	-648.0	-179.9	-96.3	-938.4
2009	-75.9	-108.5	-45.6	13.2	46.1	-12.3	8.8	46.7	64.1	24.5	48.1 ²⁾	.	9.3

Source: NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS).

1) Total sales in the euro (in the Slovak koruna before 2009) and the foreign currency.

2) NBS calculations for the current month are based on weekly data on open-end mutual funds by SASS.

pace than in the previous month. The outstanding amount of loans increased by €43 million month-on-month. The tendencies from the previous period continued in October. The modest growth in lending to households was accompanied by a decline in lending to other sectors (non-financial corporations, other financial intermediaries). A marked fall was recorded in receivables from the general government sector.

Loans to non-financial corporations fell only slightly in October (by €7 million), because short-term loans ceased to decrease. Among these loans, operating loans increased slightly, which was indicated by an increase in the volume of new operating loans. Although the pace of decline in loans to non-financial corporations slowed, the year-on-year dynamics of lending deepened to -1.5% in October.

Lending to other financial intermediaries continued to decline, at a somewhat faster pace than in the previous two months. The year-on-year dynamics of loans reached a negative value (-27%).

Lending to households continued to grow in October, when the outstanding amount of loans increased by €107 million month-on-month. All types of loans recorded a certain increase. The steepest increases took place in house purchase loans (€74 million), consumer loans (€22 million, as in the previous month), and other loans (€11 million). The smaller increases led to a further slowdown in the growth dynamics of bank lending. The growth dynamics of house purchase loans, consumer loans, and other loans reached 12.1%, 14.8%, and 10.2% respectively. The gradual increase in the outstanding amounts of loans is

also documented in the statistics of new loans. This indicates that banks are interested in lending to households, mainly for house purchases, because these loans are relatively well secured.

Within the scope of MFI receivables, the volume of securities held by MFIs increased to a significant extent in October. The increase in securities exceeded the increase in private sector receivables. Thus, the receivables of monetary financial institutions decreased somewhat. Among the M3 counterparts, general government deposits continued to decrease, as well as net foreign assets.

On the basis of weekly data from the Slovak Association of Asset Management Companies (SASS), open-end funds (OEF) of all categories operating in Slovakia (euro and foreign-currency funds) recorded monthly net sales in the total amount of €48.1 million¹⁴ in November. The inflow of funds was higher than in the previous month, ranging during the individual weeks of the month from €9.4 million to €15.3 million. In cumulative terms, net sales reached a positive figure for the first time in 2009. However, confidence in collective investment is at a very low level in Slovakia; investors still give preference to more conservative forms of investment.

The largest positive increases in November were achieved by money market funds (€32.4 million), mixed funds (€7.3 million), and other / secured funds (€4.0 million). Positive net sales were also recorded by bond funds (€1.5 million), equity funds (€1.5 million), the funds of funds (€0.8 million), and special real estate funds (€0.6 million). Negative monthly net sales were not recorded in any of the categories.

¹³ The different amounts of monthly and cumulative net sales can be explained by the fact that the data of SASS obtained from regular weekly statistical reports and the data of individual OEF administrators (www.openiazoch.sk) sometimes refer to different periods (SASS makes data releases on Fridays, but some of its members issue data on Thursdays) and the number of mutual funds is recorded differently. The merger of mutual funds and their conversion into euro funds at the end of 2008 caused a significant fall in the number of mutual funds (from ca. 550 to 460), as well as a marked decrease in the number of foreign-currency funds and an increase in the number of euro funds. In May 2009, BNP Paribas Asset Management (PARVEST funds) became an associate member of SASS. In June, the SASS database was extended to include the funds of ING (L) Invest SICAV. Thus, the total number of open-end funds increased to 570. However, the number of funds remained highly volatile. In August, the majority of PARVEST funds were excluded from the database. They were followed by several Pioneer Investments Austria GmbH funds in September. As a result, the number of funds dropped below 500.

Box 4

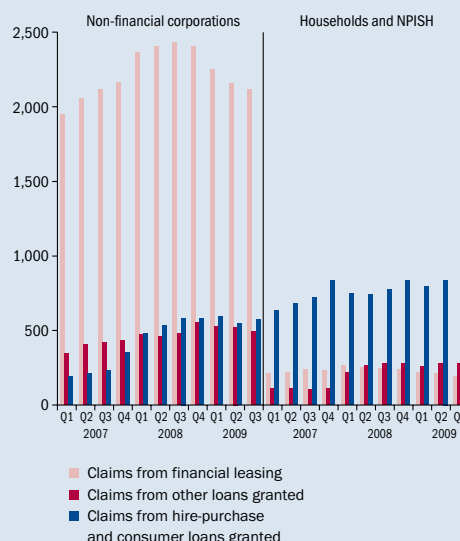
RECEIVABLES OF FACTORING, LEASING, AND HIRE PURCHASE COMPANIES

The receivables of factoring, leasing, and hire purchase companies from the private sector reached €4,445.4 million at the end of the third quarter of 2009. Their negative year-on-year dynamics deepened by 5.1 percentage points, to -7.5%. This corresponded to a decrease of €108 million compared with the previous quarter. The most significant contribution to the decrease in total receivables came from finance lease receivables, which accounted for more than 50% of the total and which fell in volume by €59.4 million compared with the previous quarter. Within the scope of credit and loan receivables, hire purchase and consumer credit receivables decreased by €13.7 million, while other receivables dropped by €34.9 million compared with the previous quarter.

Receivables from non-financial corporations decreased in volume by €49 million (by the end of Q3, 2009), while their year-on-year dynamics weakened by 4.1 percentage points, to -9.2%. The year-on-year decrease was mainly caused by a fall in the amount of finance lease receivables (by €40.9 million). Other receivables recorded a marked decrease in volume, which was offset in large part by an increase in hire purchase receivables and consumer loan receivables.

In the household sector, the receivables of factoring, leasing and hire purchase

Chart A Receivables of factoring, leasing, and hire purchase companies (EUR millions)



Source: NBS.

Note: NPISH stands for non-profit institutions serving households

companies showed negative year-on-year dynamics (-2.5%, compared with 5.0% in the previous quarter), and decreased in volume by €59 million. The fall in receivables from households was caused by credit and loan receivables (decreasing by €40.7 million), mainly hire purchase and consumer credit receivables.

The key ECB interest rates remained unchanged in October. Market rates represented by 3-M EURIBOR and EONIA were at approximately the same level as in the previous month. This was mainly due to the liquidity situation in the interbank market. Following a long-term tender at the end of September, the reduced demand was reflected in the regular refinancing operations. ECB continued to purchase covered bonds. Customer interest rates did not reflect the euro-area interbank market trends. They rose slightly for loans, while remaining more or less stable for deposits.

Customer interest rates on loans to non-financial corporations rose slightly in October.

The most significant rise was recorded in the price of operating loans. Interest rates also rose somewhat on investment loans. Interest rates on other loans showed the opposite tendency. Interest rates on current account overdrafts remained unchanged. The breakdown of loans by size indicates that interest rates on loans to small- and medium-sized enterprises were stagnant, while those on loans to large companies rose slightly.

Interest rates on loans to households showed a rising tendency in October. Interest rates on consumer loans and current account overdrafts increased. Interest rates on consumer loans



reached a record high this year. Banks had probably tightened their lending conditions by increasing their margins to cover the increased risks. Interest rates on loans to entrepreneurs (sole traders) followed the rising trend from the previous months, when lending rates rose significantly for both operating and investment loans. Interest rates on house purchase loans remained stable for the fifth consecutive month.

Interest rates on non-financial corporate deposits recorded a slight fall. The fall took place mostly in short-term deposit rates. Interest rates rose somewhat on long-term fixed deposits,

which, however, were negligible in terms of volume. The prices of demand deposits and deposits with an agreed maturity of up to 2 years showed a falling tendency (since August 2008). They dropped by 0.77 and 3.44 percentage points respectively.

Interest rates on household deposits remained stable in October. Interest rates on long-term deposits with agreed maturity (over 2 years) rose slightly. This trend was accompanied by an increase in the volume of new deposits in this category. Interest rates on other types of deposits (mainly short-term deposits) fell somewhat.



QUARTERLY REPORT ON THE INTERNATIONAL ECONOMY – SEPTEMBER 2009

THE GLOBAL ECONOMY

In the third quarter of 2009, the global economy ceased to decline and started to show signs of improvement. It seems to have reached the bottom of recession. The most significant growth has been recorded in emerging economies. Advanced economies also began to grow in the third quarter, but their recovery is expected to be more gradual. Despite this development, there are still concerns about the course and duration of the economic recovery.

In the OECD countries, GDP grew by 0.8% in the third quarter, after stagnating in the previous quarter. On a year-on-year basis, the global economy contracted by 3.3%, compared with 4.6% in the second quarter of 2009. The economic sentiment indicators point to a gradual recovery, both in confidence and economic activity.

Consumer prices continued to fall in the third quarter of 2009, mainly as a result of a base effect related to commodity prices. In September, the OECD countries recorded temporarily negative

inflation, which reached -0.3% on a year-on-year basis (compared with -0.1% in June). Energy prices recorded a year-on-year fall of 13.9% in September, compared with 15.5% in June 2009. Food prices fell on a year-on-year basis by 0.4% in September, following a year-on-year rise of 1.8% in June. Core inflation stood at 1.5% in September, compared with 1.7% in June.

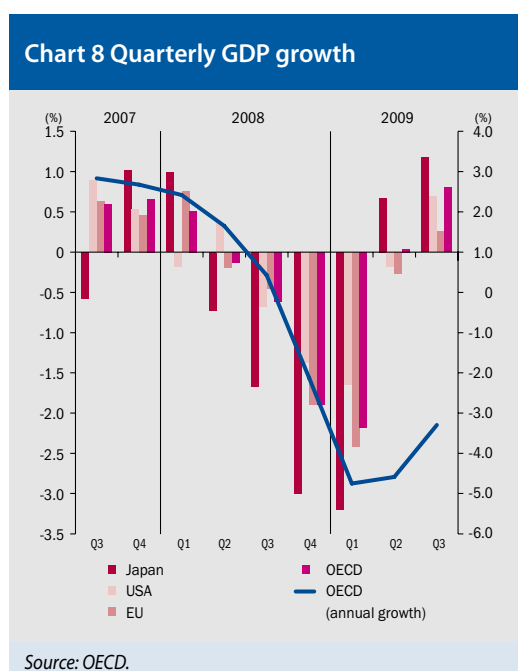
The risks involved in global economic development are still high, but balanced. The stabilisation of the global economy can be attributed to the implementation of anti-crisis measures in numerous countries. Economic confidence is also improving more rapidly than was predicted. Global economic activity may be adversely affected by a deterioration in the financial crisis, rise in commodity prices, increased protectionist measures, or unfavourable developments in the labour market.

COMMODITY MARKETS

Oil prices increased somewhat again in the third quarter of 2009. The average price of oil reached USD 68/barrel in that period, compared with USD 59/barrel in the second quarter. At the beginning of December, the price of oil stood at USD 79/barrel, representing a rise of 83% since the beginning of 2009.

In the third quarter, oil prices followed a similar trend as in the second quarter, when they stabilised and became less volatile in the markets. Over the third quarter, the price of oil fluctuated between USD 60 and USD 73/barrel. In October and November, oil prices rose above the level of USD 75/barrel, owing to the stabilising global economy and improving prospects for economic recovery.

The world-market prices of other commodities showed a gradually rising tendency in the third quarter, as in the previous quarter. At the beginning of July, price levels started to rise, but later stabilised and remained relatively stable





during the quarter. Further increases were recorded in October and November. The positive reports about the global economy had a strong influence on commodity prices. The prices of agricultural commodities were relatively stable; they were not as volatile as commodity prices.

UNITED STATES

In the United States, economic activity strengthened in the third quarter of 2009, when the decline in GDP turned into growth. In annualised term, GDP expanded by 2.8% in the third quarter, following a decline of 0.7% in the second quarter. On a year-on-year basis, the pace of economic decline moderated to 2.5% in the third quarter, from 3.8% in the previous quarter.

GDP growth was mainly stimulated by household consumption. A marked increase was recorded in durable goods in particular. This trend was positively influenced by the fiscal measures adopted in support of household consumption and in support of automobile sales. A positive contribution to growth came from private investments, mainly investments in construction. Federal government expenditures also made a positive contribution to GDP growth, though their growth dynamics slowed in comparison with the previous quarter. Owing to the stabilisation of global trade, US exports increased, as well as imports (as a result of renewed domestic demand). Thus, GDP growth was negatively influenced by net exports in the third quarter, which represented a change in comparison with the second quarter, when net exports made a positive contribution to GDP.

During the third quarter of 2009, the pace of consumer price decline slowed gradually, to 1.3% year-on-year in September (-1.4% in June). This fall was mainly caused by a base effect stemming from commodity price developments. Core inflation slowed somewhat in the third quarter of 2009, but remained stable in comparison with the second quarter. Core inflation stood at 1.5% in September, compared with 1.7% in June.

At its meetings held in the third quarter, the Federal Open Market Committee (FOMC) decided to keep its target for the federal funds rate unchanged, at a level close to zero.

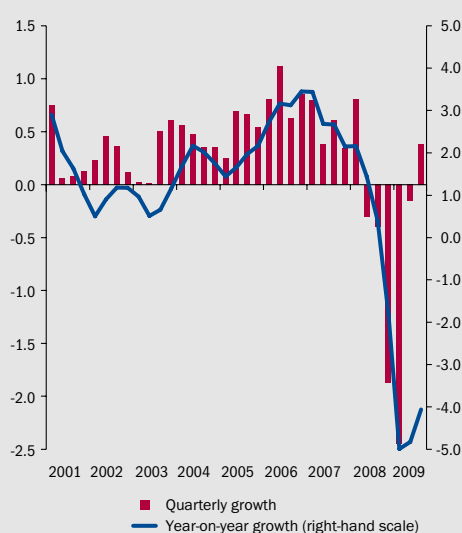
While acknowledging recent improvements in economic activity, the FOMC continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period. At its November meeting, the FOMC again decided to leave its target rate unchanged.

THE EURO AREA

After four quarters of decline, GDP development in the third quarter pointed to a gradual stabilisation in the euro-area economy. Gross domestic product grew by 0.4% in comparison with the second quarter (a fall of 0.2%). At the same time, the year-on-year pace of economic decline moderated to 4.1% (the second quarter saw a GDP decline of 4.8%).

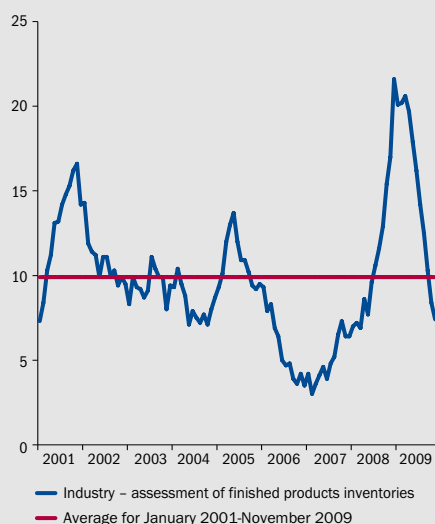
Economic recovery was mainly supported by inventories, which decreased in the third quarter, but to a lesser extent than in the previous quarter. During the first two quarters, the decreasing inventories dampened the economic growth, but this trend changed in the third quarter. Inventory volumes in industry dropped to a historical low, compared with their maximums reached at the end 2008. In the coming period, the inventory cycle is expected to recover. This will be followed by a gradual increase in inventories.

Chart 9 Euro area: economic growth
(constant 2000 prices; %)



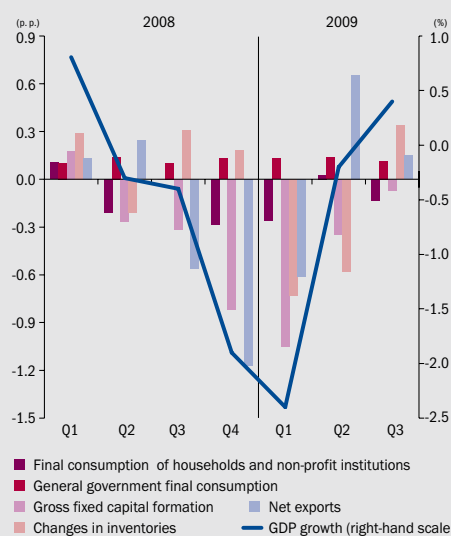
Source: Eurostat.

Chart 10 Valuation of inventories in industry (balance of responses)



Source: European Commission.

Chart 11 Euro area: contributions to quarterly GDP growth by component



Source: Eurostat, NBS calculations.

After five quarters of decline, euro-area exports expanded in the third quarter. The revival in exports was also accompanied by import growth, which, however, showed weaker dynamics. Compared with the second quarter, the positive contribution of net exports diminished, but continued to have a favourable effect on the economy. The economy also benefited from the various support measures taken by governments with the aim of eliminating the unfavourable effects of the economic crisis. Economic growth continued to be stimulated by final consumption in the general government sector.

In the third quarter, economic growth continued to be dampened by the weak investment demand. Its negative contribution, however, diminished significantly in comparison with the previous quarter. The recovery of investment demand was restricted by the low utilisation of production capacities, which stood at 70.7% according to the November surveys. Compared with the previous quarter, when the utilisation of production capacities was estimated at 69.5%, a modest improvement has been achieved, but this indicator is still at a historically low level (the long-term average since 1990 is more than 81%).

A less favourable change occurred in household final consumption. After having a more or less

Chart 12 Production limiting factors (balance of responses)



Source: European Commission.

neutral effect on GDP in the second quarter, it was dampening the economy in the third quarter. This was connected with the persistent unfavourable labour market conditions, slower growth in disposable income, cautious consumer behaviour of households, low consumer confidence, and the fading effects of stimulus measures (car-scrapping schemes) in some countries.

In the individual sectors, value added creation accelerated most significantly in industry, including manufacturing. Value added in industry fell by 1.5% in the previous quarter, then rose by 2.0% in the third quarter (value added in manufacturing rose by 2.2%, after falling of 0.9% in the second quarter).

The improving situation in industry is probably connected with the positive trend in demand. After steadily worsening over the previous five quarters, the assessment of demand as a factor limiting production improved somewhat in the fourth quarter. The last surveys in industry indicate that financial factors are viewed more positively in relation to the the restrictions they represent for production.

Numerous indicators of economic activity show signs of a gradual improvement. The economic sentiment indicator increased, as well as the confidence indicator. The IFO economic climate index improved again, mainly as a result of a further increase in expectations concerning the future course of economic development. After eight quarters, the assessment of the current economic situation also improved in the third quarter.

Although economic activity recorded a certain upturn in the third quarter, unemployment

continued to grow in that period. At the end of the quarter, unemployment stood at 9.8%, compared with 9.4% in June. In October, the unemployment rate stagnated, at the September level. Following a gradual fall since March 2009, the expectations of consumers regarding the future trend in unemployment recorded a slight increase in October.

The rising unemployment was significantly affected by the economic crisis. It was partially dampened by various schemes of working time reduction and redundancy restriction. Thus, the recovery of economic growth will first lead to an increase in the number of hours worked and then, after a certain delay, to renewed employment growth accompanied by a decrease in unemployment.

During the third quarter, price developments continued to be influenced by a base effect related to energy and food prices. This, together with the subdued demand, continued to dampen the price increase. After reaching a negative value in June for the first time (-0.1%), price inflation deepened to -0.7% in July as a result of a culminated base effect stemming from fuel prices. In the following months, however, this effect faded away and the dampening effect of energy prices weakened gradually.

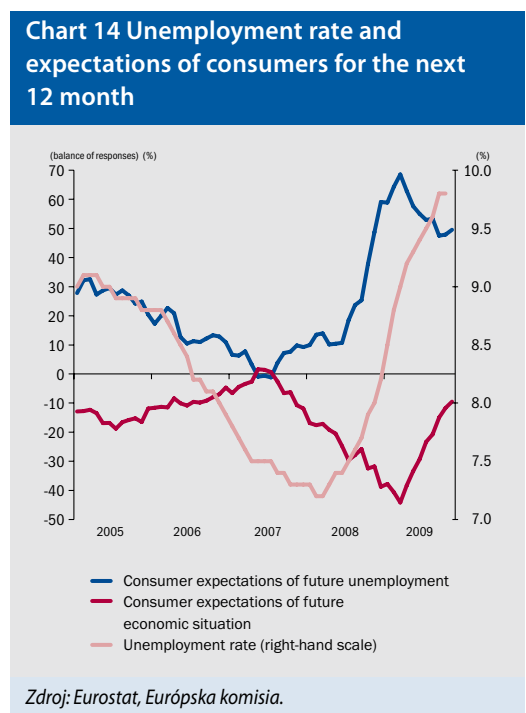
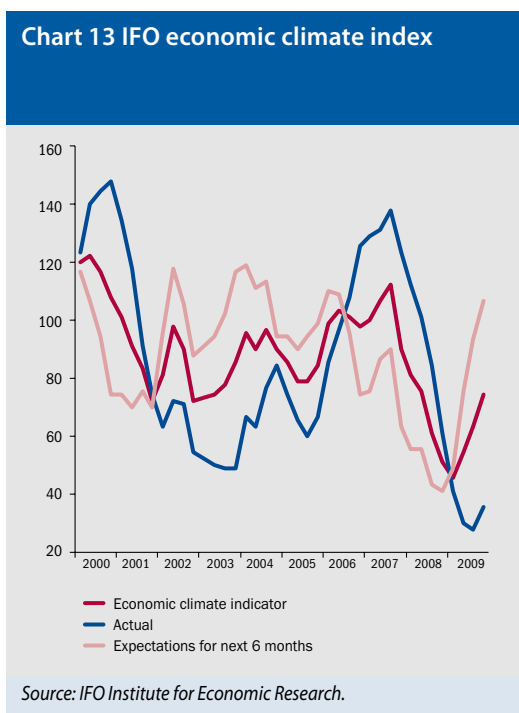
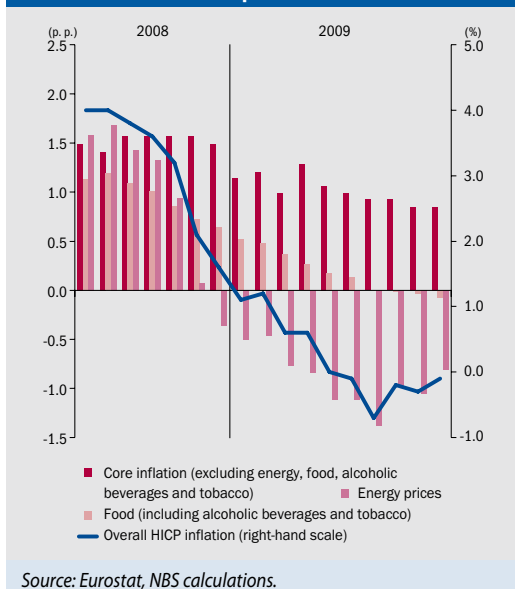


Chart 15 Euro area: annual headline HICP inflation and its components



the fading base effect related to energy price developments. According to a flash Eurostat estimate, inflation returned to positive territory in November (0.5%).

During the third quarter, core inflation also fell (by 0.2 of a percentage point, to 1.1%), as a result of slower year-on-year increases in all components, mainly in processed food prices. Another slowdown was recorded in October (to 1.0%).

The rise in prices for the market components of inflation continued to slow in the third quarter, as well as in October. The rise in industrial good prices slowed by 0.1 of a percentage point in comparison with June, to 0.5% in September, and to 0.3% in October. The slowdown in price inflation was mostly influenced by the prices of non-durable and semi-durable goods. The price increase in services also slowed, from 2.0% in June to 1.8% in September. In October, prices for services were at a standstill, at the September level. The fall in inflation in services was caused by a further slowdown in the rise in prices related to holidays (trips, hotels and restaurants, transport services). The prices of these services reflected the delayed effects of low energy and food prices, as well as the weak demand. Prices related to housing, the repair and maintenance of houses, also showed weaker dynamics.

At the end of the quarter, the year-on-year price decline moderated to -0.3%. During the quarter, however, the dampening effect of food prices strengthened. The market components of inflation also recorded a gradual slowdown in price dynamics. Inflation remained slightly negative in October, but the price decline slowed to -0.1%. This was again influenced by

Chart 16 Euro area: prices of goods and services (%)

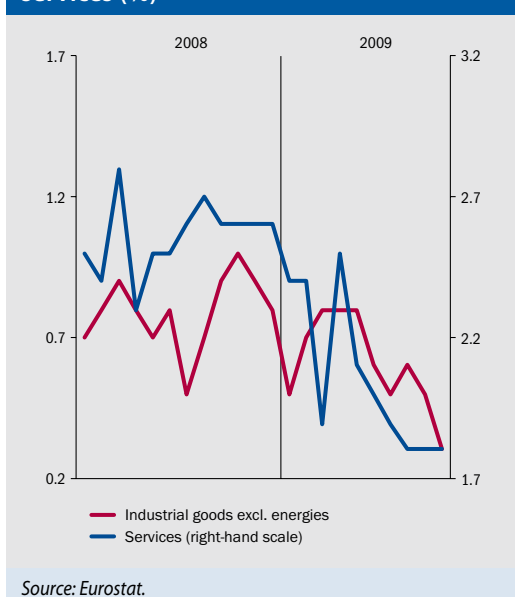


Chart 17 Exchange rate developments (USD/EUR)

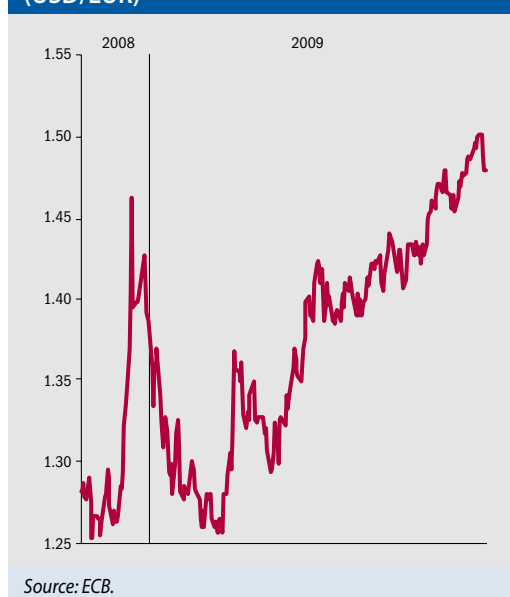
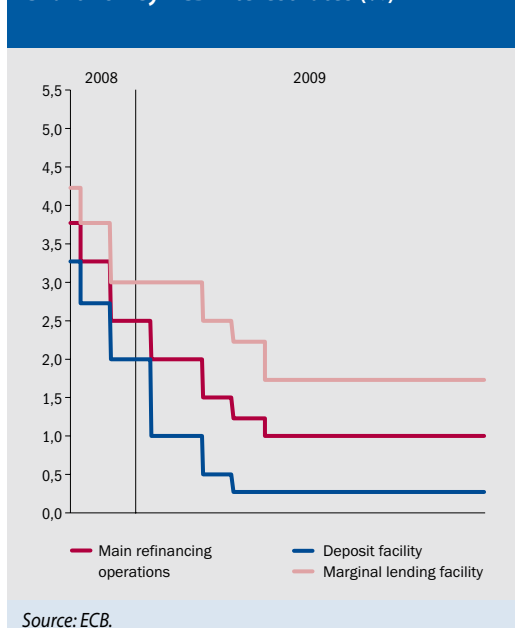




Chart 18 Key ECB interest rates (%)



The gradual stabilisation of the financial markets further reduced the volatility of the EUR/USD exchange rate. In the third quarter, as well as in October and November, the euro exchange rate was characterised by a more or less appreciating trend, interrupted by temporary fluctuations. The gradual appreciation of the euro against the dollar was supported by the increased tendency of investors to take a risk, concerns about the diversification of foreign reserves, expectations of persistently low interest rates in the United States, and the use of the US dollar in 'carry trade' transactions. By the end of the third quarter, the euro had strengthened against the dollar by 3.6% since the end of June, and by the end of November by a further 2.6%.

The Governing Council of the ECB approved no interest rate changes in the third quarter, nor in the following period until December. Thus, the key ECB interest rates remained unchanged: at 1.0% for the main refinancing operations, 1.75 % for the marginal lending facility, and 0.25% for the deposit facility. Since October 2008, the rate on the main refinancing operations had been cut by a total of 325 basis points. The ECB continued to use measures to ensure an adequate level of liquidity in EUR, as well as in USD and CHF. In line with its May decisions, the ECB conducted three long-term refinancing operations with a maturity

of 12 months (in June, September, and December) and launched a programme for the purchase of covered bonds. At its last meeting devoted to monetary-policy in 2009 (3 December), the ECB approved the details of refinancing operations for the period until 7 April 2010.¹⁴

DEVELOPMENTS IN THE CZECH REPUBLIC, HUNGARY AND POLAND

In the third quarter of 2009, the economies of the region fully reflected the impacts of the economic crisis. Economic activity was dampened by insufficient domestic and foreign demand, growing unemployment, and by the low utilisation of production capacities. The growth in Poland's gross domestic product slowed by 0.3 of a percentage point, to 1%. This was due to slower growth in household consumption, coupled by a lower positive contribution from net exports. Year-on-year growth was recorded only in government consumption, while the decline in investment moderated. Poland was the only EU country to maintain a positive rate of economic growth. In the Czech Republic, the pace of economic decline moderated by 0.6 of a percentage point year-on-year, to 4.1%. This development was supported by increased consumption in the household and government sectors. Inventories and gross fixed capital formation still contributed negatively to GDP growth. The impact of net exports was negligible in the third quarter. In Hungary, the decline in economic activity deepened by 0.8 of a percentage point, to 8%. This was due to a further fall in household consumption, government spending, and to subdued investment demand. A significant contribution to GDP growth came from net exports only.

In quarter-on-quarter terms, Poland's GDP expanded by 0.5% and maintained the same dynamics as in the second quarter of 2009. In the Czech Republic, GDP growth accelerated quarter-on-quarter by 0.5 of a percentage point, to 0.8%. In Hungary, the quarterly economic decline moderated by 0.2 of a percentage point, to 1.8%.

Compared with June, Poland's annual HICP inflation slowed by 0.2 of a percentage point, to 4% at the end of the third quarter of 2009. The

¹⁴ More detailed information on monetary-policy decisions, non-standard monetary-policy measures, and on the refinancing operations of the ECB until 7 April 2010 are available at www.ecb.int.

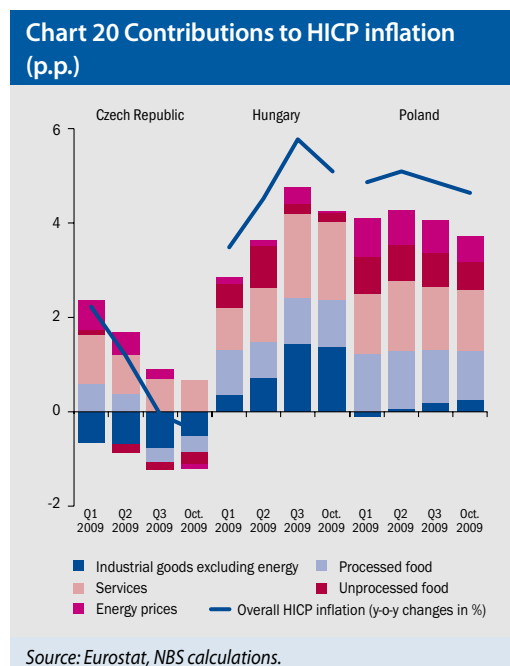
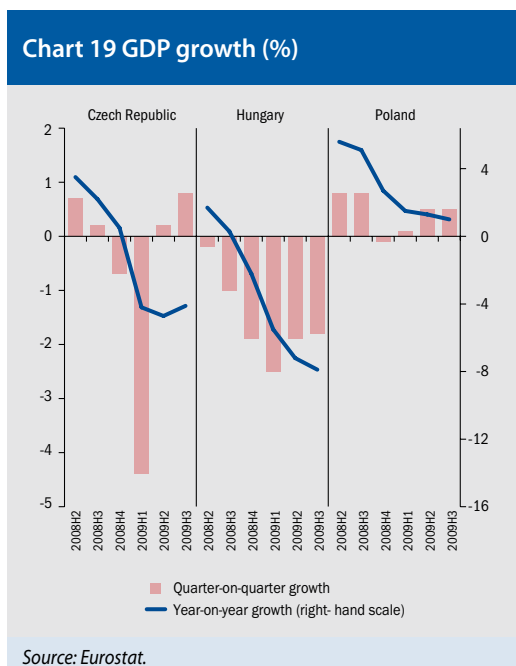


consumer price increase probably culminated in July (4.5%). The following months saw a falling trend in inflation. The slowdown took place in all components of inflation, except in non-energy industrial goods. Their prices were influenced to some extent by the appreciation of the Polish zloty in the previous periods. An inflationary effect on price levels was exerted by the administrative price adjustments (prices related to housing, energy prices, excise taxes on alcohol and tobacco). These factors, however, caused no further rise in inflation. The continuing slowdown in inflation in the Czech Republic turned into deflation in the third quarter of 2009 (previously recorded in August 2003). Compared with the previous quarter, inflation fell by 1.1 percentage points in September (to -0.3%), well below the lower limit of the inflation target of Česká národní banka. A further fall was recorded the prices of industrial goods. Inflationary effects were only exerted by energy and services prices. In Hungary, inflation accelerated by 1.1 percentage points, to 4.8%. This was caused by an increase in VAT rates, from 20% to 25%. At the same time, a new preferential rate was introduced, i.e. 18% (for dairy and bakery products, heating, accommodation services), in addition to the existing 0% and 5% rates. Excise taxes on alcohol, cigarettes and fuels also increased. The tax changes are part of a large-scale reform with special emphasis on excise taxes. Inflationary

pressures arising from tax adjustments were substantially dampened by the weak consumer demand.¹⁵ Compared with the second quarter, prices increased more rapidly in all categories, except in 'unprocessed food' (the relatively steep price rise at the end of the second quarter was caused by weight adjustments). In October, price inflation in Poland slowed by 0.2 of a percentage point (to 3.8%), in the Czech Republic deepened by 0.3 of a percentage point (to -0.6%), and in Hungary moderated by 0.6 of a percentage point (to 4.2%).

In the third quarter of 2009, the exchange rates of the Polish zloty, Czech koruna and the Hungarian forint continued to strengthen in relation to the euro. However, they strengthened more slowly than in the previous months. In August and September, these currencies stabilised to some extent. The foreign exchange market was mainly influenced by external factors. The favourable exchange rate developments were influenced by the diminishing risk aversion among investors, developments in global financial markets, and the continuing stabilisation in the global economy.

The Polish zloty recorded a relatively steep appreciation in July, because it lagged behind the other currencies in the region and because some of the domestic indicators pointed to favourable



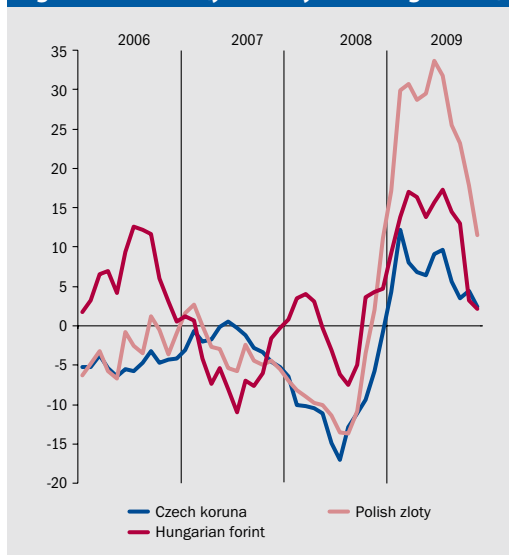
¹⁵ According to the Hungarian central bank's estimates, the VAT increase is reflected in consumer price levels to approximately 65% only (Quarterly Report on Inflation, Magyar Nemzeti Bank, November 2009).

Chart 21 Indexes of the V4 exchange rates vis-à-vis the euro (29.12.2006=100)



Source: Eurostat, NBS calculations.
Note: A fall in value denotes appreciation.

Chart 22 Exchange rates of V4 currencies against the euro (year-on-year changes in %)

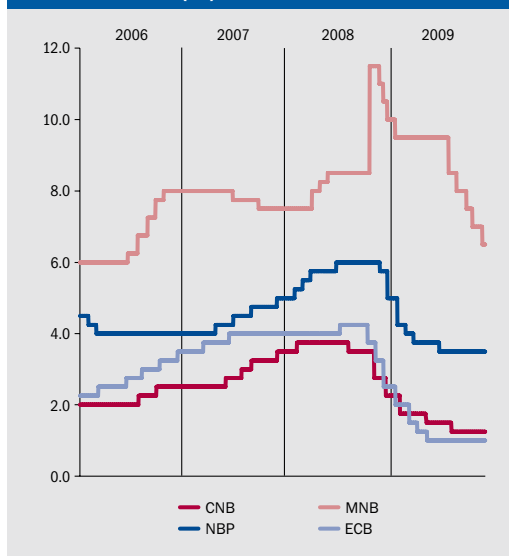


Source: Eurostat, NBS calculations.
Note: Negative values denote appreciation.

trends. In the following period, the exchange rate of the zloty stabilised and depreciated somewhat at the end of the third quarter, as a result of increased uncertainty regarding the fiscal developments planned for 2010. The Czech koruna also benefited from the improving sentiment in the global markets. As a result of growing interest in koruna-denominated investment assets, the Czech koruna appreciated somewhat, to almost CZK/EUR 25. At the end of September/beginning of October, some of the representatives of Česká národní banka commented that the koruna exchange rate was overvalued. As a result, the koruna depreciated to some extent. During the third quarter, the exchange rate of the Hungarian forint fluctuated in line with the other currencies in the region. Despite the deep recession, the forint appreciated somewhat vis-à-vis the euro. The strengthening confidence in Hungarian assets led to increased interest in bonds at government auctions. Compared with the second quarter, the Polish zloty appreciated by almost 5% at the end of September, the Czech koruna by approximately 2.8% and the Hungarian forint by 0.7%. On the year-on-year basis, however, the exchanges rates continued to depreciate.

From July to the beginning of December 2009, the Czech and Hungarian central banks decided

Chart 23 Key interest rates of V4 national central banks (%)



Source: National central banks, ECB.

to change their key interest rates. At its August meeting, Česká národní banka lowered its two-week repo rate by 0.25 of a percentage point. Magyar Nemzeti Bank changed its base rate in five steps: by 1 percentage point in July and by 0.5 of a percentage point in August, September, October and November, to 6.5%. Both central banks eased their monetary policy, mainly with



the aim of stimulating the domestic economy and demand. These measures generated some inflation pressures, mainly in the Czech Republic. Narodowy Bank Polski left its key interest rate at 3.5 %. In September, however, NBP introduced

new refinancing instruments for commercial banks in support of their lending activity: repo operations with a maturity of 12 months, discount credits, and the purchase of bank bonds by the Polish central bank on the open market.



QUARTERLY REPORT ON THE BALANCE OF PAYMENTS

BALANCE OF PAYMENTS FROM JANUARY TO SEPTEMBER 2009

The balance of payments on current account for January to September 2009 resulted in a deficit of €1,266.2 million, representing a year-on-year improvement of €1,835.8 million. The year-on-year decrease in the deficit was supported by improvements in the trade and income balances and, to a lesser extent, in the balance of current transfers. On the other hand, the overall decrease in the current account deficit was moderated by an increased shortfall in the services balance. Compared with the first half of the year, the trade balance continued to improve in the third quarter, but this was offset by an increase in the income balance deficit. The impact of the financial and economic crisis on the current account over the first nine months of 2009 caused a year-on-year improvement in the income balance (lower corporate profits in the second quarter) and decreases in the exports and imports of goods and services. The negative impact of the crisis on the trade balance was mitigated on the imports side by the existing

import intensity, coupled with a fall in raw materials prices, lower gas imports, a decrease in the volume of inventories in the economy, and declines in imported investments and goods for final consumption. These factors enabled a year-on-year improvement in the trade balance.

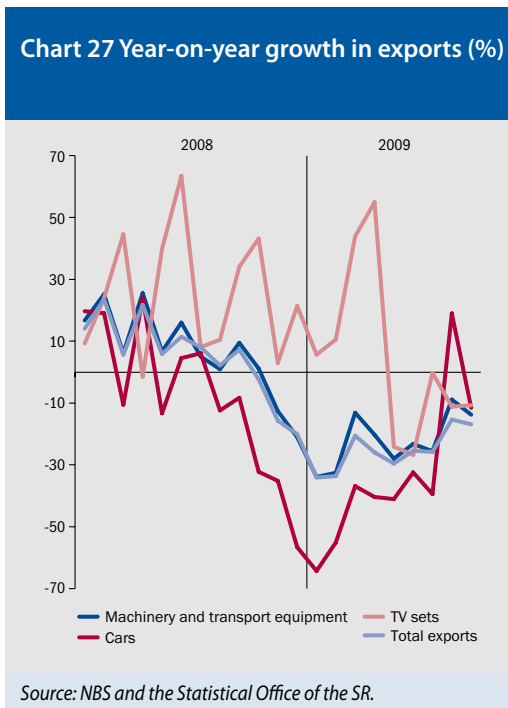
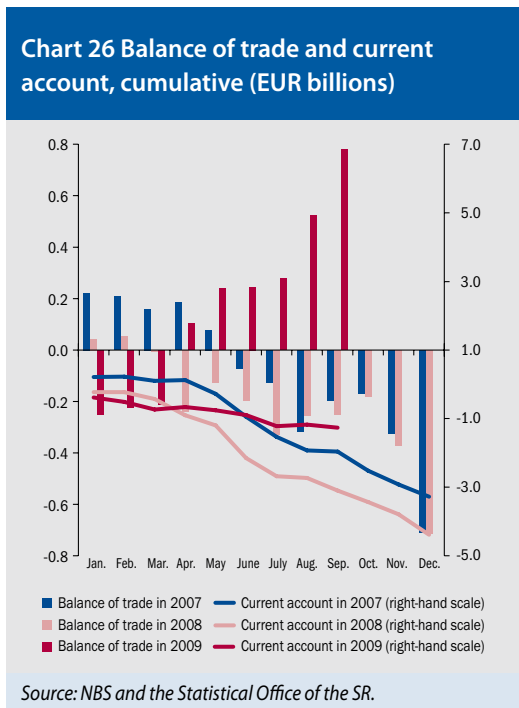
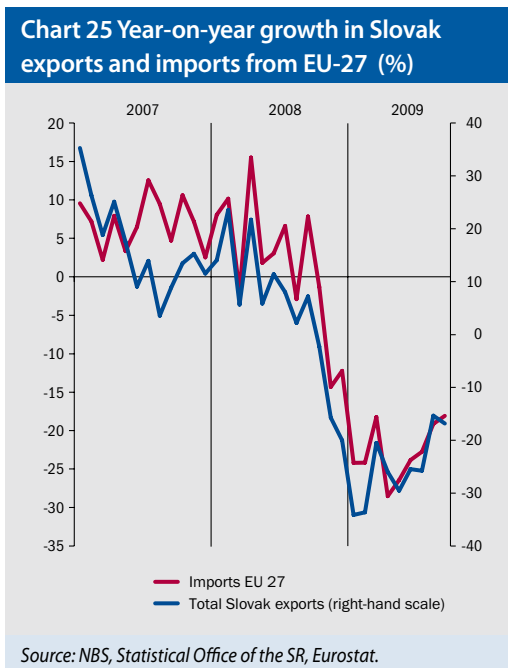
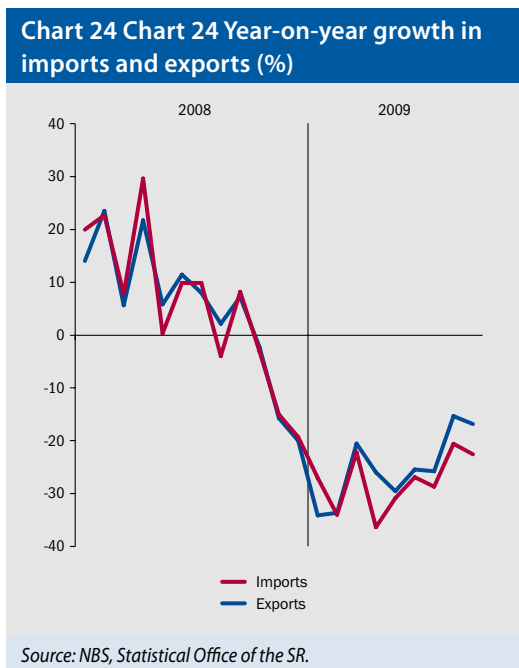
Compared with the same period of 2008, exports declined over the first nine months of 2009 by 25.4% and imports by 27.9%. Exports and imports also showed negative dynamics in the third quarter, but the slowdown in export dynamics over the first nine months moderated in comparison with the first six months by 2.8 percentage points, and import dynamics by 1.8 percentage points. The weakening in export dynamics was mainly influenced by a slowdown in the year-on-year decline in passenger car exports. In the case of imports, the slowdown in dynamics was moderated by an improvement in exports, which was reflected in the slower decline in semi-finished goods imports (mainly for the automotive industry). Exports were positively influenced by an improvement in foreign demand, mainly in August and September.

Table 7 Balance of payments current account (EUR millions)

	January – September		
	2009	2008	2009 – 2008
Balance of trade	780.5	-254.0	1,034.5
Exports	28,410.9	38,069.9	-9,659.0
Imports	27,630.4	38,323.9	-10,693.5
Balance of services	-929.4	-322.0	-607.4
Balance of income	-787.3	-1,898.7	1,111.4
of which: income from investment	-1,601.3	-2,858.0	1,256.7
of which: reinvested profit	27.7	-418.2	445.9
Current transfers	-330.0	-627.4	297.4
Current account in total	-1,266.2	-3,102.0	1,835.8
Trade balance as a share of GDP in %	1.7	-0.5	2.2
Current account balance as a share of GDP in %	-2.7	-6.2	4.0

Source: NBS and the Statistical Office of the SR.

1) In 2009, a change was made to the methodology used for recording dividends and reinvested profits. Before the change, reinvested profits were estimated and, together with dividends paid, served as the profitability indicator for companies with foreign equity participation. Since 2009 the profitability is primarily estimated, and the reinvested profits are added to dividends paid. Therefore, in the months in which the amount of dividends is lower (higher) than the total profitability, an outflow (inflow) of funds in the form of reinvested profits is registered.



During the first nine months of 2009, the most significant decrease in comparison with the same period a year earlier took place in the exports of machinery and transport equipment; it accounted for almost a half of the overall decline in exports. The year-on-year decrease in exports in this category was mainly caused by a year-on-

year fall in exports in the 'transport equipment' subcategory (a fall in passenger car exports). The lower exports of transport equipment can be attributed to lower demand for passenger cars. The lower exports in this subcategory accounted for almost 69% of the total decrease in the exports of machinery and transport equipment



(compared with 73% in the first six months). The smaller contribution of transport equipment to the overall year-on-year decrease in the 'machinery and transport equipment' category was mainly caused by a gradual moderation in the year-on-year decline in exports in the 'transport equipment' subcategory. In the 'machinery' subcategory, year-on-year decreases were recorded in the exports of automated data processing machines, washing machines, pumps, shafts and bearings. The fall in exports in the 'machinery' subcategory was moderated to some extent by a year-on-year increase in television exports (by 2.5%). The positive effect of growth in exports in this subcategory was mainly the result of developments in the first four months of the year, for television exports have been falling in year-on-year terms since May.

Apart from machinery and transport equipment, chemical products and semi-finished goods also recorded a marked fall in export volumes. The fall was caused by year-on-year decreases in the exports of semi-finished goods (iron and steel, iron and steel products, and, to a lesser extent, copper and aluminium, including copper and aluminium products) and chemical products. The exports of chemical products were probably affected by the falling prices of oil products (mainly plastics, rubber, and plastic/rubber products). In the third quarter, the year-on-year decline in exports moderated in both subcategories of chemical products and semi-finished goods, compared with the first six months. This was connected with the gradual improvement in foreign demand, like in the case of machinery and transport equipment. A year-on-year decrease in exports was also recorded in the 'finished products' category, mainly

in footwear exports. The lower raw material exports were connected with the lower exports of refined oil products, which were influenced by price developments in particular.

The sharpest year-on-year fall in imports was recorded, as in exports, in the 'machinery and transport equipment' category. The fall in imports in this category accounted for more than 43% of the total decline in imports. The lower imports were associated with the steep decline in exports, which was mainly reflected in the imports of components for the automotive industry (which, however, decreased year-on-year in the third quarter to a lesser extent than in the first six months) and in the imports of transport vehicles. In the 'machinery' subcategory, the most significant fall took place in the imports of components for the electrical industry and automated data processing machines. The year-on-year fall in the imports of such components, accompanied by growth in the exports of television sets, resulted from a reduction in the electrical industry's import intensity, achieved through the production of TV screens in Slovakia.

A marked year-on-year decrease in imports was also recorded in the 'chemical products and semi-finished goods' category, which significantly contributed to the year-on-year fall in total imports. The lower imports of semi-finished goods were concentrated in iron and steel, and iron and steel products. In the 'chemical products' subcategory, the decrease in imports took place mostly in plastics and rubber. Compared with the first six months, the year-on-year decline in semi-finished goods imports moderated in the third quarter as a result of a smaller fall in exports

Table 8 Exports in January to September, year-on-year changes

	Year-on-year changes in EUR millions		Contribution to year-on-year changes in p.p.	
	2009	2008	2009	2008
Raw materials	-825.6	485.8	-2.2	1.4
Chemicals and chemical products	-3,615.4	649.2	-9.5	1.9
Machinery and transport equipment	-4,689.3	2,286.8	-12.3	6.7
Finished products	-528.7	312.4	-1.4	0.9
TOTAL EXPORTS	-9,659.0	3,734.2	-25.4	10.9

Source: NBS calculations based on data from the Statistical Office of the SR.

**Table 9 Imports in January to September, year-on-year changes**

	Year-on-year changes in EUR millions		Contribution to year-on-year changes in p.p.	
	2009	2008	2009	2008
Raw materials	-2,034.6	1,563.2	-5.3	4.5
Chemicals and chemical products	-3,344.7	598.4	-8.7	1.7
Machinery and transport equipment	-4,632.3	782.6	-12.1	2.3
Finished products	-681.8	913.5	-1.8	2.7
Of which: agricultural and industrial products	-125.8	312.7	-0.3	0.9
passenger cars	-528.4	447.6	-1.4	1.3
mechanical and electrical consumer goods	-27.6	153.2	-0.1	0.4
TOTAL IMPORTS	-10,693.4	3,857.7	-27.9	11.2

Source: NBS calculations based on data from the Statistical Office of the SR.

(a consequence of the existing import intensity). The decrease in raw material imports was, as in the case of exports, markedly affected by the world-market price of oil, which led to decline in crude oil imports. Decreases were also recorded in the imports of refined oil products and natural gas. While the fall in oil imports can be ascribed to the lower price of oil, the fall in gas imports was caused by the importer's purchasing strategy, which was reflected in the smaller volume of gas imported into Slovakia. The smallest year-on-year decrease in imports was recorded in the 'finished products' category, mainly in passenger car imports. Unlike in other categories of goods, the year-on-year decline in imports in the 'finished products' category deepened in comparison with the first six months. This was mainly caused by a fall in passenger car imports, after the termination of the car-scraping scheme.

The balance of services for January to September 2009 resulted in a deficit of €923.4 million, representing a deterioration of €601.9 million compared with the same period of 2008. The year-on-year increase in the deficit was mainly caused by smaller revenues in the 3 main subcategories of services. The increased deficit in the balance of 'other services in total' was caused by a fall in revenues from mediating services, as well as from telecommunications and computer engineering services, accompanied by a marked increase in payments for such services. The year-on-year deterioration in the balance of tourism services was mainly the result of the poor winter

tourist season, causing a marked decrease in revenues from tourism services, mainly in the first quarter (the second and third quarters saw a gradual increase in revenues). Transport services generated a smaller surplus than a year earlier, mainly as a result of lower revenues from the transit of gas and oil (by €148.5 million) and lower revenues from road haulage and air transport services, which were probably affected by the financial and economic crisis. In the third quarter, the year-on-year decline in tourism moderated as a result of increased revenues (increased number of visitors). At the same time, a steeper year-on-year decline in revenues in the balance of 'other services in total' (increased payments for financial services) caused a further year-on-year increase in the services balance deficit.

The year-on-year improvement in the income balance for the first nine months of 2009 (by €1,111.4 million) resulted from a decrease in the negative balance of income from investments, which exceeded the decrease in the employee compensation surplus. The decrease in the employee compensation surplus was connected with the economic crisis, which adversely affected the employment of Slovak citizens abroad. The smaller deficit in income from investments was mainly the result of limited dividend payments by companies with foreign stakes, which was probably connected with the expectations of lower profits this year, owing to the financial and economic crisis. The year-on-year improvement

**Table 10 Balance of payments capital and financial account (EUR millions)**

	January-September	
	2009	2008
Capital account	401.8	624.0
Direct investments	-665.7	1,029.0
of the SR abroad	-298.9	-73.0
of which: equity participation abroad	-678.1	-73.0
reinvested earnings	23.8	-29.9
in the SR	-366.8	1,102.0
of which: equity participation in the SR	745.7	418.2
of which: non-privatised equity	745.7	418.2
reinvested earnings	-51.5	448.1
Portfolio investment and financial derivatives	-1,365.6	1,586.7
of the SR abroad	-2,045.6	185.9
In the SR	680.0	1,400.8
Other long-term investments	-883.6	152.7
Assets	-859.5	-315.3
Liabilities	-24.1	468.0
Other short-term investments	4,628.6	670.5
Assets	-3,377.4	-640.6
Liabilities	8,006.0	1,311.2
Capital and financial account	2,115.5	4,062.9

Source: NBS.

in the balance of income from investments was also supported by lower interest payments on portfolio investments and other short-term investments as a result of the falling interest rates. A significant factor that also affected the balance of income was a methodological change¹⁶ concerning the estimation of reinvested earnings. The quarter-on-quarter increase in the income balance deficit in the third quarter was connected with the growth in total profits as a result of the gradual economic recovery.

The year-on-year decrease in the current transfers deficit (by €296.2 million) was caused by positive developments in the balance of private transfers, resulting from a marked decrease in payments (unilateral transfers of legal entities, non-investment subsidies) and increased drawings from EU funds within the balance of government transfers.

During the first nine months of 2009, the balance of payments on capital and financial

account resulted in a surplus of €2,115.5 million (compared with a surplus of €4,062.9 million in the same period of 2008). The lower inflow can be attributed to the fact that the year-on-year change from an inflow (last year) to an outflow in the balance of direct and portfolio investments, caused by an outflow of other capital in direct investment and growth in demand among residents for foreign debt securities, exceeded the increased inflow in other investment.

From January to September 2009, foreign direct investment (FDI) recorded outflows in the amount of €665.7 million, representing a year-on-year decrease of €1,694.7 million in the amount of net inflows, compared with the same period of 2008. The year-on-year change in the balance of direct investments was mainly influenced by developments on the liabilities side in the second quarter, when, despite an increase in capital participation by foreign investors, an outflow of funds was recorded, owing to

¹⁶ The methodology for reporting data on dividends and reinvested earnings was modified in 2009. In the past, the profits of companies with foreign stakes were expressed in terms of the estimated amount of reinvested earnings and data on dividends. As from 2009, the profit is estimated and reinvested earnings are calculated with regard to the amount of dividends. Thus, in months when the amount of dividends is lower than the total profit, there is an outflow of funds in the form of reinvested earnings, and in months when the amount of dividends is higher than the total profit, an inflow of reinvested earnings is recorded.

**Table 11 Capital inflows in other investment in a sectoral breakdown (EUR millions)**

	January – September 2009	January – September 2008	Year-on-year changes
Banks	-11,469.9	1,089.9	-12,559.8
Entrepreneurs	-43.9	-272.8	228.9
Government and NBS	15,258.8	6.1	15,252.7
Total	3,745.0	823.2	2,921.8

Source: NBS.

developments in other capital (an increase in receivables and a decrease in liabilities vis-à-vis parent companies) and a methodological change concerning the estimation of reinvested earnings. The overall outflow of funds was strengthened on the assets side by increased demand among residents for investment abroad in the form of FDI.

Portfolio investment resulted in a net outflow of €1,365.6 million, compared with a net inflow of €1,586.7 million in the same period a year earlier. The year-on-year change from an inflow to an outflow resulted from an increase in demand among residents for foreign debt securities, which, however, weakened considerably in the third quarter. On the liabilities side, the lower net inflow from the beginning of the year, caused by lower demand among non-residents for government securities, was partly offset by an issue of eurobonds in May. On the other hand, demand for government debt securities increased slightly in the third quarter.

In other investments, an inflow of €3,745.0 million was recorded in the period from January to September 2009, compared with €823.2 million recorded in the same period a year earlier. The year-on-year increase (€2,921.8 million) resulted from developments in the government sector (including NBS), which recorded an inflow of funds exceeding the outflow from the banking sector. The inflows of funds in the government sector resulted from the central bank's policy pursued after entry into the euro area (to meet its liabilities vis-à-vis the banking sector, the central bank borrowed funds from the Eurosystem through Target 2, instead of using its foreign reserves). In the banking sector, outflows resulted from a year-on-year decrease in short-term non-resident deposits held at Slovak banks, which was connected with the euro adoption

(‘euro accounts’ lost their significance) and partially with the financial crisis.

The foreign reserves of NBS (excluding exchange rate differences) fell by €575.8 million during the first nine months of 2009.

EXTERNAL DEBT OF SLOVAKIA AS AT 30 SEPTEMBER 2009

At the end of September 2009, Slovakia's total gross external debt stood at USD 68.3 billion (EUR 46.7 billion), representing an increase of USD 15.8 billion (EUR 9.4 billion) compared with the figure for the beginning of 2009. Total long-term foreign debt grew during this period by USD 3.3 billion, and total short-term foreign debt increased by USD 12.5 billion.

Within the scope of long-term external debt, the foreign liabilities of the SR Government and NBS increased by USD 1.4 billion and the commercial sector's long-term foreign debt grew by USD 1.9 billion.

Short-term external debt experienced conflicting developments: the short-term liabilities of the Government and NBS increased to USD 23.1 billion as a result of a negative balance on the NBS-ECB-TARGET2 account, while the short-term liabilities of commercial banks decreased by USD 11.7 billion. The decrease took place mostly in cash and deposits, mainly as a result of the euro changeover and the transfer of funds by foreign parent banks to accounts held abroad. Since the beginning of the year, the short-term foreign liabilities of entrepreneurs had grown by USD 1.1 million.

At the end of September, Slovakia's total per-capita gross foreign debt stood at USD 12,705 (compared with USD 9,764 as at 31/12/2008). The share of



Table 12 External debt of the Slovak Republic

	USD millions			EUR millions		
	31.12.2008	30.6.2009	30.9.2009	31.12.2008	30.6.2009	30.9.2009
Total external debt of the SR	52,526.5	63,429.1	68,345.3	37,286.0	44,877.0	46,674.5
Long-term external debt	25,414.7	26,858.7	28,682.9	18,040.6	19,002.9	19,588.2
Government and NBS ¹⁾	10,313.3	10,985.1	11,742.9	7,320.9	7,772.1	8,019.5
Commercial banks	3,334.6	3,589.0	3,921.8	2,367.0	2,539.3	2,678.3
Businesses	11,766.8	12,284.6	13,018.2	8,352.7	8,691.5	8,890.4
Short-term external debt	27,111.8	36,570.4	39,662.4	19,245.4	25,874.1	27,086.3
Government and NBS	0.0	21,208.2	23,093.9	0.0	15,005.1	15,771.3
Commercial banks	15,321.6	2,880.2	3,664.7	10,876.1	2,037.8	2,502.7
Businesses	11,790.2	12,482.0	12,903.8	8,369.3	8,831.2	8,812.3
Foreign assets	40,007.8	45,467.2	49,733.6	28,399.6	32,168.7	33,964.1
Net external indebtedness	12,518.7	17,961.9	18,611.7	8,886.4	12,708.3	12,710.4
SKK/USD and SKK/EUR	21.385	-	-	30.126	-	-
EUR/USD cross rate	-	1.4134	1.4643	-	-	-

Source: NBS.

1) Including government agencies and municipalities.

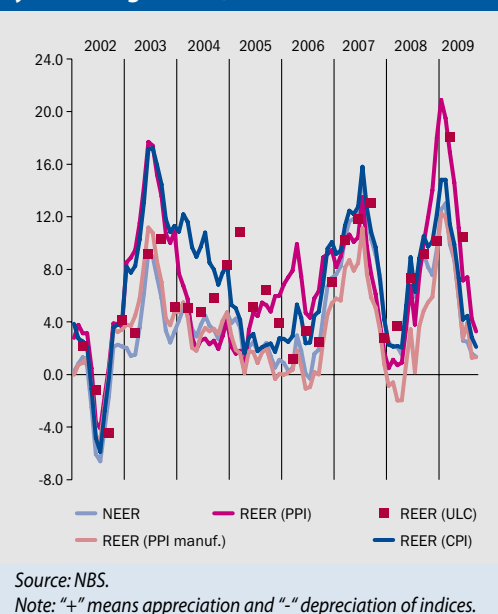
short-term debt in the country's total gross external debt reached 58.0% at end-September 2009.

The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 68.3 billion (liabilities of the Government and NBS, commercial banks, and the corporate sector - except for equity participations), and foreign assets, i.e. USD 49.7 billion (foreign reserves of NBS, foreign assets of commercial banks and the corporate sector - except for equity participations), reached USD 18.6 billion (debtor position) at end-September 2009, representing an increase of USD 6.1 billion compared with the figure for the beginning of 2009.

NOMINAL AND REAL EFFECTIVE EXCHANGE RATES

The year-on-year appreciation of the nominal effective exchange rate¹⁷ (NEER) slowed to 1.4% in September 2009, from 9.5% in December 2008. As a result of the euro changeover, the effect of the Slovak koruna's appreciation vis-à-vis the euro was gradually disappearing. On the other hand, the strengthening of the NEER index was supported by an appreciation in relation to the Czech koruna (by 1.0 percentage point).

Chart 28 Developments in the NEER and REER indices (9 trading partners; year-on-year changes in %)



The slower appreciation of the NEER led to a slowdown in the year-on-year appreciation of the real effective exchange rate (REER). The REER defined on the basis of the consumer price index (CPI) slowed from 12.2% to 2.1%, that based on

¹⁷ The IMF methodology is applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER). The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the manufacturing products price index, excluding the prices of mining/quarrying products, electricity, gas, steam, and hot water (PPI manufacturing), and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are: Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the United States, the United Kingdom, and Switzerland.



For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) ²⁾
December 2002	2.1	4.1	3.6	3.4	4.1
December 2003	3.2	11.3	10.8	4.7	5.2
December 2004	4.7	8.3	4.1	4.7	8.4
December 2005	1.1	2.7	6.0	0.0	3.9
December 2006	7.4	10.1	9.5	5.4	7.1
December 2007	4.2	4.2	1.7	0.8	2.8
December 2008	9.5	12.2	18.0	8.9	10.2
June 2009 ¹⁾	2.6 / 1.3	4.2 / 0.9	7.2 / -1.0	2.7 / -1.6	10.5 ^(b)
July 2009 ¹⁾	2.5 / 0.6	4.5 / 0.1	7.4 / -2.7	3.9 / -1.4	-
August 2009 ¹⁾	1.6 / 0.5	2.8 / -0.6	4.2 / -2.1	1.3 / -2.8	-
September 2009 ¹⁾	1.4 / 0.4	2.1 / -0.5	3.3 / -3.0	1.3 / -2.5	.

Source: NBS.
1) Year-on-year change/cumulative change since the beginning of the year.
2) Year-on-year change based on quarterly data.

the producer price index (PPI) from 18.0% to 3.3%, and the index based on the manufacturing products price index (PPI manuf.) from 8.9% to 1.3%. A depreciating effect on the REER based on the CPI and PPI indices was also exerted by the shrinking inflation differential in relation to Slovakia's foreign trading partners. In most economies, inflation as measured by these price indices was falling during the first three quarters of 2009 at a slower pace than in Slovakia, which led to a marked slowdown in the appreciation of the REER compared with the NEER.

DEVELOPMENT OF THE REAL ECONOMY IN THE THIRD QUARTER OF 2009¹⁸

GROSS DOMESTIC PRODUCT

Gross domestic product (GDP), based on revised data from the Statistical Office of the SR, declined at constant prices by 4.8% year-on-year in the third quarter of 2009, following a decline of 5.5% in the previous quarter.

In terms of production, the GDP decline was connected with a fall in value added, mainly in services, while value added in industry remained unchanged and that in agriculture and construction increased. The nominal volume of GDP generated in the third quarter of 2009 amounted to €16.6 billion, which was 5.7% less than a year earlier.

DEMAND

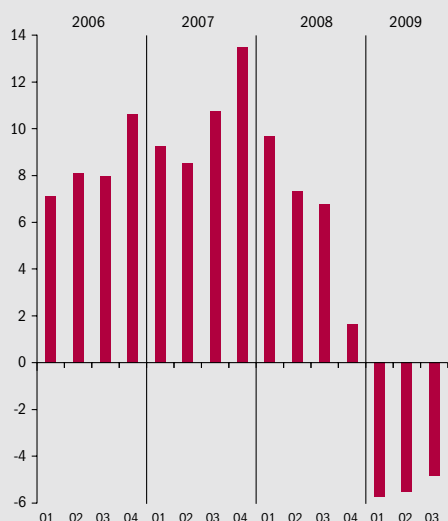
In terms¹⁹ of GDP utilisation, the structure of economic growth was influenced in the third quarter by declines in both domestic demand (-6.2% at constant prices) and foreign demand (-15.0%). After growing in the previous quarter, final consumption in the household and general

government sectors fell on a year-on-year basis. Gross fixed capital formation continued to decline (as in the second quarter), but at slightly slower pace.

Gross capital formation contributed most significantly to the fall in overall domestic demand. This fall, however, moderated in comparison with the previous period (to 11.4%). Broken down by category, the fall was caused by investments in other buildings/structures. Investments in machinery and transport equipment grew on a year-on-year basis. A fall in investment activity was recorded in all sectors. In most sectors, the decline in investments moderated, except in the financial corporate sector, where it deepened during the third quarter.

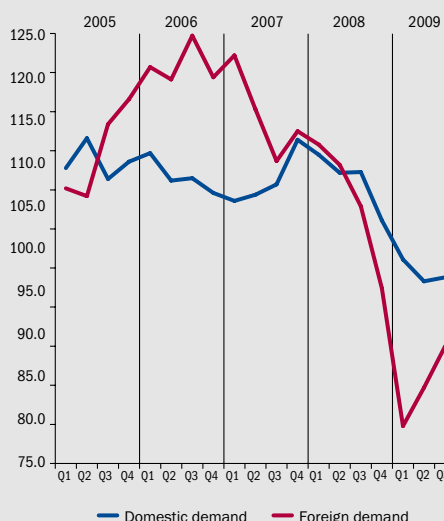
Final consumption in the household sector fell year-on-year by 0.3%, after growing by 0.5% in the previous quarter. The slowdown in household consumption was also connected with the labour market developments (falling employment, decelerating wage growth). As a result of a slight fall in private consumption

Chart 29 Real GDP by quarter (y-o-y growth in %)



Source: Statistical Office of the SR.

Chart 30 Domestic and foreign demand (index, same period a year earlier = 100)



Source: Statistical office of the SR, NBS calculations.

¹⁸ This analysis significantly differs from the previous quarterly analyses in terms of data from the previous quarters, because the GDP data released in December 2009 have been revised.

¹⁹ The sum of final consumption by households, general government, non-profit institutions serving households, and gross capital formation.



Table 14 GDP Development by consumption (index, same period a year earlier = 100, constant prices)

	2008					2009		
	Q1	Q2	Q3	Q4	Q1 - Q4	Q1	Q2	Q3
Gross domestic product	109.7	107.3	106.8	101.6	106.2	94.3	94.5	95.2
Domestic demand	109.5	107.2	107.3	101.1	106.0	96.1	93.3	93.8
Final consumption	106.1	107.2	106.1	104.3	105.8	99.6	101.9	99.6
Final consumption by households	107.6	106.4	106.1	104.5	106.1	99.1	100.5	99.7
Final consumption by general government	101.0	110.3	106.1	104.0	105.3	101.3	106.9	99.2
Non-profit institutions serving households	102.3	100.5	100.9	102.5	101.6	98.3	98.1	98.5
Gross fixed capital formation	106.5	109.5	100.6	92.8	101.8	96.1	82.3	88.6
Exports of goods and services	110.8	108.2	102.9	92.4	103.2	74.8	79.7	85.0
Imports of goods and services	110.6	108.0	103.6	92.2	103.1	77.7	77.8	83.0

Source: Statistical Office of the SR.

Table 15 Structure of gross fixed capital formation in the second quarter of 2009 (current prices)

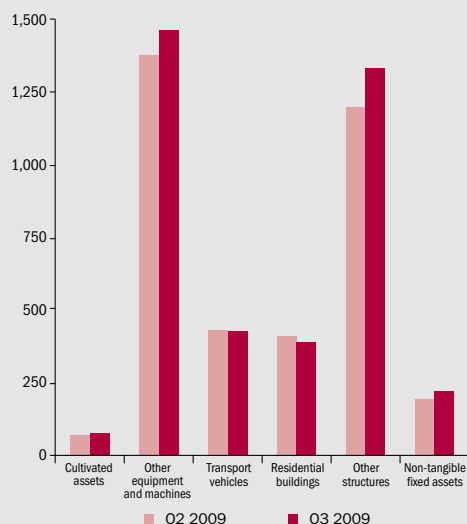
	Gross fixed capital formation (EUR millions)	Proportion (%)	Index	
			Q2 09 Q2 08	Q3 09 Q3 08
			Total SR economy	3,907.2	100.0	82.6	88.3
<i>of which, by sector:</i>				
Non-financial corporations	2,685.0	68.7	79.4	86.6
Financial corporations	47.6	1.2	63.0	61.1
General government	283.9	7.3	92.5	98.4
Households	880.5	22.5	91.4	93.3
Non-profit institutions	10.1	0.3	85.9	66.3
<i>of which by branches:</i>				
Machinery	1,887.4	48.3	80.7	122.0
of which: other machines and equipment	1,461.3	37.4	81.7	129.3
transport equipment	426.0	10.9	77.6	102.2
Construction	1,720.4	44.0	85.8	69.2
of which: residential buildings	389.2	10.0	96.0	89.2
other buildings	1,331.2	34.1	82.8	64.9

Source: Statistical Office of the SR.

and persistent growth in lending to households, the total receivables of monetary financial institutions from households as a share of their final consumption continued to increase, by 1.0 percentage point compared with the previous quarter (to 35.5%).

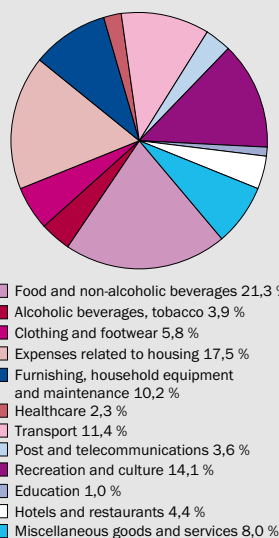
The breakdown of consumer spending at constant prices shows that the main factors in the decline in overall consumption were expenses on hotels, restaurants and miscellaneous services (decrease) and expenses on transport, recreation and culture (slower growth). A pro-growth

Chart 31 Breakdown of gross fixed capital formation by production (EUR millions)



Source: Statistical Office of the SR.

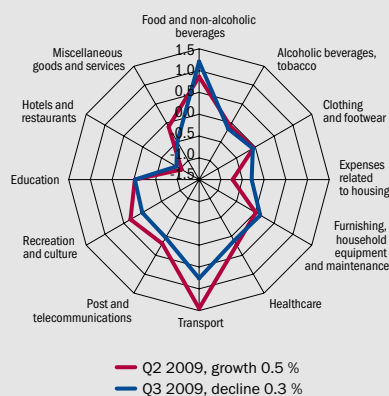
Chart 32 Structure of final household consumption in the third quarter of 2009 (shares in %)



Source: Statistical Office of the SR.

Note: Individual items of final consumption do not add up.

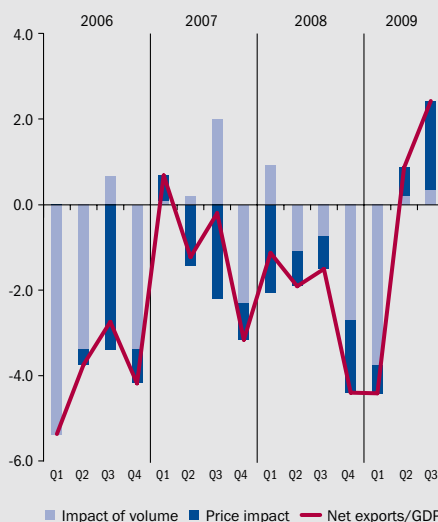
Chart 33 Contributions of consumer expenditure groups to growth in household final consumption (p.p.)



Source: NBS calculations based on data from the Statistical Office of the SR.

Note: Individual items of final consumption do not add up.

Chart 34 Contributions of net exports to GDP (current prices; %)



Source: NBS calculations based on data from the Statistical Office of the SR.

effect was exerted by expenses on food, which, together with housing expenses, are the largest components of household consumption.

The third quarter of 2009 saw a more moderate decline in the exports of goods and services in

nominal terms (-19.2%, compared with -26.3% in the second quarter), owing to a revival in foreign demand. Imports recorded a less significant improvement (-23.5%, compared with -28.8% in the previous quarter), and thus contributed to the positive balance of



Table 16 Impact of price and volume on exports and imports (p.p.)

	$\frac{Q3\ 08}{Q3\ 07}$	$\frac{Q4\ 08}{Q4\ 07}$	$\frac{2008}{2007}$	$\frac{Q1\ 09}{Q1\ 08}$	$\frac{Q2\ 09}{Q2\ 08}$	$\frac{Q3\ 09}{Q3\ 08}$
Exports of goods and services (year-on-year growth in %, current prices)	4.6	-9.8	4.6	-29.2	-26.3	-19.2
Impact of volume	2.9	-7.6	3.2	-25.2	-20.3	-15.0
Impact of price	1.6	-2.2	1.4	-3.9	-6.0	-4.2
Imports of goods and services (year-on-year growth in %, current prices)	6.3	-8.0	6.1	-25.5	-28.8	-23.5
Impact of volume	3.6	-7.8	3.1	-22.3	-22.2	-17.0
Impact of price	2.7	-0.2	3.1	-3.3	-6.5	-6.5
Net exports as a share of GDP (share in %, current prices)	-1.5	-4.4	-2.3	-4.4	0.9	2.4
Impact of volume	-0.8	-2.7	-0.9	-3.8	0.2	0.4
Impact of price	-0.8	-1.7	-1.3	-0.7	0.7	2.1
Terms of trade (index)	99.1	97.8	98.4	98.9	101.0	103.2

Source: NBS calculations based on data from the Statistical Office of the SR.

Notes: Calculated from GDP figures in millions of EUR; the contribution of imports of goods and services reduces the values of net exports and GDP; figures may not add up due to rounding. Terms of trade calculations are based on year-on-year changes in the export and import deflators of goods and services.

Chart 35 Developments in export performance and import intensity (%)

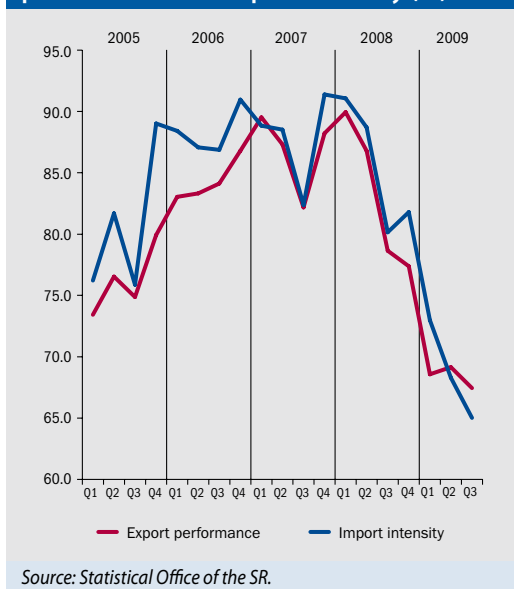
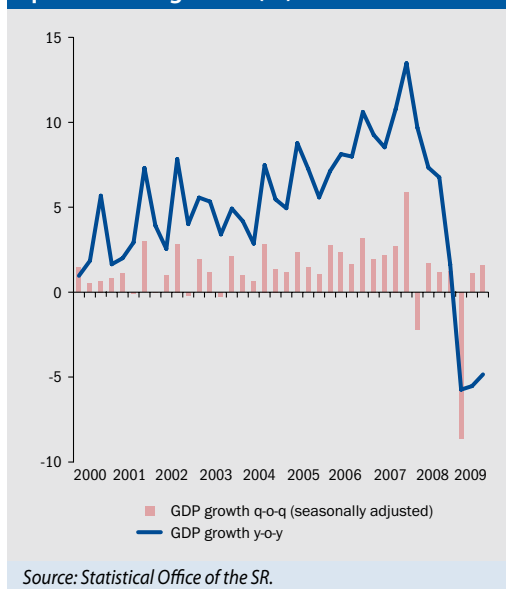


Chart 36 Year-on-year and quarter-on-quarter GDP growth (%)



net exports (€402 million) and moderated the economic decline.

Net exports at constant prices, with price developments in foreign markets taken into account, generated a surplus of €741 million

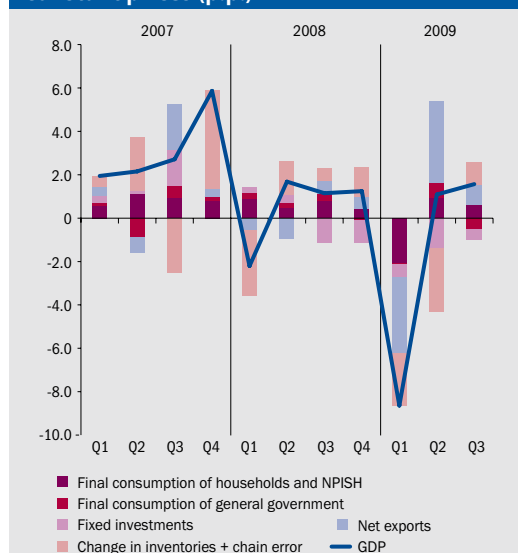
(compared with €627 million in the previous quarter).

Price developments in foreign trade, expressed by the deflators of goods and services exports/ imports, were connected with the prices of

Table 17 GDP by consumption (seasonally adjusted quarterly changes in %; constant prices)

	2008				2009		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Gross domestic product	-2,2	1,7	1,2	1,2	-8,6	1,1	1,6
Final consumption	2,7	0,5	1,2	0,0	-0,9	1,0	-0,5
By households and NPISH	1,7	0,9	1,6	0,8	-3,9	1,7	1,2
By general government	1,7	1,3	2,0	-0,4	-0,4	3,9	-2,9
Gross fixed capital formation	0,9	1,4	-4,1	-4,1	-2,3	-5,2	-2,0
Exports of goods and services	2,0	-4,9	-1,3	-3,7	-17,7	3,6	2,9
Imports of goods and services	2,6	-4,2	-1,9	-4,5	-14,3	-1,1	1,9

Source: Statistical Office of the SR.

Chart 37 Contributions to seasonally adjusted quarterly growth of GDP at constant prices (p.p.)


Source: Statistical Office of the SR.

Note: NPISH – non-profit institutions serving households.

percentage points (to 65.0%). The openness of the Slovak economy, expressed in terms of the ratio of exports / imports of goods and services to nominal GDP, decreased by 5.0 percentage points compared with the previous period, to 132.4%.

GDP calculated from seasonally adjusted data grew by 1.6% in the third quarter of 2009, compared with the previous quarter (a growth of 1.1%). Thus, the gradual revival in economic activity continued.

The quarter-on-quarter GDP growth was mainly driven by net exports, resulting from a marked increase in exports as in the previous quarter. The imports of goods and services recorded a modest increase in the third quarter, following a period of negative growth. Within the structure of domestic demand, only household final consumption continued to grow, but at a more moderate pace than in the previous quarter. Investments continued to fall and final consumption also dropped considerably in the general government sector. In the following period, economic activity is expected to show a gradually growing tendency in connection with the gradual recovery in foreign demand.

SUPPLY

GDP growth in the third quarter of 2009 was influenced by a moderating decline in value added creation, at a rate of -4.6% at constant prices (compared with -5.1% in the previous quarter). The fall in gross output (10.4%) was partly offset by a marked decrease in intermediate consumption (14.7%), caused, as in the previous

energy-producing raw materials (falling on a year-on-year basis) and with other prices falling as a result of weakening demand in other countries in connection with the economic crisis. In the quarter under review, declines were recorded in both import prices (-7.8%) and export prices (-4.9%). In connection with the price developments, foreign trade relations continued to improve.

The export performance of the Slovak economy weakened year-on-year by 1.7 percentage points in the third quarter of 2009, when the exports of goods and services as a share of GDP reached 67.4% at current prices. At the same time, import intensity continued to fall, by 3.3



Table 18 GDP creation by component (index, same period a year earlier = 100; const. prices)

	2008					2009		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
Gross output	109.2	110.7	105.7	102.0	106.7	85.9	86.8	89.6
Intermediate consumption	108.5	112.6	104.7	101.6	106.6	81.8	81.6	85.3
Value added	110.7	107.9	107.1	102.6	106.9	93.0	94.9	95.4
Net taxes on products ¹⁾	100.0	101.7	103.9	93.8	99.5	108.8	90.1	93.1

Source: Statistical Office of the SR.

1) Value added tax, excise tax, import tax, minus subsidies.

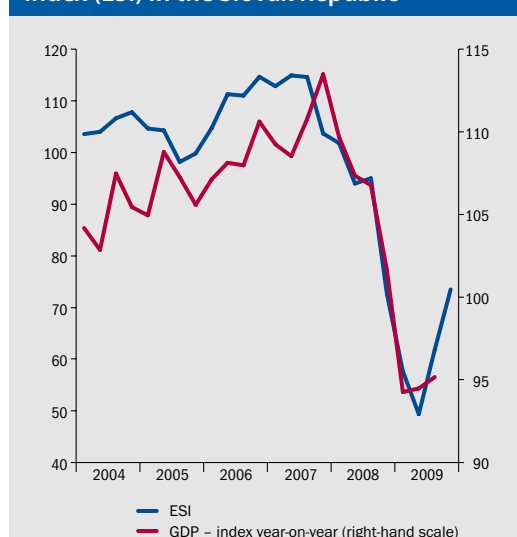
Table 19 GDP development by sector (index, same period a year earlier = 100; constant prices)

Economic sector	Q1 08	Q2 08	Q3 08	Q4 08	2008	Q1 09	Q2 09	Q3 09
	Q1 07	Q2 07	Q3 07	Q4 07	2007	Q1 08	Q2 08	Q3 08
Gross domestic product	109.7	107.3	106.8	101.6	106.2	94.3	94.5	95.2
of which:								
Agriculture	100.8	78.5	101.1	104.3	97.4	114.5	110.5	127.3
Industry	123.7	116.5	100.0	90.9	107.0	81.4	86.9	100.0
Construction	99.8	97.5	100.7	120.6	105.6	87.9	108.1	105.0
Trade, hotels and restaurants, transport	111.6	110.1	115.9	115.3	113.2	84.8	92.7	83.5
Financial intermediation, real estate	106.0	107.2	118.4	112.0	111.1	115.7	108.5	91.2
Public administration, education, health care, and other community, social, and personal services	95.0	99.1	99.0	88.7	95.2	106.8	92.7	99.5
Net taxes on products ¹⁾	100.0	101.7	103.9	93.8	99.5	108.8	90.1	93.1

Source: Statistical Office of the SR.

1) Value added tax, excise tax, import tax, minus subsidies.

Chart 38 GDP and the Economic Sentiment Index (ESI) in the Slovak Republic



Source: Statistical Office of the SR, European Commission.

quarter, by effective cost cutting in the corporate sector. Net taxes on products also recorded a fall (6.9%), which, however, was smaller than in the second quarter of 2009.

Broken down by sector, the value added decline took place in services, mainly trade, hotels and restaurants, transport, and financial mediation. Value added in industry was stagnant on a year-on-year basis. The value added fall in services was offset by a marked increase in agriculture and a modest increase in construction.

GROSS NATIONAL INCOME

According to revised data from the Statistical Office of the SR, gross national income²⁰ (GNI) decreased at current prices by 4.7% year-on-year in the third quarter of 2009. Compared with the

²⁰ Gross national income (GNI) is one of the macroeconomic indicators used for measuring the output of the economy according to the national concept, while GDP is based on the domestic concept, which represents the final result of resident units achieved in the period under review. GNI is calculated as follows: GDP at market prices minus primary income paid by residents to non-residents, plus primary income received by residents from non-residents. Gross national disposable income (GNDI) is a balance-sheet item in the non-financial national accounts, and is calculated from GNI reduced by current transfers paid to non-resident units and increased by current transfers received from non-resident units.

**Table 20 Comparison of GDP, GNP, and GNDI (EUR millions, current prices)**

	Q1 08	Q2 08	Q3 08	Q4 08	2008	Q1 09	Q2 09	Q3 09
Gross domestic product (GDP)	15,769	16,848	17,589	17,015	67,221	14,656	15,587	16,586
Gross national product (GNP)	15,777	16,162	17,243	16,229	65,411	14,690	15,190	16,437
Gross national disposable income (GNDI)	15,466	16,542	17,274	16,733	66,015	14,544	15,470	16,365
GDP – growth index	113.7	112.1	109.2	102.8	109.2	92.9	92.5	94.3
GND – growth index	113.3	107.4	115.9	101.0	109.2	93.1	94.0	95.3
GNDI – growth index	113.2	111.0	109.5	102.4	108.8	94.0	93.5	94.7
GND to GDP ratio in %	100.1	95.9	98.0	95.4	97.3	100.2	97.5	99.1
GNDI to GDP ratio in %	98.1	98.2	98.2	98.3	98.2	99.2	99.3	98.7

Source: Statistical Office of the SR and NBS calculations.

Table 21 Average monthly wages and labour productivity in the Slovak economy

	2008			2009		
	Q3	Q4	Q1 – Q4	Q1	Q2	Q3
Nominal wage	108.8	104.6	108.1	104.7	102.8	102.5
Real wage	103.5	99.8	103.3	101.6	100.5	101.3
Labour productivity, curr. prices	105.9	102.9	106.5	95.6	96.4	100.0
Labour productivity, const. prices	103.4	99.9	103.5	96.9	98.4	100.9
Real labour productivity – real wage (percentage points)	-0.1	0.1	0.2	-4.7	-2.1	-0.4
CPI (average for the period)	105.1	104.8	104.6	103.0	101.9	101.2

Source: Statistical Office of the SR, NBS calculations.

Note: 1) At 10 September 2009, the Statistical Office revised the CPI data since the beginning of 2009.

2) Labour productivity is calculated on the basis of GDP and employment data obtained from quarterly statistical records.

previous period, the rate of decrease slowed by 1.3 percentage points. Gross national disposable income (GNDI) decreased in year-on-year terms by 5.3% at current prices.

The smaller volume of GNI compared with GDP indicates that, in the third quarter of 2009, the inflow of incomes earned by persons working abroad (employee compensation) into the domestic economy was smaller than the outflow of incomes from economic activity in the territory of the domestic economy to foreign countries (property income, reinvested earnings, interest income).

WAGES AND LABOUR PRODUCTIVITY

The average monthly nominal wage of an employee in the Slovak economy increased

Chart 39 Development of real wages and real labour productivity (%)

Sources: NBS calculations, Statistical Office of the SR.



Table 22 Average compensation per employee and labour productivity in the Slovak economy (ESA 95) (index, same period a year earlier = 100)

	2008			2009		
	3. Q	4. Q	Year	1. Q	2. Q	3. Q
Compensation per employee, nominal	105.3	105.4	108.1	106.5	106.4	104.8
Compensation per employee, real	100.5	101.5	103.5	103.0	104.9	104.1
Labour productivity, current prices	105.8	100.7	106.3	93.3	93.7	97.9
Labour productivity, const. prices	103.4	99.5	103.3	94.6	95.7	98.8
Real labour productivity – real compensation per employee (in percentage points)	2.9	-2.0	-0.2	-8.4	-9.2	-5.3
ULC nominal	101.9	105.8	102.5	112.6	111.1	106.0
Deflator of household final consumption	104.9	103.8	104.5	103.4	101.5	100.6

Source: Statistical Office of the SR, NBS calculations.

Note: Labour productivity is calculated from GDP figures and employment based on ESA 95.

Table 23 Real labour productivity and employee compensation in the third quarter of 2009 (index, same period a year earlier = 100)

	Real labour productivity	Real compensation per employee
Economy in total:	98.8	104.1
Agriculture and fishing	146.4	94.9
Industry	116.3	98.0
Construction	103.6	100.8
Trade, hotels and restaurants, transport	83.5	101.3
Financial intermediation, real estate business	90.6	110.5
Public administration, education, health care, and other community, social, and personal services	98.3	113.1

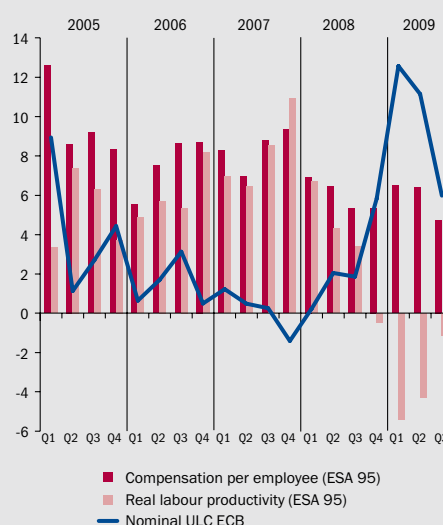
Source: Statistical Office of the SR, NBS calculations.

year-on-year by 2.5% in the third quarter of 2009 (to €722.5). This represented a slowdown of 0.3 of a percentage point compared with the previous quarter. The growth rate of real wages accelerated by 1.3% in the third quarter.

The strongest nominal wage growth in the third quarter took place in administrative services (10.6%); arts, entertainment and recreation (9.0%); education (6.8%); other activities (6.2%); health care and social work (5.6%); and public administration and defence (4.1%). On the other hand, average nominal wages remained below the level of last year in real estate activities; accommodation and food services; trade, transport and storage; agriculture; and financial and insurance services.

The relation between growth in real labour productivity and growth in real wages

Chart 40 Unit labour costs by component in ECB methodology (y-o-y growth in %)



Sources: Statistical Office of the SR and NBS calculations.



improved in the third quarter of 2009, but labour productivity still lagged behind the wage growth.

In the third quarter of 2009, nominal compensation per employee (ESA 95) grew year-on-year by 4.8%, but the rate of growth slowed by 1.6 percentage points compared with the previous quarter.

Labour productivity, calculated according to ESA 95, decreased in nominal terms by 2.1% and

in real terms by 1.2% on a year-on-year basis. Broken down by sector, real labour productivity (calculated from ESA 95 data) dropped in all sectors in the third quarter, except in agriculture, industry and construction. In most sectors, real compensation per employee did not follow the trend in labour productivity, and so there is room for a further reduction.

Unit labour costs according to ECB methodology (ULC_{ECB}), defined as the ratio of growth in nominal compensation per

Table 24 Generation and use of income in the household sector (current prices)

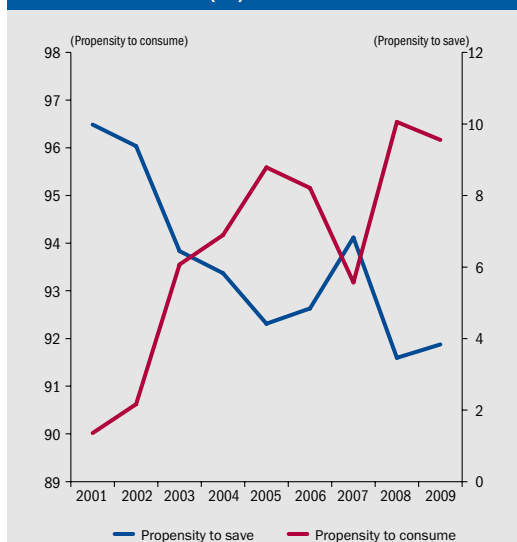
	EUR billions		Same period a year earlier = 100		Share in %	
	Q3 2008	Q3 2009	$\frac{Q3\ 08}{Q3\ 07}$	$\frac{Q3\ 09}{Q3\ 08}$	Q3 2008	Q3 2009
Employee compensation (all sectors)	6.3	6.2	7.0	-2.3	46.2	44.8
of which: gross wages & salaries	4.8	4.7	5.3	-2.7	35.4	34.2
Gross mixed income	4.3	4.3	15.8	0.6	31.6	31.5
Property income - received	0.5	0.5	28.7	1.6	3.7	3.8
Social benefits	2.0	2.2	7.6	8.9	14.7	15.9
Other current transfers - received	0.5	0.5	19.0	5.4	3.8	4.0
Current income in total	13.7	13.7	10.9	0.7	100.0	100.0
Property income - paid	0.2	0.2	11.2	-24.8	5.9	4.4
Current taxes on income, wealth, etc.	0.6	0.6	11.6	-6.3	15.5	14.4
Social contributions	2.5	2.6	11.2	3.8	64.4	66.3
Other current transfers - paid	0.6	0.6	26.6	6.3	14.2	15.0
Current expenditure in total	3.9	4.0	13.3	0.9	100.0	100.0
Gross disposable income	9.7	9.8	9.9	0.6	-	-
Adjustment for changes in net household assets in the reserves of pension funds	0.3	0.2	7.1	-16.9	-	-
Household final consumption	9.6	9.6	11.3	-0.3	-	-
Gross household savings	0.4	0.4	-17.4	13.1	-	-

Source: Statistical Office of the SR.

Table 25 Gross disposable income (index, same period a year earlier = 100, current prices)

	2008			2009		
	Q3	Q4	Q1 - Q4	Q1	Q2	Q3
Gross disposable income	109.9	111.3	110.0	102.9	102.1	100.6
Household final consumption	111.3	108.5	110.9	102.3	101.3	99.7
Gross household savings	82.6	130.5	97.8	114.0	116.0	113.1
Gross savings as a share of gross disposable income (%)	3.9	14.5	7.4	3.8	7.6	4.4

Source: Statistical Office of the SR, NBS calculations.

Chart 41 Propensity of households to save and to consume (%)


Source: Statistical Office of the SR, NBS calculations.

employee to growth in real labour productivity (GDP per total employment) based on ESA 95 data, increased year-on-year by 6.0% in the third quarter, but their dynamics weakened by 5.2 percentage points compared with the first

second of 2009. The slowdown in the growth of unit labour costs was caused by a smaller fall in real labour productivity in the third quarter, coupled with a smaller increase in compensation per employee.

Nominal compensation per hour worked increased in year-on-year terms by 6.3%, while real labour productivity increased by 4.3%. Compared with the second quarter of 2009, the growth rate of compensation slowed by 4.9 percentage points and that of labour productivity by 2.0 percentage points.

INCOME AND EXPENDITURE OF HOUSEHOLDS

According to data from the Statistical Office of the SR, the current income of households reached €13.7 billion in the third quarter of 2009, corresponding to a year-on-year increase of 0.7% in nominal terms. Compared with the second quarter of 2009, the rate of growth slowed by 1.5 of a percentage point. Within the structure of current income, the most rapid growth took place in social benefits (8.9%) and other current transfers (5.4%). On the other hand, employee

Table 26 Employment and unemployment (average for the period)

	2008			2009		
	Q3	Q4	Q1 - Q4	Q1	Q2	Q3
Employment according to statistical records thousands of persons	2,294.1	2,290.6	2,280.0	2,198.9	2,182.9	2,163.5
index, same period a year earlier =100	103.2	101.7	102.6	97.3	96.0	94.3
Employment according to a labour force sample survey thousands of persons	2,472.9	2,466.0	2,433.8	2,388.2	2,378.5	2,366.9
index, same period a year earlier =100	104.5	102.8	103.2	99.9	98.9	95.7
Employment according to ESA 95 thousands of persons	2,262.6	2,251.0	2,237.1	2,199.9	2,197.9	2,178.3
index, same period a year earlier =100	103.2	102.1	102.8	99.6	98.7	96.3
Unemployment according to a labour force sample survey thousands of persons	244.1	234.4	257.5	281.0	302.1	339.0
index, same period a year earlier =100	81.9	85.1	88.2	100.2	111.6	138.9
Unemployment rate according to a labour force sample survey in %	9.0	8.7	9.6	10.5	11.3	12.5
Rate of registered unemployment in % ¹⁾	7.5	7.9	7.7	9.7	11.4	12.2

Source: Statistical Office of the SR.

1) NBS calculations based on monthly data from the Centre for Labour, Social Affairs and Family.



Chart 42 Development in employment according to the number of hours worked (%)



Source: Statistical Office of the SR.

compensation fell by 2.3% year-on-year, below the level of last year.

The current expenditure of households (expenses paid to other sectors and not used for direct consumption) increased year-on-year by 0.9%, to €4.0 billion. Their dynamics weakened by 1.5 percentage points compared with the previous quarter. The year-on-year growth in current expenditure was connected with the growth in other transfers and social contributions. On the other hand, income from property and current taxes on income and property decreased on a year-on-year basis.

With current expenditure deducted from current income, the gross disposable income of households amounted to €9.8 billion, representing a year-on-year increase of 0.6%. Of the disposable income, 97.8% was used for final consumption, the remainder went to

Table 27 Developments in employment by sector (ESA 95; index, same period a year earlier = 100)

	2008			2009		
	Q3	Q4	Q1 - Q4	Q1	Q2	Q3
Economy in total	103.2	102.1	102.8	99.6	98.7	96.3
Agriculture, hunting	101.0	99.9	100.8	85.1	91.5	86.9
Industry	101.7	98.8	101.6	92.0	87.7	86.0
Mining and quarrying	95.7	94.2	97.8	89.5	90.6	86.7
Manufacturing	102.3	99.2	102.2	91.8	87.2	85.3
Electricity, gas, and water supply	93.6	93.7	93.5	95.6	94.8	97.0
Construction	109.1	109.6	107.8	107.6	108.7	101.3
Trade	104.3	103.2	104.4	102.9	99.7	99.5
Hotels and restaurants	103.5	105.0	106.8	97.8	102.7	101.2
Transport, storage, post and telecommunications	105.1	106.2	106.4	103.8	101.2	100.8
Financial intermediation	103.9	104.3	104.0	102.3	97.3	94.7
Real estate, renting, and business activities	109.0	104.9	104.9	105.8	109.5	101.8
Public administration and defence; compulsory social insurance	101.0	101.8	100.7	101.4	101.4	100.5
Education	100.5	99.7	99.0	101.8	101.9	102.2
Health and social care	99.1	99.6	98.1	102.7	105.9	101.2
Other community services	97.0	98.1	97.4	101.9	105.9	100.1

Source: Statistical Office of the SR.



gross savings, which increased year-on-year by 13.1%.

EMPLOYMENT AND UNEMPLOYMENT

Employment levels fell in the third quarter of 2009 according to all three methodologies. According to statistical reports, employment dropped by 5.7%, according to the methodology of national accounts (ESA 95) by 3.7%, and according to a labour force sample survey (LFSS) by 4.3%. Employment according statistical reports also includes part-time jobs, hence the sharp decline recorded since the beginning of 2009 may indicate redundancies in this category. In terms of structure, overall employment (LFSS) was influenced in the third quarter by a decrease in the number of employees (6.2%), accompanied by a year-on-year increase in the number of entrepreneurs (8.8%). Employment expressed in terms of the number of hours worked fell year-on-year by 8.8% in the third quarter of 2009. The seasonally adjusted number of hours worked increased by 0.6% quarter-on-quarter, which may signal a recovery in production in industry and construction in particular, despite a quarter-on-quarter decrease in the number of employees.

Broken down by sector, the fall in employment (as defined in ESA 95) in the third quarter of 2009 was mainly caused by a drop in employment in industry, accompanied by a slowdown in employment growth in construction, real estate and leasing activities. Employment also dropped

below the level of last year in agriculture, financial intermediation, and trade. On the other hand, employment rose most significantly on a year-on-year basis in education, construction, real estate and leasing activities, hotels and restaurants, and health services.

According to a labour force sample survey, the number of unemployed increased year-on-year by 38.9% in the third quarter of 2009. This increase was also reflected in the rate of unemployment, which reached 12.5% in the third quarter. This was 1.2 percentage points more than in the second quarter of 2009. According to the registers of Offices for Labour, Social Affairs and Family, the average unemployment rate in the third quarter of 2009 stood at 12.2%, which was 0.8 percentage points more than in the previous quarter.

FINANCIAL RESULTS OF CORPORATIONS

According to preliminary data from the Statistical Office of the SR, financial and non-financial corporations generated a total profit of €5,948.3 billion over the third quarter of 2008. This profit was 31.1% lower than the figure for the same period of 2008, as a result of lower profits in the non-financial corporate sector (by 34.9%). The profits of financial corporations increased by 9.5%. In the third quarter, the profits of non-financial and financial corporations dropped by 2.9% compared with the previous quarter. The lower profits of non-financial corporations (by 5.9%) was partially compensated for by higher

Table 28 Financial results of corporations (EUR millions, current prices)

	Q1 – Q3 2008	Q3 2009	Q1 – Q3 2009	Index	Index
				Q3 2009 Q3 2008	Q1 – Q3 2009 Q1 – Q3 2008
Financial result (before taxation)					
Non-financial and financial corporations in total	8,638.5	2,185.1	5,948.3	88.2	68.9
of which:					
Non-financial corporations	7,910.7	1,851.4	5,151.5	82.2	65.1
Financial corporations	727.8	333.7	796.8	148.3	109.5
of which:					
NBS	-103.0	84.3	132.8	.	.
Financial corporations, excl. NBS	830.8	249.4	664.0	89.9	79.9

Source: Statistical Office of the SR and NBS.
Note: 1) Non-audited financial result.



	Financial result before tax	
	Q1 – Q3 2009 (EUR millions)	Index Q1 – Q3 2009 Q1 – Q3 2008
Non-financial corporations in total	5,151.5	65.1
Agriculture, forestry, hunting, and fishing	-155.1	-
Industry in total	2,351.0	64.9
<i>Mining and quarrying</i>	73.0	68.6
Manufacturing	893.1	41.4
Manufacture of foodstuffs, beverages and tobacco products	161.9	126.2
Manufacture of textiles and textile products	-11.2	-
Manufacture of leather and leather products	19.0	100.1
Manufacture of wood and wood products	-9.2	-
Manufacture of pulp, paper and paper products, printing and publishing	71.0	61.3
Manufacture of coke and refined oil products	-10.1	-
Manufacture of chemicals, chemical products, basic pharmaceuticals and drugs	8.2	7.4
Manufacture of rubber and plastic products	21.6	22.8
Manufacture of other non-metal mineral products	75.7	33.6
Manufacture of metals and metal products without machines and equipment	118.5	19.8
Manufacture of computer, electronic and optical equipment and electric equipment	249.9	258.5
Manufacture of machines and equipment otherwise not included	-4.9	-
Manufacture of cars, trailers and other transport equipment	79.3	25.7
Manufacture of furniture, other manufacture, repair and installation of machines and equipment	123.6	103.9
<i>Electricity, gas, steam and conditioned air supply</i>	1,325.2	102.7
<i>Water supply, wastewater cleaning and sewerage, waste and waste liquidation services</i>	59.7	86.0
Construction	441.7	88.1
Wholesale and retail trade, repair of motor vehicles, motorcycles, and consumer goods	1,059.0	50.4
Hotels and restaurants	-7.5	-
Transport, storage, post and telecommunications	69.7	27.3
Information and communication	599.6	121.0
Real estate; professional, scientific and technical activities; administration and support services	709.8	97.4
Education	5.8	55.3
Health and social care	32.4	60.6
Arts, entertainment, recreation and other services	45.2	63.6

Source: Statistical Office of the SR.



profits earned by financial corporations (by 17.3%).

Over the first three quarters of 2009, non-financial corporations achieved a total profit of €5,151.5 million, representing a year-on-year decrease of €2,759.2 million. The total profit achieved in the this period was generated mostly in manufacturing, electricity and gas supply, trade, real estate services, professional, scientific and technical activities, as well as in information and communication activities. In the same period, business entities suffered losses in agriculture, forestry and fishing, and in accommodation and food services activities.

The year-on-year decline in the profits of non-financial corporations was substantially influenced by decreases in profits in manufacturing (58.6%) and trade (49.6%). Financial performance was connected with the persistent impact of subdued economic activity. In manufacturing, profits decreased mainly in the production of motor vehicles, trailers and other transport vehicles; metals and metal

products, except for machines and equipment; other non-metal mineral products; and rubber and plastic goods. Profits showed positive year-on-year dynamics only in information and communication activities (21%) and in electricity, gas and air-conditioning supply (2.7%).

Financial corporations achieved a total profit of €796.8 million over the first three quarters. Among financial corporations, positive profits were recorded in monetary financial institutions (€449.9 million), insurance corporations and pension funds (€220.6 million), and other financial intermediaries (€126.3 million). Compared with the first three quarters of 2008, the total profit achieved by financial corporations increased by €69 million as a result of increases in the profits of insurance corporations and pension funds (by €123.4 million) and other financial intermediaries (by €68.2 million), and a decrease in the profits of monetary financial institutions (by €122.6 million). NBS contributed a profit of €132.8 million to the overall financial result in the financial sector (after producing a loss of €103 million over the first three quarters of 2008).



UNIT LABOUR COST DEVELOPMENTS IN SLOVAKIA

INTRODUCTION

The unit labour cost (ULC) indicator is considered to be an indicator of possible inflationary pressures and/or cost competitiveness. Unit labour costs (ULCs) represent a direct link between an economy's overall production output (GDP), expressed in terms of labour productivity, and the costs of labour used in generating output (wages, contributions, bonuses, redundancy pay, etc.), expressed in terms of compensation per employee.

For the calculation of unit labour costs, the ECB uses the following methodology: ULCs = compensation per employee in nominal terms / real labour productivity. Unit labour costs express the relationship between labour costs and the value added produced. Their growth may indicate that growing demands in the area of labour compensation without an increase in output may result in a price rise in the non-tradable sector or a loss of competitiveness in the tradable sector.

In regard to the fact that this ULC concept relates a nominal value to a real value, it is natural and normal that the result is a positive value and it is not possible to expect that nominal labour compensation will grow at the same or similar pace as real labour productivity. Hence, ULCs should be assessed in relation to relevant indicators. In other words, if ULCs are compared with the average inflation rate, it is possible to determine to what extent nominal labour costs per employee followed the course of average consumer prices in the period under review. If average inflation rises to a lesser extent than ULCs, it is possible to talk about wage growth accumulation which, if not absorbed by the current price rise, may indicate a formation of inflationary pressures. An ULC indicator calculated in this way can be used to assess the cost competitiveness of an economy, but it has such informative value only where it is compared with the relevant ULC indicators of other countries.

The ECB also assesses the ULC indicator in relation to the GDP deflator, while the gap between

these indicators is interpreted as a profit margin. If ULC growth is faster than the growth of the GDP deflator, the profit margin decreases, which may have a negative impact on the level of competitiveness or domestic prices if companies are willing to compensate for this decrease in the margin.

UNIT LABOUR COST DEVELOPMENTS IN SLOVAKIA

During the period under review, nominal labour compensation grew at a faster rate than real labour productivity, which led to positive year-on-year increases in ULCs. In years when the differences in the dynamics of these two factors decreased, ULC increases showed a diminishing tendency, i.e. labour costs per unit of output decreased (mainly in 2007). In 2008, ULC growth accelerated, mainly as a result of a slowdown in labour productivity. The downturn in economic activity in the first half of 2009 was also reflected in the level of ULCs, which markedly increased. This increase was caused by a sharp fall in labour productivity, which was accompanied by a relatively fast growth in compensation per employee.

ULC developments in Slovakia point to a number of facts. The fall in production was not accompanied by an adequate fall in employment (such fall would have prevented productivity per employee from falling so sharply and ULCs from growing), nor was accompanied by an adequate fall in labour compensation.

In connection with the uncertainty regarding the duration and depth of the global economic and financial crisis, companies in Slovakia pursued the following employment policy: they dismissed their temporary employees, employees with shorter working hours, and reduced the hours worked in order to preserve their qualified employees (introduced flexible pay elements, shorter working weeks, etc.). Hence, despite a GDP decline of more than 5%, employment fell by only 0.8% during the first six months. The introduction of shorter working weeks in

connection with the restriction of production, mainly in industrial sectors, was reflected in the number of hours worked, which dropped by 7.2% in the first half of 2009.

In the third quarter of 2009, employment suffered a sharp fall, which was accompanied by a moderate GDP decline compared with the previous periods. As a result, labour productivity fell in the third quarter to a lesser extent than in the first half of 2009. At the same time, the growth in compensation per employee slowed somewhat. This led to a slowdown in ULC growth, accompanied by a slight fall in labour productivity.

On the basis of preliminary data on employment from selected sectors, ULC growth is still weakening. With regard to the expected gradual recovery in economic activity, the dynamics of ULC growth are expected to slow still further.

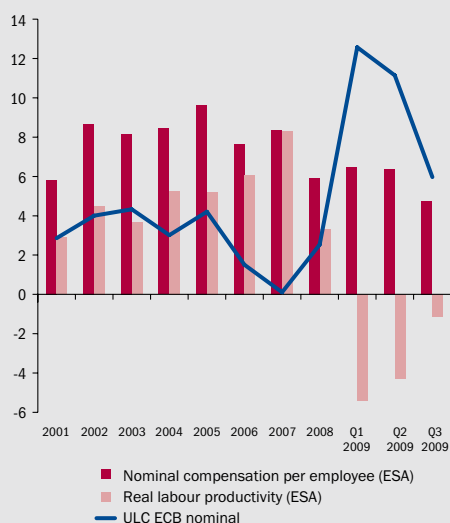
Besides a fall in productivity (resulting from the employment policy described above and the delayed labour market reaction), ULC growth was also supported by a relatively dynamic growth in labour compensation. However, the effects of redundancy payments are to be taken into account as well (they contributed approximately 0.8 of a percentage point to ULC growth), mainly in financial services. The fact is

that the rate of wage growth should have been/ should be slower in all sectors, mainly in financial mediation and in the public sector.

In connection with the expected growth in the Slovak economy, ULC growth is likely to slow down in the medium-term horizon. Hence, the strong growth seen in 2009 is not considered a long-term trend. Thus, it is not likely to produce inflationary pressures, since employees who received wages but had no work will have to work for these wages later in the phase of recovery. ULC developments are to be assessed in terms of their possible impact on inflation or competitiveness within a longer time horizon, and not as one-off or short-term fluctuations. ULC growth in the conditions of the current global economic crisis and falling inflation (reaching historical lows) is of temporary nature and represents a non-standard situation. For the sake of sustainable economic growth, however, it is vital to maintain moderate ULC growth in order to prevent the growth in labour costs from reducing the level of competitiveness and/or from causing an excessive price increase.

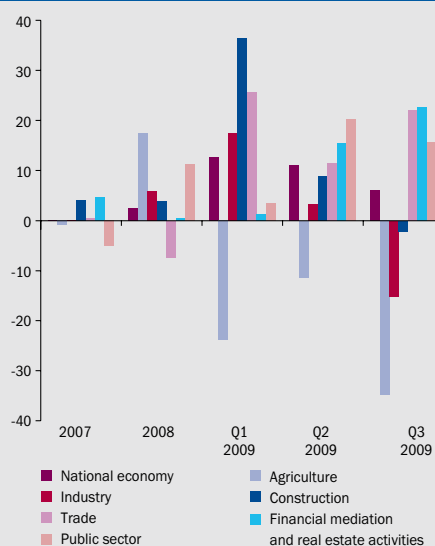
Among the individual sectors, the most rapid ULC growth in the first three quarters of 2009 was recorded in trade, construction, financial mediation, and in the public sector. At the

Chart 43 Unit labour costs and their components (ECB methodology) (%)



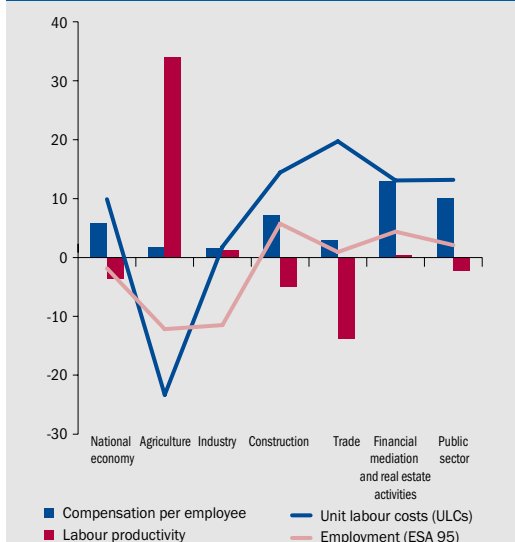
Source: Statistical Office of the SR, NBS calculations.

Chart 44 ULC developments in Slovakia by sector (%)



Source: Statistical Office of the SR, NBS calculations.

Chart 45 ULC developments and components in Slovakia by sector and unemployment (Q1-3, 2009) (%)



Source: Statistical Office of the SR, NBS calculations.

Chart 46 ULC developments in the euro area and Slovakia (%)



Source: Eurostat, ECB, NBS calculations.

Note: Data on ULCs and their components from the euro area are not yet available for the third quarter.

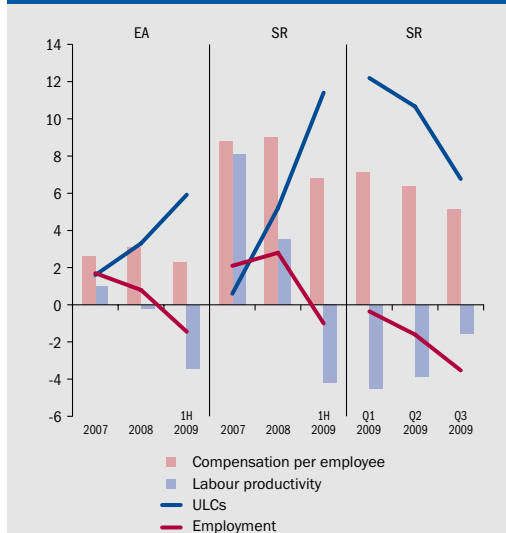
same time, a steep ULC decline was recorded in agriculture.

While the strong ULC growth in trade was connected with a steep fall in labour productivity, ULC growth in other sectors was influenced by a rapid growth in compensation per employee, which was not covered adequately by labour productivity growth. ULC developments in trade, accompanied by moderate growth in labour compensation, can be attributed to the delaying tactics employed and/or uncertainty regarding the duration and depth of the crisis. With regard to its weight, trade was one of the factors that significantly contributed to ULC growth in Slovakia, in addition to the public sector (which has not yet reacted to the crisis in the area of wage policy).

COMPARISON OF ULC DEVELOPMENTS IN THE EURO AREA AND SLOVAKIA

Compared with the euro area, the most significant ULC growth in Slovakia took place in the first quarter of 2009. On a quarter-on-quarter basis, the dynamics of ULC growth weakened in connection with the slowdown in the growth of compensation per employee. We assume that

Chart 47 Developments in ULC by component in the euro area and Slovakia (%)



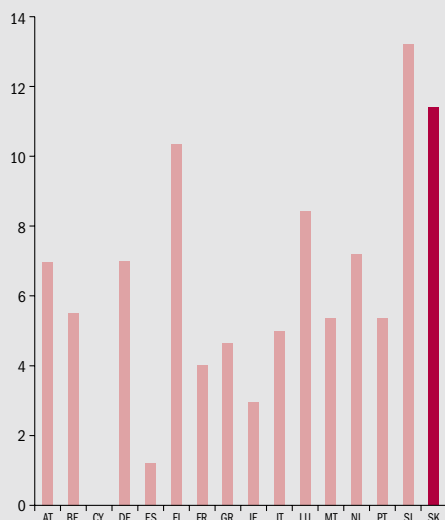
Source: Eurostat, NBS calculations.

ULCs will fall in the following periods; a growing trend is very unlikely.

In the first half of 2009, ULC growth in Slovakia was caused by a marked fall in productivity compared

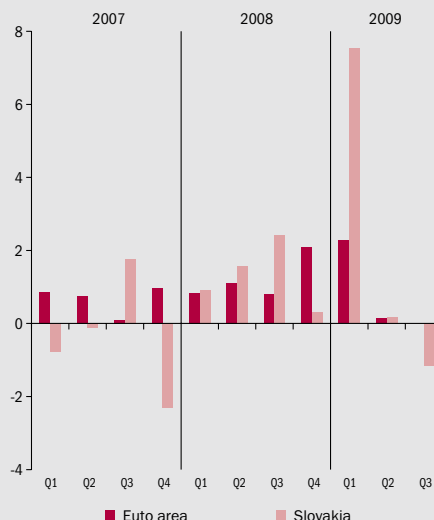


Chart 48 ULC developments in euro-area countries in H1, 2009 (%)



Source: Eurostat, NBS calculations.

Chart 49 Developments in unit labour costs by quarter (%)



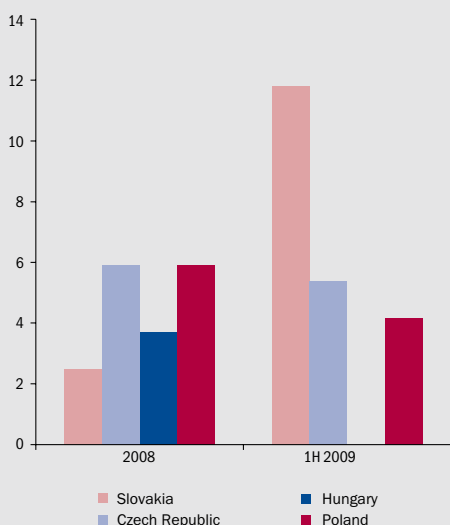
Source: Eurostat, ECB, NBS calculations.

with the euro area, resulting from a slower decline in employment and stronger growth in compensation. This may be connected with the different character of redundancy payments and the larger number of employees receiving partial or full wages for reduced hours of work. In the second half of the year, employment in year-on-year terms is expected to fall more significantly than in the first

half, which is also indicated by the recently released data for the third quarter of 2009.

Compared with the euro area, Slovakia recorded the second largest ULC increase in the first half of 2009. This can be explained by the fact that the sharp GDP decline in the first half of the year was not accompanied by an adequate fall

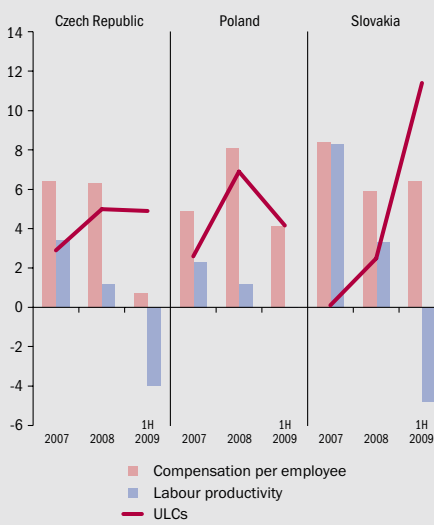
Chart 50 ULC developments in the V4 countries (%)



Source: Eurostat, ECB, NBS calculations.

Note: Data on ULCs and their components from other V4 countries are not yet available for Q3, 2009.

Chart 51 ULC developments and components in the V4 countries (%)



Source: Eurostat, ECB, NBS calculations.



in employment or a slowdown in compensation growth.

Although ULCs showed rapid growth in year-on-year terms, the rate of growth slowed on a quarter-on-quarter basis. The third quarter of 2009 even saw a quarter-on-quarter fall in ULCs.

COMPARISON OF SLOVAKIA WITH THE V4 COUNTRIES

In the first half of 2009, Slovakia recorded a steep ULC increase in comparison with Poland and the Czech Republic. Hungary publishes no quarterly data, but it is possible to assume on the basis of their ULC estimates for 2009 that Hungary's ULCs were comparable with those in Slovakia.

The comparison with Poland is distorted to some extent, owing to the fact that the Polish economy did not suffer such decline as the Slovak economy; its reactions in the area of employment are therefore different. Like the Czech Republic and Hungary, Slovakia recorded a fall in labour productivity, which means that companies made similar efforts to preserve their key employees. However, marked differences can be seen in the area of labour compensation, where the Czech Republic recorded a slight increase. This can be explained by their more flexible reactions in the area of wages and remunerations, and/or by the fact that more employees had reduced working hours than in Slovakia, because employment in the Czech Republic did not fall as sharply as in Slovakia.

CONCLUSION

The strong ULC growth in Slovakia was mainly influenced by developments in the first half of 2009 and was stimulated largely on the labour productivity side by delayed reactions in the labour market. This phenomenon is not necessarily a sign of low labour market flexibility

in Slovakia; it may be the result of uncertainty regarding the duration of the economic decline and the consequent employment-restricting measures. However, ULC growth was also influenced by the strong dynamics of compensation per employee. On the one hand, this is connected with the payment of redundancy packages, but on the other hand it may also be a sign of inflexibility or rigidity or delayed labour market reaction to the current economic situation. In this case, compensation growth can be expected to slow considerably in 2010. This, combined with continued growth in productivity, will have a favourable effect on ULC developments.

The quarter-on-quarter data point to a significant slowdown in ULC growth, mainly in the third quarter of 2009, while the favourable trend in ULCs, specifically the slowdown in their dynamics, is expected to continue in 2010 and 2011. Hence, the current trend in ULCs can be considered a temporary phenomenon, influenced by the non-standard environment (crisis conditions), and no negative conclusions can be derived as far as competitiveness or the possible formation of inflationary pressures is concerned. On the other hand, however, ULC developments and the other macroeconomic indicators on which ULCs are dependent, are exposed to a number of risks. The main risk is the slower than expected recovery in economic activity, owing to the fading effects of foreign government measures and the effects of consolidation measures taken in public finances on domestic and foreign demand. A risk associated with the growth of compensation per employee is the large amount of redundancy payments in connection with the large-scale redundancies in the economy. The materialisation of these risks, accompanied by faster than expected ULC growth, may result in a certain loss of competitiveness and price inflation in Slovakia in the long term. Hence, it is important that the unit labour costs indicator and labour market flexibility are carefully monitored.



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

STATISTICS

**1 OVERVIEW OF MAIN MACROECONOMIC INDICATORS FOR THE SR****TABLE 1 Selected economic and monetary indicators for the SR***(annual percentage changes, unless otherwise indicated)*

	Gross domestic product	HICP	Industrial producer prices	Employment ESA 95	Unemployment rate (%)	Industrial production index	Total receipts of sectors	Economic sentiment indicator (long-term average =100)	M3 for analytical purposes ¹⁾	Loans to non-financial corporations	Loans to households	State budget balance (EUR mil.)	General government balance as % of GDP	Debt ratio (general government gross debt as % of GDP)	Current account (% GDP)	Balance of trade (% GDP)	USD/EUR exchange rate
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
2005	6.7	2.8	3.8	1.4	16.2	-2.4	.	101.7	7.8	-	-	-1,125.3	-2.81	34.16	-8.49	-4.98	1.2441
2006	8.5	4.3	6.4	2.3	13.3	12.2	.	110.4	15.3	-	-	-1,052.2	-3.45	30.44	-7.72	-4.54	1.2556
2007	10.6	1.9	1.8	2.1	11.0	16.1	.	111.5	12.9	25.6	28.6	-780.1	-1.86	29.35	-5.32	-1.15	1.3705
2008	6.2	3.9	6.1	2.8	9.6	2.8	.	90.9	4.9	15.5	25.3	-703.8	-2.19	27.64	-6.53	-1.06	1.4708
2008 Q2	7.3	4.0	6.1	2.9	10.1	9.8	.	94.0	6.6	25.9	28.8	-136.1	-	-	-10.24	-1.14	1.5622
2008 Q3	6.8	4.5	6.6	3.2	9.0	4.3	.	95.0	6.4	22.6	28.5	142.7	-	-	-5.36	-0.29	1.5050
2008 Q4	1.6	3.9	6.7	2.1	8.7	-12.2	.	72.6	4.9	15.5	25.3	-703.8	-	-	-7.59	-2.73	1.3180
2009 Q1	-5.7	2.3	2.0	-0.4	10.5	-18.8	-20.8	57.4	0.0	9.6	21.9	-204.6	-	-	-5.09	-1.47	1.3029
2009 Q2	-5.5	1.1	-2.2	-1.3	11.3	-19.9	-22.5	49.3	-1.1	3.1	17.2	-1,108.4	-	-	-0.98	2.96	1.3632
2009 Q3	-4.8	0.4	-4.6	-3.7	12.5	-10.2	-19.4	61.8	-4.1	-0.5	13.5	-1,360.2	-	-	-0.83	4.27	1.4303
2009 Jan.	-	2.7	3.7	-	9.0	-24.6	-21.7	64.5	2.6	11.6	23.4	100.3	-	-	-	-	1.3239
2009 Feb.	-	2.4	1.8	-	9.7	-24.8	-23.9	58.3	-0.3	10.9	22.7	-185.1	-	-	-	-	1.2785
2009 Mar.	-	1.8	0.5	-	10.3	-15.4	-17.0	49.5	0.0	9.6	21.9	-204.6	-	-	-	-	1.3050
2009 Apr.	-	1.4	-0.8	-	10.9	-20.4	-23.6	45.9	0.2	7.3	20.1	-347.4	-	-	-	-	1.3190
2009 May	-	1.1	-2.4	-	11.4	-24.3	-23.3	46.5	-0.2	6.4	18.6	-831.6	-	-	-	-	1.3650
2009 June	-	0.7	-3.2	-	11.8	-19.8	-20.7	55.4	-1.1	3.1	17.2	-1,108.4	-	-	-	-	1.4016
2009 July	-	0.6	-4.2	-	12.1	-22.9	-21.4	58.2	-3.1	0.1	15.7	-914.4	-	-	-	-	1.4088
2009 Aug.	-	0.5	-4.6	-	12.1	-7.8	-17.3	60.8	-3.0	-0.1	14.6	-1,206.3	-	-	-	-	1.4268
2009 Sep.	-	0.0	-5.2	-	12.5	-5.6	-18.4	66.4	-4.1	-0.5	12.1	-1,360.2	-	-	-	-	1.4562
2009 Oct.	-	-0.1	-5.8	-	12.4	-3.8	-18.1	70.7	-3.4	-1.5	13.5	-1,537.2	-	-	-	-	1.4816
2009 Nov.	-	0.0	.	-	.	.	.	73.5	.	.	.	-1,576.2	-	-	-	-	1.1419

Source: Statistical Office of the Slovak Republic, MF of the SR, NBS, the European Commission.

1) Currency in circulation in M3 aggregate refers to the currency held by households (according to methodology applied up to end-2008).



2 MONETARY AND BANKING STATISTICS

TABLE 2 Key ECB interest rates

(levels in percentages per annum, unless otherwise indicated)

With effect from	Deposit facility	Change (p.p.)	Main refinancing operations				Marginal lending facility	Change (p.p.)
			Fixed rate tenders		Variable rate tenders			
			Fixed rate	Change (p.p.)	Minimum bid rate	Change (p.p.)		
	1	2	3	4	5	6	7	8
1.1.1999	2.00	-	3.00	-	-	-	4.50	-
4.1.1999 ¹⁾	2.75	0.75	3.00	0.00	-	-	3.25	-1.25
22.1.1999	2.00	-0.75	3.00	0.00	-	-	4.50	1.25
9.4.1999	1.50	-0.50	2.50	-0.50	-	-	3.50	-1.00
5.11.1999	2.00	0.50	3.00	0.50	-	-	4.00	0.50
4.2.2000	2.25	0.25	3.25	0.25	-	-	4.25	0.25
17.3.2000	2.50	0.25	3.50	0.25	-	-	4.50	0.25
28.4.2000	2.75	0.25	3.75	0.25	-	-	4.75	0.25
9.6.2000	3.25	0.50	4.25	0.50	-	-	5.25	0.50
28.6.2000 ²⁾	3.25	0.00	-	-	4.25	0.00	5.25	0.00
1.9.2000	3.50	0.25	-	-	4.50	0.25	5.50	0.25
6.10.2000	3.75	0.25	-	-	4.75	0.25	5.75	0.25
11.5.2001	3.50	-0.25	-	-	4.50	-0.25	5.50	-0.25
31.8.2001	3.25	-0.25	-	-	4.25	-0.25	5.25	-0.25
18.9.2001 ³⁾	2.75	-0.50	-	-	3.75	-0.50	4.75	-0.50
9.11.2001	2.25	-0.50	-	-	3.25	-0.50	4.25	-0.50
6.12.2002	1.75	-0.50	-	-	2.75	-0.50	3.75	-0.50
7.3.2003	1.50	-0.25	-	-	2.50	-0.25	3.50	-0.25
6.6.2003	1.00	-0.50	-	-	2.00	-0.50	3.00	-0.50
6.12.2005	1.25	0.25	-	-	2.25	0.25	3.25	0.25
8.3.2006	1.50	0.25	-	-	2.50	0.25	3.50	0.25
15.6.2006	1.75	0.25	-	-	2.75	0.25	3.75	0.25
9.8.2006	2.00	0.25	-	-	3.00	0.25	4.00	0.25
11.10.2006	2.25	0.25	-	-	3.25	0.25	4.25	0.25
13.12.2006	2.50	0.25	-	-	3.50	0.25	4.50	0.25
14.3.2007	2.75	0.25	-	-	3.75	0.25	4.75	0.25
13.6.2007	3.00	0.25	-	-	4.00	0.25	5.00	0.25
9.7.2008	3.25	0.25	-	-	4.25	0.25	5.25	0.25
8.10.2008	2.75	-0.50	-	-	-	-	4.75	-0.50
9.10.2008 ⁴⁾	3.25	0.50	-	-	-	-	4.25	-0.50
15.10.2008 ⁵⁾	3.25	0.00	3.75	-0.50	-	-	4.25	0.00
12.11.2008	2.75	-0.50	3.25	-0.50	-	-	3.75	-0.50
10.12.2008	2.00	-0.75	2.50	-0.75	-	-	3.00	-0.75
21.1.2009	1.00	-1.00	2.00	-0.50	-	-	3.00	0.00
11.3.2009	0.50	-0.50	1.50	-0.50	-	-	2.50	-0.50
8.4.2009	0.25	-0.25	1.25	-0.25	-	-	2.25	-0.25
13.5.2009	0.25	0.00	1.00	-0.25	-	-	1.75	-0.50

Source: ECB.

1) On 22 December 1998 the ECB announced that, as an exceptional measure between 4 and 21 January 1999, a narrow corridor of 50 basis points would be applied between the interest rates for the marginal lending facility and the deposit facility, aimed at facilitating the transition to the new regime by market participants.

2) On 8 June 2000 the ECB announced that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem would be conducted as variable rate tenders. The minimum bid rate refers to the minimum interest rate at which counterparties may place their bids.

3) The change of 18 September 2001 was effective for the main refinancing operation on that same day.

4) As of 9 October 2008 the ECB reduced the standing facilities corridor from 200 basis points to 100 basis points around the interest rate on the main refinancing operations.

5) On 8 October 2008 the ECB announced that, starting from the operation to be settled on 15 October, the weekly main refinancing operations would be carried out through a fixed-rate tender procedure with full allotment at the interest rate on the main refinancing operations. This change overrode the previous decision (made on the same day) to cut by 50 basis points the minimum bid rate on the main refinancing operations conducted as variable rate tenders.



TABLE 3 Interest rates on loans and deposits (new business)

Interest rates on deposits (new business)
(percentages per annum)

	Deposits by households						Deposits by non-financial corporations				Repos
	Overnight	Agreed maturity			Redeemable at notice		Overnight	Agreed maturity			
		up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		up to 1 year	over 1 year and up to 2 years	over 2 years	
	1	2	3	4	5	6	7	8	9	10	11
2005 Dec.	0.41	1.90	-	1.79	0.96	1.10	0.64	2.55	-	0.66	-
2006 Dec.	0.50	3.92	3.98	3.61	1.54	1.97	1.32	4.39	3.28	2.62	-
2007 Dec.	0.47	3.28	3.58	2.20	1.44	2.05	0.78	3.60	3.79	2.30	-
2008 Nov.	0.64	3.36	3.96	3.35	2.18	2.66	0.80	2.96	4.18	2.30	-
2008 Dec.	0.58	3.12	4.37	2.49	1.70	2.63	0.47	2.14	4.04	2.04	-
2009 Jan.	0.53	2.06	3.69	3.61	1.73	2.49	0.41	1.61	3.05	3.31	-
2009 Feb.	0.49	1.89	3.57	3.52	1.50	2.10	0.41	1.28	1.46	1.98	-
2009 Mar.	0.44	1.52	2.93	3.22	1.30	1.77	0.38	1.06	2.48	2.64	-
2009 Apr.	0.37	1.29	2.72	2.50	1.05	1.57	0.18	0.80	1.57	1.08	-
2009 May	0.35	1.24	2.57	2.99	1.05	1.57	0.28	0.80	1.77	2.71	-
2009 June	0.34	1.27	2.55	2.66	0.98	1.57	0.15	0.71	2.35	2.59	-
2009 July	0.34	1.14	2.43	2.30	0.81	1.56	0.13	0.54	1.06	2.56	-
2009 Aug.	0.33	1.24	2.49	2.55	0.67	1.56	0.14	0.48	1.07	2.32	-
2009 Sep.	0.31	1.36	2.74	2.93	0.62	1.54	0.13	0.53	1.08	3.01	-
2009 Oct.	0.31	1.30	2.60	3.11	0.59	1.54	0.12	0.41	1.69	3.06	-

Interest rates on loans to households (new business)
(percentages per annum)

	Total ²⁾	Current account overdrafts and credit cards	Consumer loans				Loans for house purchase					Other loans		
			Floating rate and IRF ¹⁾ of up to 1 year	IRF ¹⁾ of over 1 year and up to 5 years	IRF ¹⁾ of over 5 years	Annual percentage rate of charge	Floating rate and IRF ¹⁾ of up to 1 year	IRF ¹⁾ of over 1 year and up to 5 years	IRF ¹⁾ of over 5 years and up to 10 years	IRF ¹⁾ of over 10 years	Annual percentage rate of charge	Floating rate and IRF ¹⁾ of up to 1 year	IRF ¹⁾ of over 1 year and up to 5 years	IRF ¹⁾ of over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005 Dec.	7.38	10.93	10.68	15.76	11.46	13.73	4.92	5.77	6.46	7.99	5.47	8.49	9.75	7.40
2006 Dec.	8.36	14.10	12.04	15.68	15.29	15.19	6.81	6.36	7.43	7.45	7.24	7.26	7.26	6.39
2007 Dec.	7.52	14.34	10.08	16.20	14.14	14.91	5.80	6.16	7.34	7.41	6.40	6.65	6.93	6.77
2008 Nov.	8.12	14.65	7.85	15.77	14.68	15.21	6.28	6.38	7.33	8.10	6.70	6.99	7.04	6.64
2008 Dec.	7.92	14.36	7.70	15.49	15.20	15.37	6.31	6.45	7.11	7.92	6.75	6.11	7.01	6.72
2009 Jan.	7.81	14.02	8.34	15.81	14.44	16.14	6.30	6.37	6.87	7.86	7.01	5.34	7.06	6.75
2009 Feb.	7.69	14.17	8.43	14.57	13.56	15.52	5.85	6.15	6.94	7.96	6.39	5.88	7.01	6.81
2009 Mar.	7.75	14.28	8.59	13.91	13.46	15.34	5.77	6.13	6.96	7.94	6.19	6.02	6.96	5.71
2009 Apr.	8.23	14.20	9.05	14.31	13.36	15.02	5.71	6.21	8.30	8.10	6.32	6.19	7.07	6.74
2009 May	7.74	14.34	8.31	14.54	13.27	14.80	5.70	6.17	8.97	8.63	6.33	5.08	6.85	6.00
2009 June	7.46	14.44	8.19	14.51	13.58	14.91	5.48	5.96	8.18	8.51	6.04	5.95	6.68	6.10
2009 July	7.40	14.17	7.89	14.84	14.15	15.37	5.52	5.96	8.04	8.31	6.08	5.32	6.80	6.09
2009 Aug.	7.50	13.74	7.80	15.35	14.66	15.80	5.46	5.95	8.25	8.41	6.02	5.85	6.76	5.87
2009 Sep.	7.59	13.83	8.19	15.00	14.06	16.30	5.37	5.89	8.28	8.60	6.04	6.18	7.39	5.58
2009 Oct.	7.81	14.31	7.95	14.92	15.09	15.96	5.37	5.78	8.36	8.83	6.04	6.26	6.43	6.17

Source: NBS.

1) Initial rate fixation.

2) Excluding overdrafts and credit cards.

**TABLE 3 Interest rates on loans and deposits (new business)**Interest rates on loans to non-financial corporations (new business)
(percentages per annum)

	Total ²⁾	Current account overdrafts and credit cards	Loans of up to 1 mil. EUR			Loans of over 1 mil. EUR		
			Floating rate and IRF ¹⁾ of up to 1 year	IRF ¹⁾ of over 1 year and up to 5 years	IRF ¹⁾ of over 5 years	Floating rate and IRF ¹⁾ of up to 1 year	IRF ¹⁾ of over 1 year and up to 5 years	IRF ¹⁾ of over 5 years
	1	2	3	4	5	6	7	8
2005 Dec.	4.53	4.93	5.05	5.92	6.20	4.05	3.81	5.34
2006 Dec.	5.89	6.62	6.33	7.18	6.52	5.60	6.43	5.73
2007 Dec.	5.52	5.67	6.07	5.87	6.44	5.39	5.86	4.54
2008 Nov.	4.94	5.31	5.72	7.30	5.03	4.71	5.86	6.13
2008 Dec.	4.56	4.83	4.93	8.11	6.50	4.07	6.53	7.58
2009 Jan.	3.61	4.15	4.77	6.20	8.99	3.02	7.38	5.95
2009 Feb.	3.22	3.93	4.86	6.65	6.04	2.71	5.44	4.80
2009 Mar.	3.30	3.51	3.52	6.33	5.48	3.04	5.61	4.25
2009 Apr.	2.98	3.35	4.36	5.29	5.61	2.54	7.27	3.71
2009 May	2.91	3.44	4.98	5.78	5.39	3.17	6.67	-
2009 June	3.05	3.44	5.16	6.37	4.80	2.51	7.58	5.04
2009 July	2.91	3.37	4.61	5.70	5.71	2.23	8.00	3.99
2009 Aug.	2.61	3.32	5.23	5.88	5.73	2.76	6.30	6.09
2009 Sep.	2.82	3.33	3.71	5.70	5.34	2.37	10.76	6.91
2009 Oct.	3.18	3.31	3.65	5.98	5.98	2.70	10.00	2.44

Source: NBS.

1) Initial rate fixation.

2) Excluding overdrafts and credit cards.



TABLE 4 Monetary aggregates and counterparts of M3¹⁾

(EUR mil.; outstanding amounts at end-of-period;)

					M3	Longer-term financial liabilities	Credit to general government	Credit to other euro area residents		Net external assets	
	Currency	M1	M2-M1	M2				M3-M2	Loans		
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2005	3,977.8	16,126.5	9,929.4	26,055.9	1,541.5	27,597.4	6,339.4	9,077.2	17,318.6	16,845.2	8,677.8
2006	4,354.1	18,280.6	11,864.8	30,145.4	1,666.1	31,811.5	5,575.6	8,457.3	21,275.6	20,830.6	8,496.1
2007 Q3	4,569.6	19,010.4	13,488.5	32,498.9	2,004.1	34,503.0	5,616.0	8,400.1	24,414.7	23,948.8	9,441.5
2007 Q4	4,704.0	20,666.5	13,025.8	33,692.4	2,247.5	35,939.8	6,061.9	8,685.6	26,066.5	25,569.2	8,703.5
2008 Q1	4,541.9	19,602.3	13,901.7	33,504.0	2,612.4	36,116.5	5,908.1	7,465.7	27,222.6	26,646.5	8,041.3
2008 Q2	4,385.6	19,767.4	13,870.1	33,637.4	2,816.6	36,454.1	4,812.1	7,536.9	28,397.3	27,776.3	6,223.2
2008 Q3	4,074.0	19,149.5	14,998.5	34,148.0	2,727.8	36,875.8	5,657.3	7,865.2	29,551.3	28,917.2	6,523.2
2008 Oct.	4,122.4	19,186.5	14,958.5	34,144.9	2,326.1	36,471.0	6,053.2	8,129.9	30,019.0	29,379.0	6,216.9
2008 Nov.	3,694.6	19,102.2	15,520.7	34,622.9	2,223.1	36,846.0	6,452.4	8,496.5	30,312.6	29,701.3	6,298.6
2008 Dec.	1,600.6	19,115.9	16,435.6	35,551.5	2,122.3	37,673.8	6,611.2	9,037.1	30,076.8	29,470.7	5,845.7

Monetary aggregates and counterparts of M3 – contribution of domestic MFI to monetary aggregates and counterparts of the euro area²⁾

(EUR mil.; outstanding amounts at end-of-period;)

					M3	Longer-term financial liabilities	Credit to general government	Credit to other euro area residents		Net external assets	
	Currency	M1	M2-M1	M2				M3-M2	Loans		
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2005											
2006	4,278	18,305	11,896	30,200	1,212	31,412	2,789	12,180	21,736	20,902	4,028
2007	4,620	20,791	13,191	33,982	1,509	35,491	2,488	14,726	26,781	25,793	4,390
2008 Q1	4,482	19,659	14,035	33,694	1,823	35,517	731	12,345	28,137	27,201	2,411
2008 Q2	4,325	19,836	13,973	33,809	1,769	35,577	998	12,741	29,230	28,285	2,564
2008 Q3	3,999	19,233	15,281	34,514	1,665	36,179	1,536	11,845	30,527	29,534	3,732
2008 Q4	1,427	19,096	16,914	36,010	902	36,912	2,379	15,083	30,866	29,996	977
2008	1,427	19,096	16,914	36,010	902	36,912	2,379	15,083	30,866	29,996	977
2009 Q1	6,485	22,677	15,907	38,584	937	39,522	1,657	13,642	31,477	30,197	3,749
2009 Apr.	6,586	22,617	16,082	38,699	640	39,338	1,516	13,376	31,414	30,130	3,528
2009 May	6,635	23,304	15,716	39,020	611	39,631	1,256	14,067	31,670	30,144	4,265
2009 June	6,645	23,495	14,772	38,267	401	38,668	1,386	14,586	31,888	30,197	4,231
2009 Q2	6,645	23,495	14,772	38,267	401	38,668	1,386	14,586	31,888	30,197	4,231
2009 July	6,724	23,326	14,709	38,035	260	38,295	1,116	14,339	32,128	30,215	4,905
2009 Aug.	6,690	22,926	15,014	37,940	306	38,245	1,368	14,228	32,438	30,440	5,327
2009 Sep.	6,665	23,121	14,450	37,571	224	37,795	1,652	14,490	32,336	30,482	5,848
2009 Q3	6,665	23,121	14,450	37,571	224	37,795	1,652	14,490	32,336	30,482	5,848
2009 Oct.	6,697	22,883	14,413	37,296	262	37,558	1,551	13,622	32,592	30,515	5,731

Source: NBS.

Notes:

- 1) Data before 2009 (before Slovakia's entry into the euro area) refer to statistical records of Slovak monetary aggregates converted from the Slovak koruna to the euro (1 EUR = 30.1260 SKK).
- 2) Data from January 2009 onwards (after Slovakia's entry into the euro area as at 1 January 2009) refer to Slovakia's contributions to EMU monetary aggregates. The volume of currency, based on the set ECB key corresponds to the volume of banknotes based on the NBS share in the total issue of banknotes in the euro area.



TABLE 5 Deposits

(EUR mil.; annual growth rates; outstanding amounts and growth rates at end-of-period; transactions during period)

	Non-financial corporations						Households					
	Total	Overnight	With agreed maturity		Redeemable at notice		Total	Overnight	With agreed maturity		Redeemable at notice	
			up to 2 years	over 2 years	up to 3 months	over 3 months			up to 2 years	over 2 years	up to 3 months	over 3 months
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2006	9,932.8	6,056.7	3,850.2	19.6	5.9	0.4	15,565.7	6,210.6	5,982.4	2,187.0	378.2	807.5
2007	11,021.7	7,041.2	3,951.0	23.3	5.5	0.7	17,608.8	7,215.7	6,893.7	2,405.5	315.3	778.7
2008 Q1	10,119.0	6,210.3	3,882.1	23.2	2.9	0.5	18,123.7	7,327.3	7,324.4	2,396.2	305.9	770.0
2008 Q2	9,718.3	6,058.6	3,626.2	29.7	3.2	0.5	18,717.4	7,757.7	7,573.6	2,329.9	292.7	763.4
2008 Q3	10,011.9	5,955.7	4,026.5	26.6	2.6	0.4	19,416.0	7,734.1	8,189.8	2,454.6	287.7	749.8
2008 Q4	10,770.7	7,060.1	3,683.8	24.2	2.3	0.4	22,905.3	8,533.2	10,767.6	2,529.7	298.3	776.5
2008	10,770.7	7,060.1	3,683.8	24.2	2.3	0.4	22,905.3	8,533.2	10,767.6	2,529.7	298.3	776.5
2009 Q1	8,654.6	5,694.9	2,925.2	30.9	3.2	0.4	22,925.9	8,596.8	10,648.4	2,607.9	288.8	784.0
2009 Apr.	8,510.0	5,436.2	3,040.8	30.2	2.4	0.4	22,908.3	8,793.5	10,472.3	2,571.3	286.1	785.1
2009 May	8,844.4	5,813.0	2,997.7	30.8	2.5	0.5	22,782.0	8,870.9	10,228.3	2,591.0	307.8	784.1
2009 June	8,363.9	5,920.4	2,403.5	37.4	2.2	0.5	22,715.6	8,810.7	10,137.3	2,601.4	384.5	781.8
2009 Q2	8,363.9	5,920.4	2,403.5	37.4	2.2	0.5	22,715.6	8,810.7	10,137.3	2,601.4	384.5	781.8
2009 July	8,319.4	5,808.0	2,471.7	37.0	2.2	0.5	22,632.1	8,799.5	9,981.7	2,631.8	439.2	779.9
2009 Aug.	8,611.3	5,618.3	2,951.9	38.2	2.5	0.5	22,497.1	8,789.3	9,754.9	2,712.7	463.8	776.4
2009 Sep.	8,575.8	5,744.6	2,787.0	40.3	3.4	0.5	22,318.5	8,740.0	9,463.1	2,863.5	477.5	774.3
2009 Q3	8,575.8	5,744.6	2,787.0	40.3	3.4	0.5	22,318.5	8,740.0	9,463.1	2,863.5	477.5	774.3
2009 Oct.	8,466.1	5,649.5	2,778.9	32.3	5.0	0.5	22,246.6	8,783.4	9,168.3	3,031.0	489.8	774.1
	Transactions											
2006	1,134.3	683.0	439.1	10.8	1.3	0.1	2,061.4	487.8	1,473.1	322.3	-107.0	-114.8
2007	1,088.8	984.5	100.7	3.7	-0.4	0.3	2,043.1	1,005.1	911.3	218.4	-62.9	-28.8
2008 Q1	-902.7	-830.8	-68.8	-0.2	-2.6	-0.2	514.9	111.6	430.7	-9.2	-9.4	-8.7
2008 Q2	-400.7	-151.7	-255.9	6.6	0.3	0.0	593.6	430.4	249.2	-66.4	-13.2	-6.5
2008 Q3	293.6	-102.9	400.3	-3.1	-0.6	-0.1	698.7	-23.7	616.2	124.7	-5.0	-13.6
2008 Q4	758.8	1,104.3	-342.8	-2.4	-0.3	0.0	3,489.3	799.2	2,577.8	75.1	10.6	26.7
2008	-251.0	18.9	-267.2	0.8	-3.2	-0.3	5,296.5	1,317.5	3,873.9	124.2	-17.0	-2.1
2009 Q1	-2,116.1	-1,365.2	-758.6	6.7	0.9	0.1	20.6	63.6	-119.2	78.2	-9.5	7.5
2009 Apr.	-144.6	-258.7	115.6	-0.7	-0.8	0.0	-17.7	196.7	-176.1	-36.5	-2.8	1.0
2009 May	334.4	376.8	-43.0	0.6	0.1	0.0	-126.2	77.4	-244.0	19.7	21.7	-1.0
2009 June	-480.5	107.4	-594.2	6.6	-0.3	0.0	-66.4	-60.2	-91.0	10.4	76.7	-2.3
2009 Q2	-290.7	225.5	-521.7	6.5	-1.0	0.0	-210.3	213.9	-511.2	-6.5	95.7	-2.2
2009 July	-44.5	-112.3	68.2	-0.3	0.0	0.0	-83.6	-11.2	-155.6	30.4	54.7	-1.9
2009 Aug.	247.4	-302.1	548.4	0.8	0.3	0.0	-218.5	-21.4	-382.3	111.3	79.3	-5.4
2009 Sep.	256.4	-63.4	315.3	3.3	1.2	0.0	-313.6	-59.5	-518.5	231.7	38.3	-5.6
2009 Q3	211.9	-175.8	383.5	2.9	1.2	0.0	-397.2	-70.7	-674.1	262.2	93.0	-7.5
2009 Oct.	146.7	-158.6	307.2	-4.8	2.8	0.0	-385.4	-16.1	-813.3	399.2	50.6	-5.7

Source: NBS.

Note: Data are calculated according to new methodology (are based on a sum of residents of Slovakia and other member states of the euro area).



TABLE 5 Deposits

(EUR mil.; annual growth rates; outstanding amounts and growth rates at end-of-period; transactions during period)

	Non-financial corporations						Households					
	Total	Overnight	With agreed maturity		Redeemable at notice		Total	Overnight	With agreed maturity		Redeemable at notice	
			up to 2 years	over 2 years	up to 3 months	over 3 months			up to 2 years	over 2 years	up to 3 months	over 3 months
	1	2	3	4	5	6	7	8	9	10	11	12
	Growth rates											
2007	11.0	16.3	2.6	18.9	-7.1	69.9	13.1	16.2	15.2	10.0	-16.6	-3.6
2008 Q1	0.6	6.0	-7.1	39.2	-51.3	10.8	13.5	13.9	18.9	6.5	-12.7	-1.5
2008 Q2	-6.3	1.4	-17.2	144.0	-43.6	-17.2	13.6	15.7	18.1	3.6	-10.5	-2.7
2008 Q3	-3.1	1.4	-9.3	106.6	-54.0	-38.3	14.5	10.9	24.0	7.6	-9.5	-3.2
2008 Q4	-2.3	0.3	-6.8	3.6	-58.5	-44.3	30.1	18.3	56.2	5.2	-5.4	-0.3
2008	-2.3	0.3	-6.8	3.6	-58.5	-44.3	30.1	18.3	56.2	5.2	-5.4	-0.3
2009 Q1	-14.5	-8.3	-24.6	33.3	10.5	-3.3	26.5	17.3	45.4	8.8	-5.6	1.8
2009 Apr.	-15.0	-2.1	-31.4	34.5	-15.8	2.5	24.3	17.4	39.5	8.2	-4.6	2.7
2009 May	-15.2	-5.2	-29.9	41.1	-17.1	2.0	23.1	16.3	37.5	8.8	4.3	2.9
2009 June	-13.9	-2.3	-33.7	25.8	-33.2	-2.6	21.4	13.6	33.8	11.7	31.4	2.4
2009 Q2	-13.9	-2.3	-33.7	25.8	-33.2	-2.6	21.4	13.6	33.8	11.7	31.4	2.4
2009 July	-15.6	0.3	-38.7	22.9	-35.6	8.0	19.2	12.6	27.9	13.5	49.3	2.7
2009 Aug.	-14.1	2.3	-34.4	64.6	-9.6	15.5	17.1	12.8	21.0	17.0	59.2	2.8
2009 Sep.	-14.3	-3.5	-30.8	51.6	29.7	16.2	14.9	13.0	15.5	16.7	66.0	3.3
2009 Q3	-14.3	-3.5	-30.8	51.6	29.7	16.2	14.9	13.0	15.5	16.7	66.0	3.3
2009 Oct.	-9.9	-2.1	-22.7	40.8	125.4	19.0	11.0	12.4	5.1	22.7	71.1	3.7

Source: NBS.

Note: Data are calculated according to new methodology (are based on a sum of residents of Slovakia and other member states of the euro area).



TABLE 6 Loans

(EUR mil.; annual growth rates; outstanding amounts and growth rates at end-of-period; transactions during period)

	Non-financial corporations				Households			
	Total	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total	Consumer loans	Loans for house purchase	Other loans
	1	2	3	4	5	6	7	8
	Outstanding amounts							
2006	10,900.0	4,501.0	2,136.0	4,264.0	7,901.0	1,191.0	5,209.0	1,501.0
2007	13,470.0	5,805.0	2,746.0	4,919.0	10,101.0	1,379.0	6,773.0	1,949.0
2008 Q1	14,319.0	6,291.0	2,922.0	5,107.0	10,594.0	1,429.0	7,124.0	2,040.0
2008 Q2	14,881.0	6,542.0	3,003.0	5,336.0	11,372.0	1,537.0	7,647.0	2,188.0
2008 Q3	15,467.0	6,603.0	3,341.0	5,522.0	12,081.0	1,648.0	8,128.0	2,304.0
2008 Q4	15,478.0	6,257.0	3,483.0	5,737.0	12,613.0	1,694.0	8,536.0	2,382.0
2008	15,478.0	6,257.0	3,483.0	5,737.0	12,613.0	1,694.0	8,536.0	2,382.0
2009 Q1	15,647.0	6,255.0	3,612.0	5,780.0	12,881.0	1,728.0	8,710.0	2,443.0
2009 Apr.	15,547.0	6,087.0	3,665.0	5,795.0	12,998.0	1,767.0	8,786.0	2,445.0
2009 May	15,424.0	5,904.0	3,752.0	5,768.0	13,135.0	1,793.0	8,872.0	2,470.0
2009 June	15,314.0	5,794.0	3,819.0	5,701.0	13,296.0	1,822.0	8,985.0	2,489.0
2009 Q2	15,314.0	5,794.0	3,819.0	5,701.0	13,296.0	1,822.0	8,985.0	2,489.0
2009 July	15,244.0	5,660.0	3,865.0	5,718.0	13,440.0	1,847.0	9,086.0	2,507.0
2009 Aug.	15,381.0	5,656.0	3,986.0	5,739.0	13,558.0	1,864.0	9,171.0	2,523.0
2009 Sep.	15,340.0	5,592.0	4,028.0	5,720.0	13,676.0	1,885.0	9,225.0	2,566.0
2009 Q3	15,340.0	5,592.0	4,028.0	5,720.0	13,676.0	1,885.0	9,225.0	2,566.0
2009 Oct.	15,332.0	5,599.0	4,007.0	5,726.0	13,773.0	1,899.0	9,299.0	2,576.0
	Transactions							
2006	1,824.0	576.0	413.0	836.0	1,857.0	238.0	1,226.0	391.0
2007	2,764.0	1,466.0	629.0	669.0	2,251.0	210.0	1,575.0	464.0
2008 Q1	875.0	776.0	569.0	677.0	935.0	617.0	814.0	651.0
2008 Q2	596.0	268.0	86.0	243.0	784.0	111.0	523.0	150.0
2008 Q3	564.0	52.0	336.0	177.0	713.0	115.0	482.0	116.0
2008 Q4	45.0	-325.0	143.0	227.0	556.0	63.0	411.0	82.0
2008	2,080.0	771.0	1,134.0	1,324.0	2,988.0	906.0	2,230.0	999.0
2009 Q1	162.0	-5.0	128.0	39.0	270.0	34.0	174.0	62.0
2009 Apr.	-95.0	-170.0	54.0	21.0	118.0	39.0	77.0	2.0
2009 May	-110.0	-179.0	91.0	-22.0	138.0	26.0	86.0	26.0
2009 June	-108.0	-109.0	67.0	-66.0	165.0	33.0	113.0	20.0
2009 Q2	-313.0	-458.0	212.0	-67.0	421.0	98.0	276.0	48.0
2009 July	-70.0	-134.0	46.0	18.0	145.0	26.0	101.0	18.0
2009 Aug.	140.0	-3.0	121.0	22.0	119.0	17.0	86.0	16.0
2009 Sep.	-32.0	-60.0	43.0	-15.0	120.0	22.0	54.0	44.0
2009 Q3	38.0	-197.0	210.0	25.0	384.0	65.0	241.0	78.0
2009 Oct.	-7.0	8.0	-21.0	6.0	107.0	22.0	74.0	11.0

Source: NBS.

Note: Data are calculated according to new methodology (are based on a sum of residents of Slovakia and other member states of the euro area).



TABLE 6 Loans

(EUR mil.; annual growth rates; outstanding amounts and growth rates at end-of-period; transactions during period)

	Non-financial corporations				Households			
	Total	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total	Consumer loans	Loans for house purchase	Other loans
	1	2	3	4	5	6	7	8
	Growth rates							
2007	25.6	33.0	29.6	15.7	28.6	17.8	30.3	31.1
2008 Q1	30.4	34.5	36.8	22.6	28.6	16.4	30.3	32.3
2008 Q2	25.9	26.2	33.9	21.6	28.8	22.8	29.5	30.9
2008 Q3	22.6	22.3	38.7	15.0	28.5	25.8	29.0	28.6
2008 Q4	15.5	8.4	27.1	17.3	25.3	24.8	26.1	22.9
2008	15.5	8.4	27.1	17.3	25.3	24.8	26.1	22.9
2009 Q1	9.6	-0.2	23.7	13.5	21.9	22.7	22.3	20.1
2009 Apr.	7.3	-3.8	24.2	11.1	20.1	21.9	20.4	17.8
2009 May	6.4	-6.9	27.9	10.5	18.6	20.8	18.9	16.2
2009 June	3.1	-11.3	27.3	7.1	17.2	20.3	17.5	14.0
2009 Q2	3.1	-11.3	27.3	7.1	17.2	20.3	17.5	14.0
2009 July	0.1	-14.8	21.3	5.8	15.7	18.1	16.1	12.7
2009 Aug.	-0.1	-15.1	21.4	5.5	14.6	16.9	15.0	11.7
2009 Sep.	-0.5	-15.0	20.8	4.1	13.5	15.9	13.5	11.7
2009 Q3	-0.5	-15.0	20.8	4.1	13.5	15.9	13.5	11.7
2009 Oct.	-1.5	-14.0	18.4	1.1	12.1	14.8	12.1	10.2

Source: NBS.

Note: Data are calculated according to new methodology (are based on a sum of residents of Slovakia and other member states of the euro area).



3 PRICES AND COSTS OF LABOUR

TABLE 7 Harmonised index of consumer prices

(annual percentage changes, unless otherwise indicated)

	Total					Total (percentage change on previous period)						Administered prices ¹⁾	
	Index 2005=100	Total (annual percentage change)	Total excl. unprocessed food and energy (core inflation)	Goods	Services	Total	Processed food	Unprocessed food	Non-energy industrial goods	Energy	Services	Total HICP excluding administered prices	Administered prices
weights in % ²⁾	100.0	100.0	76.3	67.7	32.3	100.0	16.2	7.5	27.7	16.3	32.3	76.1	23.9
	1	2	3	4	5	6	7	8	9	10	11	12	13
2005	100.0	2.8	1.7	1.7	5.3	-	-	-	-	-	-	0.9	9.3
2006	104.3	4.3	2.1	4.6	3.5	-	-	-	-	-	-	1.5	12.6
2007	106.2	1.9	1.9	1.4	2.9	-	-	-	-	-	-	1.9	2.0
2008	110.4	3.9	3.9	3.5	4.8	-	-	-	-	-	-	3.5	5.4
2008 Q2	110.3	4.0	4.0	3.8	4.4	1.0	1.1	4.2	0.0	1.1	0.8	3.8	4.6
2008 Q3	110.7	4.5	4.2	4.2	5.0	0.4	0.1	-3.4	0.0	1.3	1.4	4.2	5.4
2008 Q4	111.5	3.9	3.9	3.0	5.7	0.6	1.7	-3.1	0.0	0.5	1.6	2.6	7.9
2009 Q1	111.7	2.3	2.9	0.8	5.5	0.2	0.7	1.3	-0.5	-2.0	1.5	1.0	6.4
2009 Q2	111.4	1.1	1.8	-0.9	5.0	-0.3	-2.1	0.3	-0.7	0.6	0.4	-0.5	5.8
2009 Q3	111.2	0.4	1.2	-1.0	4.2	-0.2	-0.6	-5.0	-0.5	0.9	0.7	-1.2	5.4
2009 May	111.5	1.1	1.8	-0.8	5.1	0.1	-0.2	1.5	-0.3	0.3	0.0	-0.4	5.8
2009 June	111.5	0.7	1.6	-1.3	4.9	0.0	-0.6	-0.4	-0.2	0.7	0.2	-0.9	5.7
2009 July	111.3	0.6	1.5	-1.4	4.7	-0.1	0.0	-3.4	-0.1	0.3	0.4	-1.1	6.1
2009 Aug.	111.1	0.5	1.2	-1.4	4.4	-0.2	-0.2	-2.5	-0.2	0.1	0.2	-1.2	6.0
2009 Sep.	111.1	0.0	0.8	-1.6	3.6	-0.1	0.0	-0.3	-0.3	0.0	0.0	-1.2	4.1
2009 Oct.	111.2	-0.1	0.7	-1.8	3.4	0.2	0.7	-1.3	0.3	0.0	0.2	-1.3	3.5
2009 Nov.	111.6	0.0	0.6	-1.4	3.0	0.3	1.4	0.5	-0.1	0.4	0.0	-0.8	2.7

Source: Statistical Office of the Slovak Republic and NBS calculations.

1) According to ECB methodology.

2) Weights apply to the period of 2009.



TABLE 7 Harmonised index of consumer prices (continuation)

(annual percentage changes, unless otherwise indicated)

	Goods						Services					
	Food (incl. alcoholic beverages and tobacco)			Industrial goods			Housing		Transport	Communication	Recreation and personal	Miscellaneous
	Total	Processed food	Unprocessed food	Total	Non-energy industrial goods	Energy		Rents				
weights in % ²⁾	23.7	16.2	7.5	44.0	27.7	16.3	5.8	0.9	4.5	3.8	13.4	4.8
	14	15	16	17	18	19	20	21	22	23	24	25
2005	-0.7	-1.7	1.1	3.1	-0.5	8.2	7.6	5.7	3.4	-1.1	5.6	12.0
2006	2.3	1.4	4.1	6.0	0.6	13.1	5.8	2.4	2.4	-1.1	3.5	6.3
2007	4.1	4.7	3.0	-0.1	-1.1	1.3	2.4	4.0	3.8	-0.3	3.3	4.2
2008	6.4	8.0	3.0	2.0	0.4	4.5	4.7	2.6	4.6	-0.8	5.6	7.2
2008 Q1	6.3	8.5	1.9	1.4	-0.2	3.7	4.3	2.8	4.0	-0.6	4.5	6.1
2008 Q2	7.3	9.0	4.1	1.9	0.5	4.1	4.6	2.3	4.2	-0.8	5.1	7.1
2008 Q3	7.6	8.5	5.6	2.5	0.8	5.1	4.9	2.4	4.1	-0.9	6.0	7.7
2008 Q4	4.3	6.2	0.4	2.2	0.4	5.1	5.1	3.0	6.2	-0.9	6.8	8.0
2009 Q1	2.1	3.6	-1.2	0.1	-0.5	0.9	4.8	5.4	6.3	-0.8	6.2	8.3
2009 Q2	-1.3	0.4	-5.0	-0.6	-1.2	0.4	4.4	5.7	5.7	-0.7	5.8	7.7
2009 Q3	-2.0	-0.6	-6.5	-1.0	-1.6	0.1	4.2	5.1	4.6	1.1	4.2	7.1
2009 May	-1.2	0.4	-4.4	-0.7	-1.2	0.2	4.3	5.4	5.6	-0.7	5.9	7.7
2009 June	-2.2	0.0	-6.8	-0.7	-1.4	0.5	4.3	6.2	5.4	-0.7	5.5	7.7
2009 July	-2.4	-0.1	-7.3	-0.8	-1.5	0.5	4.0	5.8	5.4	1.1	4.9	7.6
2009 Aug.	-2.5	-0.4	-7.0	-0.8	-1.6	0.6	3.9	5.1	4.9	0.9	4.5	7.2
2009 Sep.	-2.0	-0.5	-5.3	-1.4	-1.7	-0.8	3.8	4.7	3.8	1.1	3.1	6.5
2009 Oct.	-2.4	-0.6	-6.2	-1.5	-1.6	-1.1	4.5	5.2	3.1	1.2	2.7	5.8
2009 Nov.	-1.8	-0.2	-5.2	-1.2	-1.7	-0.2	4.3	5.0	1.3	1.2	2.5	5.8

Source: Statistical Office of the Slovak Republic and NBS calculations.

1) According to ECB methodology.

2) Weights apply to the period of 2009.



TABLE 8 CPI

(annual percentage changes, unless otherwise indicated)

	Total					Total (percentage changes from previous period)						Net inflation excluding fuels	Net inflation
	Index 2005=100	Total	Core inflation	Regulated prices	Contribution of changes in indirect taxes	Total	Food	Tradable goods without fuels	Fuels	Market services	Regulated prices		
weights in %	100	100	77.1	22.9	-	100	14.3	30.2	2.6	30.1	22.9	60.3	62.9
	1	2	3	4	5	6	7	8	9	10	11	12	13
2005	100	2.7	1.0	8.2	.	-	-	-	-	-	-	1.5	1.8
2006	104.5	4.5	2.5	10.5	0.2	-	-	-	-	-	-	2.6	2.8
2007	107.4	2.8	2.9	1.7	0.2	-	-	-	-	-	-	3.1	2.6
2008	112.3	4.6	4.6	4.5	0	-	-	-	-	-	-	3.6	3.8
2008 Q1	110.8	4.0	4.3	3.1	0.0	2.0	3.4	0.4	2.7	2.9	2.4	2.8	3.3
2008 Q2	111.8	4.5	4.7	3.9	0.0	0.9	2.6	0.1	3.4	0.9	0.6	3.0	3.5
2008 Q3	112.7	5.1	5.3	4.5	-0.1	0.8	-1.2	0.2	2.1	2.6	0.8	3.9	4.3
2008 Q4	113.8	4.8	4.1	6.4	0.1	1.0	-1.1	-0.2	-13.7	3.2	2.5	4.8	4.2
2009 Q1	114.1	3.0	1.9	5.0	0.3	0.2	0.4	-0.6	-13.8	1.5	1.1	3.6	2.2
2009 Q2	113.9	1.9	0.7	4.7	0.3	-0.1	-1.8	-0.8	4.6	0.6	0.3	3.0	1.7
2009 Q3	114.1	1.2	-0.1	4.5	0.3	0.1	-3.5	-0.5	5.9	1.6	0.6	2.3	1.1
2009 Mar.	113.9	2.5	1.4	4.8	0.3	-0.2	-0.9	-0.6	-0.1	0.0	0.2	3.1	1.7
2009 Apr.	113.8	2.1	0.9	4.9	0.3	-0.1	-1.2	-0.1	1.8	0.0	0.2	3.0	1.7
2009 May	113.9	1.9	0.6	4.7	0.3	0.1	0.4	-0.1	1.9	0.1	0.0	2.9	1.6
2009 June	114.2	1.8	0.5	4.6	0.3	0.2	-0.8	-0.2	4.8	0.9	0.0	3.1	1.8
2009 July	114.2	1.7	0.2	5.1	0.3	0.0	-2.0	-0.2	2.1	0.6	0.4	2.9	1.6
2009 Aug.	114.0	1.3	-0.2	5.0	0.3	-0.1	-1.5	-0.2	0.1	0.4	0.1	2.3	1.2
2009 Sep.	114.0	0.6	-0.6	3.5	0.3	0.0	-0.3	-0.2	-0.2	0.2	0.2	1.5	0.5
2009 Oct.	114.2	0.4	-0.8	3.2	0.3	0.1	-0.7	0.1	-0.4	0.2	0.3	1.2	0.4
2009 Nov.	114.5	0.4	-0.5	2.3	0.2	0.3	0.5	0.0	1.8	0.1	0.1	0.9	0.7

Source: Statistical Office of the SR and NBS calculations.



TABLE 8 CPI

(annual percentage changes, unless otherwise indicated)

	Core inflation										Regulated prices		
	Food	Tradable goods without fuels					Market services	Housing	Hotels, cafés and restaurants	Miscellaneous services	Electricity	Gas	Heat
		Tradable goods excluding fuels	Recreation and culture	Furnishings, household equipment	Transport	Fuels							
weights in %	14.3	30.2	6.0	5.4	5.4	2.6	30.1	11.3	6.0	8.4	3.9	3.2	4.4
	14	15	16	17	18	19	20	21	22	23	24	25	26
2005	-1.2	-2.0	-1.6	-3.5	0.7	6.3	6.0	8.6	3.5	3.0	.	.	.
2006	1.5	-0.8	-0.8	-0.9	-0.2	6.0	6.5	10.6	1.1	3.8	.	.	.
2007	4.0	-0.2	-0.9	-0.1	-5.5	-4.8	6.8	12.7	2.5	2.2	-0.2	1.7	4.7
2008	8.1	0.5	-0.2	-0.1	0.9	6.8	7.3	14.8	5.1	1.6	2.6	-0.2	8.2
2008 Q1	8.7	0.2	-0.3	-0.5	3.6	11.9	5.8	10.8	3.9	2.2	2.6	-0.2	2.8
2008 Q2	10.2	0.5	-0.4	-0.2	3.3	10.6	6.0	11.3	3.9	1.9	2.6	-0.2	4.5
2008 Q3	9.7	0.7	0.1	0.5	3.3	11.3	7.6	14.9	5.4	2.2	2.6	-0.2	7.9
2008 Q4	3.7	0.5	0.0	-0.3	-6.7	-6.6	10.0	22.1	7.1	0.3	2.6	-0.2	17.5
2009 Q1	0.7	-0.6	-1.8	-0.8	-15.7	-21.6	8.4	17.7	6.2	0.5	6.7	0.9	6.3
2009 Q2	-3.5	-1.5	-1.8	-2.0	-16.0	-20.6	8.1	16.3	6.3	0.8	6.7	0.9	4.5
2009 Q3	-5.8	-2.2	-2.9	-3.6	-14.4	-17.6	7.0	14.4	4.8	0.8	6.7	0.9	1.5
2009 Mar.	-0.2	-1.1	-2.0	-1.2	-17.1	-22.0	7.9	16.1	6.3	0.7	6.7	0.9	5.4
2009 Apr.	-2.5	-1.3	-2.0	-1.3	-16.2	-21.0	7.9	15.7	6.4	0.8	6.7	0.9	5.1
2009 May	-3.3	-1.4	-1.9	-1.9	-16.4	-21.4	7.9	15.9	6.4	0.9	6.7	0.9	4.2
2009 June	-4.8	-1.7	-1.7	-2.7	-15.3	-19.5	8.4	17.5	6.2	0.8	6.7	0.9	4.0
2009 July	-5.6	-2.1	-3.1	-3.2	-15.3	-19.2	8.4	17.7	5.9	0.9	6.7	0.9	3.8
2009 Aug.	-6.2	-2.2	-3.0	-3.7	-14.4	-17.8	7.2	14.6	5.6	0.8	6.7	0.9	2.9
2009 Sep.	-5.7	-2.3	-2.7	-3.8	-13.4	-15.9	5.4	11.1	2.8	0.8	6.7	0.9	-2.3
2009 Oct.	-6.4	-2.2	-2.7	-3.9	-11.2	-13.4	4.7	9.4	2.7	0.7	6.7	0.9	-4.6
2009 Nov.	-5.6	-2.2	-2.0	-3.9	-5.9	-3.0	4.0	6.9	2.6	1.5	.	.	.

Source: Statistical Office of the SR and NBS calculations.



TABLE 9 Producer prices and residential property prices

(annual percentage changes)

	Industrial producer price indices according to CPA							Agricultural products			Construction work prices	Construction material prices	Residential property prices
	Industry total	Industry export	Industry domestic	Mining/quarrying products	Manufactured products	Energy	Water supply and sewerage ¹⁾	Agricultural and fishing products	Crop product	Animal products			
weights in %	-	-	100.0	0.2	63.2	37.2	0.1	100.0	-	-	-	-	-
	1	2	3	4	5	6	7	8	9	10	11	12	13
2005	5.3	6.1	3.8	4.7	1.3	7.4	14.4	-2.4	-10.8	1.4	4.3	4.4	-10.3
2006	5.7	2.7	6.4	23.2	1.5	13.9	11.4	-0.2	1.1	-0.7	3.9	2.9	16.8
2007	-1.2	-4.1	1.8	-2.2	0.2	4.2	-0.1	5.4	24.0	-2.0	4.0	5.6	23.9
2008	2.8	0.3	6.1	16.8	2.0	11.6	5.9	4.1	1.6	5.3	5.6	3.3	22.1
2008 Q3	3.4	1.2	6.6	18.5	2.4	12.1	7.1	8.9	13.2	5.8	6.3	2.6	19.9
2008 Q4	0.2	-4.8	6.7	28.4	-0.6	16.4	7.3	-12.4	-26.1	-0.9	5.7	1.3	6.4
2009 Q1	-5.1	-10.5	2.0	15.7	-4.5	10.3	4.9	-22.9	-40.2	-13.3	4.3	0.4	-4.3
2009 Q2	-7.5	-11.5	-2.2	3.4	-6.7	3.5	4.0	-27.7	-41.6	-22.8	2.8	-5.8	-13.4
2009 Q3	-7.9	-10.6	-4.6	-10.3	-7.2	-1.3	4.3	-31.7	-35.7	-25.2	2.0	-8.5	-14.3
2009 May	-8.2	-12.6	-2.4	3.4	-7.0	3.2	4.4	-26.8	-42.2	-22.5	2.7	-6.5	-
2009 June	-7.6	-11.0	-3.2	-3.0	-7.2	1.9	3.6	-26.4	-37.8	-22.9	2.9	-6.6	-
2009 July	-8.2	-11.5	-4.2	-6.6	-7.3	-0.3	4.1	-34.5	-41.0	-25.1	2.7	-7.6	-
2009 Aug.	-7.9	-10.5	-4.6	-9.8	-7.3	-1.0	4.2	-32.8	-35.5	-27.0	1.9	-8.7	-
2009 Sep.	-7.7	-9.8	-5.2	-14.5	-7.0	-2.5	4.8	-27.7	-30.5	-23.4	1.5	-9.1	-
2009 Oct.	-8.2	-10.0	-5.8	-14.8	-6.8	-4.3	5.0	-22.4	-22.8	-21.9	1.6	-10.0	-

	Industrial producers by Main Industrial Grouping (MIG)							
	Industry total	Industry export	Industry domestic	Energy related activities	Intermediate goods (excl. energy)	Capital goods industry	Durable consumer goods	Non-durable consumer goods
weights in %	-	-	100.0	42.4	23.9	17.2	0.8	15.2
	14	15	16	17	18	19	20	21
2005	5.3	6.1	3.8	9.7	2.5	2.0	-4.7	-2.5
2006	5.7	2.7	6.4	15.9	2.0	1.1	-2.7	0.0
2007	-1.2	-4.1	1.8	3.1	2.5	-0.6	-6.0	2.2
2008	2.8	0.3	6.1	12.2	2.5	-2.7	-4.1	3.4
2008 Q3	3.4	1.2	6.7	13.6	3.3	-4.5	-3.1	3.6
2008 Q4	0.2	-4.8	6.7	14.8	1.6	-3.2	-5.1	1.6
2009 Q1	-5.1	-10.5	2.0	6.8	-3.6	-1.4	-0.2	-0.2
2009 Q2	-7.5	-11.5	-2.2	0.1	-8.1	-0.4	-1.1	-1.8
2009 Q3	-7.9	-10.6	-4.6	-4.3	-10.2	0.7	-4.0	-2.5
2009 May	-8.2	-12.6	-2.4	-0.3	-8.7	-0.5	-0.9	-1.7
2009 June	-7.6	-11.0	-3.2	-1.5	-9.0	-0.1	-1.8	-2.4
2009 July	-8.2	-11.5	-4.2	-3.5	-9.4	-0.1	-3.2	-2.5
2009 Aug.	-7.9	-10.5	-4.6	-4.1	-10.5	1.1	-4.2	-2.5
2009 Sep.	-7.7	-9.8	-5.2	-5.2	-10.5	1.1	-4.6	-2.5
2009 Oct.	-8.2	-10.0	-5.8	-6.4	-10.6	0.7	-5.1	-2.5

Source: Statistical Office of the SR, NBS.

1) According to NACE Rev. 2 as of 1 January 2009.

**TABLE 10 Wages and productivity***(annual percentage changes)*

	Total	Agriculture, hunting and forestry; fishing	Industry	Construction	Wholesale and retail trade	Financial, real estate, renting and business activities	General government, education, healthcare and other services
	1	2	3	4	5	6	7
Unit labour costs (ULC)							
2005	4.3	7.0	-1.7	-10.5	8.4	17.9	7.2
2006	1.5	-9.9	-4.0	-2.4	6.8	-5.5	6.9
2007	0.1	-0.9	0.1	4.1	0.4	4.8	-5.0
2008	2.5	17.4	6.0	3.9	-7.4	0.5	11.4
2008 Q2	2.1	45.7	-0.6	10.8	-3.2	1.0	5.6
2008 Q3	1.9	11.7	12.2	7.5	-9.3	-4.9	5.7
2008 Q4	5.8	7.7	18.3	-7.6	-10.6	1.5	20.2
2009 Q1	12.6	-23.8	17.5	36.5	25.7	1.2	3.5
2009 Q2	11.1	-11.4	3.3	9.0	11.5	15.4	20.4
2009 Q3	6.0	-34.8	-15.3	-2.2	22.0	22.7	15.7
Compensation per employee (current prices)							
2005	9.7	12.7	7.4	5.5	10.1	7.6	12.5
2006	7.6	8.4	11.1	11.8	1.4	5.4	9.2
2007	8.3	12.0	10.9	4.8	13.2	2.4	3.6
2008	6.0	10.9	9.6	-0.3	-3.2	17.2	8.0
2008 Q2	6.4	13.3	11.2	0.8	-2.7	16.3	7.5
2008 Q3	5.3	12.4	8.8	-1.8	-2.2	15.6	5.7
2008 Q4	5.4	13.2	7.1	1.8	-3.8	18.6	7.7
2009 Q1	6.5	2.5	4.1	11.5	3.9	11.2	8.5
2009 Q2	6.4	7.2	2.4	8.4	3.0	16.4	8.1
2009 Q3	4.8	-4.6	-1.4	1.4	1.9	11.2	13.8
Labour productivity (constant prices)							
2005	5.2	-1.3	7.2	7.0	3.5	-5.4	9.0
2006	6.0	20.8	15.9	14.2	-3.5	10.0	2.6
2007	8.2	13.5	11.0	0.7	13.2	-2.0	9.2
2008	3.5	-4.1	4.4	-3.5	4.6	16.7	-2.8
2008 Q2	4.3	-22.2	11.9	-9.1	0.5	15.2	1.8
2008 Q3	3.4	0.6	-3.0	-8.6	7.8	21.5	0.0
2008 Q4	-0.5	5.1	-9.4	10.1	7.6	16.7	-10.4
2009 Q1	-5.4	34.6	-11.4	-18.3	-17.4	9.9	4.8
2009 Q2	-4.3	20.9	-0.8	-0.5	-7.6	0.9	-10.2
2009 Q3	-1.2	46.4	16.3	3.6	-16.5	-9.4	-1.7

Source: Statistical Office of the SR and NBS calculations.



4 REAL ECONOMY (GDP, LABOUR MARKET, ECONOMIC INDICATORS)

TABLE 11 Industrial and construction production indices

(annual percentage changes, unless otherwise indicated)

	Industrial production by economic activity					Industrial production by MIG ²⁾				Construction production
	Industry in total (index, 2005=100)	Industry in total	Manufacturing	Mining and quarrying	Electricity, gas, steam and air conditioning supply	Intermediate goods	Capital goods	Consumer goods		
								Durables	Non-durables	
1	2	3	4	5	6	7	8	9	10	
2005	100.0	-2.4	-2.9	-14.4	2.3	-3.4	-2.7	19.4	-1.0	14.6
2006	112.2	12.2	16.6	-3.2	-2.9	6.5	32.6	94.8	20.1	14.9
2007	130.4	16.1	19.6	15.4	-0.4	4.2	47.3	46.2	-2.6	5.8
2008	134.0	2.8	8.0	-10.7	2.6	-1.3	9.9	4.7	1.0	12.0
2008 Q4	122.4	-12.2	-6.7	-9.8	-6.0	-14.9	-18.8	-4.0	-2.4	14.3
2009 Q1	112.3	-18.8	-24.0	-2.2	-9.8	-27.1	-34.5	9.3	-17.6	-13.6
2009 Q2	113.8	-19.9	-24.8	-3.2	-1.0	-23.6	-38.6	3.4	-8.4	-5.9
2009 Q3	119.6	-10.2	-12.3	5.0	-14.2	-6.0	-26.0	8.0	-5.4	-7.9
2009 May	108.2	-24.3	-27.0	-4.1	-10.1	-23.0	-40.0	-12.8	-3.5	-3.9
2009 June	118.2	-19.8	-23.6	2.0	5.8	-20.2	-30.2	-21.1	-15.8	-0.3
2009 July	110.1	-22.9	-25.3	5.1	-13.6	-18.8	-40.3	-1.1	-10.8	-5.5
2009 Aug.	114.8	-7.8	-6.8	0.6	-14.2	-3.0	-16.7	10.9	-8.5	0.1
2009 Sep.	133.8	-5.6	-4.6	9.5	-14.8	4.9	-18.3	9.9	2.3	-16.9
2009 Oct.	142.7	-3.8	-4.1	6.0	-3.2	8.6	-11.4	-9.2	-5.3	-22.0
	month-on-month percentage changes ¹⁾									
2009 May	109.8	-5.6	-6.6	-4.1	-4.1	1.3	-2.6	-38.2	-1.0	4.5
2009 June	115.9	5.6	6.3	1.1	3.4	5.7	16.3	6.9	-7.4	-2.2
2009 July	114.5	-1.2	-1.5	5.3	1.2	2.7	-8.6	12.4	3.4	-2.5
2009 Aug.	127.6	11.4	15.1	-1.9	-4.4	8.8	12.2	12.5	-0.5	2.7
2009 Sep.	134.2	5.2	5.8	3.3	-2.2	5.3	4.4	6.1	5.5	-7.4
2009 Oct.	134.3	0.1	-0.2	-2.4	3.6	0.5	2.7	-5.0	-5.3	-7.3

Source: Statistical Office of the SR, NBS calculations; adjusted for calendar effects, not seasonally adjusted (unless otherwise indicated).

1) Seasonally adjusted (except for construction production, not adjusted for calendar effects).

2) Structure according to Main Industrial Groupings.



TABLE 12 Receipts

(annual percentage changes)

Receipts by branch

	Industrial orders (manufacturing; constant prices)		Total receipts of sectors													Registration of new passenger cars and light trucks	
	(index 2005 = 100)	current prices ²⁾	current prices ²⁾	Receipts from own output and sales		Construction		Sale and mainte- nance of vehicles	Whole- sale	Retail sale	Hotels and restaurants		Real estates, renting, business activi- ties	Post and telecom- muni- cations	Trans- port and storage	Total in thousands of units	Annual percent- age changes
				constant prices ¹⁾	current prices ²⁾	constant prices ¹⁾	current prices ²⁾				Accom- modation	Restau- rants					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
2005	100.0	4.3	.	.	9.1	.	.	.	.	.	.	.	.	.	.	71.3	5.4
2006	129.6	29.6	.	.	15.8	.	.	.	.	.	.	.	.	.	.	78.6	10.2
2007	157.8	21.8	.	.	12.5	.	.	.	.	.	.	.	.	.	.	83.3	6.0
2008	160.2	1.5	.	3.6	5.9	16.4	.	7.0	13.7	9.1	-2.9	2.4	.	.	.	96.9	16.4
2008 Q2	173.6	10.7	.	13.1	15.2	15.7	.	11.1	17.5	7.7	9.3	7.7	.	.	.	26.5	20.5
2008 Q3	157.5	1.1	.	4.5	6.7	17.2	.	5.7	15.4	9.8	-3.0	-1.0	.	.	.	23.4	19.5
2008 Q4	135.6	-20.2	.	-12.3	-9.6	16.1	.	-4.8	7.3	5.6	-7.2	-3.2	.	.	.	25.3	5.4
2009 Q1	112.6	-35.2	-20.8	-25.2	-25.6	-20.8	-17.3	-25.0	-25.1	-10.9	-27.3	-27.4	-1.4	9.4	-14.5	16.2	-25.6
2009 Q2	116.1	-33.1	-22.5	-25.8	-29.0	-8.8	-6.1	-12.3	-29.5	-10.5	-27.9	-30.9	-5.8	9.9	-17.5	32.0	20.9
2009 Q3	131.3	-16.6	-19.1	-16.4	-21.1	-9.0	-7.6	-16.5	-28.7	-9.7	-24.3	-29.1	-9.9	-1.1	-11.9	24.6	5.0
2009 Feb.	108.8	-38.5	-23.9	-29.4	-29.6	-20.3	-16.8	-33.4	-27.8	-14.5	-29.0	-25.9	-3.3	11.1	-10.7	4.5	-39.1
2009 Mar.	125.8	-29.3	-17.0	-17.4	-19.1	-19.1	-16.3	-7.5	-24.2	-11.7	-24.1	-27.6	-0.7	9.5	-16.5	7.7	2.5
2009 Apr.	114.1	-38.4	-23.6	-29.3	-31.1	-11.9	-9.3	-15.3	-28.9	-8.9	-25.9	-29.2	-5.6	10.8	-17.3	10.9	17.1
2009 May	112.5	-33.4	-23.3	-26.6	-30.2	-6.2	-3.6	-15.5	-30.2	-12	-30.0	-30.8	-5.0	10.4	-18.5	9.6	17.4
2009 June	121.7	-27.0	-20.7	-21.4	-25.6	-8.2	-5.5	-6.2	-29.5	-10.7	-27.7	-32.8	-6.7	8.5	-16.7	11.5	28.1
2009 July	117.9	-27.3	-21.4	-22.5	-26.3	-6.5	-4.1	-12.5	-30.4	-10.2	-24.7	-31.4	-8.1	-0.4	-10.8	11.2	20.1
2009 Aug.	126.5	-6.3	-17.3	-11.6	-17.3	-5.9	-4.5	-17.8	-29.5	-9.6	-25.3	-30.5	-11	-0.2	-10.9	7.4	5.4
2009 Sep.	149.6	-14.6	-18.4	-15.1	-19.6	-14.7	-13.4	-19.2	-26.3	-9.2	-22.9	-25.3	-10.5	-2.5	-13.9	6.0	-15.1
2009 Oct.	.	.	-18.1	-11.9	-16.8	-21.1	-19.9	-25.4	-27.8	-10.3	-16.7	-25.4	-9.0	1.1	-16.4	6.0	-36.5

Sources: Statistical Office of the SR, Eurostat, Automotive Industry Association of the SR and NBS calculations.

1) At constant prices of December 2005. Quarterly data refer to a simple average of indices (the same period of the previous year = 100) at constant prices for corresponding three months.

2) At current prices.

3) At constant prices of December 2000.



TABLE 12 Receipts

(annual percentage changes)

Receipts (Main Industrial Groupings)

	Mining and quarrying; manufacturing			Energy	Intermediate goods and capital goods				Consumer goods			
	Mining and quarrying	Manufacturing			Energy excluding supply of electricity, gas, steam, air conditioning and water	Intermediate goods	Capital goods		Durable consumer goods	Non/durable consumer goods	Consumer goods excluding food, beverages and tobacco	
	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾	current prices ¹⁾
	1	2	3	4	5	6	7	8	9	10	11	12
2005	9.4	18.3	9.3	9.3	16.0	7.2	13.2	-0.2	15.2	47.8	2.6	25.5
2006	16.4	16.1	16.4	16.9	33.1	14.6	9.5	22.4	19.1	43.8	4.5	26.6
2007	14.4	-1.4	14.7	1.5	-2.1	18.1	8.8	30.8	10.5	27.4	-1.6	16.2
2008	3.7	18.0	3.6	20.9	11.9	2.8	0.5	5.6	4.6	3.6	4.9	3.8
2008 Q2	13.0	27.8	12.9	28.6	13.1	14.7	9.1	21.3	7.2	2.9	11.3	5.9
2008 Q3	4.8	22.1	4.6	22.5	26.9	4.5	3.1	6.2	-0.7	-6.8	4.4	-3.7
2008 Q4	-14.5	8.7	-14.7	4.4	-27.1	-18.5	-17.0	-20.0	1.8	4.4	-2.4	1.9
2009 Q1	-31.7	5.4	-32.0	-7.3	-44.6	-36.0	-33.4	-38.7	-12.7	-7.7	-17.4	-11.1
2009 Q2	-32.2	-10.3	-32.4	-15.2	-31.5	-36.1	-33.9	-38.3	-17.2	-9.4	-24.1	-16.0
2009 Q3	-24.6	-9.6	-24.8	-15.8	-37.1	-26.8	-27.2	-25.8	-12.1	-1.4	-21.0	-9.5
2009 Feb.	-36.1	2.0	-36.4	-9.3	-47.6	-40.1	-35.3	-44.8	-17.9	-15.9	-20.0	-16.8
2009 Mar.	-23.0	-2.1	-23.1	-10.4	-43.0	-27.4	-28.7	-26.0	-1.2	12.5	-14.5	3.5
2009 Apr.	-35.0	-26.2	-35.1	-11.4	-26.6	-42.4	-36.2	-48.5	-8.4	9.4	-24.5	-3.7
2009 May	-33.2	0.8	-33.6	-17.6	-33.1	-36.6	-34.2	-39.1	-20.6	-15.7	-24.6	-19.9
2009 June	-28.4	-5.6	-28.6	-16.6	-34.8	-29.3	-31.2	-27.4	-22.5	-21.9	-23.1	-24.3
2009 July	-31.2	-8.4	-31.4	-16.1	-44.2	-34.1	-30.4	-37.9	-13.3	-0.3	-21.0	-11.0
2009 Aug.	-20.8	-13.4	-20.8	-13.7	-33.7	-22.4	-27.8	-15.2	-10.3	1.7	-20.6	-6.5
2009 Sep.	-22.0	-7.0	-22.2	-17.6	-33.5	-23.8	-23.5	-24.2	-12.8	-5.6	-21.2	-10.8
2009 Oct.	.	.	.	.	.	.	.	.	.	.	.	.

Sources: Statistical Office of the SR, Eurostat and NBS calculations.

1) At current prices.



TABLE 13 Nominal average wages

(annual percentage changes)

	Wages ¹⁾													
	Total		Agriculture, hunting and forestry; fishing	Industry	Construction	Wholesale and retail trade	Hotels and restaurants	Transport, storage and communication	Financial intermediation	Real estate, renting and business activities	Public administration and defence; social security	Education	Health and social work activities	Other social services
	EUR	year-on-year % changes												
2005	573.4	9.2	7.8	7.2	6.0	8.3	7.6	8.5	5.7	9.4	9.4	10.3	8.4	8.4
2006	622.8	8.0	8.6	6.8	5.0	7.4	6.7	6.5	9.6	10.3	10.3	8.5	8.5	6.2
2007	668.7	7.2	10.3	6.4	6.9	6.4	6.2	8.9	6.7	5.7	6.8	7.7	15.6	9.0
2008	723.0	8.1	8.9	6.9	7.7	9.8	2.9	5.4	3.6	9.2	8.8	8.5	11.9	9.5
2008 Q2	712.3	9.5	11.8	8.7	7.3	10.6	2.5	3.9	0.7	13.2	9.9	10.8	14.1	10.6
2008 Q3	704.6	8.8	11.2	7.8	8.6	10.9	2.6	6.8	5.2	7.4	12.0	6.0	9.5	9.2
2008 Q4	796.4	4.6	3.9	3.5	7.2	9.0	2.6	2.6	1.5	3.6	2.5	6.1	7.7	8.6

	EUR	year-on-year % changes	Agriculture, forestry and fishing	Industry	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles	Transporting and storage	Accommodation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence; social security	Education	Human health and social work activities	Arts, entertainment and recreation	Other activities
2009 Q1 ²⁾	710.5	4.7	-1.1	3.0	2.7	1.2	3.7	-8.5	3.9	-2.3	-6.0	9.1	7.9	11.0	7.8	6.7	8.0	7.4
2009 Q2	732.5	2.8	4.9	1.5	2.2	4.4	1.1	-6.7	3.5	3.8	-1.9	4.6	7.1	4.2	7.5	4.9	5.1	6.7
2009 Q3	722.5	2.5	-0.3	1.6	0.5	-3.0	-1.4	-4.3	0.4	-0.1	-6.1	3.7	10.6	4.1	6.8	5.6	9.0	6.2

	EUR	Industry	Construction	Sale, maintenance and repair of motor vehicles	Wholesale	Retail trade	Accommodation	Restaurants and catering	Transporting and storage	Information and communication	Selected market services
2009 Mar. ²⁾	682.6	2.9	1.4	3.8	-1.8	3.0	7.3	2.9	-1.2	8.5	6.2
2009 Apr.	682.4	2.5	5.1	1.9	1.7	4.2	8.9	6.5	3.6	3.2	6.5
2009 Máj	684.3	-0.7	0.2	-0.6	1.9	3.6	6.6	0.8	-0.1	5.7	5.8
2009 Jún	709.3	2.9	1.2	0.8	1.1	3.3	2.1	2.6	1.4	-0.9	6.3
2009 Júl	701.0	0.9	3.5	-3.4	0.0	2.9	-0.2	1.7	1.1	1.4	15.3
2009 Aug.t	676.8	2.2	0.0	-2.4	0.9	3.9	0.1	2.4	-0.4	1.3	3.0
2009 Sep.	689.7	1.8	-2.7	-3.1	2.6	5.6	1.4	1.7	0.9	1.5	3.7
2009 Okt.	690.4	0.9	-4.5	-2.2	-7.0	0.7	-0.5	1.6	-2.9	-2.9	6.0

Source: Statistical office of the SR and NBS calculations.

1) Statistical reports.

2) The Statistical office of the SR has applied new classification of economic activities SK NACE since 2009.



TABLE 14 Business and consumer surveys

(percentage balances¹⁾, unless otherwise indicated; seasonally adjusted)

	Economic sentiment indicator ²⁾ (long-term average = 100)	Manufacturing industry					Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation ³⁾ (percentages)	Total ⁴⁾	Financial situation of households over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total ⁴⁾	Order books	Stocks of finished products	Production expectations						
	1	2	3	4	5	6	7	8	9	10	11
2005	101.7	5.5	-6.2	2.2	24.8	78.8	-13.5	-10.9	-8.9	-1.0	-35.4
2006	110.4	9.0	-1.8	0.9	29.6	74.4	-9.8	-6.1	-6.1	-3.6	-30.5
2007	111.5	14.2	4.7	-4.1	33.8	74.0	-0.2	1.1	6.8	-13.1	-21.7
2008	90.9	-4.2	-11.7	3.6	2.8	69.3	-12.7	-13.6	-12.4	-0.2	-25.0
2008 Q3	95.0	0.0	-7.0	4.0	10.0	70.2	-10.1	-15.0	-9.0	-9.0	-25.0
2008 Q4	72.6	-20.8	-33.0	10.0	-19.0	61.1	-22.2	-15.0	-21.0	27.0	-26.0
2009 Q1	57.4	-30.1	-45.1	17.6	-27.8	52.1	-40.9	-21.5	-43.7	68.8	-29.5
2009 Q2	49.3	-25.8	-52.5	15.1	-9.8	51.4	-39.0	-21.0	-48.0	56.1	-30.9
2009 Q3	61.8	-11.5	-46.2	6.4	17.9	55.4	-31.7	-16.2	-38.5	43.4	-29.0
2009 Mar.	49.5	-31.0	-46.6	19.6	-27.0	-	-45.4	-24.9	-50.9	76.5	-29.1
2009 Apr.	45.9	-30.9	-50.6	17.0	-25.2	50.9	-44.3	-27.3	-53.5	63.0	-33.3
2009 May	46.5	-29.9	-52.2	9.5	-28.0	-	-36.8	-18.3	-44.6	54.7	-29.4
2009 June	55.4	-16.5	-54.7	18.8	23.9	-	-36.0	-17.5	-45.8	50.7	-30.1
2009 July	58.2	-9.9	-46.9	7.2	24.2	51.9	-34.7	-18.5	-45.2	46.4	-28.9
2009 Aug.	60.8	-11.4	-47.2	6.1	19.0	-	-34.3	-18.2	-42.1	47.7	-29.2
2009 Sep.	66.4	-13.3	-44.5	5.9	10.5	-	-26.2	-11.8	-28.3	36.1	-28.8
2009 Oct.	70.7	-8.7	-37.5	4.7	16.2	58.8	-30.9	-14.0	-32.5	46.9	-29.9
2009 Nov.	73.5	-5.6	-37.4	3.0	23.4	-	-31.5	-16.2	-32.4	47.2	-30.1

Source: European Commission.

1) Difference between the percentages of respondents giving positive and negative replies.

2) The economic sentiment indicator is composed of the industrial, services, consumer, construction, and retail trade confidence indicators; the industrial confidence indicator has a weight of 40%, the services confidence indicator a weight of 30%, the consumer confidence indicator a weight of 20%, and construction and retail trade indicators a weight of 5% each. Values of the economic sentiment indicator above (below) 100 indicate above – average (below – average) economic sentiment, calculated for the period 1993 to 2009.

3) Data are collected in January, April, July and October each year. The quarterly figures shown are averages of two successive surveys. Annual data are derived from quarterly averages.

4) The confidence indicators are calculated as simple averages of the components shown; the assessments of stocks (columns 4 and 17) and unemployment (column 10) are used with inverted signs for the calculation of confidence indicators.

**TABLE 14 Business and consumer surveys (continuation)***(percentage balances¹⁾, unless otherwise indicated; seasonally adjusted)*

	Construction confidence indicator			Retail trade indicator			Services confidence indicator				
	Total ⁴⁾	Order books	Employment expectations	Total ⁴⁾	Present business situation	Volume of stocks	Expected business situation	Total ⁴⁾	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
2005	-10.1	-24.6	4.5	14.6	14.8	5.1	34.2	33.6	24.6	33.7	42.5
2006	-1.6	-15.8	12.6	22.5	30.5	-2.7	34.2	43.5	40.1	43.9	46.7
2007	-4.8	-20.5	10.8	20.5	33.4	5.9	34.2	34.9	29.2	32.2	43.1
2008	-6.6	-23.8	10.6	20.0	32.7	7.2	34.5	19.0	10.6	20.1	26.2
2008 Q3	-4.5	-22.0	13.0	21.3	32.0	7.0	39.0	21.6	10.0	22.0	32.0
2008 Q4	-10.1	-29.0	9.0	10.8	18.0	12.0	26.0	5.3	1.0	9.0	7.0
2009 Q1	-25.4	-32.9	-17.9	-6.9	3.6	19.0	-5.4	-2.2	-2.7	2.5	-6.5
2009 Q2	-50.4	-57.9	-43.0	-21.3	-22.8	18.4	-22.7	-21.1	-27.9	-22.6	-12.8
2009 Q3	-52.1	-66.1	-38.1	-17.4	-27.8	13.1	-11.2	-15.0	-23.2	-13.4	-8.4
2009 Mar.	-36.1	-39.4	-32.8	-22.8	-16.3	17.3	-34.8	-12.4	-12.7	-6.2	-18.5
2009 Apr.	-48.2	-52.8	-43.7	-22.5	-22.7	18.2	-26.6	-19.8	-28.7	-21.7	-8.9
2009 May	-50.2	-59.2	-41.1	-20.5	-19.5	20.3	-21.7	-24.0	-28.3	-30.1	-13.5
2009 June	-52.9	-61.6	-44.2	-20.9	-26.3	16.8	-19.8	-19.6	-26.8	-16.1	-16.0
2009 July	-52.8	-63.7	-41.9	-22.7	-32.4	12.5	-23.0	-21.9	-27.8	-27.1	-10.8
2009 Aug.	-51.3	-66.7	-35.9	-14.8	-27.3	11.8	-5.3	-16.3	-24.3	-11.0	-13.6
2009 Sep.	-52.2	-67.8	-36.6	-14.7	-23.7	15.0	-5.3	-6.8	-17.4	-2.1	-0.8
2009 Oct.	-47.7	-65.2	-30.1	-11.8	-19.5	15.0	-0.9	-1.1	-9.5	1.8	4.3
2009 Nov.	-45.0	-64.9	-25.0	-15.0	-31.7	11.5	-1.8	1.8	-5.8	6.1	5.2

Source: European Commission.

1) Difference between the percentages of respondents giving positive and negative replies.

2) The economic sentiment indicator is composed of the industrial, services, consumer, construction, and retail trade confidence indicators; the industrial confidence indicator has a weight of 40%, the services confidence indicator a weight of 30%, the consumer confidence indicator a weight of 20%, and construction and retail trade indicators a weight of 5% each. Values of the economic sentiment indicator above (below) 100 indicate above – average (below – average) economic sentiment, calculated for the period 1993 to 2009.

3) Data are collected in January, April, July and October each year. The quarterly figures shown are averages of two successive surveys. Annual data are derived from quarterly averages.

4) The confidence indicators are calculated as simple averages of the components shown; the assessments of stocks (columns 4 and 17) and unemployment (column 10) are used with inverted signs for the calculation of confidence indicators.

**TABLE 15 Employment and unemployment***(annual percentage changes)*

	Employment ¹⁾										Unemployment rate in %
	Total		Number of employees	Self-employed	Agriculture, hunting and forestry; fishing	Industry	Construction	Wholesale and retail trade	Financial, real estate, renting and business activities	General government, education, healthcare and other services	
	Thousands of persons	year-on-year % changes									
1	2	3	4	5	6	7	8	9	10	11	
2005	2,084.0	1.4	0.6	7.0	-1.9	-1.1	2.6	3.6	8.8	-0.8	16.2
2006	2,131.8	2.3	2.3	2.1	-7.2	1.2	4.9	5.3	4.2	0.4	13.3
2007	2,177.0	2.1	1.9	3.8	-6.5	2.4	7.1	5.1	-1.5	-0.2	11.0
2008	2,237.1	2.8	2.0	7.6	0.8	1.6	7.8	5.1	4.8	-1.0	9.6
2008 Q2	2,226.9	2.9	2.2	7.4	1.4	2.6	6.4	6.3	2.9	-1.9	10.1
2008 Q3	2,262.6	3.2	2.4	8.7	1.0	1.7	9.1	4.4	8.2	-0.2	9.0
2008 Q4	2,251.0	2.1	1.4	6.8	-0.1	-1.2	9.6	4.1	4.8	0.0	8.7
2009 Q1	2,199.9	-0.4	-1.9	9.7	-14.9	-8.0	7.6	2.6	5.3	1.9	10.5
2009 Q2	2,197.9	-1.3	-3.5	13.0	-8.5	-12.3	8.7	0.3	7.5	3.3	11.3
2009 Q3	2,178.3	-3.7	-5.7	8.2	-13.1	-14.0	1.3	0.0	0.6	1.1	12.5
2009 Mar. ²⁾	1,322.0	-	-	-	-	-13.3	5.1	-5.4	-	-	10.3
2009 Apr.	1,302.6	-	-	-	-	-14.3	4.0	-5.8	-	-	10.9
2009 May	1,284.9	-	-	-	-	-16.0	3.2	-7.1	-	-	11.4
2009 June	1,274.6	-	-	-	-	-17.2	2.5	-7.9	-	-	11.8
2009 July	1,261.2	-	-	-	-	-17.6	1.8	-9.6	-	-	12.1
2009 Aug.	1,257.5	-	-	-	-	-17.9	1.2	-10.2	-	-	12.1
2009 Sep.	1,249.0	-	-	-	-	-18.1	-0.2	-9.9	-	-	12.5
2009 Oct.	1,246.0	-	-	-	-	-17.9	-0.8	-9.8	-	-	12.4

Source: Statistical Office of the SR.

1) ESA 95.

2) The Statistical Office of the SR has applied new classification of economic activities SK NACE since 2009.



TABLE 16 GDP – expenditure side

	Total	Domestic demand						External balance			Statistical discrepancy
	Total	Final consumption of households	Final consumption of NPISHs	Final consumption of General government	Gross fixed capital formation	Changes in inventories	Balance	Exports of goods and services	Imports of goods and services		
	1	2	3	4	5	6	7	8	9	10	11
Current prices (EUR bln.)											
2005	49.28	51.54	27.75	0.52	9.04	13.09	1.15	-2.26	37.60	39.86	0.00
2006	55.05	57.22	30.82	0.59	10.41	14.59	0.82	-2.18	46.47	48.65	0.00
2007	61.55	62.19	33.86	0.60	10.64	16.10	1.00	-0.64	53.37	54.02	0.00
2008	67.22	68.73	37.55	0.63	11.69	16.72	2.14	-1.51	55.81	57.33	0.00
2008 Q1	15.77	15.95	9.04	0.15	2.41	3.54	0.81	-0.18	14.18	14.36	0.00
2008 Q2	16.85	17.17	9.18	0.16	2.77	4.45	0.61	-0.32	14.62	14.95	0.00
2008 Q3	17.59	17.85	9.60	0.16	2.80	4.42	0.87	-0.26	13.84	14.10	0.00
2008 Q4	17.02	17.76	9.74	0.16	3.71	4.30	-0.15	-0.75	13.17	13.92	0.00
2009 Q1	14.66	15.22	9.25	0.16	2.54	3.40	-0.13	-0.65	10.05	10.69	0.08
2009 Q2	15.59	15.63	9.30	0.16	3.06	3.68	-0.56	0.14	10.78	10.64	-0.18
2009 Q3	16.59	16.31	9.56	0.16	2.86	3.91	-0.19	0.40	11.18	10.78	-0.12
Percentage of GDP											
2008	100.0	102.3	55.9	0.9	17.4	24.9	3.2	-2.3	83.0	85.3	0.0
Chain-linked volumes											
Annual percentage changes											
2005	6.7	8.6	6.5	3.4	3.9	17.5	-	-	10.0	12.4	-
2006	8.5	6.6	5.9	9.1	9.7	9.3	-	-	21.0	17.8	-
2007	10.6	6.4	7.1	-1.3	0.1	9.1	-	-	14.3	9.2	-
2008	6.2	6.0	6.1	1.6	5.3	1.8	-	-	3.2	3.1	-
2008 Q1	9.7	9.5	7.6	2.3	1.0	6.5	-	-	10.8	10.6	-
2008 Q2	7.3	7.2	6.4	0.5	10.3	9.5	-	-	8.2	8.0	-
2008 Q3	6.8	7.3	6.1	0.9	6.1	0.6	-	-	2.9	3.6	-
2008 Q4	1.6	1.1	4.5	2.5	4.0	-7.2	-	-	-7.6	-7.8	-
2009 Q1	-5.7	-3.9	-0.9	-1.7	1.3	-3.9	-	-	-25.2	-22.3	-
2009 Q2	-5.5	-6.7	0.5	-1.9	6.9	-17.7	-	-	-20.3	-22.2	-
2009 Q3	-4.8	-6.2	-0.3	-1.5	-0.8	-11.4	.	.	-15.0	-17.0	-
Quarter-on-quarter percentage changes (seasonally adjusted)											
2008 Q1	-2.2	0.8	1.8	0.2	1.7	0.9	-	-	2.0	2.6	-
2008 Q2	1.7	1.1	0.8	-1.8	1.3	1.4	-	-	-4.9	-4.2	-
2008 Q3	1.2	0.5	1.6	0.4	2.0	-4.1	-	-	-1.3	-1.9	-
2008 Q4	1.2	-2.3	0.8	3.3	-0.4	-4.1	-	-	-3.7	-4.5	-
2009 Q1	-8.6	-2.4	-3.9	-5.0	-0.4	-2.3	-	-	-17.7	-14.3	-
2009 Q2	1.1	-2.4	1.7	0.2	3.9	-5.2	-	-	3.6	-1.1	-
2009 Q3	1.6	0.0	1.1	0.1	-2.9	-2.0	.	.	2.9	1.9	-

Source: Statistical Office of the SR.



TABLE 17 GDP – supply side

	Gross value added						Net taxes on products	
	Total	Agriculture, hunting and forestry; fishing	Industry	Construction	Wholesale and retail trade	Financial, real estate, renting and business activities		General government, education, healthcare and other services
	1	2	3	4	5	6	7	8
	Current prices (EUR bln.)							
2006	49.7	1.8	15.6	3.8	11.9	8.7	7.9	5.4
2007	55.5	2.0	17.2	4.3	13.8	9.5	8.8	6.1
2008	61.0	1.9	18.2	5.0	15.8	11.3	8.9	6.2
2008 Q1	14.42	0.44	4.91	1.00	3.55	2.59	1.93	1.34
2008 Q2	15.34	0.32	4.87	1.09	4.14	2.57	2.34	1.51
2008 Q3	15.90	0.69	4.41	1.29	4.30	3.11	2.10	1.69
2008 Q4	15.36	0.44	3.95	1.66	3.82	3.00	2.49	1.66
2009 Q1	13.28	0.34	3.58	0.90	3.12	3.20	2.14	1.38
2009 Q2	14.26	0.29	3.67	1.19	3.80	3.10	2.22	1.32
2009 Q3	15.07	0.51	3.87	1.41	3.71	3.14	2.44	1.51
	Contribution to GDP (%)							
2008	90.8	2.8	27.0	7.5	23.5	16.8	13.2	9.2
	Chain-linked volumes							
	Annual percentage changes							
2005	5.9	-3.3	6.0	9.3	7.5	2.8	7.5	13.2
2006	10.1	12.3	17.3	20.2	0.6	14.4	2.9	-4.4
2007	10.7	7.4	12.1	7.0	14.7	6.4	9.4	9.2
2008	6.9	-2.6	7.0	5.6	13.2	11.1	-4.8	-0.5
2008 Q1	10.7	0.8	23.7	-0.2	11.6	6.0	-5.0	0.0
2008 Q2	7.9	-21.5	16.5	-2.5	10.1	7.2	-0.9	1.7
2008 Q3	7.1	1.1	0.0	0.7	15.9	18.4	-1.0	3.9
2008 Q4	2.6	4.3	-9.1	20.6	15.3	12.0	-11.3	-6.2
2009 Q1	-7.0	14.5	-18.6	-12.1	-15.2	15.7	6.8	8.8
2009 Q2	-5.1	10.5	-13.1	8.1	-7.3	8.5	-7.3	-9.9
2009 Q3	-4.6	27.3	0.0	5.0	-16.5	-8.8	-0.5	-6.9

Source: Statistical Office of the SR.



5 PUBLIC FINANCES

TABLE 18 Central government budget

(cumulative volumes; in millions of EUR unless otherwise indicated)

	Budget balance													Total expenditures	
	Total revenues									Non-tax revenues	Grants and transfers	Foreign transfers	13	Current	Capital
	1	2	Tax revenues						9						
3			Individual income tax	Corporate tax	Withholding taxes	Value added tax	Excise taxes	Other taxes							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2005	-1,124.8	8,587.1	7,388.8	92.7	1,396.4	128.0	4,063.8	1,659.3	48.6	700.8	497.5	460.4	9,711.9	8,667.3	1,044.6
2006	-1,051.5	9,691.9	7,842.8	85.8	1,568.7	161.3	4,264.1	1,730.9	32.0	647.0	1,202.0	677.8	10,743.4	9,388.9	1,354.5
2007	-781.0	10,695.7	8,572.0	109.8	1,739.9	189.0	4,513.6	1,981.4	38.3	781.6	1,342.1	847.4	11,476.7	9,857.1	1,621.0
2008	-703.8	11,352.3	9,022.1	119.5	2,121.1	206.0	4,633.9	1,905.3	36.3	873.9	1,455.6	837.3	12,056.1	10,449.4	1,606.7
2007 Q4	-781.0	10,695.7	8,572.0	109.8	1,739.9	189.0	4,513.6	1,981.4	38.3	781.6	1,342.1	847.4	11,476.7	9,857.1	1,621.0
2008 Q1	113.7	2,687.6	2,209.6	-1.1	645.5	58.3	930.4	566.6	9.9	164.0	314.0	310.1	2,573.9	2,437.4	136.5
2008 Q2	-136.5	5,185.2	4,269.8	-26.2	1,120.2	105.3	2,099.3	951.7	19.5	366.3	548.9	537.9	5,321.7	4,890.1	431.6
2008 Q3	142.7	8,029.6	6,466.2	3.3	1,646.4	154.0	3,239.7	1,397.5	25.3	582.1	978.9	659.1	7,886.9	7,710.1	776.8
2008 Q4	-703.8	11,352.3	9,022.1	119.5	2,121.1	206.0	4,633.9	1,905.3	36.3	873.9	1,455.6	837.3	12,056.1	10,449.4	1,606.7
2008 Oct.	262.3	9,125.1	7,422.2	16.6	1,805.7	169.2	3,823.9	1,576.7	30.1	677.1	1,004.6	671.0	8,862.8	7,943.3	919.5
2008 Nov.	318.7	10,193.8	8,099.3	19.9	1,905.3	190.0	4,212.3	1,736.1	35.4	756.7	1,338.3	740.2	9,875.1	8,799.7	1,075.4
2008 Dec.	-703.8	11,352.3	9,022.1	119.5	2,121.1	206.0	4,633.9	1,905.3	36.3	873.9	1,455.6	837.3	12,056.1	10,449.4	1,606.7
2009 Jan.	100.3	706.7	662.2	-60.0	66.1	33.6	365.9	253.8	2.8	44.1	0.3	0.0	606.4	602.9	3.5
2009 Feb.	-185.1	1,411.0	1,167.4	-69.7	198.7	43.9	399.0	589.5	6.0	83.8	159.8	158.6	1,596.1	1,565.8	30.3
2009 Mar.	-204.6	2,410.7	1,979.3	-4.4	663.2	55.2	574.8	682.3	8.2	118.9	312.5	310.1	2,615.3	2,496.2	129.1
2009 Apr.	-347.4	3,326.4	2,629.6	-129.2	855.0	70.5	1,037.1	785.4	10.8	316.6	380.2	373.3	3,673.8	3,436.5	237.3
2009 May	-831.6	3,945.5	3,112.6	-133.4	943.0	80.9	1,315.9	893.1	13.1	367.3	465.6	454.8	4,777.1	4,426.8	350.3
2009 June	-1,108.4	4,605.0	3,700.3	-81.6	1,165.3	91.1	1,508.8	1,001.3	15.4	419.9	484.8	469.7	5,713.4	5,261.7	451.7
2009 July	-914.4	5,799.5	4,499.9	-61.5	1,368.4	101.6	1,956.2	1,117.9	17.3	483.3	816.3	493.8	6,713.9	6,043.4	670.5
2009 Aug.	-1,206.3	6,441.1	5,049.7	-71.8	1,488.8	109.8	2,250.2	1,253.2	19.5	542.7	848.7	537.7	7,647.4	6,793.0	854.4
2009 Sep.	-1,360.2	7,247.9	5,717.3	-57.1	1,627.7	119.3	2,621.8	1,383.9	21.7	591.8	938.8	604.9	8,608.1	7,572.7	1,035.4
2009 Oct.	-1,537.2	8,210.3	6,512.2	-46.2	1,770.4	129.7	3,116.1	1,518.2	24.0	648.0	1,050.1	700.3	9,747.5	8,435.5	1,312.0
2009 Nov.	-1,576.2	9,260.8	7,215.7	-45.7	1,919.5	143.5	3,489.4	1,682.3	26.7	696.0	1,349.1	760.0	10,837.0	9,308.3	1,528.7

Source: Ministry of Finance and NBS calculations.



TABLE 18 Central government budget

(cumulative volumes; in millions of EUR unless otherwise indicated)

(annual percentage changes)

	Budget balance													Total expenditures		
	Total revenues								Non-tax revenues	Grants and transfers	Foreign transfers		Current	Capital		
	Tax revenues															
	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
2006	-6.5	12.9	6.1	-7.4	12.3	26.0	4.9	4.3	-34.2	-7.7	141.6	47.2	10.6	8.3	29.7	
2007	-25.7	10.4	9.3	28.0	10.9	17.2	5.9	14.5	19.7	20.8	11.7	25.0	6.8	5.0	19.7	
2008	-9.9	6.1	5.3	8.8	21.9	9.0	2.7	-3.8	-5.2	11.8	8.5	-1.2	5.0	6.0	-0.9	
2007 Q4	-25.7	10.4	9.3	28.0	10.9	17.2	5.9	14.5	19.7	20.8	11.7	25.0	6.8	5.0	19.7	
2008 Q1	-128.8	15.3	16.4	-84.5	44.1	0.2	-5.5	39.0	33.8	16.2	7.6	10.4	-5.6	-3.5	-31.9	
2008 Q2	-62.6	7.1	4.6	47.2	9.9	3.2	0.1	10.0	17.5	9.6	29.1	32.8	2.2	3.8	-13.0	
2008 Q3	-799.6	5.8	6.6	-68.1	19.2	4.1	3.1	2.8	-2.3	10.0	-1.3	36.5	3.7	13.7	-5.9	
2008 Q4	-9.9	6.1	5.3	8.8	21.9	9.0	2.7	-3.8	-5.2	11.8	8.5	-1.2	5.0	6.0	-0.9	
2008 Oct.	14.7	4.5	6.5	-34.4	18.6	4.7	3.7	2.3	0.0	12.7	-13.6	4.3	4.2	5.1	-2.9	
2008 Nov.	76.2	5.8	4.0	-34.7	19.1	7.8	0.9	-1.9	5.0	-20.0	10.9	8.7	4.4	5.7	-4.9	
2008 Dec.	-9.9	6.1	5.3	8.8	21.9	9.0	2.7	-3.8	-5.2	11.8	8.5	-1.2	5.0	6.0	-0.9	
2009 Jan.	-76.8	-39.2	-39.8	190.9	-35.5	13.5	-42.6	-27.2	-17.6	-26.5	-72.7	-100.0	-16.8	-16.7	-12.5	
2009 Feb.	-458.7	-17.5	-18.9	32.3	0.5	-2.4	-49.1	28.4	-11.8	-30.7	6.3	6.6	-3.8	-1.9	-52.4	
2009 Mar.	-279.9	-10.3	-10.4	300.0	2.7	-5.3	-38.2	20.4	-17.2	-27.5	-0.5	0.0	1.6	2.4	-5.4	
2009 Apr.	-234.9	-11.7	-15.9	142.9	-0.5	-10.6	-33.0	15.6	-18.8	30.4	-4.1	-4.5	4.7	4.5	8.7	
2009 May	708.9	-10.8	-13.8	46.0	0.2	-12.9	-28.5	10.0	-20.1	17.3	-6.8	-7.1	5.5	5.7	3.2	
2009 June	712.0	-11.2	-13.3	211.5	4.0	-13.5	-28.1	5.2	-21.0	14.6	-11.7	-12.7	7.4	7.6	4.7	
2009 July	4,404.4	-6.4	0.2	485.7	12.7	-17.6	-9.9	15.4	-22.4	4.0	39.7	-13.7	7.9	6.6	21.5	
2009 Aug.	-812.5	-10.5	-11.7	412.9	3.3	-20.1	-21.8	0.4	-21.7	2.2	-10.3	-14.5	8.9	6.4	34.1	
2009 Sep.	-1,053.2	-9.7	-11.6	-1,830.3	-1.1	-22.5	-19.1	-1.0	-14.2	1.7	-4.1	-8.2	9.1	-1.8	33.3	
2009 Oct.	-686.0	-10.0	-12.3	-378.3	-2.0	-23.3	-18.5	-3.7	-20.3	-4.3	4.5	4.4	10.0	6.2	42.7	
2009 Nov.	-594.6	-9.2	-10.9	-329.6	0.7	-24.5	-17.2	-3.1	-24.6	-8.0	0.8	2.7	9.7	5.8	42.2	

Source: Ministry of Finance and NBS calculations.



6 BALANCE OF PAYMENTS

TABLE 19 Balance of payments

(EUR mil. unless otherwise indicated)

	Goods			Services			Income	Current transfers	Current account	Capital account	Direct investment	Portfolio investment	Other investment	Financial account
	Export	Import	Balance	Export	Import	Balance								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005	32,864	35,320	-2,456	4,538	4,208	330	-2,075	16	-4,186	-19	2,347	-1,038	4,916	6,224
2006	40,924	43,422	-2,498	5,332	4,587	745	-2,446	-54	-4,252	-40	4,122	1,441	-4,073	1,490
2007	47,160	47,870	-710	5,755	5,320	435	-2,634	-368	-3,277	377	2,363	-536	3,961	5,788
2008	49,544	50,257	-714	6,001	6,488	-487	-2,295	-893	-4,390	806	2,113	1,579	1,371	5,063
2007 Q4	12,956	13,469	-513	1,518	1,457	60	-879	21	-1,311	188	864	-745	996	1,115
2008 Q1	12,730	12,736	-6	1,389	1,482	-93	-117	-214	-430	139	-195	656	74	535
2008 Q2	13,065	13,258	-193	1,489	1,595	-106	-1,210	-216	-1,725	402	562	425	663	1,650
2008 Q3	12,223	12,275	-52	1,543	1,666	-123	-572	-196	-943	82	663	504	88	1,255
2008 Q4	11,524	11,988	-464	1,580	1,746	-166	-395	-267	-1,292	183	1,083	-6	547	1,624
2009 Q1	8,967	9,182	-216	1,026	1,423	-396	-79	-55	-745	253	176	-756	1,041	461
2009 Q2	9,542	9,081	462	1,176	1,427	-250	-203	-161	-153	147	-880	26	1,276	421
2009 Q3	9,983	9,275	708	1,176	1,428	-252	-480	-114	-138	.	.	.	.	.
2008 Nov.	3,901	4,093	-192	475	514	-40	-6	-115	-353	14	338	261	132	730
2008 Dec.	2,914	3,256	-342	559	634	-75	-138	-48	-603	116	691	-490	159	360
2009 Jan.	2,734	2,988	-254	358	444	-85	20	-68	-387	-11	15	951	-1,532	-565
2009 Feb.	2,906	2,876	30	324	484	-159	-25	27	-128	273	276	-425	1,349	1,199
2009 Mar.	3,336	3,323	14	344	495	-152	-74	-13	-225	-9	-115	-1,282	1,225	-172
2009 Apr.	3,317	3,003	313	347	495	-148	-49	-41	75	133	-132	-466	1,071	473
2009 May	3,005	2,869	136	354	452	-98	-112	-24	-99	7	-362	1,452	-744	346
2009 June	3,243	3,236	7	475	480	-5	-42	-96	-135	7	-386	-961	949	-398
2009 July	3,054	3,021	33	412	545	-133	-178	-45	-324	-1	-332	-872	1,170	-34
2009 Aug.	3,127	2,882	245	412	422	-10	-129	-62	44	5	446	477	-525	398
2009 Sep.	3,688	3,431	257	327	467	-139	-198	-7	-88	-1	-76	-240	783	468
2009 Oct.	3,811	3,586	225	389	468	-79	-155	-146	-155	.	.	.	.	.

Source: NBS and Statistical Office of the SR.



TABLE 19 Balance of payments

(EUR mil. unless otherwise indicated)

(annual percentage growth)

	Goods		Services	
	Export	Import	Export	Import
	15	16	17	18
2005	11.1	13.1	13.8	13.7
2006	24.5	22.9	17.5	9.0
2007	15.2	10.2	-71.6	16.0
2008	5.1	5.0	0.6	22.0
2008 Q4	-11.0	-11.0	4.1	19.8
2009 Q1	-29.6	-27.9	-26.1	-4.0
2009 Q2	-27.0	-31.5	-21.0	-10.5
2009 Q3	-18.3	-24.4	-23.8	-14.3
2008 Nov.	-15.5	-14.2	-4.3	15.5
2008 Dec.	-19.1	-18.3	0.7	28.7
2009 Jan.	-34.2	-27.4	-24.2	-11.6
2009 Feb.	-33.6	-34.2	-29.0	-6.4
2009 Mar.	-20.5	-21.9	-25.3	6.9
2009 Apr.	-25.8	-36.2	-29.1	-7.3
2009 May	-29.3	-30.6	-27.1	-13.9
2009 June	-25.3	-26.6	-7.5	-10.4
2009 July	-25.5	-28.6	-32.7	-10.1
2009 Aug.	-15.4	-20.5	-24.9	-13.5
2009 Sep.	-16.7	-22.4	-14.5	-18.4
2009 Oct.	-19.1	-22.7	-28.9	-21.7

Source: NBS and Statistical Office of the SR.



7 EXTERNAL ENVIRONMENT

Table 20 Euro area

(year-on-year changes in %, unless otherwise indicated)

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ²⁾⁴⁾⁵⁾	Industrial production ²⁾³⁾	Retail trade (sales) ²⁾³⁾	Unemployment (% of the labour force) ⁶⁾	10-year bonds (yield to maturity in %)
2006	2.2	1.5	5.1	3.0	4.2	2.3	8.4	3.86
2007	2.1	2.0	2.7	2.7	3.7	1.8	7.5	4.33
2008	3.3	2.4	6.0	0.6	-1.7	-0.6	7.6	4.36
2008 Q3	3.8	2.5	8.4	0.4	-1.4	-1.0	7.6	4.61
2008 Q4	2.3	2.2	3.4	-1.8	-8.9	-1.7	8.0	4.17
2009 Q1	1.0	1.6	-2.0	-5.0	-18.5	-3.1	8.8	4.15
2009 Q2	0.2	1.5	-5.7	-4.8	-18.6	-2.3	9.3	4.19
2009 Q3	-0.4	1.2	-7.8	-4.1	-14.6	-2.2	9.6	3.95
2009 Aug.	-0.2	1.2	-7.5	-	-15.1	-2.0	9.6	3.89
2009 Sep.	-0.3	1.1	-7.6	-	-12.9	-2.8	9.8	3.86
2009 Oct.	-0.1	1.0	-6.7	-	.	-1.9	9.8	3.80
2009 Nov.	0.5	1.0	.	-	.	.	.	3.83

Source: Eurostat, ECB, NBS calculations.

1) Overall inflation, excluding energy and unprocessed food prices.

2) Constant prices.

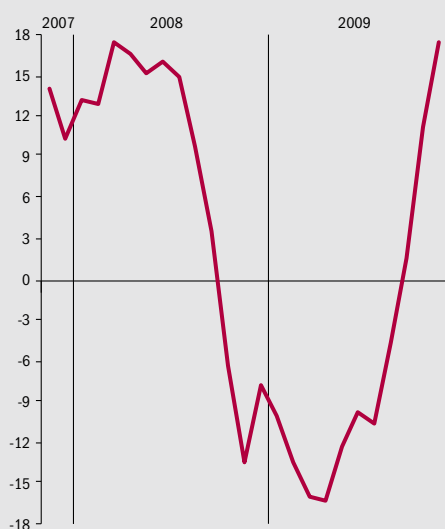
3) Adjusted for calendar effects.

4) Adjusted for seasonal and calendar effects.

5) Annual data are not adjusted for calendar effects.

6) Harmonised data, ILO definition, seasonally adjusted.

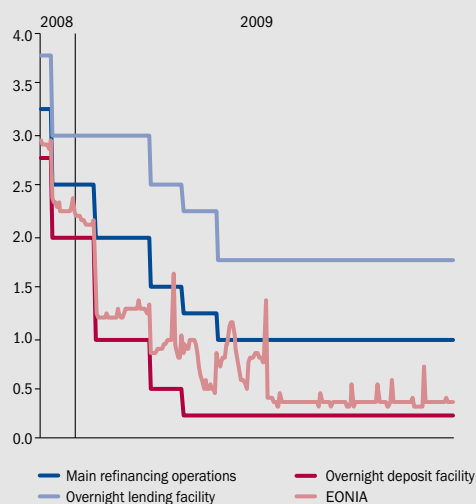
Chart 1 USD/EUR: year-on-year changes (%)



Source: ECB.

Note: Negative values denote appreciation.

Chart 2 ECB interest rates and the EONIA (%)



Source: ECB.

**Table 21 Czech Republic***(year-on-year changes in %, unless otherwise indicated)*

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ²⁾⁴⁾⁵⁾	Industrial production ²⁾³⁾	Retail trade (sales) ²⁾³⁾	Unemployment (% of the labour force) ⁶⁾	10-year bonds (yield to maturity in %) ⁷⁾
2006	2.1	0.9	1.5	6.8	8.7	8.9	7.1	3.80
2007	3.0	3.1	4.1	6.1	10.5	7.8	5.3	4.30
2008	6.3	5.8	4.5	2.5	-2.5	2.4	4.4	4.63
2008 Q3	6.5	5.9	5.5	2.2	-2.7	0.4	4.3	4.60
2008 Q4	4.4	4.3	1.7	0.5	-11.6	-1.0	4.5	4.45
2009 Q1	1.5	1.3	-1.2	-4.2	-18.9	0.3	5.5	4.70
2009 Q2	1.0	0.9	-3.6	-4.7	-17.2	-2.2	6.3	5.25
2009 Q3	-0.1	0.0	-5.2	-4.1	-11.4	-0.8	6.9	5.17
2009 Aug.	0.0	0.1	-5.2	-	-8.4	-1.0	6.9	5.09
2009 Sep.	-0.3	-0.5	-5.4	-	-9.7	-2.5	7.0	5.01
2009 Oct.	-0.6	-0.3	-4.6	-	.	.	7.1	4.50
2009 Nov.	0.2	-0.1	.	-	.	.	.	4.19

Source: Eurostat, ECB, NBS calculations.

1) Overall inflation, excluding energy and unprocessed food prices.

2) Constant prices.

3) Adjusted for calendar effects.

4) Adjusted for seasonal and calendar effects.

5) Annual data are not adjusted for calendar effects.

6) Harmonised data, ILO definition, seasonally adjusted.

7) Long-term interest rates according to the Maastricht criteria.

Table 22 Hungary*(year-on-year changes in %, unless otherwise indicated)*

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ²⁾⁴⁾⁵⁾	Industrial production ²⁾³⁾	Retail trade (sales) ²⁾³⁾	Unemployment (% of the labour force) ⁶⁾	10-year bonds (yield to maturity in %) ⁷⁾
2006	4.0	2.5	8.4	4.0	10.6	4.9	7.5	7.12
2007	7.9	6.7	6.5	1.0	8.1	-2.0	7.4	6.74
2008	6.0	5.1	11.6	0.6	-0.9	-1.8	7.8	8.24
2008 Q3	6.3	5.2	13.1	0.3	-1.8	-1.2	7.8	7.96
2008 Q4	4.2	3.8	10.8	-2.2	-12.1	-2.4	8.1	9.10
2009 Q1	2.7	2.9	4.9	-5.6	-21.8	-3.0	9.2	10.35
2009 Q2	3.6	3.3	2.1	-7.2	-22.0	-3.2	9.7	10.26
2009 Q3	4.9	5.3	-0.8	-8.0	.	-7.1	9.6	8.37
2009 Aug.	5.0	5.3	-0.8	-	-19.8	-7.3	9.6	8.40
2009 Sep.	4.8	5.3	-1.2	-	.	-7.4	9.7	7.91
2009 Oct.	4.2	5.1	-2.8	-	.	.	9.9	7.45
2009 Nov.	5.2	5.1	.	-	.	.	.	7.37

Source: Eurostat, ECB, NBS calculations.

1) Overall inflation, excluding energy and unprocessed food prices.

2) Constant prices.

3) Adjusted for calendar effects.

4) Adjusted for seasonal and calendar effects.

5) Annual data are not adjusted for calendar effects.

6) Harmonised data, ILO definition, seasonally adjusted.

7) Long-term interest rates according to the Maastricht criteria.



Table 23 Poland

(year-on-year changes in %, unless otherwise indicated)

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ²⁾⁴⁾⁵⁾	Industrial production ²⁾³⁾	Retail trade (sales) ²⁾³⁾	Unemployment (% of the la-bour force) ⁶⁾	10-year bonds (yield to maturity in %) ⁷⁾
2006	1.3	0.6	3.4	6.2	12.2	12.5	13.8	5.23
2007	2.6	2.0	4.0	6.8	9.3	11.0	9.6	5.48
2008	4.2	3.6	5.4	5.0	2.3	4.4	7.1	6.07
2008 Q3	4.4	3.7	5.9	5.1	1.1	4.3	6.9	6.15
2008 Q4	3.6	3.1	4.0	2.7	-6.0	0.4	6.8	6.09
2009 Q1	3.6	2.9	4.3	1.5	-11.7	5.3	7.7	5.88
2009 Q2	4.3	3.5	2.4	1.3	-5.4	2.9	8.0	6.28
2009 Q3	4.3	3.6	0.7	1.0	-2.6	2.2	8.1	6.15
2009 Aug.	4.3	3.6	1.0	-	-2.1	2.7	8.1	6.08
2009 Sep.	4.0	3.4	0.6	-	-1.3	0.2	8.2	6.17
2009 Oct.	3.8	3.4	1.6	-	.	3.9	8.4	6.15
2009 Nov.	3.8	3.4	.	-	.	.	.	6.14

Source: Eurostat, ECB, NBS calculations.

1) Overall inflation, excluding energy and unprocessed food prices.

2) Constant prices.

3) Adjusted for calendar effects.

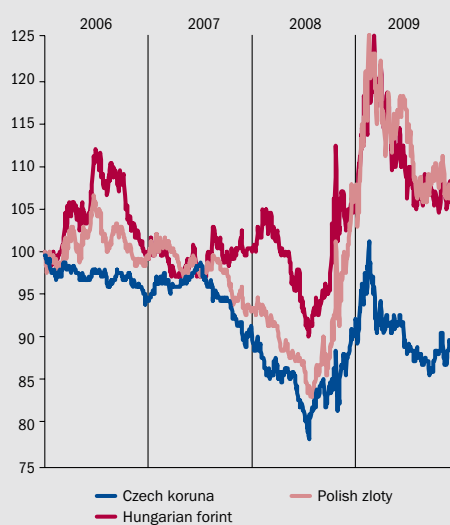
4) Adjusted for seasonal and calendar effects.

5) Annual data are not adjusted for calendar effects.

6) Harmonised data, ILO definition, seasonally adjusted.

7) Long-term interest rates according to the Maastricht criteria.

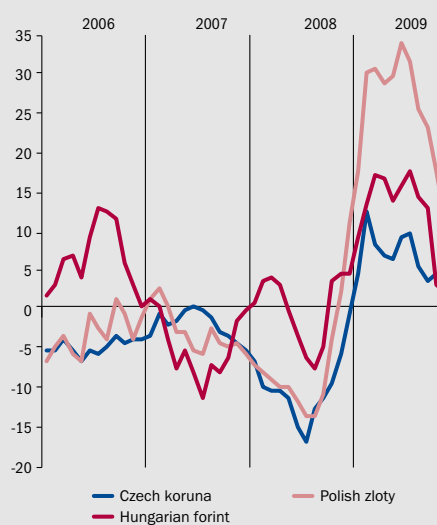
Chart 3 Exchange rate indices of V4 currencies against the euro (30 December 2005 = 100)



Source: Eurostat, NBS calculations.

Note: A fall in value denotes an appreciation.

Chart 4 Exchange rates of V4 currencies against the euro (year-on-year changes in %)

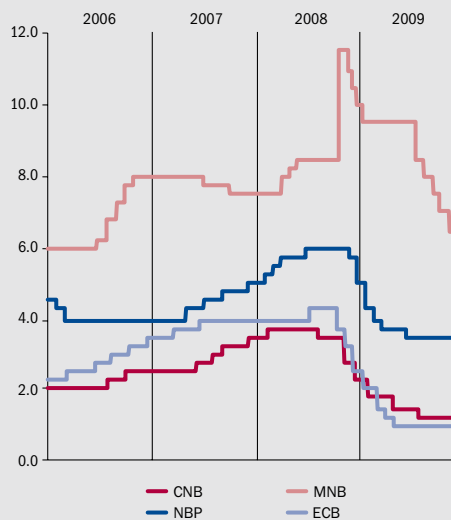


Sources: Eurostat, NBS calculations.

Note: Negative values denote an appreciation.



Chart 5 Key interest rates of the NCBs of V4 countries (%)



Sources: ECB, national central banks.

Table 24 United States

(year-on-year changes in %, unless otherwise indicated)

	Prices			Real economy				Financial market	
	HICP	HICP ¹⁾ (core inflation)	PPI ²⁾	GDP ³⁾	Industrial production ⁴⁾	Retail trade ⁵⁾	Unemployment	10-year bonds (yield to maturity in %)	
2006	3.2	2.5	3.0	2.7	2.2	6.2	4.6	4.80	
2007	2.9	2.3	3.9	2.1	1.7	4.1	4.6	4.64	
2008	3.8	2.3	6.3	0.4	-1.7	-0.8	5.8	3.66	
2008 Q3	5.3	2.5	9.4	0.0	-3.0	-0.1	6.0	3.86	
2008 Q4	1.6	2.0	1.3	-1.9	-6.0	-2.2	6.8	3.23	
2009 Q1	0.0	1.7	-2.2	-3.3	-11.8	-10.0	8.1	3.67	
2009 Q2	-1.2	1.8	-4.2	-3.8	-13.4	-11.2	9.3	3.32	
2009 Q3	-1.6	1.5	-5.1	-2.5	-10.2	-8.5	9.6	3.52	
2009 Aug.	-1.5	1.4	-4.3	-	-10.8	-7.7	9.7	3.59	
2009 Sep.	-1.3	1.5	-4.7	-	-6.3	-7.6	9.8	3.40	
2009 Oct.	-0.2	1.7	-1.8	-	-7.9	-3.6	10.2	3.39	
2009 Nov.	.	.	.	-	.	.	10.0	3.40	

Source: Bureau of Economic Analysis, Bureau of Labour Statistics, Federal Reserve System, U.S. Department of Commerce.

1) Core CPI – inflation excluding food and energy.

2) PPI finished products.

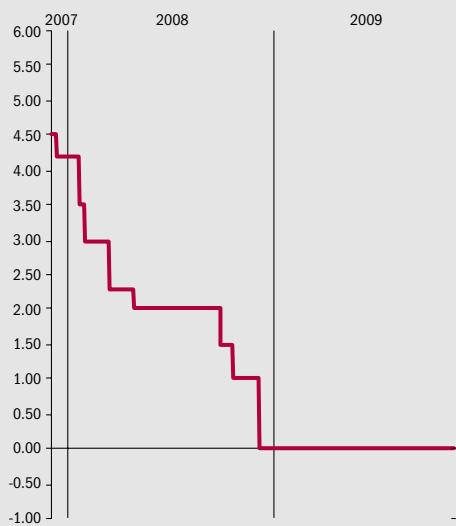
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail and food services sales.

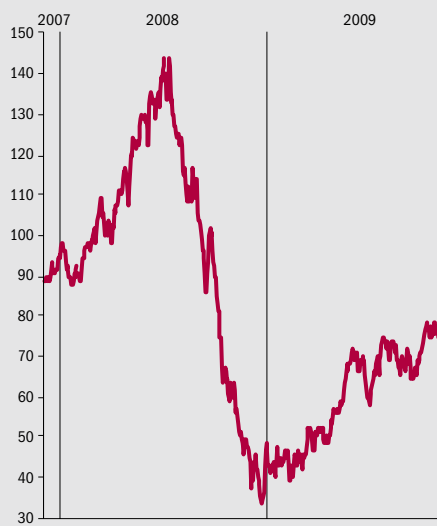


Chart 6 United States (federal funds rate in %)



Source: Federal Reserve System.

Chart 7 Oil prices (USD/barrel)



Source: Reuters.

