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EUROSYSTEM



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Address:  
Národná banka Slovenska  
Imricha Karvaša 1, 813 25 Bratislava  
Slovakia

Contact:  
Press and Editorial Section  
+421/02/5787 2141  
+421/02/5787 2146

Fax:  
+421/02/5787 1128

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# CONTENTS

<b>1 SUMMARY</b>	<b>6</b>	Table 10 Balance of payments capital and financial account	<b>36</b>
<b>2 THE EXTERNAL ECONOMIC ENVIRONMENT</b>	<b>8</b>	Table 11 Capital inflows in other investments by sector	<b>37</b>
2.1 The euro area	8	Table 12 External debt of Slovakia	<b>38</b>
2.2 Developments in the Czech Republic, Hungary and Poland	8	Table 13 Nominal and real effective exchange rates	<b>39</b>
<b>3 ECONOMIC DEVELOPMENTS IN SLOVAKIA</b>	<b>11</b>	Table 14 GDP development by consumption	<b>41</b>
3.1 Price developments	11	Table 15 Structure of gross fixed capital formation in the third quarter of 2010	<b>41</b>
3.2 The real economy and the labour market	<b>13</b>	Table 16 Impact of price and volume on exports and imports	<b>43</b>
3.3 Monetary aggregates and interest rates	<b>20</b>	Table 17 Seasonally adjusted GDP by consumption	<b>44</b>
<b>ANNEXES</b>		Table 18 GDP creation by component	<b>45</b>
Quarterly report on the international economy	<b>24</b>	Table 19 GDP development by sector	<b>45</b>
Quarterly report on the balance of payments	<b>33</b>	Table 20 Comparison of GDP, GNP and GNDI	<b>46</b>
Quarterly report on the real economy	<b>40</b>	Table 21 Average monthly wages and labour productivity in the Slovak economy	<b>46</b>
Notes to the quarterly financial accounts for the third quarter of 2010	<b>55</b>	Table 22 Average compensation per employee and labour productivity in the Slovak economy	<b>47</b>
<b>STATISTICS</b>		Table 23 Real labour productivity and compensation per employee in the third quarter of 2010	<b>47</b>
1 Overview of main macroeconomic indicators for the SR	<b>S2</b>	Table 24 Generation and use of income in the household sector	<b>49</b>
2 Monetary and banking statistics	<b>S3</b>	Table 25 Gross disposable income, consumption and savings	<b>49</b>
3 Prices and costs of labour	<b>S13</b>	Table 26 Employment and unemployment	<b>50</b>
4 Real economy	<b>S19</b>	Table 27 Developments in employment by sector	<b>51</b>
5 Public finances	<b>S28</b>	Table 28 Financial results of corporation	<b>51</b>
6 Balance of payments	<b>S30</b>	Table 29 Financial results of non-financial corporations	<b>52</b>
7 External environment	<b>S32</b>	Table 30 Institutional sectors and sub-sectors according to the ESA 95	<b>55</b>
<b>LIST OF BOXES</b>		Table 31 Financial instruments according to the ESA 95	<b>56</b>
Box 1 Quarterly report on the international economy – October 2010	<b>9</b>	<b>LIST OF CHARTS</b>	
Box 2 Balance of payments for January to September 2010	<b>14</b>	Chart 1 USD/EUR exchange rate	<b>8</b>
Box 3 Development of the real economy in the third quarter of 2010	<b>18</b>	Chart 2 Exchange rate indices of the V4 currencies vis-à-vis the euro	<b>8</b>
Box 4 Receivables of factoring, leasing, and hire-purchase companies	<b>21</b>	Chart 3 Contributions to the year-on-year PPI changes by component	<b>12</b>
<b>LIST OF TABLES</b>		Chart 4 Electricity prices for producers at the beginning of 2010	<b>12</b>
Table 1 Producer price developments in October 2010	<b>11</b>	Chart 5 Share of respondents regarding insufficient demand and financial restrictions as factors limiting production in business tendency surveys in construction	<b>15</b>
Table 2 Balance of payments current account	<b>13</b>		
Table 3 Production and revenues	<b>16</b>		
Table 4 Wage developments in selected sectors	<b>17</b>		
Table 5 Employment in selected sectors	<b>17</b>		
Table 6 Monthly net sales of open-end funds in Slovakia	<b>21</b>		
Table 7 Balance of payments current account	<b>33</b>		
Table 8 Exports in January to September	<b>35</b>		
Table 9 Imports in January to September	<b>35</b>		

Chart 6	Indices of industrial production and construction	15
Chart 7	Employment, comparison of monthly a quarterly indicators	18
Chart 8	Inflow, outflow and total number of job seekers	18
Chart 9	Economic sentiment indicator	19
Chart 10	Quarter-on-quarter GDP and CLI growth in OECD countries	24
Chart 11	Euro area: economic growth	25
Chart 12	Euro area: contributions to quarterly GDP growth by component	26
Chart 13	Euro area: assessment of competitiveness in industry	26
Chart 14	Euro area: consumer confidence and retail sales revenues	26
Chart 15	Euro area: unemployment rate and consumer expectations for the next 12 months	27
Chart 16	IFO index for the euro area and Germany, ZEW index for Germany	27
Chart 17	IFO index – expectations for the next six months	27
Chart 18	Euro area: annual headline HICP inflation and its components	28
Chart 19	Euro area: prices of goods and services	28
Chart 20	Prices of frequently purchased items and consumer expectations	29
Chart 21	USD/EUR exchange rate	29
Chart 22	Government bond yields to maturity	29
Chart 23	GDP growth	30
Chart 24	Contributions to HICP inflation	31
Chart 25	Indices of the V4 exchange rates vis-à-vis the euro	31
Chart 26	Key interest rates of the V4 national central banks	32
Chart 27	Year-on-year dynamics of Slovak exports and imports and imports from EU27	34
Chart 28	Trade and current account balances in 2008-2010	34
Chart 29	Year-on-year export dynamics	34
Chart 30	Nominal and real effective exchange rates	39
Chart 31	Real GDP growth by quarter	40
Chart 32	Domestic and foreign demand	40
Chart 33	Breakdown of gross fixed capital formation by production	42
Chart 34	Structure of final household consumption in the third quarter of 2010	42
Chart 35	Contribution of consumer spending to household final consumption growth by category	42
Chart 36	Contribution of net exports to GDP at current prices	42
Chart 37	Export performance and import intensity	43
Chart 38	Year-on-year and quarter-on-quarter GDP growth	43
Chart 39	Contributions to quarter-on-quarter GDP growth at constant prices	44
Chart 40	The economic sentiment indicator and GDP	45
Chart 41	Real wages and real labour productivity	47
Chart 42	Unit labour costs by component in ECB methodology	48
Chart 43	Market indicators as per hour worked	48
Chart 44	Employment according to the number of hours worked and the number of employed	50
Chart 45	Financial results of financial and non-financial corporations	53
Chart 46	Year-on-year profit growth in non-financial corporations by sector in Q3 2010	53
Chart 47	Year-on-year profit growth in industry by sub-sector in Q3/2010	53
Chart 48	Year-on-year profit growth in manufacturing by sub-sector in Q3/2010	53
Chart 49	Net lending (+)/ borrowing (-) by sector in Q3/2010	57
Chart 50	Financial transactions by sector in Q3/2010	57
Chart 51	Financial assets and liabilities (transactions) of non-financial corporations by component in Q3/2010	57
Chart 52	Financial assets (transactions) of non-financial corporations by sector in Q3/2010	58
Chart 53	Financial liabilities (transactions) of non-financial corporations by sector in Q3/2010	58
Chart 54	Net lending (+)/ borrowing (-) by financial corporations in Q3/2010	58
Chart 55	Financial transactions of financial corporations by sub-sector in Q3/2010	58
Chart 56	Financial transactions in the general government sector by sub-sector in Q3/2010	59
Chart 57	Financial assets and liabilities (transactions) of households and NPISH by component in Q3/2010	59
Chart 58	Financial assets (transactions) of households and NPISH by sector in Q3/2010	60
Chart 59	Financial liabilities (transactions) of households and NPISH by sector in Q3/2010	60

### CHARTS IN BOXES

Chart A Receivables of factoring, leasing and hire-purchase companies 22



## ABBREVIATIONS

CPI	Consumer Price Index
EA	euro area
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	Národná banka Slovenska
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

The year-on-year rate of euro area inflation, as measured by the Harmonised Index of Consumer Prices, reached 1.9% in November, and remained at the same level as in October. According to data from Eurostat, euro area GDP expanded by 1.9% year-on-year in the third quarter of 2010 (in the second quarter by 2.0%) and in quarter-on-quarter terms by 0.4% (in the previous quarter by 1.0%). The exchange rate of the euro against the US dollar depreciated over the course of November. The ECB's Governing Council decided at its December meeting to leave the key ECB interest rates unchanged. The minimum bid rate for the main refinancing operations remained at 1.00%, and the rates for the marginal lending facility and the deposit facility at 1.75% and 0.25% respectively.

In Poland, the annual rate of HICP inflation remained unchanged compared with the previous month and stood at 2.6%. Price levels in the Czech Republic prices rose only marginally, by 1.9%. In Hungary, the rate of inflation slowed to 4.0%, primarily reflecting a deceleration in energy and services prices. According to Eurostat, gross domestic product in Poland increased by 4.0% year-on-year in the third quarter of 2010 (compared with 3.8% in the second quarter), in the Czech Republic by 3.0% (in the second quarter by 2.5%), and in Hungary by 2.1% (in the second quarter by 0.5%). The exchange rates of the Czech koruna, the Polish zloty, and the Hungarian forint against the euro depreciated in November, compared with the previous month. Central bank rates in Poland and the Czech Republic remained unchanged in November. Magyar Nemzeti Bank, however, decided to raise its base rate by 0.25 of a percentage point, to 5.50%.

Slovakia's annual HICP inflation remained unchanged in November, at the level of the previous month (1.0%). HICP developments were influenced by a slower rise in food and services prices, a slightly deepened decline in energy prices, and a decelerated year-on-year decline in non-energy industrial goods prices. In Slovakia, the faster year-on-year decline in industrial producer prices in October was

influenced mainly by a sharper year-on-year fall in energy prices. However, the year-on-year price dynamics weakened in the case of manufacturing products, raw materials, and water and sewer rates. At the same time, certain year-on-year increases were recorded in construction work prices and building material prices, while those of agricultural products continued to show strong year-on-year dynamics in October.

According to a flash estimate issued by the Slovak Statistical Office, Slovakia's GDP at constant prices (non-seasonally adjusted) expanded by 3.8% year-on-year in the third quarter of 2010 (in the second quarter by 4.2%), while seasonally adjusted GDP grew by 1.0% in quarter-on-quarter terms. Compared with the same period a year earlier, overall employment (seasonally adjusted; ESA 95) fell by 0.7% in the third quarter (in the second quarter by 2.3%), but was still 0.4% higher than in the previous quarter. GDP growth was more moderate than expected, while employment levels were broadly in line with expectations.

In terms of production, GDP growth in the third quarter was stimulated by value added growth, mainly in industry, construction and services. In terms of consumption, economic growth continued to be influenced by the growing foreign demand. Domestic demand also grew somewhat as a result of inventory growth, while general government spending increased only slightly. Household final consumption continued to fall, albeit at a more moderate pace than in the previous quarter. Gross fixed capital formation showed stronger year-on-year dynamics than in the second quarter. Net exports contributed negatively to GDP growth, because, despite the growing foreign demand, the exports of goods and services grew at a slower pace than imports. Thus, the lower trade balance surplus had a negative effect on the current account balance, which produced a larger deficit in the third quarter than in the same period a year earlier. Owing to the continuing recovery in economic activity and decline in employment, labour productivity continued to grow. Employment declined more moderately than in the previous



quarter and the rate of productivity growth slowed somewhat. In year-on-year terms, unit labour costs continued to fall in the third quarter, owing to the stronger year-on-year dynamics of labour productivity and weaker growth in compensation per employee. In connection with the strengthening economic activity, the unemployment rate decreased, too. The gradual economic recovery was also reflected in the growing profits of financial and non-financial corporations in the third quarter (in year-on-year terms), mainly as a result of an increase in the profits of non-financial corporations. This increase in profits took place mostly in industry, and in trade, transport and storage.

The current account balance achieved in October was slightly more favourable than the balance for the previous month. The month-on-month decrease in the current account deficit was mainly due to an increase in the trade balance surplus. At the same time, the deficit in current transfers deepened. The income and services balances remained virtually unchanged in comparison with the previous month. The industrial production index showed somewhat stronger year-on-year dynamics in October, mainly as a result of continuing growth in global demand. Following a long period of decline, the output of the construction sector recorded an increase in October on a year-on-year basis. The year-on-year rate of revenue growth slowed somewhat, mainly as a result of negative developments in revenues in industry, retail trade, information and communication. The overall economic sentiment indicator rose in November, compared with the previous month. The indicator was positively influenced by an increase in consumer confidence and confidence in services, construction, and retail trade. The confidence indicator for industry deteriorated in comparison with the previous month.

Average nominal and real wages showed substantially weaker year-on-year dynamics in October, compared with the previous month. Slower year-on-year growth was recorded mainly in industry and selected services. The average year-on-year decline in employment in the sectors under review continued to moderate in October. Employment continued to grow on a year-on-year basis in industry, transport and storage. The other sectors under review also recorded positive developments in that period. The rate of registered unemployment fell in comparison with the previous month, to 12.3% in October.

The sectoral breakdown of deposits shows that both non-financial corporate deposits and household deposits grew in volume in October. In year-on-year terms, deposits continued to show positive dynamics in both sectors. Non-financial corporations converted their most liquid deposits into fixed-term deposits, mainly into deposits with an agreed maturity of up to two years. Households also gave preference to longer-term deposits. Thus, deposits with an agreed maturity of over two years increased, whereas deposits with an agreed maturity of up to two years decreased. Bank lending to the private sector increased, mainly as a result of increased lending to non-financial corporations. In terms of maturity, the majority of loans were short-term loans. After a long period, loans to non-financial corporations showed positive year-on-year dynamics again. The relatively strong credit expansion towards households continued in October, mainly as a result of growing lending for house purchases and, to a lesser extent, for consumption. The year-on-year dynamics of lending to households continued to strengthen. Retail interest rates on loans fell slightly in October, in both segments. As for retail deposit rates, both non-financial corporate deposits and household deposits paid somewhat higher interest rates.





## 2 THE EXTERNAL ECONOMIC ENVIRONMENT<sup>1</sup>

### 2.1 THE EURO AREA

The year-on-year rate of euro area inflation, as measured by the Harmonised Index of Consumer Prices (HICP), stood at 1.9% in November, the same level as in October. Compared with the previous month, the rise in energy prices slowed somewhat and inflation in services slowed somewhat, too. On the other hand, the increase in food and non-energy industrial goods prices accelerated slightly. In year-on-year terms, price levels fell only in Ireland (by 0.8%). The steepest price increases were reported from Greece (4.8%), Malta (3.4%) and Belgium (3.0%). According to the Classification of Individual Consumption by Purpose (COICOP), price levels rose mainly in the following categories: transport (3.8%), alcohol and tobacco (3.4%), and housing (3.3%). At the same time, a year-on-year decline in euro area prices was recorded in post and telecommunications (-0.2%). In the same period a year earlier, inflation stood at 0.5%.

At the beginning of November, the exchange rate of the euro against the US dollar continued to strengthen, but then it weakened again in the

last two thirds of the month. This was due partly to the reaction of markets to the second round of quantitative easing conducted by the Federal Reserve System and partly to the situation in Ireland. Over the course of November, the euro depreciated against the US dollar by 6.2%. Compared with the beginning of the year, the single European currency weakened by 9.7% vis-à-vis the dollar (compared with the same period of 2009, the euro depreciated by 13.5%).

The ECB's Governing Council decided at its meeting on 2 December 2010 to leave the key ECB interest rates unchanged. Thus, the rates for the main refinancing operations, the marginal lending facility and the deposit facility remained at 1.00%, 1.75 % and 0.25 % respectively.

### 2.2 DEVELOPMENTS IN THE CZECH REPUBLIC, HUNGARY AND POLAND

In November, compared with the previous month, the annual rate of HICP inflation in Poland remained unchanged (2.6%). In the Czech Republic, it increased only slightly (by

Chart 1 USD/EUR exchange rate



Chart 2 Exchange rate indices of the V4 currencies vis-à-vis the euro (30 June 2008=100)



<sup>1</sup> The chapter on international economic developments includes a tabular / graphical overview, which is available in the Statistics annex, External environment.





0.1 of a percentage point to 1.9%). The pace of price growth in Hungary decreased (by 0.3 of a percentage point to 4.0%), mainly as a result of a deceleration in energy and services prices.

The currencies of the neighbouring Visegrad countries showed a pronounced depreciating tendency in November, compared with the previous month. This was mainly due to a further increase in risk aversion towards the currencies of emerging economies in connection with the debt crisis in Ireland. From end-October to end-

November, the Czech koruna depreciated vis-à-vis the euro by 1.3%, the Polish zloty by 2.2%, and the Hungarian forint by 4.6%.

In November, central bank rates remained unchanged in Poland and the Czech Republic. Narodowy Bank Polski left its base rate at 3.5% and Česká národní banka its two-week repo rate at 0.75%. Magyar Nemzeti Bank decided at its November meeting to raise its base rate by 0.25 of a percentage point, to 5.50% (with effect from 30 November 2010).

### Box 1

#### QUARTERLY REPORT ON THE INTERNATIONAL ECONOMY – OCTOBER 2010

In line with expectations, the pace of global economic growth slowed in the third quarter, owing to the gradually waning effect of the fiscal stimulus measures taken in response to the crisis. Emerging economies continued to experience more dynamic economic growth, while advanced economies recorded a slower recovery. In the United States, economic growth accelerated in the third quarter, mainly as a result of higher consumer demand and lower negative contribution from net exports. Economic growth in the euro area slowed somewhat in line with expectations, owing to a decrease in the positive contribution of inventory growth and stagnation in investment demand. A positive feature of GDP growth was private consumption, which increased for the fourth consecutive quarter. In the third quarter, as in the previous quarter, economic growth was stimulated by net exports, whose positive balance increased somewhat, despite the fact that the subdued global economic activity caused a marked slowdown in export dynamics. Economic growth accelerated more significantly in Hungary and the Czech Republic. In Poland, economic activity increased only slightly, while GDP continued to grow at a relatively fast pace<sup>1)</sup>.

Oil prices were fairly volatile during the third quarter, but remained virtually unchanged in comparison with the previous quarter. Towards the end of the third quarter and in the following months, however, oil prices rose gradually as a result of increased demand. Relatively steep increases were recorded in the prices of non-energy commodities, mainly agricultural commodities. Developments in commodity prices led to a slight acceleration in global price inflation. At the same time, the United States recorded a marked slowdown in inflation in October, mainly in core inflation. In the euro area, consumer-price inflation continued to accelerate gradually in the third quarter as a result of food and energy price developments. Accelerated price increases were also recorded in the market components of inflation, mainly in tradable goods prices. The rise in food prices also contributed to the acceleration of inflation in the Czech Republic and, to a lesser extent, in Poland. At the same time, Hungary's inflation rate fell in the third quarter as a result of a base effect stemming from the increase in indirect taxes in the same period a year earlier. In October, however, inflation accelerated as a result of developments in food and energy prices.

1) Data on GDP growth and structure from Eurostat were available only for Poland at the time when this report was compiled. Data for Hungary and the Czech Republic were available only in aggregate form.



The US Federal Open Market Committee left its target range for the federal funds rate unchanged. At the same time, the Fed announced the second round of quantitative easing to be carried out through a purchase of USD 600 billion worth of long-term government bonds by the end of the second quarter of 2011. The ECB's Governing Council also left its key interest rates unchanged. Furthermore, it decided to continue conducting refinancing operations in an unchanged form. Narodowy Bank Polski also left its monetary-

policy rates unchanged, but it decided to increase its minimum reserve ratio in October (the ratio was reduced in June 2009 as part of the anti-crisis measures). Česká národní banka left its key interest rates unchanged. At the end of November, Magyar Nemzeti Bank decided to raise its base rate by 0.25 of a percentage point, owing to an increase in inflation risks in connection with the introduction of additional taxes for selected sectors and a tax reduction for natural persons.



## 3 ECONOMIC DEVELOPMENTS IN SLOVAKIA

### 3.1 PRICE DEVELOPMENTS

#### 3.1.1 CONSUMER PRICES

Consumer price growth, as measured by Harmonised Index of Consumer Prices (HICP), remained unchanged in year-on-year terms (1.0%), at the level of the previous month. This development was driven by a slowdown in the year-on-year increase in food and services prices and by a slightly deepened decline in energy prices on the one hand, and by a decelerated decline in non-energy industrial goods prices on the other hand.

In November, the 12-month inflation rate rose in comparison with the previous month by 0.3% month-on month, with goods prices increasing (by 0.4%) and services prices stagnating. The recorded HICP inflation was in line with NBS expectations; the faster than expected growth in food prices was compensated for by the weaker than projected dynamics of non-energy industrial goods and services prices.

In November, consumer prices (on a month-on-month basis) were mainly influenced by growth in food prices and a moderate increase in energy and non-energy industrial goods prices. In non-

energy industrial goods group, the prices of semi-durable goods (season footwear, sports goods, and clothes for recreation) increased. The prices of non-durable goods stagnated, and the prices of durable goods (furniture) decreased on a month-on-month basis. In energy prices, motor fuel prices rose, and the prices of heat and solid fuels (coal, wood) increased somewhat as well. In the food category, the prices of both processed and unprocessed foods increased. In unprocessed foods, the prices of bread, milk, dairy products, eggs, fats and coffee registered an increase. The rise in agricultural commodity prices was reflected in food prices, too. Unprocessed food prices were influenced by an increase in vegetable prices (cucumber, paprika, tomato); this increase was partly offset by a decline in meat prices. Services prices stagnated on a month-on-month basis: prices related to housing, recreation and cosmetic services increased and those related to transport, holidays and telecommunications decreased.

The average 12-month inflation rate in the period from December 2009 to November 2010 reached 0.6%, which was 0.1 of a percentage point more than in the previous month.

**Table 1 Producer price developments in October 2010 (%)**

	Month-on-month changes		Year-on-year changes			
	September 2010	October 2010	October 2009	September 2010	October 2010	Average since begin. of 2010
Industrial producer prices (for the domestic market)	-0.3	-0.2	-5.8	-0.7	-1.0	-3.1
– prices of manufacturing products	0.1	-0.1	-4.8	1.6	1.4	-0.2
– prices of mining/quarrying products	-0.8	-1.1	-14.5	11.4	8.8	0.0
– energy prices	-0.8	-0.1	-4.3	-4.4	-4.7	-7.2
– water and sewerage charges	0.3	0.2	5.0	6.6	6.4	6.2
Industrial producer prices (for export)	-0.1	0.2	-10.0	4.2	4.8	2.3
– prices of manufacturing products	0.0	0.2	-9.7	4.4	5.1	2.5
Construction prices	0.2	0.1	1.5	1.0	1.1	1.0
Building material prices	0.2	-0.1	-10.0	-0.5	0.5	-4.0
Agricultural prices	-	-	-22.4	25.1	38.0	10.9
– prices of vegetable products	-	-	-22.8	39.5	61.0	25.4
– prices of animal products	-	-	-21.9	5.5	6.1	0.1

Source: Statistical Office of the SR.

In the coming month, HICP inflation is expected to accelerate in year-on-year terms, owing to an increase in the year-on-year dynamics of foods and services prices and a decline in non-energy industrial goods prices.

The consumer price index (CPI) increased by 0.3% month-on-month in November 2010, while regulated prices stagnated and core inflation rose by 0.3%. The 12-month rate of consumer-price inflation stood at 1.0% (compared with 1.0% in October).

### 3.1.2 PRODUCER PRICES

Industrial producer prices for the domestic market fell by 0.2% month-on-month in October 2010. In year-on-year terms, their decline deepened by 0.3 of a percentage point (to -1.0%), mainly as a result of energy price developments.

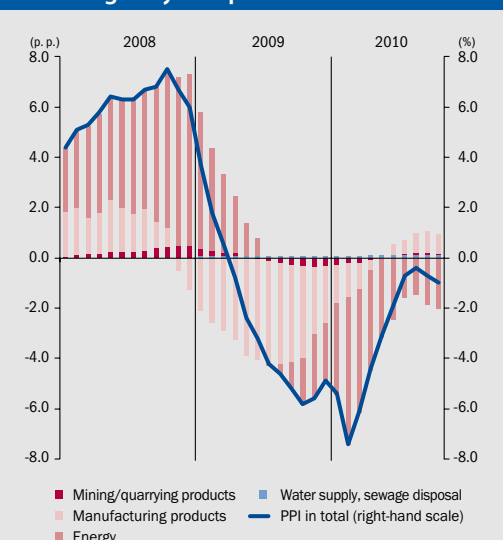
The deepening year-on-year decline in energy prices in October 2010, compared with the previous month, was caused mainly by a further fall in prices for steam and air-conditioning supply (by 0.3 of a percentage point, to -3.8%) and a slowdown in the dynamics of prices for the production and transport of gaseous fuels via pipelines (by 1.9 percentage points, to 14.9%). Electricity prices fell on a year-on-year basis to the same extent as a month earlier (-12.0%).

The slower year-on-year rise in manufacturing products prices in Slovakia in October 2010, compared with the previous month, was caused by a slightly deepened decline in transport vehicle prices (by 0.5 of a percentage point, to -4.9%). Slower year-on-year increases were recorded in the prices of metal and metal products (by 0.7 of a percentage point, to 6.2%) and wood and paper products (by 2.1 percentage points, to 6.6%). Refined oil products prices rose somewhat on a year-on-year basis.

The prices of agricultural products rose by 38.0% year-on-year in October 2010, compared with the previous month, owing to a sharp year-on-year increase in plant products prices (61.0%, caused mainly by a steep rise in oilseed and cereal prices). The year-on-year increase in animal products prices accelerated by 0.6 of a percentage point, to 6.1%.

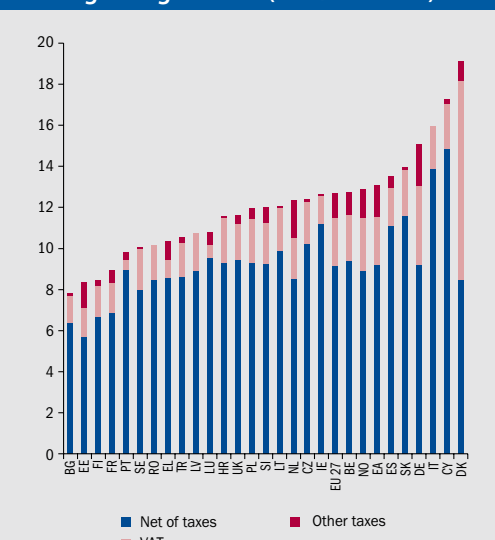
The gradually rising global oil prices and the signs of increases in numerous food commodity prices are not sufficient to create conditions in November for the overall industrial producer price index to approach the level recorded a year earlier. One of the reasons is the current fall in electricity prices for producers in Slovakia. According to data from Eurostat, producers in Slovakia pay an average of €11.61

**Chart 3 Contributions to the year-on-year PPI changes by component**



Source: Statistical Office of the SR.

**Chart 4 Electricity prices for producers at the beginning of 2010 (EUR/100 kWh)**



Source: Eurostat.



(net of taxes) per 100 kWh of electricity, while the average price in the euro area, as well as in EU27, is about €9.2 per 100 kWh. This creates conditions for stagnation or a slight fall in energy prices for producers in Slovakia in the months ahead.

The Food and Agricultural Organisation (FAO) of the United Nations has reduced its global cereal production forecast for this season by 2%, compared with the previous season, and warned that supply problems may occur in the foreseeable future, which may result in a food crisis. According to the latest agrarian market news, the Ministry of Agriculture and Rural Development of the SR has decided to react to the worsening situation in the cereal market by releasing the country's intervention stocks of cereals for the Community market. This measure is intended to stimulate the revival of Slovakia's agri-food sector and to rationalise the level of food prices. Despite this, the purchase prices of cereals and fodder crops are expected to rise somewhat in November 2010. The purchase prices of oilseed rape and sunflower are also expected to increase. The purchase prices of potatoes are now approximately 150% higher than a year earlier. In animal production, the purchase prices of slaughtered cattle and pigs are expected to increase somewhat. The purchase price of milk is rising, too. Overall, agricultural prices are likely to continue rising on a year-on-year basis in November 2010.

## 3.2 THE REAL ECONOMY AND THE LABOUR MARKET

### 3.2.1 TRADE BALANCE

The current account balance achieved in October was somewhat more favourable than the balance for the previous month. The month-on-month decrease in the current account deficit was caused mostly by an increase in the trade balance surplus. An increase in payments (to the EU budget), however, had a negative impact on the balance of current transfers, which moderated the month-on-month improvement in the current account balance. The other two current account components changed only minimally in comparison with September.

Export dynamics weakened considerably in October, by 6.0 percentage points month-on-month, to 16.7%. Despite this, exports increased in value on a month-on-month basis, since the slowdown in their year-on-year dynamics was connected with their revival last year (a base effect). Imports followed a similar trend on a month-on-month basis; their dynamics weakened by 6.3 percentage points, to 22.4%. Despite the weakening dynamics, the trade balance surplus increased in month-on-month terms.

On the exports side, the trade balance achieved in October was fully in line with the expectations of NBS. The somewhat smaller surplus (compared with the expectations) was due to the larger volume of imports.

**Table 2 Balance of payments current account (EUR millions)**

	September	October	
	2010	2010	2009
Trade balance	39.9	145.3	172.8
Exports	4,554.9	4,720.9	4,084.2
Imports	4,515.0	4,575.6	3,911.4
Services balance	-42.7	-54.6	-82.3
Income balance	-100.6	-96.4	-156.4
of which: income from investment	-197.8	-193.6	-252.6
of which: reinvested earnings	-97.5	-33.5	-273.7
Current transfers balance	-25.5	-98.4	-146.3
Current account in total	-128.9	-104.1	-212.2

Sources: NBS and the Statistical Office of the SR.



## Box 2

## BALANCE OF PAYMENTS FOR JANUARY TO SEPTEMBER 2010

The balance of payments on current account for January to September 2010 resulted in a deficit of €1,539.1 million, representing a year-on-year deterioration of €206.1 million. The year-on-year increase in the deficit was caused mainly by a decrease in the trade balance surplus and, to a lesser extent, by an increase in the worsening income balance. At the same time, the overall increase in the negative current account balance was moderated by smaller deficits in the services and current transfers balances. Compared with the second quarter, the most serious deterioration in the third quarter occurred in the trade balance (by €671.4 million).

Compared with the same period of 2009, both exports and imports increased over the first nine months of 2010, by 22.8% and 24.1% respectively.

Compared with the same period a year earlier, the strongest growth over the first nine months of 2010 was observed in the exports of machinery and transport equipment, which accounted for more than a half of the total increase in exports. The year-on-year export growth in the 'machinery and transport equipment' category was caused by a year-on-year increase in the exports of transport equipment, which took place mostly in car and machine exports. Besides machinery and transport equipment, chemical products and semi-finished goods also recorded much higher export volumes, partly as a result of price developments. The year-on-year export growth in the 'finished products' category was driven mainly by increased exports of sugar and pharmaceuticals. The higher raw material exports were caused by increased exports of refined oil products and gas, influenced by price developments in particular. Following a steep quarter-on-quarter increase in the second quarter, exports recorded only a modest increase in the third quarter, mainly as a result of slower growth in foreign demand.

The strongest year-on-year growth in imports was recorded, as in exports, in the 'machinery

and transport equipment' category. The increased imports were caused by a marked increase in the imports of components for the automotive industry, in the 'transport equipment' and 'machinery' subcategories. A marked year-on-year increase in imports was also recorded in the 'chemical products and semi-finished goods' category, which contributed significantly to the year-on-year growth in total imports. The growth in raw material imports was, like export growth, substantially influenced by a rise in global oil prices, which led to growth in gas, crude and refined oil imports. The smallest increase in imports was recorded in finished products. The year-on-year growth in imports continued in the third quarter. The rate of growth accelerated in comparison with the second quarter, partly as a result of increased raw material imports in connection with the year-on-year rise in gas prices.

The deficit in services decreased on a year-on-year basis, mainly as a result of an improvement in 'other services in total'. The year-on-year change in the deficit was negatively affected by an increase in expenses on transport services. The deterioration in the income balance in year-on-year terms was caused by an increase in the negative balance of income from investments in connection with the higher estimated profits of companies with foreign capital participations, which led to a higher estimate of profits reinvested by foreign investors in Slovakia. A modest improvement in current transfers was caused by a marked decrease in payments in the balance of private transfers (mainly in grants, deposits, execution costs, and unilateral transfers by legal entities).

During the first nine months of 2010, the balance of payments on capital and financial account resulted in a surplus of €284.1 million (compared with a surplus of €2,115.5 million in the same period of 2009 and a deficit of €572.8 million in the first half of 2010). The lower inflow of funds via the capital and financial account was mainly the result of a decrease



in deposits received within the balance of other investments. The net inflow of funds in the third quarter was €1,441.6 million higher than in the previous quarter, as a result of

lower demand among residents for foreign debt securities (mainly on the part of NBS) and higher demand among non-residents for government securities.

### 3.2.2 PRODUCTION AND REVENUES

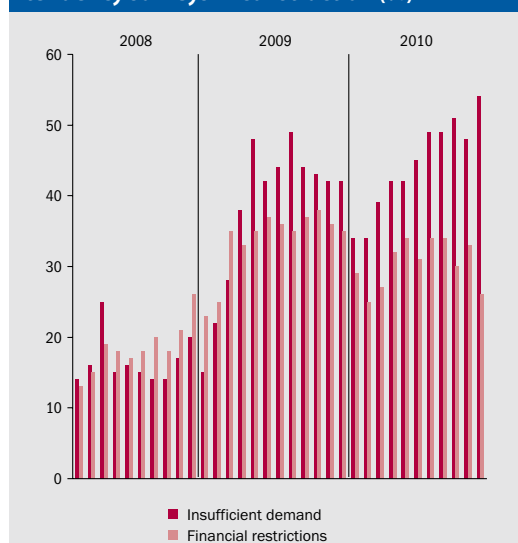
In October, the industrial production index (IPI) showed broadly the same year-on-year dynamics (13.4%) as in September (13.2%). In month-on-month terms, the index rose by 1.1%<sup>2</sup>. Despite a slowdown, the Slovak industry continued to grow in the third quarter of 2010. Its output is currently stimulated by the continuing growth in global demand, indicated in November by the relatively optimistic confidence indicators for industry (based on European Commission surveys<sup>3</sup>) and by the ongoing investments of major domestic companies).

Broken down by sector, the year-on-year dynamics of the IPI index was positively influenced by production in the electronics sector (28.9% in October; -4% in September), while its growth was stimulated by a marked month-on-month increase in production and by a base effect. At the same time, a negative contribution

came from the production of transport vehicles (29.2%; 36.2%), owing to a base effect. However, developments were favourable in both sectors. The production of coke and refined oil products showed weaker dynamics (-9%; 11.5%); but such changes are common in this sector. Despite a fall in confidence, the November business tendency survey in industry<sup>4</sup> recorded no significant changes; production is still expected to grow. On the basis of these facts, it is possible to assume that the growing trend will continue in the next few months, though the rate of growth may be slowed around the turn of the year by the consolidation measures taken in the area of public finances in numerous EU countries.

The year-on-year dynamics of production in the construction sector increased to 4% in October (from -6.5% in September), after having been in negative territory for more than a year. A positive change was also recorded on a month-on-month

**Chart 5 Share of respondents regarding insufficient demand and financial restrictions as factors limiting production in business tendency surveys in construction (%)**



Source: Statistical Office of the SR.

**Chart 6 Indices of industrial production and construction (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.

- <sup>2</sup> Seasonally adjusted.
- <sup>3</sup> European Commission, *Business and Consumer Survey Results*, November 2010.
- <sup>4</sup> Statistical Office of the SR, *Business Tendency Surveys*, November 2010.





Table 3 Production and revenues

Statistical classification of economic activities (SK NACE Rev. 2)	EUR millions, current prices	Indices			
	October 2010	October 2009	Jan.-Dec. 2009	September 2010	October 2010
Industrial production index <sup>1), 2)</sup>	-	93.8	86.3	113.2	113.4
Production in construction <sup>2)</sup>	538.4	78.1	88.7	93.5	104.0
Revenues <sup>3)</sup> :					
Industry in total	6,304.5	84.1	78.9	117.8	113.8
Construction	863.3	80.1	88.3	88.7	99.8
Wholesale trade, excluding motor vehicles	2,008.1	72.2	73.2	99.2	99.7
Retail trade, excluding motor vehicles	1,492.3	87.2	88.1	100.5	98.5
Sale and maintenance of vehicles	358.7	70.4	76.9	106.7	114.5
Accommodation and food service activities	97.6	78.9	77.2	97.4	98.5
Transportation and storage	531.3	83.6	86.4	106.3	112.0
Selected market services	756.8	98.0	96.7	111.1	106.1
Information and communication	363.3	101.1	103.3	94.7	86.3
Revenues from own output and sales in the sectors under review in total	12,775.9	82.6	81.4	107.9	106.9

Source: Statistical Office of the SR and NBS calculations.

1) Adjusted for calendar effects (the data in the time series are continuously revised).

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

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

basis: an increase of 2%<sup>5</sup>. Production abroad fell by only 5.2% year-on-year (-34.9%), as a result of a marked increase in production in the previous month. The construction sector's output was mostly influenced by domestic production, which grew by 4.4% (-5.6%). A positive growth rate was recorded in the construction of buildings (3.9% in October; -6% in September), as well as in civil engineering construction (5.4%; -4.6%). Despite this, the acceleration was caused by a base effect in both sectors. The situation cannot be expected to improve substantially, because confidence in construction was low according to the November business tendency survey and the vast majority of respondents mentioned insufficient demand as a factor restricting production.

Total revenue in the sectors under review recorded a slowdown in the year-on-year rate of growth in October, compared with September 2010, for the second consecutive month. The slowdown took place mostly in industry, retail trade, information and communication. The negative developments in these sectors were offset by accelerated revenue growth in transport and storage, and in the sale of motor vehicles. The slowdown in the year-on-year revenue growth in

industry was caused mainly by a decrease in the dynamics of transport vehicle production and the production of metals and metal products.

Retail sales revenues at current prices recorded a year-on-year fall in October, after having shown positive year-on-year dynamics for three months. Within the structure of retail sales revenues, a slowdown in revenue growth was recorded mainly in retail sales in non-specialised shops, while retail sales of other goods in specialised shops experienced an accelerated year-on-year decline.

Revenues from the sale and maintenance of motor vehicles showed positive year-on-year dynamics in October for the third consecutive month, following a sharp year-on-year fall in July 2010. The main variables in the current positive dynamics are the low level of comparison in the same period a year earlier and the gradual recovery of demand in the motor vehicle segment.

### 3.2.3 WAGES, EMPLOYMENT AND UNEMPLOYMENT

In October, average nominal wages in the sectors under review showed substantially weaker dynamics in year-on-year terms than in September 2010. This was mainly due to slower

<sup>5</sup> Source: Statistical Office of the SR, Construction sector output in October 2010.

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

	Average monthly nominal wage		Average monthly real wage <sup>1)</sup>	
	September 2010	October 2010	September 2010	October 2010
Industry	105.2	101.4	104.1	100.4
of which: manufacturing	105.0	100.8	103.9	99.8
Construction	103.1	104.9	102.0	103.9
Sale and maintenance of vehicles	101.7	100.8	100.6	99.8
Wholesale trade	103.1	104.3	102.0	103.3
Retail trade	103.8	104.0	102.7	103.0
Accommodation	103.8	105.2	102.7	104.2
Food service activities	105.9	105.0	104.7	104.0
Transport and storage	100.9	101.3	99.8	100.3
Information and communication	102.4	103.0	101.3	102.0
Selected market services	107.5	102.3	106.3	101.3
Average for the selected sectors	104.3	102.4	103.2	101.4
Consumer prices	101.1	101.0	-	-

Source: Statistical Office of the SR, NBS calculations.

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

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

	Employment	
	September 2010	October 2010
Industry	100.6	101.4
of which: manufacturing	101.0	101.8
Construction	97.4	97.3
Sale and maintenance of vehicles	93.7	94.9
Wholesale trade	96.4	96.2
Retail trade	98.4	98.9
Accommodation	96.1	95.8
Food service activities	95.9	96.1
Transport and storage	100.1	100.9
Information and communication	90.6	89.3
Selected market services	99.5	100.7
Average for the selected sectors	98.8	99.3

Source: Statistical Office of the SR, NBS calculations.

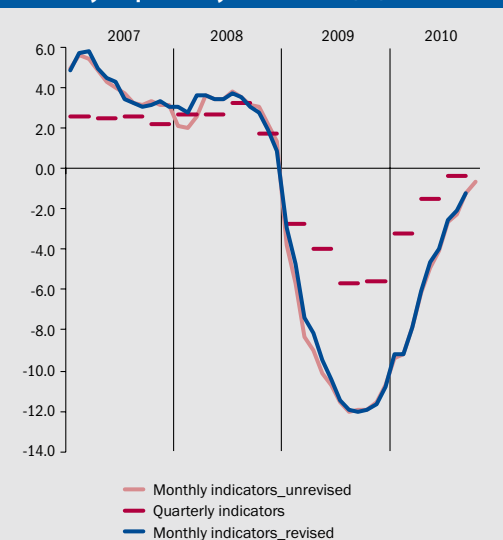
wage growth in industry and selected market services. Wage statistics from the selected sectors for October indicate that the average rate of nominal wage growth in the economy as a whole is likely to slow in the fourth quarter of 2010, to 2.4% (from 3.7% in the third quarter of 2010).

The decline in employment in the sectors under review continued to moderate in October 2010,

to 0.7%. In that period, employment continued to grow in industry, transport and storage, and selected market services. Average monthly data from the selected sectors for October indicate that the employment situation is likely to improve in the fourth quarter of 2010, compared with the previous quarter.

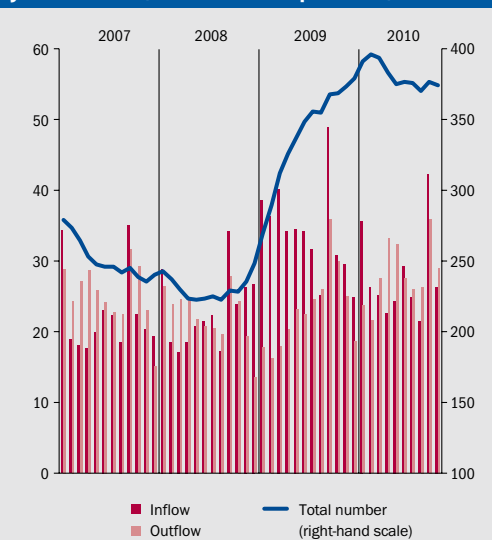
According to data from the Centre for Labour, Social Affairs, and Family, the total number

**Chart 7 Employment, comparison of monthly a quarterly indicators (%)**



Source: Statistical Office of the SR and NBS calculations.

**Chart 8 Inflow, outflow and total number of job seekers (thousands of persons)**



Source: Centre for Labour, Social Affairs and Family.

of unemployed dropped month-on-month by 2,800, to 374,200 in October 2010. The rate of registered unemployment reached

12.3% in October, representing a fall of 0.1 of a percentage point in comparison with the previous month.

### Box 3

#### DEVELOPMENT OF THE REAL ECONOMY IN THE THIRD QUARTER OF 2010<sup>6</sup>

Gross domestic product (GDP), based on revised data from the Slovak Statistical Office, grew at constant prices by 3.8% year-on-year in the third quarter of 2010, compared with 4.2% in the previous quarter. The slowdown in the rate of growth was caused mainly by net exports. According to seasonally adjusted data, GDP expanded by 1.0% quarter-on-quarter in this period. Thus, the economy continued to grow on a quarter-on-quarter basis.

In terms of production, GDP growth in the third quarter of 2010 was stimulated by value added growth, mainly in industry, construction, and services. Value added in agriculture fell in year-on-year terms, after increasing somewhat in the previous quarter.

In terms of consumption, economic growth in the third quarter of 2010 was influenced mostly by an increase in foreign demand

(exports of goods and services grew by 14.8%). Net exports, however, contributed negatively to GDP growth, because imports grew at a faster pace than exports. Domestic demand also increased somewhat (by 4.0%), mainly as a result of inventory growth. Within the scope of final consumption, private consumption continued to fall, albeit at a more moderate pace. General government spending increased slightly in the quarter under review.

In the third quarter of 2010, the average monthly nominal wage paid to an employee in the Slovak economy increased by 3.7% year-on-year, to €750. Seasonally adjusted nominal wages increased by 0.8 of a percentage point compared with the previous quarter. Real wages increased by 2.6% in the third quarter. Nominal compensation per employee (ESA 95) grew year-on-year by 1.5%, but the rate of growth

<sup>6</sup> More detailed information is available in Annex 3.

slowed by 1.8 percentage points compared with the previous quarter.

Employment as defined in the methodology of national accounts (ESA 95) fell by 0.7% in the third quarter of 2010. This was 1.6 percentage points less than the figure for the second quarter. According to seasonally adjusted quarter-on-quarter data, employment increased by 0.4% in the third quarter of 2010 (compared with -0.2% in the second quarter).

Employment expressed in terms of the number of hours worked increased by 2.3% year-on-year in the third quarter, representing a deterioration of 1.9 percentage points in dynamics compared with the previous quarter. The seasonally adjusted number of hours worked decreased by 1.0% quarter-on-quarter. Developments in employment indicate that our expectations regarding its revival began to materialise in the second half of 2010.

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

employee to growth in real labour productivity (GDP per total employment) based on ESA 95 data, decreased year-on-year by 2.9% in the third quarter (compared with -3.1% in the second quarter). The decrease in unit labour costs was the result of real labour productivity growth, combined with slower growth in compensation per employee.

According to a labour force sample survey, the number of unemployed increased by 13.1% year-on-year in the third quarter of 2010, representing a more moderate increase than in the previous periods. This increase was also reflected in the rate of unemployment, which reached 14.1% in the third quarter (0.3 of a percentage point less than in the second quarter of 2010).

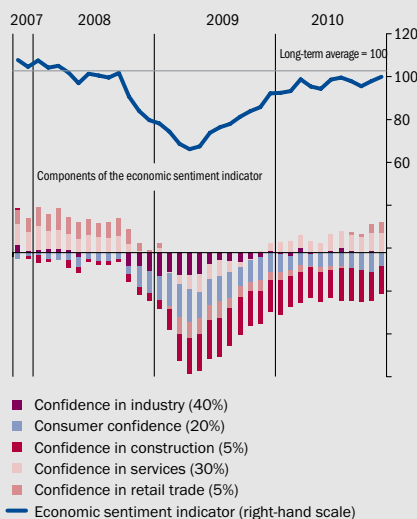
The year-on-year rate of economic growth in the third quarter was more moderate than expected and was influenced by the negative trend in net exports and the modest increase in domestic demand. In the coming quarters, economic activity is expected to continue growing at a moderate pace and the labour market indicators to improve gradually.

### 3.2.4 THE ECONOMIC SENTIMENT INDICATOR

In November, the economic sentiment indicator rose by 2 percentage points in comparison with October (to 99.9 points), and was 14.1 percentage points higher than in the same period a year earlier. The indicator was positively influenced by an increase in confidence in construction, retail trade, services, and in consumer confidence. Compared with the previous month, the indicator of confidence in industry deteriorated.

The worsening indicator of confidence in industry was mainly the result of a negative assessment of the inventory of finished products. In construction, the continuing growth in confidence was mainly due to an expected slowdown in the pace of decline in employment in the next three months. The positive trend in confidence in retail trade was caused mainly by a favourable assessment of the expected business situation. Confidence in services increased primarily as a result of an increase in expected demand.

Chart 9 Economic sentiment indicator



Source: European Commission.

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



Compared with the previous month, consumer confidence increased in all four components, i.e. the expected financial situation of households, expected economic developments in Slovakia, expected household savings, and the expected unemployment situation. Compared with the previous month, the consumer confidence indicator rose by 8.2 percentage points, corresponding to a year-on-year increase of 12.9 percentage points.

### 3.3 MONETARY AGGREGATES AND INTEREST RATES

Domestic monetary financial institutions (MFIs) contributed €39 million to euro area M3 growth in October. The year-on-year rate of M3 growth continued to accelerate, to 4.2%, representing an increase of 0.8 of a percentage points compared with the previous month.

The growth in the M3 monetary aggregate was caused mainly by an increase in less liquid items (M2-M1). Among these items, deposits with an agreed maturity of up to two years increased to a significant extent. This was connected with a modest rise in interest rates on deposits fixed for a period of up to one year. The higher interest paid on fixed-term deposits led to the conversion of the most liquid deposits (demand deposits) into deposits included in the M2-M1 monetary aggregate. This caused a decrease in the M1 monetary aggregate. The least liquid deposits (marketable instruments) recorded a slight fall, when the amount of funds invested in money market mutual fund shares decreased, as well as the amount of debt securities issued with a maturity of up to two years. The sectoral breakdown of deposits shows that funds were shifted from the most liquid deposits to fixed-term deposits by non-financial corporations in particular. Total household deposits increased somewhat, but households gave preference to longer-term deposits. Hence, the amount of deposits outside M3 increased, while deposited included in M3 stagnated. On a year-on-year basis, the growth in non-financial corporate deposits accelerated, to 5.3%, owing to the improved performance of the corporations boosted by the ongoing recovery in economic activity. The year-on-year dynamics of household deposits, strengthening since the end of 2009, reached 3.9% at end-October 2010. The household sector

continued to show a preference for fixed-term deposits with longer maturities outside M3.

On the side of counterparts, M3 growth was accompanied by a marked increase in the receivables of monetary financial institutions from the private sector. The outstanding amount of receivables from the private sector grew by €488 million, while loans increased by €417 million and securities by €71 million.

The year-on-year growth in MFI receivables from the private sector accelerated by 0.7 of a percentage point, to 3.1%. Loans increased even more rapidly, by 3.9%. This represented an acceleration of 1.2 percentage points, compared with the previous month.

In October, lending to the private sector was driven mainly by the non-financial corporate sector. Loans increased by €270 million month-on-month, representing the largest increase since the third quarter of 2008. Thus, credit expansion in the non-financial corporate segment continued for the fourth consecutive month. In terms of maturity, the majority of loans were short-term loans (60%). Non-financial corporations showed interest in current account overdrafts and revolving loans used for operation and inventory financing. Long-term loans with a maturity of over five years also recorded a significant increase (the largest since the beginning of 2009). This points to the growing needs of non-financial corporations for investment financing and for strengthening their economic activities. The strong lending growth was reflected in the positive year-on-year dynamics of loans (0.1%), for the first time since July 2009. This represents an acceleration of 1.8 percentage points. The gradually growing trend in lending to non-financial corporations started in May 2010. The relatively strong growth in lending to households continued in October, when the outstanding amount of loans increased by €154 million month-on-month. The most significant contribution to lending growth came from house purchase loans. Consumer loans also increased somewhat. The relatively strong month-on-month growth in loans since March 2010 caused the year-on-year rate of lending growth to accelerate to 11.4% in October, representing an acceleration of 0.3 of a percentage point compared with the previous month. Compared with April 2010, when the weakest lending growth was recorded (in

**Table 6 Monthly net sales of open-end funds<sup>1)</sup> in Slovakia (EUR millions)**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cumulative
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	-177.5	-94.0	-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	101.5	110.9
2010	45.4	79.5	54.8	74.1	3.5	12.1	20.8	18.8	-10.7	17.2	11.4 <sup>2)</sup>	.	326.9

Source: NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS) for 2007- October 2008, from the Weekly Data on Open-End Funds, and/or SASS data for November 2008 - 2010 from the Monthly Survey of Net Sales and Assets Managed by Asset Management Companies in Slovakia.

1) Denominated in domestic currency (euro, before 2009 in Slovak koruna) or foreign currency.

2) Calculated by NBS for the given month on the basis of SASS data (Weekly Data on Open-End Funds).

year-on-year terms), the dynamics of lending to households strengthened by 0.8 of a percentage point. In fact, the lending growth is driven by house purchase loans, whose dynamics increased by 3 percentage points since the first quarter, to 13.7%. Households make use of the lower real property prices and the more favourable terms of house purchase financing, compared with the previous period.

Among the counterparts of M3, a significant change occurred in central government deposits held at commercial banks, the amount of which increased by almost €1.5 billion, as a result of new government bond issues. The relatively dynamic growth in long-term deposits with a maturity of over two years continued, mainly in the household sector.

The moderate inflow of funds into open-end funds (OEFs) continued in November, when the monthly inflows ranged from €-7.1 million to €11.1 million.

Open-end funds of all types operating in Slovakia (euro and foreign-currency funds) recorded monthly net sales in the total amount of €11.4 million<sup>7</sup>.

Owing to the risk aversion of investors in the current period of increased uncertainty and the expected interest rate developments over the medium-term horizon, the deviation from conservative investment strategies persists in Slovakia and preference is given to less risky and secured investment strategies.

A further outflow of funds was reported by money market mutual funds, which recorded negative monthly net sales for the seventh consecutive month (€-26.0 million). Among the other types of funds, the largest positive net sales were again achieved by other/secured funds (€15.9 million). Positive net sales were also recorded by special real estate funds (€12.0 million), mixed funds (€6.8 million), equity funds (€3.2 million), and bond funds (€0.4 million). At the same time, the funds of funds recorded negative net sales (€-1.0 million).

#### Box 4

##### RECEIVABLES OF FACTORING, LEASING, AND HIRE-PURCHASE COMPANIES

The receivables of factoring, leasing and hire-purchase companies from the private sector amounted to €3,901.7 million at the end of the third quarter of 2010. Their year-on-year dynamics weakened by 1.5 percentage points, to -12.2%. Compared with the previous quarter, they decreased by €27.8 million. This represented the smallest decrease since 2008. The most

significant contribution to the decrease in total receivables came from finance lease receivables, which fell by €56.6 million compared with the second quarter of 2010. Within the scope of other receivables, hire-purchase and consumer credit receivables increased by €52.2 million, while other credit and loan receivables decreased by €23.4 million compared with the previous quarter.

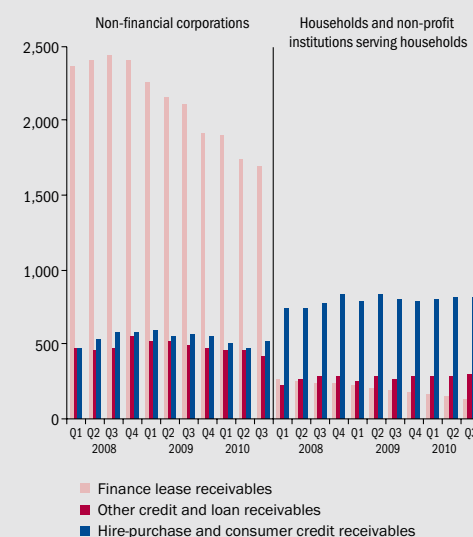
<sup>7</sup> The different amounts of monthly and cumulative net sales can be explained by the fact that the data of SASS obtained from regular weekly statistical reports and the data of individual OEF administrators ([www.openiazoch.sk](http://www.openiazoch.sk)) sometimes refer to different periods (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 investment funds and their conversion into euro funds at the end of 2008 caused a significant decrease in the number of investment funds (from ca 550 to 460) and an increase in the number of euro funds. In 2009, the SASS database was extended to include the funds of PARVEST, ING (L) Invest SICAV. Some of the Pioneer Investments Austria GmbH funds were excluded from the database. Thus, the total number of open-end funds decreased from over 570 to less than 570. In 2010, the number of funds reported by SASS is relatively stable; it ranges from 494 to 511.



The receivables of factoring, leasing and hire-purchase companies from non-financial corporations had decreased by €31.2 million by the end of the third quarter, and their negative year-on-year dynamics weakened by 0.3 of a percentage point, to -16.8%. At the same time, the amount of receivables from credits and loans provided increased, while that of lease receivables decreased. The latest data indicate that the decline in financing by other financial intermediaries stabilised; the bottom had probably been reached in the previous quarter.

The amount of OEF receivables from households increased somewhat in the third quarter (by €3.9 million), which led to a slowdown in the year-on-year pace of decline (by 4.7 percentage points, to 0.6%). The decreasing trend in lease receivables continued. The opposite trend was recorded in OEF receivables from households, mainly in hire-purchase and consumer loan receivables.

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



Source: NBS.

The key ECB interest rates remained unchanged in October, at 1.00%, 0.25% and 1.75%. Market interest rates represented by EURIBOR continued to show a gradually rising tendency: 3-month EURIBOR reached the level of the ECB's main refinancing rate. This was due to the gradual decrease in liquidity. In October, the ECB conducted two longer-term refinancing operations (1-month and 2-month) as fixed-rate tender procedures with full allotment. The total amount of these operations, however, was lower than the amount of liquidity reduced in one-week fine-tuning operations. The gradual reduction in liquidity led to a fall in overnight deposits at the ECB, to 50% of the amount recorded a month earlier. Retail deposit rates and lending rates reacted to this development differently. Mainly deposit rates tended to react to changes in the short-term market rates.

Retail interest rates on loans to non-financial corporations fell somewhat in October, mainly the rates for other loans. The fall in interest rates on other loans exceeded the modest rise in the prices of investment and house purchase loans. Interest rates on investment loans were fairly volatile and dependent on the customer's solvency. Interest rates on house purchase loans

have been rising in the last four months, owing to the increased risk perception in the real estate market. Market rates were reflected only in the higher prices of current account overdrafts and revolving loans, which are dependent on the short-term market rates. Interest rates on loans of up to €1 million rose somewhat, depending on the size of loan. The opposite trend was recorded in interest rates on loans of over €1 million. These rates have shown a gradually falling tendency in the last four months.

Average interest rates on loans to households fell slightly in October. This was connected with the fall in lending rates for house purchases. Some of the banks offered preferential loan products for house purchases, causing a slight fall in interest rates (by 0.23 of a percentage point, to 5.1%). The breakdown of house purchase loans by type shows that interest rates fell mainly on other house purchase loans and, to a lesser extent, on mortgage loans. The opposite trend was recorded in intermediate loans, whose prices rose for the fifth consecutive month. Among loans for consumption, interest rates fell somewhat on other loans, while the prices of consumer loans remained unchanged.





Interest rates on deposits showed the same tendency in both sectors. They rose slightly in line with the market rates. The price of deposits with an agreed maturity of up to one year increased in both the household and non-

financial corporate sectors. Interest rates on non-financial corporate deposits redeemable on demand rose somewhat. Interest rates on other deposit products remained virtually unchanged.



## QUARTERLY REPORT ON THE INTERNATIONAL ECONOMY

### THE GLOBAL ECONOMY

The global economy continued to grow in the third quarter of 2010, albeit at a slower pace than in the previous quarter. The slowdown in economic growth was caused mainly by the phasing-out of the fiscal stimulus measures taken in response to the crisis. However, the pace of recovery in economic activity varied from region to region. While advanced economies experienced only a modest recovery as a result of weak labour market conditions and low consumer confidence, emerging and developing economies grew relatively dynamically. The OECD's composite leading indicator (CLI) of economic activity for the third quarter pointed to a certain slowdown in the rate of economic growth.

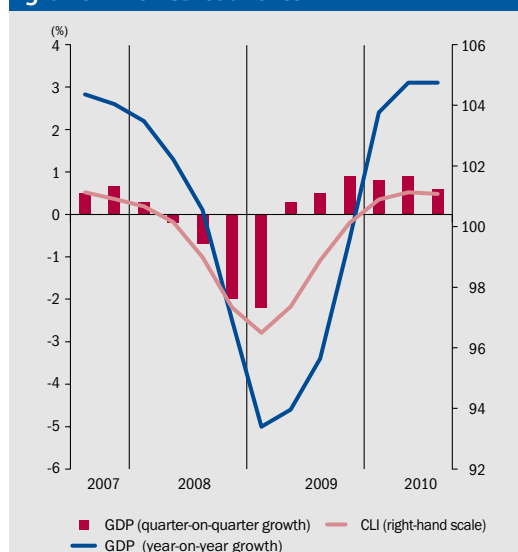
In the OECD countries, GDP expanded by 0.6% quarter-on-quarter in the third quarter of 2010, representing a slowdown in dynamics compared with the previous quarter (0.9%). On a year-on-year basis, the global economy grew by 3.1% in the third quarter, as in the previous quarter.

Consumer-price inflation accelerated slightly over the third quarter of 2010, mainly as a result of food

and energy price developments. While emerging and developing economies were still exposed to strong inflationary pressures, advanced economies recorded only moderate inflationary pressures. Global inflation remained at a relatively low level. In September, inflation in the OECD countries reached 1.7% in year-on-year terms, compared with 1.5% in June 2010. In October, price inflation accelerated again, to 1.9%. Energy prices increased by 5.2% year-on-year in September, compared with 4.7% in June 2010. Food prices also recorded an accelerated rise, by 2.3% (compared with 0.6% in June 2010). Core inflation fell somewhat in year-on-year terms, to 1.2% in September (compared with 1.3% in June 2010).

The risks to global economic recovery are still relatively high. Only modest economic growth can be expected in the period ahead. Economic developments are still influenced positively by foreign trade. Global economic activity may be affected adversely in the coming period by the persistent investor distrust of the financial markets, continued commodity price increases, more intense protectionist measures, and by the possibility of a disorderly correction of global imbalances.

**Chart 10 Quarter-on-quarter GDP and CLI growth in OECD countries**



Source: OECD.

Note: Composite leading indicator in OECD countries (CLI).

### COMMODITY MARKETS

Oil prices were fairly volatile during the third quarter of 2010: they fluctuated within the range of USD 70–83/barrel. Despite this, the average price of oil remained virtually unchanged (USD 77/barrel), compared with USD 78/barrel in the second quarter. The oil price volatility was connected with the swings in market sentiment, between expectations of a faster economic recovery and concerns that the financial crisis may return. Towards the end of the third quarter, oil prices started to rise as a result of growing demand in emerging and developing economies, and continued rising in October and November, too. At the end of November, oil prices were 8.8% higher than at the beginning of the year, at USD 86/barrel.

The prices of other global commodities markedly increased in the third quarter of 2010.



The steepest increase occurred in agricultural commodity prices, mainly as a result of strong demand, poor crops caused by the climatic conditions, and low inventories. The prices of non-ferrous metals also increased. The rise in non-ferrous metal prices was caused mainly by increased demand from China, low inventories and subdued production.

## UNITED STATES

Economic growth in the United States accelerated and stabilised in the third quarter of 2010, compared with the previous quarter. In annualised terms, GDP expanded by 2.5% during this period, following a growth of 1.7% in the previous quarter. On a year-on-year basis, GDP growth accelerated to 3.2%, from 3.0% in the second quarter of 2010.

The most significant contribution to GDP growth came from household private consumption, which considerably increased in comparison with the previous quarter. Investment also contributed positively to GDP growth, but its dynamics weakened substantially in comparison with the previous quarter. Investment by residents decreased to a significant extent, owing to the gradual phasing-out of stimulus programmes implemented in the area of mortgage lending. At the same time, investment in equipment and software continued to grow. Compared with the previous quarter, government spending increased at both the federal and state levels, and thus contributed positively to GDP growth. Despite a marked decrease in imports, net exports still contributed negatively to GDP growth. This contribution, however, was smaller than in the previous quarter.

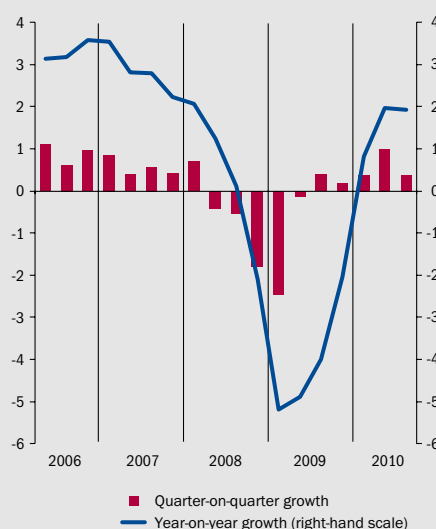
Inflation slowed considerably in the third quarter of 2010, when the average quarter-on-quarter inflation rate dropped to 1.1%, from 1.8% in the previous quarter. After falling sharply at the end of the second quarter, inflation stabilised during the next few months. Consumer prices increased by 1.1% in September (as in June), then accelerated somewhat in October, to 1.2%. Core inflation fell slightly at the end of the third quarter, to 0.8% (compared with 0.9% in June). In October, core inflation dropped to 0.6%, the lowest level since 1961.

At its two regular meetings held in the third quarter, the US Federal Open Market Committee (FOMC) decided to leave its target range for the federal funds rate unchanged, at a level close to zero. In so doing, the FOMC confirmed its intention to maintain the federal funds rate at exceptionally low levels for an extended period. In October, the FOMC held a special meeting to discuss the monetary policy framework and alternative methods for defining and communicating its monetary policy objectives. At its regular meeting in November, the FOMC decided to leave its target rate unchanged. At this meeting, the FOMC announced that it intends to purchase government debt securities for USD 600 billion by the end of the second quarter of 2011, for the purpose of boosting the revival in economic activity.

## THE EURO AREA

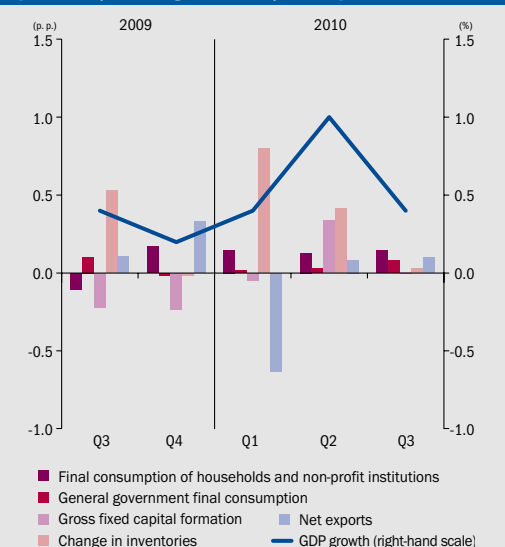
In line with expectations, the euro area economy experienced a slowdown in the rate of growth in the third quarter, to 0.4% (from 1.0% in the second quarter). The slowdown in GDP growth was caused mainly by domestic factors, i.e. the waning positive effect of the inventory cycle and the slowly growing investment demand. The year-on-year rate of GDP growth also slowed in the third quarter, to 1.9% (from 2.0% in the second

Chart 11 Euro area: economic growth  
(constant 2000 prices; %)



Source: Eurostat.

**Chart 12 Euro area: contributions to quarterly GDP growth by component**



somewhat. The subdued global economic activity, however, led to a marked slowdown in export dynamics. Import growth also recorded a slowdown. A positive feature of GDP growth was private consumption, which increased for the fourth consecutive quarter. The growth in general government spending also accelerated somewhat. At the same time, the positive contribution of inventory creation decreased to a significant extent, while investment demand remained stagnant.

Compared with the previous quarter, value added creation slowed considerably in industry, probably as a result of a slowdown in export growth. At the same time, the stagnating investment demand led to slower value added growth in construction.

The prospects for further economic recovery in the euro area are connected with the expected fiscal consolidation and its impact on economic growth, and with the pace of recovery in the global economy and its export performance. The slowdown in global economic activity was also reflected in the worsening assessment of competitiveness in industry. The competitive position of industry fell in the fourth quarter, mainly for markets outside the EU. Thus, foreign demand is likely to further contribute to economic growth, though its dynamics will probably be more moderate.

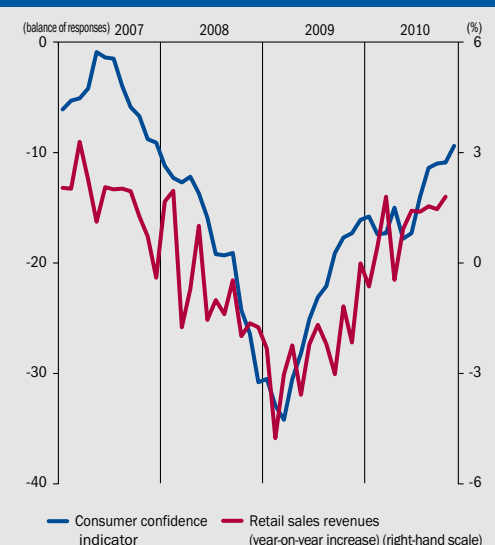
quarter). The economic recovery is still relatively fragile. The expected fiscal consolidation and global economic conditions represent major risks for the euro area.

In the third quarter, as in the previous quarter, economic growth was favourably influenced by net exports, the positive balance of which increased

**Chart 13 Euro area: assessment of competitiveness in industry**



**Chart 14 Euro area: consumer confidence and retail sales revenues**



**Chart 15 Euro area: unemployment rate and consumer expectations for the next 12 months**



Source: Eurostat, European Commission.

The rate of economic growth in the euro area is closely connected with the level of domestic demand. From this viewpoint, a relatively favourable trend can be observed in private consumption, which currently represents an important pro-growth factor. Consumption is favourably influenced by the stabilising labour

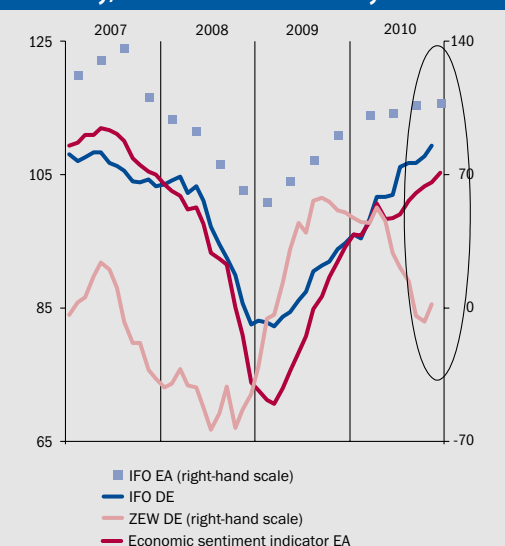
market conditions and strengthening consumer confidence. The deepening debt crisis in the euro area in November had practically no impact on consumer confidence, so it continued to increase.

The situation in the labour market was stable during the third quarter, when the unemployment rate stagnated at the level of 10%. In October, the unemployment rate rose slightly, by 0.1 of a percentage point. The expectations of consumers regarding the economic situation in the future improved somewhat, as well as those regarding the further trend in unemployment. The favourable labour market prospects indicate that the expectations regarding the employment situation have improved in numerous sectors. In the last few months, expectations have improved mainly in respect of services, industry and retail trade.

Overall, the labour market conditions remained relatively favourable. This was also mirrored in the moderate wage developments: the year-on-year growth in negotiated wages continued to slow in the third quarter, to 1.4% (from 1.9% in the second quarter). Thus, current wage developments represent no major risk as a potential source of inflationary pressures.

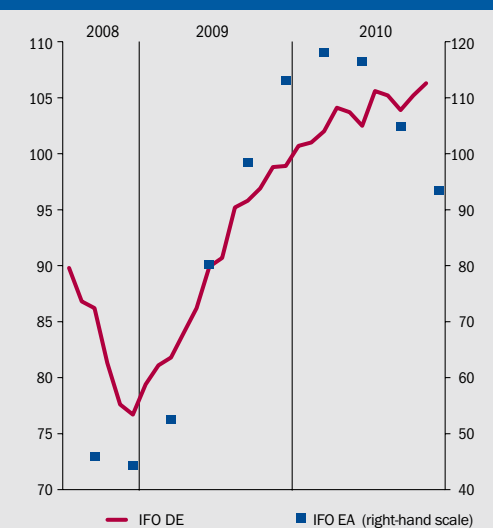
Some of the short-term indicators of economic activity worsened in September. Industrial orders

**Chart 16 IFO index for the euro area and Germany, ZEW index for Germany**



Source: IFO Institute for Economic Research, ZEW Centre for European Economic Research, European Commission.

**Chart 17 IFO index – expectations for the next six months**



Source: IFO Institute for Economic Research.



and industrial production decreased on a month-on-month basis. However, the results of numerous surveys indicate that economic sentiment not only remained optimistic, but strengthened as well. Confidence in industry and services also continued to increase. The IFO economic climate index for the euro area improved, with IFO for Germany rising to a significant extent. The assessment of the current economic situation in the euro area improved, but the expectations for the next six months worsened. The IFO index for Germany improved in both components. After falling for six months, the ZEW index for Germany improved to a significant extent. The results of these surveys point to a relatively positive trend in economic sentiment, which, despite the existing risks, tends to improve the prospects for economic recovery. A certain uncertainty arises from the ongoing debt crisis and its possible impact on the real economy.

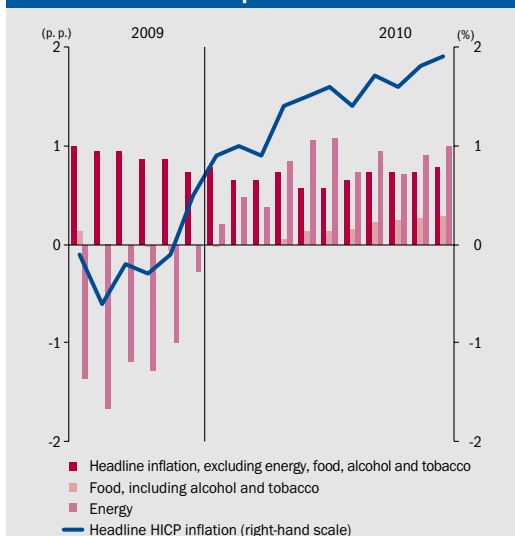
Consumer prices continued to rise at a gradually accelerating pace in the third quarter. Compared with June, inflation rose by 0.4 of a percentage point in September, to 1.8%. The acceleration in inflation was due mainly to a base effect related to unprocessed food prices, which fell in the same period a year earlier. Energy prices also experienced an accelerated increase. A gradually accelerating increase was also recorded in the market components of inflation, mainly in non-

energy industrial goods prices. The year-on-year inflation rate rose slightly in October (to 1.9%), when the dynamics of energy and non-energy industrial goods prices continued to increase. According to Eurostat's flash estimate, inflation remained unchanged in November, at the level of October.

Core inflation (overall inflation, excluding energy and unprocessed food prices) rose only slightly during the quarter under review. Compared with June, it rose by 0.1 of a percentage point, to 1.0%. In October, core inflation rose to 1.1%, owing to the continuing acceleration in non-energy industrial goods prices.

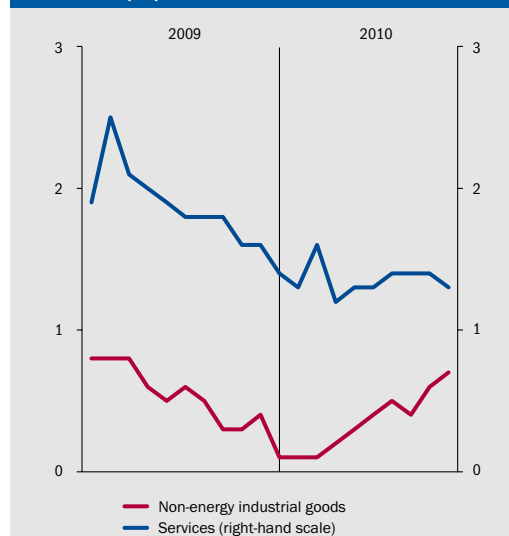
The gradually accelerating increase in the market components of price inflation from the second quarter continued in third quarter of 2010. In particular, non-energy industrial goods continued to rise at an accelerating pace. A steeper rise was recorded in the prices of motor vehicles and the increase in jewel prices continued to accelerate in connection with the rise in gold and precious metal prices. The increase in non-energy industrial goods prices continued to accelerate in October. During the first half of 2010, the dynamics of non-energy industrial goods prices weakened gradually, to a level close to zero. Despite a certain increase in the second half of the year, they were still at

**Chart 18 Euro area: annual headline HICP inflation and its components**



Source: Eurostat, NBS calculations.

**Chart 19 Euro area: prices of goods and services (%)**



Source: Eurostat.

**Chart 20 Prices of frequently purchased items and consumer expectations**



a relatively low level (0.7%). Prices for services rose slightly in the third quarter, before falling in October to the level of June.

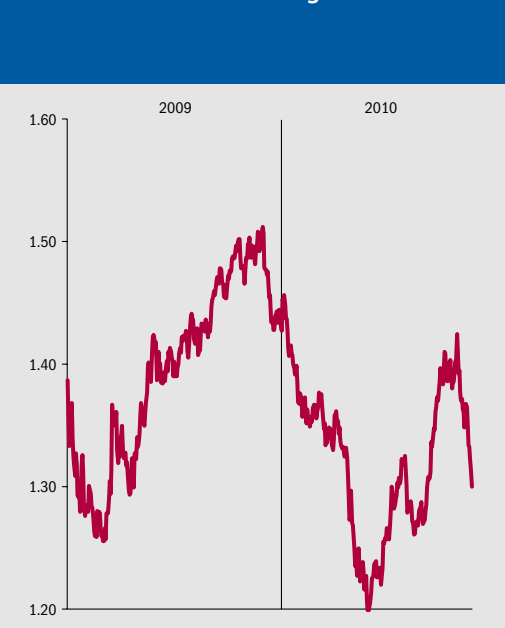
Despite a slight increase in November, the price expectations of consumers were relatively stable in the second half of the year. To some extent, these expectations reflected the inflation of

frequently purchased goods, which slowed at the beginning of the third quarter. In September and October, it rose again to some extent, but left the price expectations virtually unaffected.

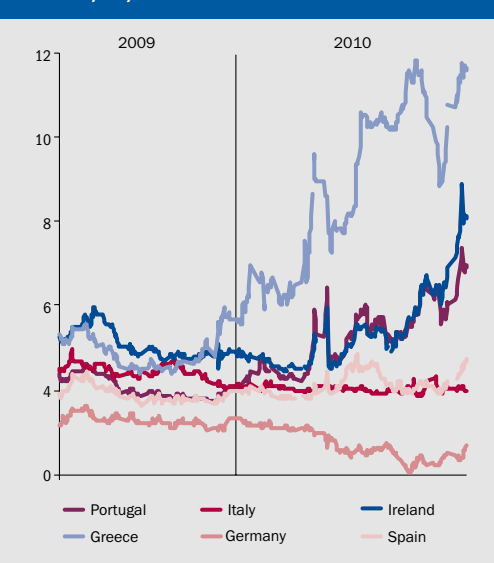
The EUR/USD exchange rate was relatively volatile during the third quarter, but showed an appreciating tendency on the whole. The appreciation of the euro was connected with the announcement of the second round of quantitative easing by the Federal Reserve System and with the expected fall in interest rates at the longer end of the yield curve. The euro appreciated vis-à-vis the dollar by approximately 11%. The appreciating trend continued in October, too. The worsening market sentiment in November in connection with the debt crisis in Europe, however, caused the euro to weaken to a significant extent (by more than 6%). The worsening investor sentiment was also indicated by a marked increase in the spreads of government bond yields in Germany and some of the heavily indebted euro area countries.

During the third quarter and the following months until the beginning of December, the ECB's Governing Council kept its key interest rates unchanged. Thus, the key ECB rates remained at 1.0% for the main refinancing operations, 1.75% for the marginal lending facility, and 0.25% for the

**Chart 21 USD/EUR exchange rate**



**Chart 22 Government bond yields to maturity (as defined in the convergence criteria; %)**







deposit facility. The rate for the main refinancing operations was 325 basis points lower than in October 2008.

At its September and December monetary-policy meetings, the Governing Council discussed the details of refinancing operations planned for the period ahead (with maturities in the period from 17 October 2010 to 18 January 2011 and/or from 19 January 2011 to 12 April 2011). Furthermore, it decided to continue conducting its main refinancing operations and special-term refinancing operations as fixed-rate tender procedures with full allotment. The Governing Council also decided to conduct three-month longer-term refinancing operations in October and December 2010 and/or in January, February and March 2011, as fixed-rate tender procedures with full allotment. At the September meeting, the Governing Council also decided to carry out additional fine-tuning operations when the remaining 6-month and 12-month refinancing operations mature.<sup>8</sup>

## DEVELOPMENTS IN POLAND, HUNGARY AND THE CZECH REPUBLIC

The gradual recovery of the neighbouring economies continued in the third quarter of 2010. Poland's GDP growth accelerated by 0.9 of a percentage point compared with the

same period a year earlier, to 4.7%. Household consumption continued to recover gradually, as well as general government spending. The absence of economic decline in Poland during the crisis was primarily the result of consumption. The year-on-year decline in investment changed into growth, for the first time after six quarters. The change in inventories as a share of growth remained virtually unchanged compared with the previous quarter. Export dynamics weakened in the third quarter, as well as imports dynamics. The resulting foreign trade balance made a slightly negative contribution to economic growth. In Hungary, the moderate growth recorded in the previous quarter accelerated, from 0.5% to 2.1%. In the Czech Republic, the rate of economic growth increased by 0.5 of a percentage point, to 3.0%.<sup>9</sup>

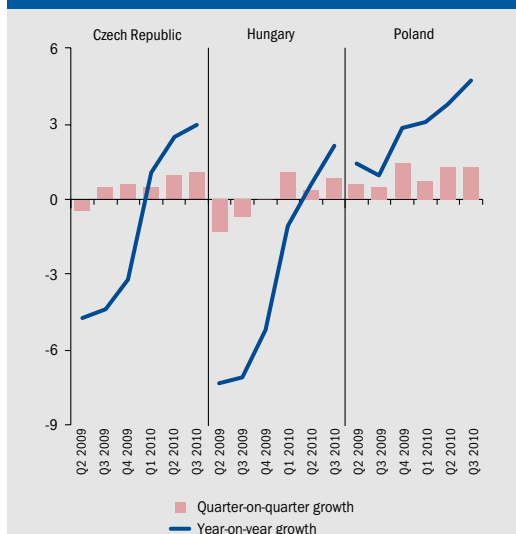
In quarter-on-quarter terms, the Polish economy accelerated by 0.1 of a percentage point (to 1.3%), the Czech economy by 0.2 of a percentage point (to 1.1%), and the Hungarian economy by 0.4 of a percentage point (to 0.8%). In Poland, the acceleration took place mostly in household final consumption (compared with the second quarter), while economic growth was dampened by a fall in exports and a slowdown in gross fixed capital formation.

At the end of the third quarter, compared with June 2010, the 12-month consumer-price increase accelerated considerably in the Czech Republic. Poland's inflation rate rose only slightly, while Hungary recorded a slowdown in inflation. The change in inflation was caused mainly by developments in food prices. In the Czech Republic, the year-on-year price increase accelerated by 0.8 of a percentage point in September (to 1.8%), compared with June. The rise in inflation took place in all items of the consumer basket under review, except in non-energy industrial goods, whose prices continued to decline at the same pace. The third quarter saw the most significant acceleration in the dynamics of unprocessed food prices (by 0.4 of a percentage point, to 0.5%) and processed food prices (by 0.3 of a percentage point, to 0.6%). The Czech Republic's annual inflation rate remained unchanged in October. In Poland, the year-on-year price increase accelerated by 0.1 of a percentage point (to 2.5%) in September, compared with June. This acceleration was caused mainly by a rise in unprocessed food prices (by 0.2 of a percentage point, to 0.5%) and in gas prices.

<sup>8</sup> More detailed information is available at [www.ecb.int](http://www.ecb.int).

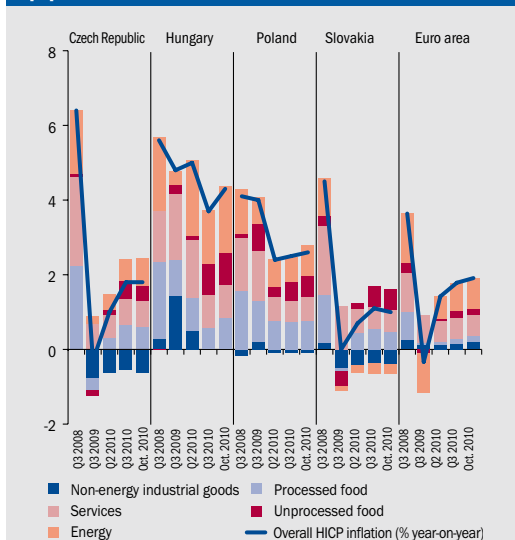
<sup>9</sup> The structure of GDP in the Czech Republic and Hungary is not yet available from Eurostat.

Chart 23 GDP growth (%)



Source: Eurostat.

**Chart 24 Contributions to HICP inflation (p.p.)**



Source: Eurostat. NBS calculations.

**Chart 25 Indices of the V4 exchange rates vis-à-vis the euro (29 December 2006 = 100)**



Source: Eurostat, NBS calculations.

Note: A fall in value denotes appreciation.

The other items showed unchanged dynamics and processed food prices even recorded a slight slowdown (by 0.1 of a percentage point, to 0.7%). Price developments were dampened by a base effect stemming from the steep increase in fuel and consumer goods prices in the same period a year earlier. Poland's annual inflation rate again accelerated somewhat in October, to 2.6%. In Hungary, price inflation was dampened in the third quarter by a base effect stemming from the increase in indirect taxes a year earlier. In September, compared with June, the 12-month inflation rate slowed by 1.3 percentage points (to 3.7%), owing to the weakening dynamics of all items under review, except for unprocessed food prices. The dynamics of unprocessed food prices strengthened by 0.7 of a percentage point, to 0.8%. Hungary's inflation rate accelerated to 4.3% in October.

Exchange rate developments in the third quarter continued to be influenced by investor sentiment in particular. The depreciating trend from the second quarter came to a halt in the third quarter, when the neighbouring currencies began to strengthen in relation to the euro, especially the Czech koruna and the Polish zloty. At the end of the quarter, the Hungarian forint appreciated, too. Exchange rate developments in this period were influenced by the somewhat

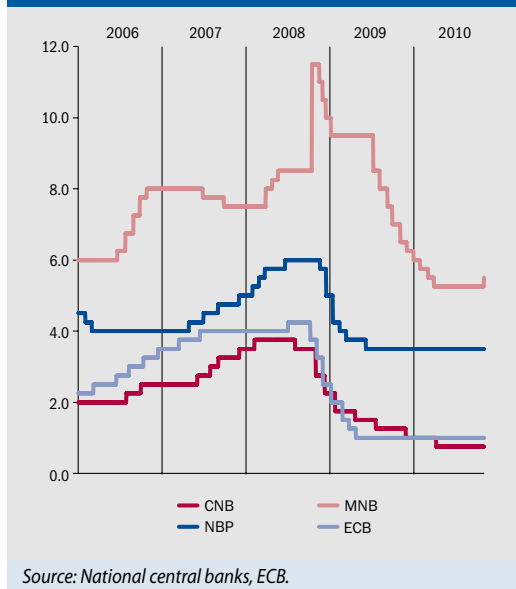
weaker risk aversion of investors towards the currencies of Central European countries.

The appreciation of the Czech koruna during the third quarter was probably dampened by economic fundamentals, e.g. the worsening trade balance. The Hungarian forint was adversely affected in that period by uncertainty among investors arising from the suspension of a review of Hungary's funding programme on the part of the IMF and the EU, and by uncertainty about the effectiveness of budget deficit reduction through non-standard measures (e.g. tax on bank profits, additional tax in the power and telecommunications sectors). The situation that had arisen temporarily affected the Polish zloty in particular. The currency appreciation in the Central European region came to a halt in October. November saw depreciation in all three currencies.

The national central banks of the countries under review kept their key interest rates unchanged during the third quarter of 2010. At its monetary-policy meetings, the Bank Board of Česká národní banka (ČNB) repeatedly stated that leaving the key interest rates unchanged (at 0.75%) is an adequate reaction to the risks involved in the inflation forecast. These risks were classified as slightly anti-inflationary, since inflationary risks posed by a possible rapid increase in commodity



**Chart 26 Key interest rates of the V4 national central banks (%)**



prices and by recovery in the domestic and foreign economies are outweighed by the anti-inflationary risks involved in exchange rate

developments and fiscal consolidation. ČNB had not modified its key interest rates until the end of November. Magyar Nemzeti Bank (MNB) had also left its key interest rates unchanged (at 5.25%) until the end of November, when it decided to raise its base rate by 0.25 of a percentage point (to 5.50%) with effect from 30 November 2010. MNB justified its monetary-policy decision by referring to the additional inflation risks arising from the introduction of special taxes in selected sectors, from the reduced tax burden of natural persons and its subsequent impact on domestic demand, and from the steep increase in food prices. Narodowy Bank Polski (NBP) also left its base rate unchanged, at 3.5%, mainly in view of the still slow economic recovery in Poland without inflationary pressures, and for fear of an increased capital inflow in an environment of expansive monetary policy pursued by advanced economies. In October, however, NBP increased its minimum reserve requirement, from 3.0% to 3.5%. The reserve ratio was reduced with effect from 30 June 2009 as one of the anti-crisis measures. Thus, central bank rates remained at historically low levels throughout the region.



# QUARTERLY REPORT ON THE BALANCE OF PAYMENTS

## BALANCE OF PAYMENTS FROM JANUARY TO SEPTEMBER 2010

The balance of payments on current account for January to September 2010 resulted in a deficit of €1,539.1 million, representing a year-on-year deterioration of €206.1 million. The year-on-year increase in the deficit was caused mainly by a decrease in the trade balance surplus and, to a lesser extent, by an increase in the income balance deficit. On the other hand, the overall increase in the negative current account balance was moderated by smaller deficits shown by the services and current transfers balances. Compared with the second quarter, the most serious deterioration in the third quarter occurred in the trade balance (by €671.4 million).

Compared with the same period of 2009, both exports and imports increased over the first nine month of 2010, by 22.8% and 24.1% respectively. Unlike the first half of the year, the third quarter saw an acceleration in import dynamics only (by 4.1 percentage points), while export dynamics increased by a mere 0.4 of a percentage point compared with June. Thus, export dynamics ceased to exceed import dynamics in the third quarter. This was connected with the stabilising growth in foreign demand on the export side

(after accelerating over the first six months, it stabilised in the third quarter). On the import side, the accelerating growth in the third quarter was caused by an increase in import intensity and growth in raw material imports as a result of a year-on-year rise in gas prices.

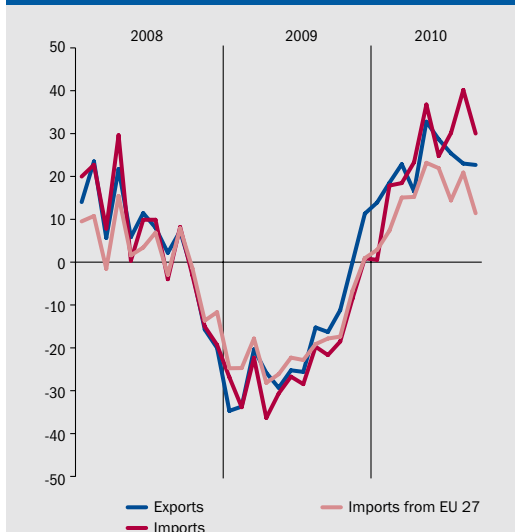
The steepest increase during the first nine months of 2010, compared with the same period a year earlier, was recorded in the exports of machinery and transport equipment, when the year-on-year export growth in this category reached almost 70% of the decline seen a year earlier. The accelerated year-on-year growth in machine exports in the third quarter was driven by the overall export growth in 2010, caused mainly by a base effect stemming from the sharp decline recorded in the third quarter of 2009. Thus, more than half of the overall increase in exports took place in this category of goods. The year-on-year export growth in the 'machinery and transport equipment' category was caused by a year-on-year increase in the exports of transport equipment, which took place in car and machine exports. The increased exports of transport equipment were caused by a revival in demand for passenger cars. The higher exports in this subcategory accounted for roughly 47% (compared with 52% in the first half of the year) of the total increase in the exports

**Table 7 Balance of payments current account (EUR millions)**

	January – September		
	2010	2009	2010-2009
Trade balance	344.1	713.7	-369.6
Exports	34,983.3	28,454.0	6,529.3
Imports	34,639.2	27,740.3	6,898.9
Services balance	-647.7	-929.4	281.7
Income balance	-927.1	-787.3	-139.8
of which: income from investments	-1,784.0	-1,601.3	-182.7
of which: reinvested earnings	-438.6	27.7	-466.3
Current transfers	-308.4	-330.0	21.6
<b>Current account in total</b>	<b>-1,539.1</b>	<b>-1,333.0</b>	<b>-206.1</b>
<b>Trade balance as a share of GDP in %</b>	<b>,0.7</b>	<b>,1.5</b>	<b>-0.8</b>
<b>Current account balance as a share of GDP in %</b>	<b>-3.1</b>	<b>-2.9</b>	<b>-0.2</b>

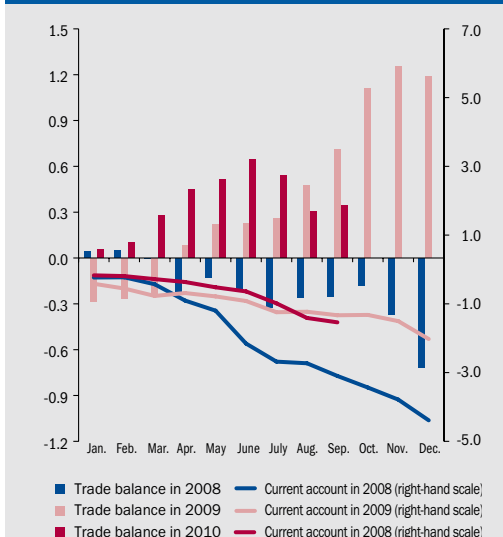
Source: NBS, Statistical Office of the SR.

**Chart 27 Year-on-year dynamics of Slovak exports and imports and imports from EU27 (%)**



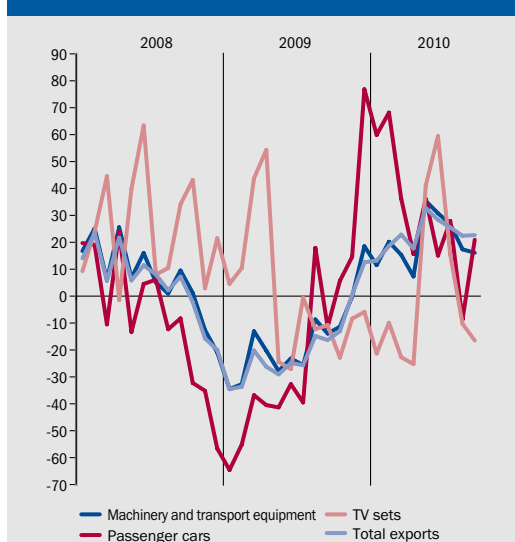
Source: NBS, Statistical Office of the SR and Eurostat.

**Chart 28 Trade and current account balances in 2008-2010 (in cumulative terms; EUR billions)**



Source: NBS, Statistical Office of the SR.

**Chart 29 Year-on-year export dynamics (%)**



Source: NBS, Statistical Office of the SR.

equipment exports in 2010 accounts for less than 50% of the year-on-year decline recorded in 2009 (the value of this indicator for H1/2010 was only slightly higher than 42%)

Besides machinery and transport equipment, chemical products and semi-finished goods also recorded much higher export volumes. The increased exports were caused by a year-on-year increase in semi-finished goods exports (iron and steel, copper, wood, aluminium, including products thereof) and an increase in chemical goods exports, influenced by the rising prices of refined oil products (mainly rubber, plastics, and rubber and plastic products). The year-on-year export growth in the 'finished products' category was driven mainly by increased exports of sugar and pharmaceuticals. The higher raw material exports were caused by increased exports of refined oil products and gas, influenced by price developments in particular.

of machinery and transport equipment. Export growth in the 'machinery' subcategory was mainly the result of increased exports of shafts, bearings and selected electrical products (telephone sets). Machine exports exceeded the level of 2008, but the exports of transport equipment remained well below this level. Despite the positive trend in the third quarter, the year-on-year growth in transport

The strongest year-on-year growth in imports was recorded, as in exports, in the 'machinery and transport equipment' category. The increase in imports in this category accounted for approximately 40% of the total growth in imports. The higher imports were caused by marked increases in the imports of components for the automotive industry, mainly in the 'transport equipment' and 'machinery' subcategories. In

**Table 8 Exports in January to September (year-on-year changes)**

	Year-on-year changes in EUR millions		Contributions to year-on-year changes in p.p.	
	2010	2009	2010	2009
Raw materials	404	-815	1.4	-2.1
Chemicals and chemical products	2,076	-3,504	7.3	-9.2
Machinery and transport equipment	3,387	-4,867	11.9	-12.8
Finished products	625	-393	2.2	-1.0
<b>TOTAL EXPORTS</b>	<b>6,492</b>	<b>-9,579</b>	<b>22.8</b>	<b>-25.2</b>

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

the third quarter, imports in this category were supported by the imports of non-standard components for the electrical industry.

A marked year-on-year increase in imports was also recorded in the 'chemical products and semi-finished goods' category, which contributed significantly to the year-on-year growth in total imports. The increased imports of semi-finished goods took place in iron/steel and copper imports, including the imports of iron/steel and copper products. In the 'chemical products' subcategory, the increase in imports took place mostly in plastics and rubber imports. The growth in raw material imports was, like export growth, substantially influenced by a rise in global oil prices, which led to growth in gas and crude and refined oil imports. The smallest increase in imports was recorded in finished products. After a marked increase in the second quarter, import growth in this category

as a share of overall import growth stabilised in the third quarter, at the level of 11%. Within the scope of finished products, passenger car imports recorded a year-on-year decline owing to the base effect of the car-scrapping scheme, which had a stimulating effect on car imports in 2009.

The balance of services for January to September 2010 resulted in a deficit of €647.7 million, representing an improvement of €281.7 million compared with the same period of 2009. The year-on-year reduction in the deficit was caused mainly by an improvement in 'other services in total'. The year-on-year change in the deficit was negatively affected by an increase in expenses on transport services. The balance of tourism services was also affected adversely by a slight fall in revenues from such services. The smaller deficit in 'other services in total' was caused mainly by a decrease in expenses on financial services provided, which exceeded

**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.	
	2010	2009	2010	2009
Raw materials	1,371	-2,071	4.9	-5.4
Chemicals and chemical products	1,894	-3,245	6.8	-8.5
Machinery and transport equipment	2,721	-4,505	9.7	-11.8
Finished products	740	-590	2.7	-1.5
Of which: agricultural and industrial products	404	-87	1.4	-0.2
passenger cars	-6	-511	0.0	-1.3
mechanical and electrical consumer goods	342	7	1.2	0.0
<b>TOTAL IMPORTS</b>	<b>6,726</b>	<b>-10,411</b>	<b>24.1</b>	<b>-27.2</b>

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



the fall in revenues, and by an increase in revenues from computer engineering services provided, accompanied by a fall in expenses on services in the same category. In the case of transport services, the year-on-year change from a surplus to a deficit resulted from the fact that the increase in revenues from the transit of gas and oil (an increase of €72.1 million, influenced by the base effect of last year's gas crisis) was exceeded by an increase in expenses in other categories of transport services (the most significant increase in payments was recorded in air transport, owing to the restriction of flights after the collapse of Sky Europe in September 2009, while revenues from services provided in the same category fell considerably). The year 2010 has seen a gradual quarter-on-quarter improvement in the services balance, caused mainly by positive developments in tourism services and 'other services in total', where a gradual decrease in expenses coupled with an increase in revenues brought about improvements in most categories of services (mainly in insurance services and services in other activities).

The year-on-year deterioration in the income balance over the first nine months of 2010 (by

€139.8 million) was due to an increase in the negative balance of income from investments. The higher deficit in income from investments was mainly the result of higher estimated profits in enterprises with foreign capital participation, which led to higher estimates of profits reinvested by foreign investors in Slovakia. Compared with the second quarter, the amount of dividends paid in the third quarter decreased considerably, owing to the seasonal character of this item.

Compared with the same period a year earlier, the current transfers deficit changed only slightly in the third quarter: it shrank by €21.6 million. The modest improvement was caused by a marked decrease in payments in the balance of private transfers (mainly in grants, deposits, and other unilateral transfers by legal entities). A slight quarter-on-quarter deterioration in current transfers in the third quarter was caused by increased payments to the EU budget.

During the first nine months of 2010, the balance of payments on capital and financial account resulted in a surplus of €284.1 million (compared with a surplus of €2,115.5 million in the same

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

	January – September	
	2010	2009
Capital account	702.1	401.8
Direct investments	-34.6	-665.7
of the SR abroad	-258.2	-298.9
of which: equity participation abroad	-261.5	-678.1
reinvested earnings	61.6	23.8
in the SR	223.6	-366.8
of which: equity participation in the SR	246.5	745.7
of which: non-privatised equity	246.5	745.7
reinvested earnings	377.0	-51.5
Portfolio investment and financial derivatives	-2,270.9	-1,365.6
of the SR abroad	-2,347.9	-2,045.6
In the SR	77.0	680.0
Other long-term investments	32.0	-883.6
Assets	-45.8	-859.5
Liabilities	77.8	-24.1
Other short-term investments	1,855.5	4,628.6
Assets	-143.7	-3,377.4
Liabilities	1,999.2	8,006.0
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>284.1</b>	<b>2,115.5</b>

Source: NBS.





period of 2009 and a deficit of €572.8 million in the first half of 2010). The lower inflow of funds via the capital and financial account was mainly the result of a decrease in deposits received within the balance of other investments. The net inflow of funds in the third quarter was €1,441.6 million higher than in the previous quarter, as a result of lower demand among residents for foreign debt securities (mainly on the part of NBS) and higher demand among non-residents for government securities.

From January to September 2010, foreign direct investment (FDI) resulted in a total outflow of €34.6 million, representing a year-on-year decrease of €631.1 million in the outflow of funds compared with the same period of 2009. The year-on-year change in the balance of direct investments was caused mainly by an inflow of other capital on the liability side (decrease in receivables/increase in payables vis-à-vis parent companies) and by weaker interest among residents in investment abroad in the form of FDI. The subdued interest in investment abroad was mainly due to developments in the first half of the year. In the third quarter, residents invested €249 million abroad in the form of equity participation.

Portfolio investment resulted in a net outflow of €2,270.9 million, compared with a net outflow of €1,365.6 million in the same period a year earlier. The increased outflow in year-on-year terms was due to weaker demand among non-residents for government securities and debt securities from the banking sector. In the first half of the year, residents from all sectors purchased €2,008.2 million worth of foreign debt securities. In the third quarter, €312.7 million worth of foreign securities were sold in the banking sector (including NBS). On the liability side, demand among non-residents for Slovak government bonds increased in the third quarter.

In other investments, an inflow of €1,887.5 million was recorded in the period from January to September 2010, compared with €3,745.0 million recorded in the same period a year earlier. The year-on-year decrease (€1,857.5 million) resulted from developments in the government sector and NBS last year, when the inflow of funds exceeded the outflow recorded in the banking sector. The inflow of funds in the government sector resulted from the central bank's policy pursued after the euro changeover (to meet its liabilities towards the banking sector, the central bank borrowed funds from the Eurosystem through Target 2, instead of using its foreign reserves). In the banking sector, the outflow caused 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) decreased by €3.1 million over the first nine months of 2010.

### THE EXTERNAL DEBT OF SLOVAKIA AS AT 30 SEPTEMBER 2010

At the end of September 2010, the overall gross external debt of Slovakia reached EUR 48.9 billion (USD 66.7 billion). Compared with the beginning of 2010, gross external debt increased by €3.5 billion, while its USD equivalent grew by USD 1.4 billion. Since the beginning of 2010, the external debt in USD had been greatly influenced by developments in the EUR/USD cross rate. Since a large part of this debt is formed by liabilities in EUR, the external debt of Slovakia is described in this report in EUR. The overall gross external debt continued to grow in the third quarter (by €1.0 billion), compared with the previous quarter.

**Table 11 Capital inflows in other investments by sector (EUR millions)**

	January – September 2010	January – September 2009	Year-on-year changes
Banks	2 227,0	-11 469,9	13 696,9
Entrepreneurs	28,7	-43,9	72,6
Government + NBS	-368,2	15 258,8	-15 627,0
Total	1 887,5	3 745,0	-1 857,5

Source: NBS.



By end-September 2010, the country's total long-term external debt had grown by €0.9 billion, with total short-term external debt increasing by €2.6 billion.

Within the scope of long-term external debt, the foreign liabilities of the Government and NBS increased by €0.6 billion, mainly in bonds and bills of exchange. The commercial sector's long-term foreign debt grew by €0.3 billion.

Within the scope of short-term external debt, the short-term liabilities of the SR Government and NBS increased by €0.1 billion. The short-term liabilities of commercial banks grew by €1.6 billion in the 'cash and deposits' item. The steepest increase in these liabilities occurred in the third quarter: an increase of €1.2 billion compared with the second quarter. The short-term foreign debt of business entities grew by €0.9 billion, mainly as a result of increases in trade credits (€0.7 billion) and loans (€0.2 billion). In the third quarter, however, short-term foreign liabilities recorded a decrease of €0.1 billion compared with the second quarter.

At the end of September, Slovakia's total per capita gross foreign debt stood at €9,066, representing a nine-month increase of €638 (compared with €8,428 as at 31 December 2009). The share of short-term foreign debt in the country's total gross external debt had increased

by 2.1 percentage points by end-September 2010, from 56.4% at end-December 2009.

The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. €48.9 billion (liabilities of the Government and NBS, liabilities of commercial banks and corporations – excluding capital participation), and foreign assets, i.e. €36.3 billion (foreign reserves of NBS, foreign assets of commercial banks and corporations – excluding capital participation), reached €12.6 billion (debtor position) at end-September 2010, representing a fall of €0.6 billion compared with the beginning of 2010.

According to preliminary data, Slovakia's total gross external debt as a share of GDP at current prices reached 79.6% at 30 September 2010, representing an increase of 8.0 percentage points compared with 2009 (71.6%).

## NOMINAL AND REAL EFFECTIVE EXCHANGE RATES

The nominal effective exchange rate<sup>10</sup> depreciated by 1.5% year-on-year in September 2010, compared with an appreciation of 1.1% in December 2009. The most significant contribution to the weakening of the NEER index came from a depreciation of 0.6 of

**Table 12 External debt of Slovakia**

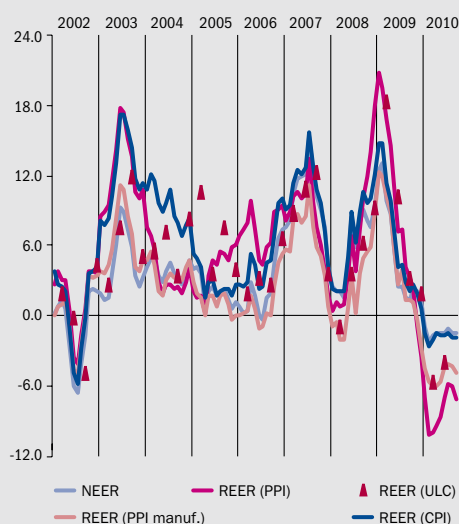
	USD millions			EUR millions		
	31.12.2009	30.6.2010	30.9.2010	31.12.2009	30.6.2010	30.9.2010
Total external debt of the SR	65,314.2	58,788.0	66,685.2	45,338.2	47,908.1	48,860.8
Long-term external debt	27,917.9	24,416.3	27,645.9	19,379.3	19,897.6	20,256.4
Government and NBS <sup>1)</sup>	11,406.9	10,247.5	11,574.8	7,918.1	8,351.0	8,480.9
Commercial banks	3,983.7	3,369.9	3,784.9	2,765.3	2,746.2	2,773.2
Businesses	12,527.3	10,798.9	12,286.2	8,695.9	8,800.4	9,002.2
Short-term external debt	37,396.3	34,371.7	39,039.3	25,958.8	28,010.5	28,604.4
Government and NBS	21,507.0	19,131.4	20,584.4	14,929.2	15,590.7	15,082.4
Commercial banks	3,781.7	3,679.2	5,784.2	2,625.1	2,998.3	4,238.1
Businesses	12,107.5	11,561.1	12,670.7	8,404.5	9,421.5	9,283.8
Foreign assets	46,330.0	44,199.3	49,471.7	32,160.2	36,019.3	36,248.3
Net external debt	18,984.1	14,588.7	17,213.5	13,177.9	11,888.8	12,612.4
EUR/USD cross rate	1,4406	1,2271	1,3648	-	-	-

Source: NBS.

1) Including government agencies and municipalities.

<sup>10</sup> The IMF methodology is used for calculating the nominal and real effective exchange rates (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.

**Chart 30 Nominal and real effective exchange rates (9 trading partners; year-on-year changes in %)**



Source: NBS.

Note: + appreciation, - depreciation.

rate of depreciation accelerated by 0.1 of a percentage point.

The weakening of the NEER led to a year-on-year depreciation of 2.0% in the real effective exchange rate (REER) based on the consumer price index (CPI), compared with an appreciation of 0.5% in December 2009. The depreciation of the REER based on the industrial producer price index (PPI) accelerated from 3.5% to 7.1%, and that of the REER based on the manufacturing products price index (PPI manuf.) from 2.8% to 4.9%. A depreciating effect on the REER indices was also exerted by the negative inflation differential in relation to most of Slovakia's foreign trading partners. The depreciation of the PPI-based REER accelerated over the first three quarters of 2010 more significantly than that of the NEER did. Over the third quarter of 2010, the year-on-year rate of depreciation in the individual REER indices accelerated again. In September, the year-on-year depreciation of the CPI-based REER accelerated in comparison with June by 0.4 of a percentage point, that of the PPI-based REER by 0.2 of a percentage point, and that of the REER based on PPI manufacturing by 0.6 of a percentage point.

a percentage point vis-à-vis the Czech koruna. Compared with June 2010, the year-on-year

**Table 13 Nominal and real effective exchange rates (annual percentage changes)**

For 9 trading partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) <sup>2)</sup>
Dec. 2002	2.1	4.1	3.6	3.4	4.3
Dec. 2003	3.2	11.3	10.8	4.7	5.1
Dec. 2004	4.7	8.3	4.1	4.7	8.3
Dec. 2005	1.1	2.7	6.0	0.0	4.0
Dec. 2006	7.4	10.1	9.5	5.4	6.6
Dec. 2007	4.2	4.2	1.7	0.8	3.6
Dec. 2008	9.5	12.2	18.0	8.9	9.4
Dec. 2009	1.1	0.5	-3.5	-2.8	1.9
Jún 2010 <sup>1)</sup>	-1.4 / -1.2	-1.6 / -1.3	-6.9 / -4.5	-4.3 / -3.1	-3.9 <sup>(p)</sup>
Júl 2010 <sup>1)</sup>	-1.1 / -1.6	-1.6 / -2.0	-5.8 / -5.0	-4.2 / -2.8	-
Aug. 2010 <sup>1)</sup>	-1.5 / -2.1	-1.9 / -3.0	-6.0 / -4.7	-4.3 / -4.3	-
Sep. 2010 <sup>1)</sup>	-1.5 / -2.1	-2.0 / -3.0	-7.1 / -6.6	-4.9 / -4.7	.

Source: NBS.

1) Year-on-year change/cumulative change since the beginning of the year.

2) Year-on-year change based on quarterly data.



# QUARTERLY REPORT ON THE REAL ECONOMY

## DEVELOPMENT OF THE REAL ECONOMY IN THE THIRD QUARTER OF 2010

### GROSS DOMESTIC PRODUCT

Gross domestic product (GDP), based on revised data<sup>11</sup> from the Statistical Office of the SR, expanded at constant prices by 3.8% year-on-year in the third quarter of 2010, representing a slowdown in its year-on-year dynamics compared with the previous quarter (4.2%).

In terms of production, GDP growth in the third quarter of 2010 was linked to value added growth, mainly in industry and construction. The slowdown in dynamics was mainly due to a fall in value added in agriculture and to a slowdown in its growth in financial and business services. In nominal terms, GDP was generated during the third quarter in an amount of €17.5 billion, which was 5.9% more than a year earlier.

According to seasonally adjusted data, GDP expanded by 1.0% quarter-on-quarter in the third quarter of 2010. Thus, the economy continued to grow in quarter-on-quarter terms.

### DEMAND

In terms of consumption, economic growth in the third quarter of 2010 was influenced mostly by an increase in foreign demand (exports of goods and services grew by 14.8%). Net exports, however, contributed negatively to GDP growth, because imports grew at a faster pace than exports. Domestic demand<sup>12</sup> increased somewhat (by 4.0%), mainly as a result of inventory growth. Within the scope of final consumption, private consumption continued to fall, albeit at a more moderate pace. General government spending increased slightly in the quarter under review.

Gross fixed capital formation grew at a faster pace than in the previous quarter. Its growth was fostered by all components, in particular by increased investment in other buildings and investment in other machines and equipment.

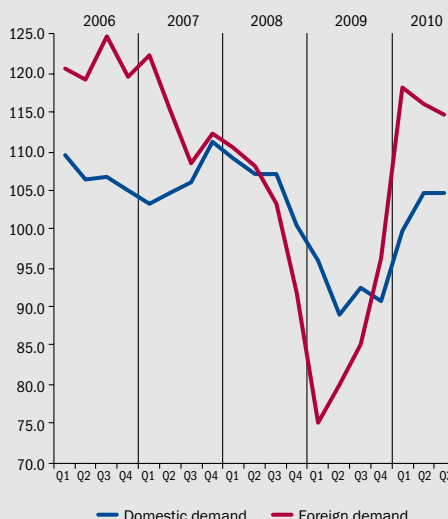
The sectoral breakdown shows that the rate of investment growth accelerated mainly in non-financial corporations and, to a lesser extent, in the household sector. The current developments indicate that the growth in production is also mirrored in the growing profits of companies and in the gradual recovery in investment activity.

**Chart 31 Real GDP growth by quarter (annual percentage changes)**



Source: Statistical Office of the SR.

**Chart 32 Domestic and foreign demand (index, same period a year earlier = 100)**



Source: Statistical Office of the SR and NBS calculations.

<sup>11</sup> In addition to data for the third quarter of 2010, the Statistical Office of the SR published revised data on GDP and its components for the years 1995-2008, as well as revised preliminary data for 2009.

<sup>12</sup> The sum of household final consumption, general government final consumption, final consumption by non-profit institutions serving households, and gross capital formation.



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

	2009					2010		
	Q1	Q2	Q3	Q4	Q1-Q4	1.Q	2.Q	3.Q
Gross domestic product	94.9	94.6	95.0	96.4	95.2	104.7	104.2	103.8
Domestic demand	96.3	90.2	93.2	91.6	92.7	99.7	104.0	104.0
Final consumption	101.3	103.5	101.6	99.9	101.5	101.2	98.7	100.0
Final consumption by households	100.6	101.8	101.3	97.4	100.2	99.9	98.6	99.7
Final consumption by general government	103.8	109.5	102.5	106.4	105.6	105.9	98.9	100.9
Non-profit institutions serving households	100.7	100.5	100.8	100.8	100.7	103.1	102.2	102.1
Gross fixed capital formation	93.6	71.3	75.3	83.1	80.1	96.6	101.8	104.8
Exports of goods and services	75.2	80.0	85.1	96.3	84.1	118.3	116.1	114.8
Imports of goods and services	77.0	75.3	83.0	90.4	81.4	110.9	116.0	116.6

Source: Statistical Office of the SR.

**Table 15 Structure of gross fixed capital formation in the third quarter of 2010 (current prices)**

	Gross fixed capital formation (EUR millions)	Proportion (%)	Index	
			$\frac{Q2\ 2010}{Q2\ 2009}$	$\frac{Q3\ 2010}{Q3\ 2009}$
Slovak economy in total	3,365.9	100.0	102.2	104.5
of which, by sector:				
Non-financial corporations	2,097.2	62.3	103.4	106.3
Financial corporations	39.3	1.2	89.9	91.8
General government	341.0	10.1	101.2	100.7
Households	878.9	26.1	100.5	102.4
Non-profit institutions	9.7	0.3	99.3	100.9
of which, by segment of production:				
Machinery	1,283.3	38.1	103.4	105.3
of which: Other machines and equipment	1,026.9	30.5	103.4	105.2
Transport equipment	256.4	7.6	103.4	105.7
Construction	1,865.5	55.4	101.5	104.2
of which: Residential buildings	461.3	13.7	98.3	100.6
Other buildings	1,404.2	41.7	102.7	105.5

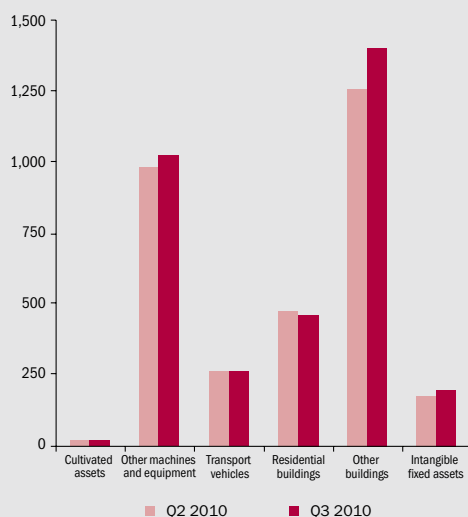
Source: Statistical Office of the SR.

The fixed investments of financial corporations are still declining, but at a more moderate pace than in the previous quarters.

In the household sector, final consumption expenditure fell by only 0.3% year-on-year in the third quarter of 2010, following a fall of 1.4% in the previous quarter. This development was probably connected with the improving

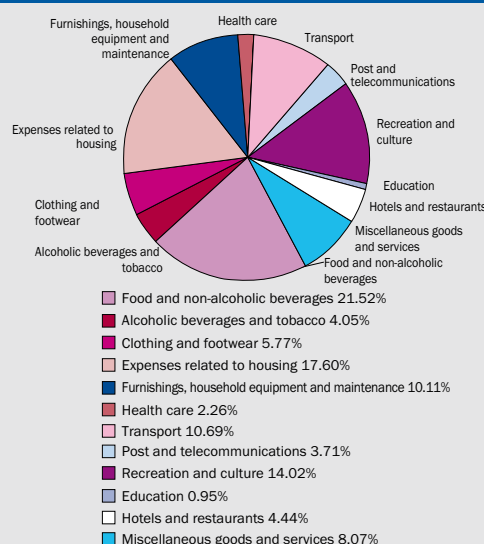
situation in the labour market (moderating decline in employment and continuing wage growth). The quarter under review saw only a modest increase in disposable income. This led to a slight decrease in savings in connection with the slower decline in household consumption. Owing to the continuing fall in household consumption and growth in bank lending, the total receivables of monetary financial

**Chart 33 Breakdown of gross fixed capital formation by production (EUR millions)**



Source: Statistical Office of the SR.

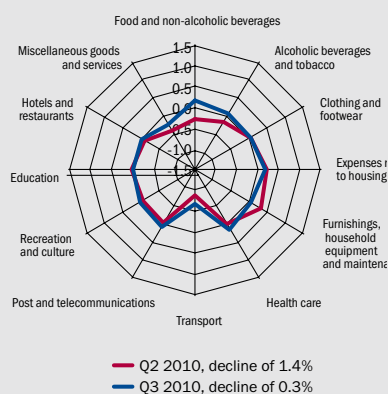
**Chart 34 Structure of final household consumption in the third quarter of 2010 (shares in %)**



Source: Statistical Office of the SR.

Note: The individual items of final consumption may not add up.

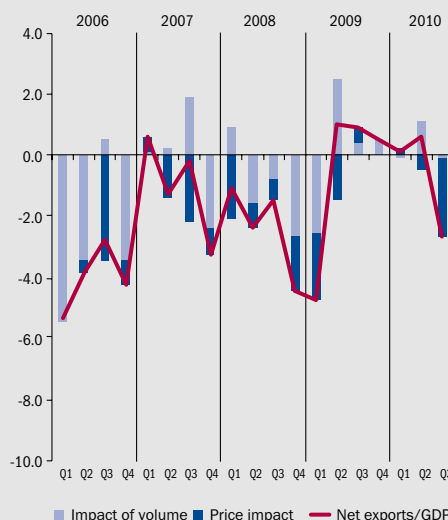
**Chart 35 Contribution of consumer spending to household final consumption growth by category (p. p.)**



Source: Statistical Office of the SR.

Note: The individual items of final consumption may not add up.

**Chart 36 Contribution of net exports to GDP at current prices (%)**



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

institutions from households as a share of their final consumption continued to increase, by 1.1 percentage points compared with the previous quarter (to 40.1%).

The breakdown of consumer expenditures at constant prices shows that the slower decline

in household consumption can be ascribed to increased spending on food and non-alcoholic beverages, alcoholic beverages and tobacco, health care, and to slower decline in spending on transport. Overall household expenditure is still dominated by spending on food and by expenses related to housing.



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

	<u>Q1 09</u> <u>Q1 08</u>	<u>Q2 09</u> <u>Q2 08</u>	<u>Q3 09</u> <u>Q3 08</u>	<u>Q4 09</u> <u>Q4 08</u>	<u>2009</u> <u>2008</u>	<u>Q1 10</u> <u>Q1 09</u>	<u>Q2 10</u> <u>Q2 09</u>	<u>Q3 10</u> <u>Q3 09</u>
Exports of goods and services (year-on-year growth in %, current prices)	-29.1	-26.1	-19.7	-4.6	-20.2	16.8	21.2	19.2
Impact of volume	-24.8	-20.0	-14.9	-3.7	-15.9	18.3	16.1	14.8
Impact of price	-4.4	-6.1	-4.8	-0.9	-4.3	-1.5	5.1	4.4
Imports of goods and services (year-on-year growth in %, current prices)	-25.2	-29.1	-22.3	-10.5	-22.0	9.2	22.0	25.0
Impact of volume	-23.0	-24.7	-17.0	-9.6	-18.6	10.9	16.0	16.6
Impact of price	-2.2	-4.4	-5.3	-0.9	-3.4	-1.7	6.0	8.4
Net exports as a share of GDP (share in %, current prices)	-4.7	1.0	0.9	0.6	-0.4	0.1	0.7	-2.6
Impact of volume	-2.6	2.5	0.4	0.5	0.3	-0.1	1.2	-0.2
Impact of price	-2.1	-1.4	0.5	0.1	-0.7	0.2	-0.5	-2.5
Terms of trade (index)	97.0	98.1	100.8	100.1	99.0	100.2	99.3	96.9

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

Notes: Calculated from GDP figures in EUR millions; the contribution of imports of goods and services reduces the values of net exports and GDP. The 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.

Post and telecommunications 3.71%; Recreation and culture 14.02%; Education 0.95%; Hotels and restaurants 4.44%; Miscellaneous goods and services 8.07%; Food and non-alcoholic beverages 21.52%; Alcoholic beverages and tobacco 4.05%; Clothing and footwear 5.77%;

Expenses related to housing 17.60%; Furnishings, household equipment and maintenance 10.11%; Health care 2.26%; Transport 10.69%.

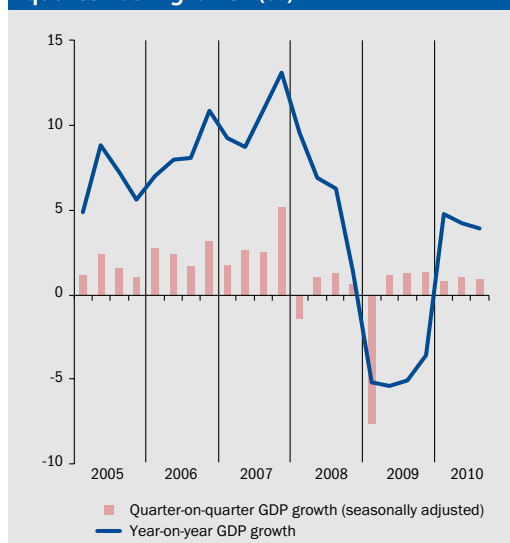
The continuing economic growth in the countries of Slovakia's main trading partners in

**Chart 37 Export performance and import intensity (%)**



Source: Statistical Office of the SR.

**Chart 38 Year-on-year and quarter-on-quarter GDP growth (%)**



Source: Statistical Office of the SR.



**Table 17 Seasonally adjusted GDP by consumption (quarter-on-quarter changes in %, constant prices)**

	2009					2010		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross domestic product	-7.6	1.1	1.2	1.3	-4.8	0.8	1.0	1.0
Final consumption:	-0.4	1.0	-0.4	-0.2	1.5	0.2	-0.4	0.2
Households and NPISH	-1.3	0.8	-0.2	-1.3	0.3	0.8	-0.3	0.4
General government	1.2	5.5	-2.2	1.8	5.6	0.5	-1.2	0.5
Gross fixed capital formation	-6.3	-10.2	-1.2	1.4	-19.9	5.0	-1.7	1.1
Exports of goods and services	-16.7	3.8	4.5	7.0	-15.9	2.1	1.8	3.4
Imports of goods and services	-14.5	-3.5	6.0	3.7	-18.6	4.5	1.1	6.3

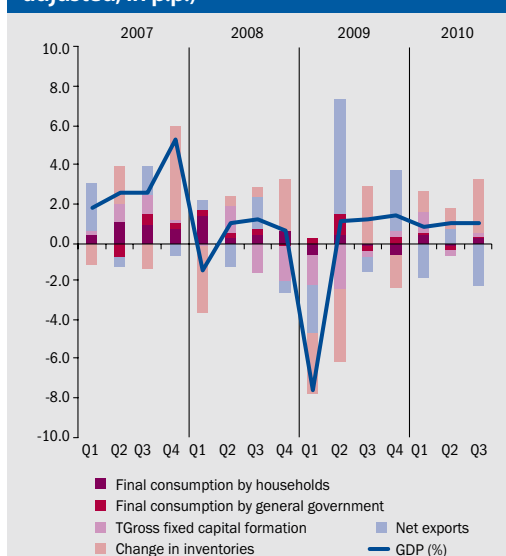
Source: Statistical Office of the SR.

the third quarter of 2010 led to a further increase in the exports and goods and services in nominal terms (19.2%). The imports of goods and services experienced accelerated growth (25.0%), which was reflected in the negative balance of net exports (€458.4 million). The higher volume of imports was connected with material and commodity imports, which are expected to lead to growth in consumption, investments and exports in the period ahead.

With price developments in foreign markets taken into account, net exports generated a surplus of €692.2 million (compared with €1,068.1 million in the previous quarter).

Price developments in foreign trade were connected with the rise in metal prices and other non-energy commodity prices. The rise in these prices caused the import deflator to increase by 7.2%, while the export deflator rose by 3.8% owing to a modest increase in industrial producer prices. In connection with the faster increase in import prices, compared with the rise in export prices, the terms of trade continued to deteriorate in foreign trade.

The export performance of the Slovak economy weakened by 4.9 percentage points in the third quarter of 2010, when the exports of goods and services as a share of GDP reached 75.9% at current prices. At the same time, import intensity decreased by 1.6 percentage points, to 78.5%. The openness of the Slovak economy, expressed in terms of the ratio of exports / imports of goods and services to nominal GDP, decreased by 6.5 percentage points compared with the previous quarter, to 154.4%.

**Chart 39 Contributions to quarter-on-quarter GDP growth at constant prices (seasonally adjusted; in p.p.)**


Source: Statistical Office of the SR.

GDP calculated from seasonally adjusted data expanded by 1.0% in the third quarter of 2010, compared with the previous quarter (when it grew by 1.0% quarter-on-quarter, too).

The quarter-on-quarter GDP growth was boosted by an increase in domestic demand and a change in inventories in particular. After falling in the previous quarter, all components of domestic demand recorded a slight increase. Final consumption expenditure in the household and general government sectors increased somewhat, as well as gross fixed capital formation. The continuing growth in foreign demand stimulated



**Table 18 GDP creation by component (index, same period a year earlier = 100, constant prices)**

	2009					2010		
	Q1	Q2	Q3	Q4	Q1 – Q4	Q1	Q2	Q3
Gross production	86.9	87.7	90.9	94.9	90.2	106.6	108.2	108.5
Intermediate consumption	83.1	83.1	87.5	93.2	86.9	107.5	111.3	112.1
Value added	93.4	94.8	95.6	97.7	95.4	105.2	104.0	103.9
Net taxes on products <sup>1)</sup>	111.5	92.3	89.4	84.5	93.1	99.5	106.2	102.9

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 09	Q2 09	Q3 09	Q4 09	2009	Q1 10	Q2 10	Q3 10
	Q1 08	Q2 08	Q3 08	Q4 08	2008	Q1 09	Q2 09	Q3 09
Gross domestic product	94.9	94.6	95.0	96.4	95.2	104.7	104.2	103.8
of which:								
Agriculture	112.6	92.8	117.2	77.6	100.2	91.4	107.8	75.0
Industry	71.4	78.3	90.9	87.9	81.8	101.4	89.9	104.9
Construction	86.7	101.4	99.4	90.4	94.4	87.1	94.8	103.5
Trade, hotels and restaurants, transport	86.1	92.9	87.5	87.9	88.7	117.5	105.8	101.9
Financial intermediation, real estate business	111.8	104.6	88.1	100.3	100.4	109.4	117.4	105.6
Public administration, education, health care, and other community, social and personal services	122.8	104.7	104.8	119.9	112.7	100.8	111.5	114.8
Net taxes on products <sup>1)</sup>	111.5	92.3	89.4	84.5	93.1	99.5	106.2	102.9

Source: Statistical Office of the SR.

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

growth in the exports of goods and services, which, however, was exceeded by import growth, and thus net exports contributed negatively to GDP growth. The increased imports of goods and services led to growth in inventories, which are expected to be used for consumption, investment and export in the quarters ahead. The quarter-on-quarter growth is expected to continue in the coming period, at a broadly the same pace as in the quarter under review.

#### SUPPLY

GDP growth in the third quarter of 2010 was influenced by an increase in value added creation, the dynamics of which reached 3.9% at constant prices (compared with 4.0% in the previous quarter). Gross production growth (8.5%) was exceeded by an increase in intermediate consumption (12.1%). Net taxes on products recorded a modest increase (2.9%).

**Chart 40 The economic sentiment indicator and GDP**



Source: Statistical Office of the SR, European Commission.



Broken down by sector, the value added growth took place mostly in industry, services and, to a lesser extent, in construction. Value added in agriculture recorded a sharp fall, compared with a modest increase in the previous quarter.

In the third quarter of 2010, GDP growth was also indicated by the continuing increase in confidence in the economy, expressed by the economic sentiment indicator. Its course indicates that the economy is likely to continue growing in the period ahead.

#### GROSS NATIONAL INCOME

According to revised data from the Slovak Statistical Office, gross national income<sup>13</sup> (GNI) increased at current prices by 6.1% year-on-year in the third quarter of 2010. Compared with the previous period, the rate of growth accelerated by 0.4 of a percentage point. Gross national disposable income (GNDI) increased at current prices by 6.0% year-on-year.

The smaller volume of GNI compared with GDP indicates that, in the third quarter of 2010, the inflow of incomes earned by persons working abroad (employee compensation) into the domestic economy was still smaller than the outflow of incomes derived from economic activity in the territory of the domestic economy to foreign countries (property income, reinvested earnings, interest income).

#### WAGES AND LABOUR PRODUCTIVITY

In the third quarter of 2010, the average monthly nominal wage paid to an employee in the Slovak economy increased by 3.7% year-on-year, to €750. Seasonally adjusted nominal wages increased by 0.8 of a percentage point compared with the previous quarter. Real wages increased by 2.6% in the third quarter.

The strongest nominal wage growth in the third quarter of 2010 was recorded in the real estate

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

	2009					2010		
	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3
Gross domestic product (GDP)	14,706	15,559	16,497	16,288	63,051	15,149	16,267	17,470
Gross national product (GNP)	14,711	15,154	16,413	15,776	62,054	14,945	16,009	17,407
Gross national disposable income (GNDI)	14,592	14,912	16,219	15,608	61,331	14,892	15,901	17,186
GDP – growth index	93.2	92.7	94.3	96.1	94.1	103.0	104.6	105.9
GNP – growth index	93.1	94.1	95.7	97.6	95.2	101.6	105.6	106.1
GNDI – growth index	94.2	94.4	96.3	98.4	95.9	102.1	106.6	106.0
GNP to GDP ratio in %	100.0	97.4	99.5	96.9	98.4	98.7	98.4	99.6
GNDI to GDP ratio in %	99.2	95.8	98.3	95.8	97.3	98.3	97.8	98.4

Source: Statistical Office of the SR and NBS calculations.

**Table 21 Average monthly wages and labour productivity in the Slovak economy (index, same period a year earlier = 100)**

	2009					2010		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Nominal wages	104.7	102.8	102.5	102.1	103.0	102.1	103.6	103.7
Real wages	101.6	100.5	101.3	101.6	101.4	101.6	102.4	102.6
Labour productivity, curr. prices	95.8	96.6	100.0	101.9	98.6	106.4	106.2	106.3
Labour productivity, const. prices	97.6	98.6	100.7	102.1	99.7	108.1	105.8	104.3
Real labour productivity – real wage (p.p.)	-4.0	-1.9	-0.6	0.5	-1.7	6.5	3.4	1.7
CPI (average for the period)	103.0	101.9	101.2	100.5	101.7	100.5	101.2	101.1

Source: Statistical Office of the SR, NBS calculations.

Note: Labour productivity is calculated from data on GDP and employment based on quarterly statistical reports.

<sup>13</sup> 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 expresses the final result achieved by resident units 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.

**Chart 41 Real wages and real labour productivity (%)**


Source: Statistical Office of the SR, NBS calculations.

business (10.8%); health and social care (6.0%); information and communication (5.6%); industry (4.9%); agriculture (4.3%); and in professional, scientific and technical activities (4.0%). At the same time, average nominal wages remained below the level of last year in other activities.

Labour productivity growth exceeded the growth in real wages by 1.7 percentage points. Compared with the previous quarter, the rate of productivity growth slowed in the third quarter, owing to the moderating decline in employment.

In the third quarter of 2010, nominal compensation<sup>14</sup> per employee (ESA 95) grew on a year-on-year basis by 1.5%, but the rate of growth slowed by 1.8 percentage points compared with the previous quarter.

Labour productivity, calculated according to the ESA 95 methodology, increased in nominal terms

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

	2009					2010		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Compensation per employee, nominal	105.3	106.3	105.2	103.8	105.0	103.0	103.3	101.5
Compensation per employee, real	103.2	105.5	104.9	102.0	103.5	104.2	103.0	99.9
Labour productivity, current prices	93.7	94.0	98.2	100.3	96.5	106.2	107.0	106.6
Labour productivity, const. prices	95.4	96.0	98.9	100.5	97.7	107.9	106.6	104.5
Real labour productivity – real compensation per employee (p.p.)	-7.8	-9.5	-6.0	-1.5	-5.8	3.7	3.6	4.6
ULC nominal	110.4	110.7	106.4	103.3	107.7	95.4	96.9	97.1
Deflator of household final consumption	102.3	100.0	99.0	99.0	100.1	98.9	100.8	101.6

Source: Statistical Office of the SR, NBS calculations.

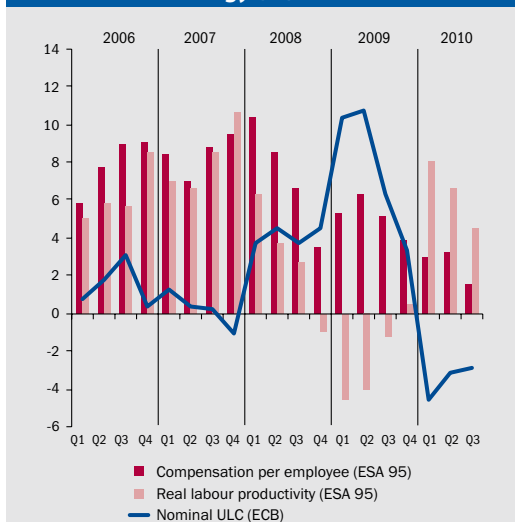
Note: Labour productivity is calculated from data on GDP and employment based on ESA 95.

**Table 23 Real labour productivity and compensation per employee in the third quarter of 2010 (index, same period a year earlier = 100)**

	Real labour productivity	Real compensation per employee
Economy in total	104.5	99.9
Agriculture and fishing	86.9	93.8
Industry	106.1	101.5
Construction	106.2	92.4
Trade, hotels and restaurants, transport	102.0	97.0
Financial intermediation, real estate business	103.2	108.2
Public administration, education, health care and other community, social and personal services	114.4	97.8

Source: Statistical Office of the SR, NBS calculations.

<sup>14</sup> Compensation per employee as defined by the Statistical Office of the SR is the total remuneration that is payable by employers to employees.

**Chart 42 Unit labour costs by component in ECB methodology (%)**


Source: Statistical Office of the SR, NBS calculations.

**Chart 43 Market indicators as per hour worked (%)**


Source: Statistical Office of the SR, NBS calculations.

by 6.6% and in real terms by 4.5% year-on-year. Broken down by sector, real labour productivity grew in all sectors in the third quarter, except in agriculture.

Units labour costs according to the ECB's methodology ( $ULC_{ECB}$ ), defined as the ratio of growth in nominal compensation per employee to growth in real labour productivity (GDP per total employment) based on ESA 95 data, decreased year-on-year by 2.9% in the third quarter of 2010. The decrease in unit labour costs was the result of real labour productivity growth, combined with slower growth in compensation per employee.

The number of hours worked in the third quarter increased by 2.3% year-on-year, representing a slowdown of 1.9 percentage points compared with the second quarter of 2010. The slowdown was mainly due to slower growth in the number of hours worked in construction and trade, and to a decrease in their number in the public sector and agriculture. Nominal compensation per hour worked increased by 1.6% year-on-year, while real labour productivity grew by 1.5%.

#### INCOME AND EXPENDITURE OF HOUSEHOLDS

According to data from the Slovak Statistical Office, the current income of households

reached €13.6 billion in the third quarter of 2010, corresponding to a year-on-year fall of 0.4% in nominal terms. Compared with the second quarter of 2010, however, the rate of growth accelerated by 1 percentage point. The fall in current income was caused by decreases in property income and social benefits. Within the structure of current income, the fastest growth was recorded in gross mixed income and employee compensation.

The current expenditure of households (expenses paid to other sectors and not used for direct consumption) decreased by 2.7% year-on-year, to €3.5 billion. The year-on-year decrease in current expenditure took place in all components, except in current transfers.

With current expenditure deducted from current income, the gross disposable income of households amounted to €10 billion, representing a year-on-year increase of 0.4%. Of the disposable income, 97.2% was used for final consumption, the remainder went to gross savings, which decreased by 11.3% year-on-year. This decrease was also reflected in the savings rate, which fell by 0.7 of a percentage point year-on-year in the third quarter, to 5.1%.

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

	EUR billions		Same period a year earlier = 100 (in %)		Share in %	
	Q3 2009	Q3 2010	Q3 09 Q3 08	Q3 10 Q3 09	Q3 2009	Q3 2010
Employee compensation (all sectors)	6.2	6.3	-2.2	1.7	45.8	46.8
of which: gross wages and salaries	4.8	5.0	-1.4	3.7	35.4	36.9
Gross mixed income	4.2	4.3	-1.1	2.3	31.0	31.8
Property income - received	0.4	0.3	-20.8	-18.7	2.7	2.2
Social benefits	2.2	2.1	13.8	-8.8	16.5	15.1
Other current transfers - received	0.5	0.5	3.2	1.9	3.9	4.0
<b>Current income in total</b>	<b>13.6</b>	<b>13.6</b>	<b>0.1</b>	<b>-0.4</b>	<b>100.0</b>	<b>100.0</b>
Property income - paid	0.1	0.1	-32.7	-22.5	4.1	3.2
Current taxes on income, wealth, etc.	0.4	0.4	-19.2	-1.7	12.4	12.5
Social contributions	2.4	2.4	0.7	-2.7	67.2	67.1
Other current transfers - paid	0.6	0.6	5.4	1.8	16.3	17.1
<b>Current expenditure in total</b>	<b>3.6</b>	<b>3.5</b>	<b>-3.5</b>	<b>-2.7</b>	<b>100.0</b>	<b>100.0</b>
<b>Gross disposable income</b>	<b>10.0</b>	<b>10.0</b>	<b>1.4</b>	<b>0.4</b>	-	-
Adjustment for changes in net household assets in the reserves of pension funds	0.2	0.2	-13.7	7.9	-	-
Household final consumption	9.6	9.8	0.3	1.3	-	-
Gross household savings	0.6	0.5	14.5	-11.3	-	-

Source: Statistical Office of the SR.

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

	2009					2010		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross disposable income	103.1	102.7	101.4	101.9	102.2	98.4	99.5	100.4
Household final consumption	102.9	101.8	100.3	96.4	100.3	98.8	99.4	101.3
Gross household savings	106.6	128.8	114.5	129.5	124.7	89.9	97.3	88.7
Gross savings as a share of gross disposable income (%)	3.1	5.4	5.8	19.8	9.1	2.8	5.3	5.1

Source: Statistical Office of the SR, NBS calculations.

## EMPLOYMENT AND UNEMPLOYMENT

Employment levels continued to fall in the third quarter of 2010 (according to all three methodologies), albeit at a slower pace than in the previous quarter. According to statistical surveys, employment declined by 0.4% year-on-year, according to the methodology of national accounts (ESA 95) by 0.7%, and according to a labour force sample survey (LFSS) by 1.3%. In terms of structure, overall employment

(LFSS) was influenced in the third quarter by a decrease in the number of employees (0.9%), as well as in the number of entrepreneurs (3.4%), compared with 1.5% in the second quarter of 2010. Seasonally adjusted employment rose by 0.4 of a percentage point quarter-on-quarter. Employment expressed in terms of the number of hours worked increased by 2.3% year-on-year in the third quarter, representing a deterioration of 1.9 percentage points in dynamics compared with the previous quarter. The seasonally



**Table 26 Employment and unemployment (average for the period)**

	2009					2010		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Employment according to statistical surveys thousands of persons	2,198.9	2,182.9	2,163.5	2,161.3	2,176.6	2,128.2	2,150.0	2,154.6
index, same period a year earlier =100	97.3	96.0	94.3	94.4	95.5	96.8	98.5	99.6
Employment according to a labour force sample survey								
thousands of persons	2,388.2	2,378.5	2,366.9	2,329.6	2,365.8	2,283.1	2,312.5	2,335.0
index, same period a year earlier =100	99.9	98.9	95.7	94.5	97.2	95.6	97.2	98.7
Employment according to ESA 95 thousands of persons	2,199.9	2,197.9	2,178.3	2,161.7	2,184.4	2,133.1	2,148.3	2,164.1
index, same period a year earlier =100	99.4	98.6	96.1	95.8	97.5	97.0	97.7	99.3
Unemployment according to a labour force sample survey								
thousands of persons	281.0	302.1	339.0	374.6	324.2	407.1	388.3	383.3
index, same period a year earlier =100	100.2	111.6	138.9	159.8	125.9	144.9	128.5	113.1
Unemployment rate according to a labour force sample survey in %	10.5	11.3	12.5	13.9	12.1	15.1	14.4	14.1
Rate of registered unemployment in % <sup>1)</sup>	9.7	11.4	12.2	12.5	11.4	12.9	12.4	12.3

Source: Statistical Office of the SR.

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

**Chart 44 Employment according to the number of hours worked and the number of employed (same period a year earlier, %)**



Source: Statistical Office of the SR.

adjusted number of hours worked decreased by 1.0% quarter-on-quarter.

Broken down by sector, the decline in employment (as defined in ESA 95) in the third quarter of 2010 took place in agriculture, hotels and restaurants, financial intermediation, construction, transport and storage. At the same time, employment increased on a year-on-year basis in real estate and leasing activities, other services, trade, education, public administration and defence.

According to a labour force sample survey, the number of unemployed increased by 13.1% year-on-year in the third quarter of 2010, representing a more moderate increase than in the previous periods. This increase was also reflected in the rate of unemployment, which reached 14.1% in the third quarter (0.3 of a percentage point less than in the second quarter of 2010). According to the registers of Offices for Labour, Social Affairs and Family, the average unemployment rate in the third quarter of 2010 stood at 12.3%, which was 0.1 of a percentage point less than in the previous quarter.



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

	2009					2010		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Economy in total	99.4	98.6	96.1	95.8	97.5	97.0	97.7	99.3
Agriculture and hunting	84.4	92.4	89.2	83.6	87.4	98.7	87.4	86.3
Industry	94.0	90.0	90.0	88.6	90.7	89.5	95.2	98.8
Mining and quarrying	89.9	90.9	87.1	89.5	89.3	90.2	95.2	97.1
Manufacturing	93.8	89.7	89.6	88.3	90.3	89.0	94.9	99.0
Electricity, gas and water supply	97.2	96.2	98.4	94.4	96.5	96.5	99.6	96.7
Construction	111.0	109.3	99.4	99.1	104.4	97.6	96.1	97.4
Trade	102.3	100.0	99.5	98.8	100.2	100.8	97.8	101.2
Hotels and restaurants	93.7	98.7	95.1	105.2	98.1	100.5	102.0	97.1
Transport, storage, post and telecommunications	108.9	101.0	100.7	100.0	102.6	95.2	97.2	97.6
Financial intermediation	96.4	101.6	95.7	95.9	97.4	96.0	95.0	97.2
Real estate, renting and business activities	99.5	101.9	95.0	95.3	97.8	100.9	103.5	103.3
Public administration and defence; compulsory social insurance	101.4	101.3	100.5	101.0	101.1	100.7	100.6	100.3
Education	99.2	99.7	99.6	100.5	99.7	101.6	101.3	100.8
Health and social care	101.9	105.8	101.7	99.5	102.2	98.1	99.8	98.7
Other community services	97.1	103.3	93.6	97.5	97.9	98.2	95.8	102.3

Source: Statistical Office of the SR.

**FINANCIAL RESULTS OF CORPORATIONS IN THE THIRD QUARTER OF 2010**

According to preliminary data from the Slovak Statistical Office, financial and non-financial corporations generated a total profit of €2,592.8 million in the third quarter of 2010. The

profit realised was 18.8% higher than in the same period a year earlier (the second quarter of 2010 saw an increase of 24.2%). This development was caused mainly by the positive financial results of non-financial corporations, which increased by 20.9% year-on-year (compared with 33.6% in the second quarter). The profits of financial

**Table 28 Financial results of corporations (EUR billions; current prices)**

Financial results (before tax)	Volume (EUR millions)		Annual percentage changes
	Q3 2009	Q3 2010	Q3 2010
<b>Non-financial and financial corporations in total</b>	2,183.4	2,592.8	18.8
of which:			
<b>Non-financial corporations</b>	1,851.6	2,239.1	20.9
<b>Financial corporations</b>	331.8	353.7	6.6
of which:			
NBS <sup>1)</sup>	84.3	39.5	-53.1
Financial corporations, excl. NBS	247.5	314.2	26.9

Source: Statistical Office of the SR and NBS.

Note: 1) Unaudited financial result.



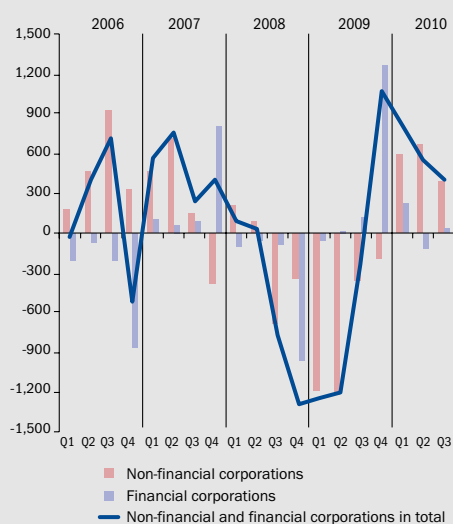
**Table 29 Financial results of non-financial corporations**

Financial results before taxes	3rd quarter of 2010	
	Amount EUR millions	Absolute year-on-year change in %
<b>Non-financial corporations in total</b>	2,239.1	387.6
<b>Agriculture, hunting, forestry, fishing, fisheries</b>	51.0	43.5
<b>Industry in total</b>	896.3	120.6
<i>Mining and quarrying</i>	37.2	6.3
<i>Manufacturing</i>	593.0	127.2
Manufacture of foodstuffs, beverages and tobacco	51.6	-14.9
Manufacture of textiles and textile products	13.8	14.7
Manufacture of leather and leather products	4.0	-3.9
Manufacture of wood and wood products	-4.2	-1.9
Manufacture of paper and paper products, printing and reproduction	19.8	1.3
Manufacture of coke, refined petroleum products and nuclear fuel	30.0	48.0
Manufacture of chemicals, chemical products, and pharmaceutical products	47.8	39.8
Manufacture of rubber and plastic products	28.8	-10.9
Manufacture of other non-metal mineral products	46.7	-1.0
Manufacture of basic metals and metal products, except for machinery and equipment	88.8	71.2
Manufacture of computers, electronic, optical and electrical equipment	91.2	-40.3
Manufacture and machinery and equipment n.e.c.	24.4	24.2
Manufacture of motor vehicles, trailers and other transport equipment	134.3	75.3
Manufacture of furniture, other goods, repair and installation of machines and instruments	16.0	-74.4
<i>Electricity, gas, steam and air-conditioning supply</i>	244.5	-11.1
<i>Water supply, sewerage and sewage treatment, waste management</i>	21.7	-1.8
<b>Construction</b>	151.5	-48.6
<b>Wholesale and retail trade, repair of motor vehicles and motorcycles</b>	504.5	112.4
<b>Transport, storage, post and telecommunications</b>	115.2	84.6
<b>Accommodation and food service activities</b>	8.3	8.8
<b>Information and communication</b>	198.5	52.0
<b>Real estate; professional, scientific and technical activities; administration and support services</b>	282.3	9.3
<b>Education</b>	3.8	2.6
<b>Health and social care</b>	7.1	4.2
<b>Arts, entertainment, recreation and other services</b>	20.5	-1.9

Source: Statistical Office of the SR.

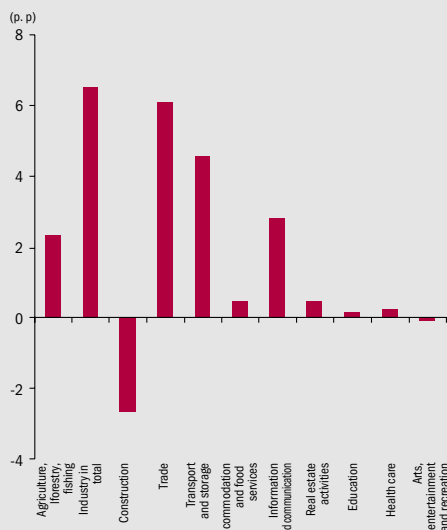


**Chart 45 Financial results of financial and non-financial corporations (absolute year-on-year changes in EUR millions)**



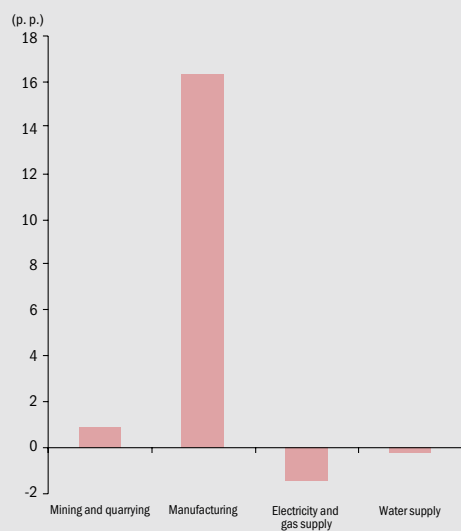
Source: Statistical Office of the SR and NBS.

**Chart 46 Year-on-year profit growth in non-financial corporations by sector in Q3 2010**



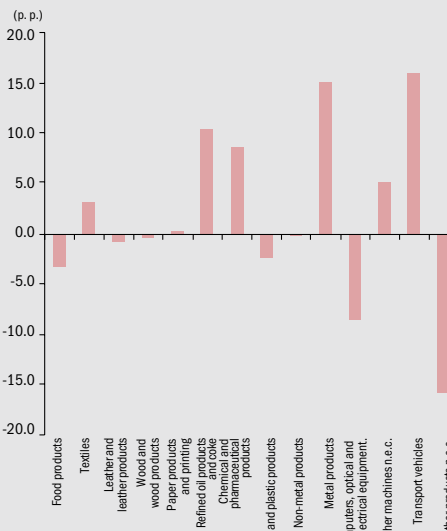
Source: Statistical Office of the SR and NBS.

**Chart 47 Year-on-year profit growth in industry by sub-sector in Q3/2010**



Source: Statistical Office of the SR and NBS.

**Chart 48 Year-on-year profit growth in manufacturing by sub-sector in Q3/2010**



Source: Statistical Office of the SR and NBS.

corporations increased by 6.6% year-on-year, after falling by 41.8% in the second quarter of 2010.

The year-on-year increase in the positive financial result achieved by financial corporations in the third quarter was caused mainly by the financial performance of monetary financial institutions,

whose profits increased by 25% compared with the same period a year earlier. A positive trend was also recorded in the results of 'other financial intermediaries', which achieved a profit in the third quarter (compared with a loss in the second quarter of 2010). Insurance companies and pension funds recorded a more moderate decline in profits than in the previous quarter.



The positive trend in the performance of non-financial corporations continued in the third quarter, when the sectors produced a total profit of €2,239.1 million (a year-on-year increase of 20.9%). The most significant contribution to this result came from industry (a positive contribution of 6.5 percentage points), trade (6.1 percentage points), and transport and storage (4.6 percentage points). A negative contribution came from construction (4.3 percentage points) and arts, entertainment and recreation (0.1 of a percentage point).

Compared with the second quarter, however, the profits of non-financial corporations decreased, while the profit decline in construction was dampened by the positive results achieved in agriculture and trade.

The increase in profits in industry in the third quarter of 2010 took place in manufacturing (a positive contribution of 16.1 percentage

points), where profits increased by 27.3% compared with the same period a year earlier, and to a lesser extent, in mining and quarrying (a positive contribution of 0.8 of a percentage point). Negative contributions came from electricity and gas supply (1.4 percentage points) and water supply (0.2 of a percentage point), as a result of a year-on-year decline in profits.

The year-on-year growth in profits in manufacturing in the third quarter was caused mainly by positive developments in the production of transport vehicles, metal products, coke and refined oil products, chemical products and pharmaceuticals. In manufacturing, negative contributions were recorded in the production of computers, optical and electronic equipment, food, rubber and plastic products, where profits fell on a year-on-year basis. A negative financial result was recorded only in the timber industry, including the manufacture of wood products.



# NOTES TO THE QUARTERLY FINANCIAL ACCOUNTS FOR THE THIRD QUARTER OF 2010

## QUARTERLY FINANCIAL ACCOUNTS (TRANSACTIONS) FOR THE THIRD QUARTER OF 2010

### LINKAGE BETWEEN QUARTERLY NON-FINANCIAL (GDP) AND FINANCIAL ACCOUNTS

Financial accounts are linked to non-financial accounts through the 'net lending/borrowing' balancing item. This item provides information about the country's overall debtor or creditor position vis-à-vis the rest of the world. In the long term, Slovakia is in a debtor position (mainly as a result of capital inflows in foreign direct investment). Any decrease/increase in the

Slovak economy's indebtedness is reflected in the amount of net lending/borrowing.

Net lending/borrowing by the domestic economy vis-à-vis the rest of the world is calculated from the amount of gross disposable national income, reduced by final consumption expenditure in the general government and household sectors (including NPISH). The overall result is savings in the national economy. If savings in the given quarter (adjusted for net capital transfers) are higher (lower) than gross capital formation, this means that the economy has lent (borrowed) funds to/from non-residents and thus reduced

**Table 30 Institutional sectors and sub-sectors according to the ESA 95**

Non-financial corporations	S.11
Financial corporations	S.12
The Central bank	S.121
Other monetary financial institutions	S.122 (commercial banks and money market mutual funds)
Other financial intermediaries	S.123 (other mutual funds; leasing, factoring, and hire purchase companies)
Financial auxiliaries	S.124 (PFMC, SPMC, IF, SE, CD, MFMC) <sup>1)</sup>
Insurance corporations and pension funds	S.125
General government	S.13
Central government	S.1311
Regional government	S.1312
Local government	S.1313
Social security funds	S.1314
Households	S.14
Non-profit institutions serving households (NPISH)	S.15
Rest of the world (non-residents)	S.2
European Union (EU)	S.21
EU Member States	S.211
European Monetary Union (EMU) Member States and EU institutions	S.212
Third countries and international organisations	S.22

Source: NBS.

1) PFMC – pension fund management companies, SPMC – supplementary pension asset management companies, IF – investment firms, SE – stock exchange, CD – central depository, MFMC – mutual fund management companies.

**Table 31 Financial instruments according to the ESA 95**

Monetary gold and special drawing rights	F.1 <sup>1)</sup>
Monetary gold	F.11
Special drawing rights (SDRs)	F.12
Currency and deposits	F.2
Currency	F.21
Transferable deposits	F.22
Other deposits	F.29
Securities other than shares	F.3
Securities, excluding shares and financial derivatives	F.33
Short-term	F.331
Long-term	F.332
Financial derivatives	F.34
Loans	F.4
Short-term	F.41
Long-term	F.42
Shares and other equity	F.5
Shares and other equity, excluding mutual funds shares	F.51
Quoted shares	F.511
Unquoted shares	F.512
Other equity	F.513
Mutual funds shares	F.52
Insurance technical reserves	F.6
Net equity of households in life insurance and pension funds reserves	F.61
Net equity of households in life insurance reserves	F.611
Net equity of households in pension funds reserves	F.612
Prepayments of insurance premiums and reserves for outstanding claims	F.62
Other accounts receivable/payable	F.7
Trade credits and advances	F.71
Other	F.79

Source: NBS.

1) F is the code for transactions.

15 The sum of financial assets and liabilities in the domestic economy (S.1) and 'rest of the world' (S.2) sectors must equal 0. This means that, if the domestic economy's indebtedness decreases (or its creditor position increases), the rest of the world's creditor position vis-à-vis the domestic economy will automatically decrease (or its indebtedness will increase). Whether a change occurs in a debtor or creditor position depends on the total amount of net assets, i.e. the stocks of receivables and liabilities.

16 Net borrowing represents a negative difference between financial assets and financial liabilities. A positive difference is an indication of net lending.

17 The detailed classification of institutional sectors with codes assigned in accordance with the ESA 95 national accounts classification is shown on page 2.

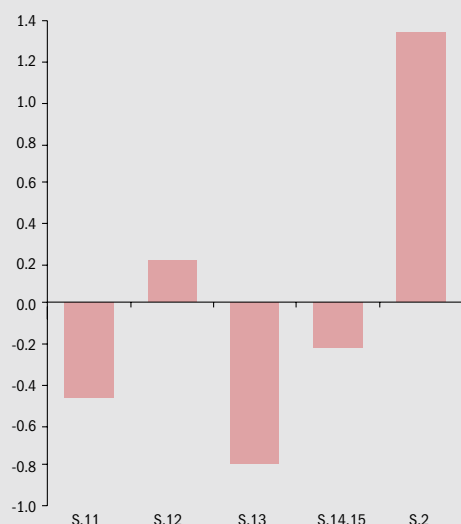
(increased) its overall debtor position vis-à-vis the rest of the world. The amount of net lending/borrowing is then entered into the quarterly financial accounts. Its utilisation within the domestic economy is analysed below.

## OVERALL DEVELOPMENT

In the third quarter of 2010, the net debtor position of the domestic economy increased, as well as the net creditor position of the 'rest of the world' sector<sup>15</sup>. This resulted in net borrowing<sup>16</sup> totalling

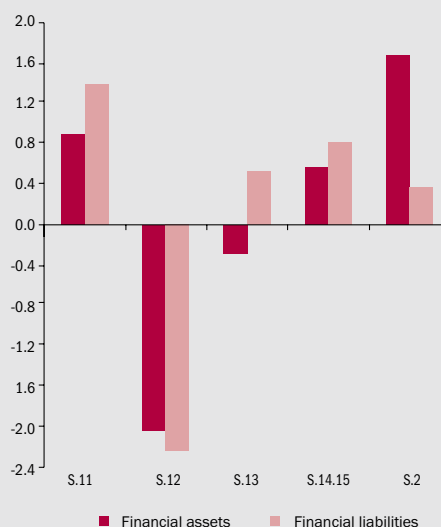
€1.3 billion. This negative trend was caused by a decrease in financial assets, accompanied by an increase in financial liabilities. Among the institutional sectors<sup>17</sup>, the most significant contribution to this trend came from financial transactions in the general government (S.13) and non-financial corporations (S.11) sectors, with the difference between asset-side and liability-side transactions reaching €-0.8 billion and €-0.5 billion respectively. On the other hand, the best result in the third quarter of 2010 was achieved by financial corporations (S.12), the creditor position of which increased by €0.2 billion.

**Chart 49 Net lending (+)/ borrowing (-) by sector in Q3/2010 (EUR billions)**



Source: NBS.

**Chart 50 Financial transactions by sector in Q3/2010 (EUR billions)**



Source: NBS.

## QUARTERLY FINANCIAL ACCOUNTS BROKEN DOWN BY INSTITUTIONAL SECTOR

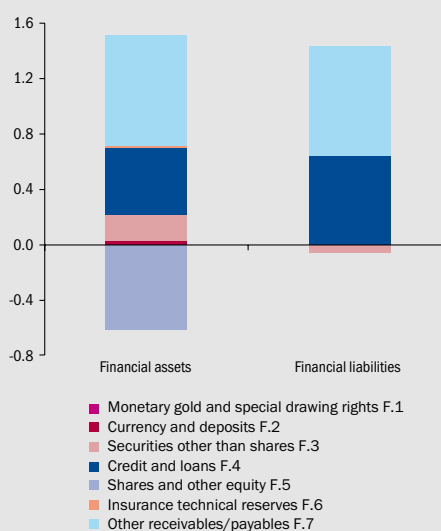
### S.11 NON-FINANCIAL CORPORATIONS

Non-financial corporations recorded a negative trend in the form of growing indebtedness, caused by a steeper increase in financial liabilities than in financial assets.

On the liability side, long-term loans from domestic and foreign banks increased in the corporate sector (€+0.6 billion), as well as other liabilities to domestic enterprises. A relatively marked increase (€+0.5 billion) was also recorded in unlisted shares held by non-resident entities.

Among corporate assets, increases were mainly recorded in trade credits and advances (€+0.8 billion) granted to domestic enterprises, households and non-residents, and in short-term loans (€+0.4 billion) to domestic enterprises and non-residents. At the same time, the portfolio of foreign mutual fund shares and unlisted shares from domestic corporations fell in volume.

**Chart 51 Financial assets and liabilities (transactions) of non-financial corporations by component in Q3/2010 (EUR billions)**

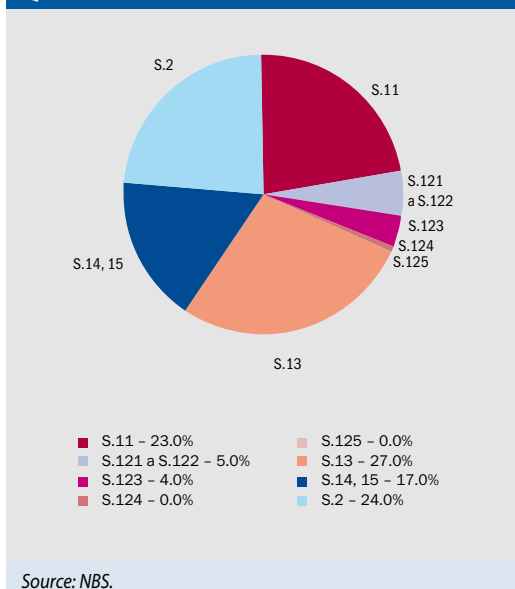


Source: NBS.

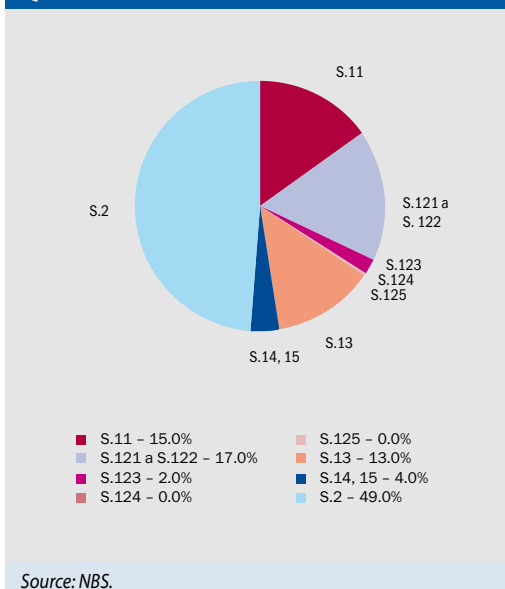




**Chart 52 Financial assets (transactions) of non-financial corporations by sector in Q3/2010**



**Chart 53 Financial liabilities (transactions) of non-financial corporations by sector in Q3/2010**

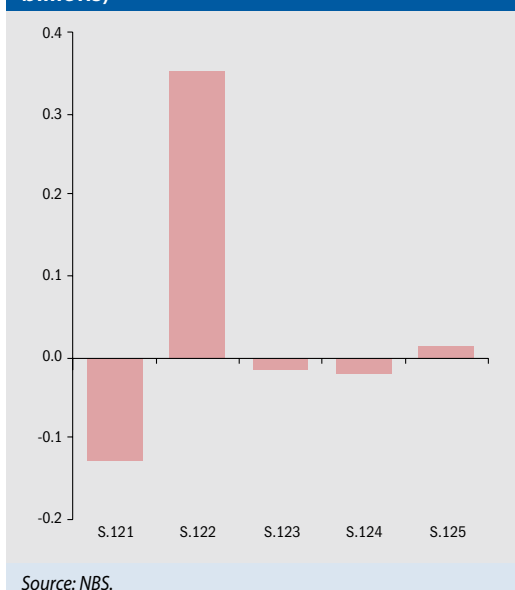


#### S.12 FINANCIAL CORPORATIONS

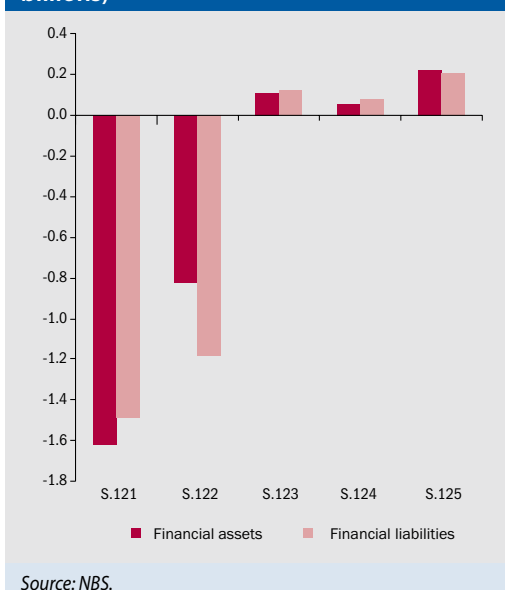
Unlike non-financial corporations, financial corporations (S.12) recorded net lending in the third quarter of 2010, which took place in the S.122 (other financial institutions) and S.125 (insurance companies and pension funds) sub-sectors. Thus, the S.12 sector has increased its overall creditor position.

Overall, other monetary financial institutions (S.122) recorded positive transactions in net terms, owing to a sharper decrease in liabilities than in assets. In liabilities, the steepest decreases took place in central government deposits (€-1.3 billion) and loans received from the central bank (€-0.9 billion). In assets, significant decreases were recorded in convertible deposits

**Chart 54 Net lending (+)/ borrowing (-) by financial corporations in Q3/2010 (EUR billions)**



**Chart 55 Financial transactions of financial corporations by sub-sector in Q3/2010 (EUR billions)**



held in the central bank (€-0.8 billion), short-term debt securities issued by the government (€-0.6 billion), and long-term debt securities issued abroad (€-0.3 billion). The most significant increases in assets took place in long-term loans to households (€+0.5 billion) and non-financial corporations (€+0.2 billion).

Among financial corporations, one of the two sub-sectors that recorded positive financial transactions in the third quarter of 2010 was the S.125 sub-sector – insurance companies and pension funds. Funds obtained from the population in the form of pension savings and life insurance were invested predominantly in foreign mutual fund shares and foreign long-term debt securities.

Other financial intermediaries (S.123) recorded a slightly negative result. Noteworthy developments on the asset side included an increase/decrease in long-term/short-term loans to domestic enterprises and an increase in mutual fund shares. On the liability side, the most significant increase took place in mutual fund shares held by households.

A slightly negative result was also achieved by financial auxiliaries (S.124), which recorded the largest asset-side transactions with the central government, i.e. a decrease in transferable deposits and an increase in other deposits. On

the liability side, a marked increase was recorded in shares and other participations held by insurance companies and pension funds.

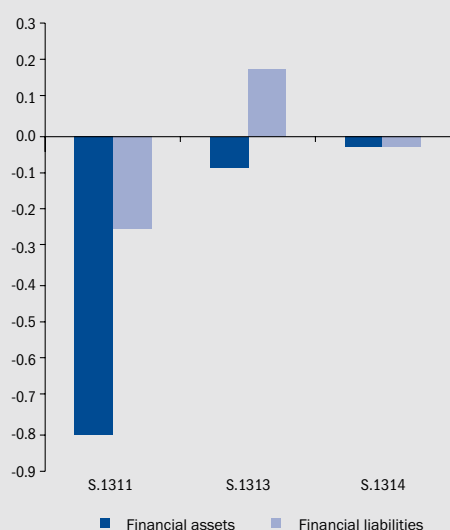
### S.13 GENERAL GOVERNMENT

The general government sector's debtor position increased by €0.8 billion during the third quarter of 2010. The increase took place mainly in the central government sector (S.1311), whose assets decreased to a greater extent than liabilities (by €0.5 billion more), and in regional self-governments (S.1313), which recorded net borrowing in the amount of €0.2 billion. Social insurance funds (S.1314) ended the quarter at a level close to zero.

The central government sector's overall result was influenced mostly by a decrease in bank deposits (€-1.3 billion). On the liability side, the sharpest fall occurred in short-term securities held by financial institutions (€-0.6 billion). Liabilities recorded a more moderate decrease than assets, owing to an increase in the amount of bonds held by non-financial corporations and non-residents in particular (by €0.3 billion).

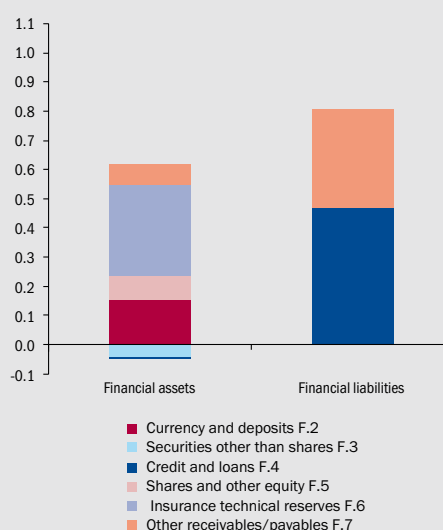
Regional self-governments recorded a decrease in assets, mainly in other receivables from households and non-financial corporations. On the liability side, increases were mainly recorded in trade credits received from enterprises and in short-term financial loans from banks.

**Chart 56 Financial transactions in the general government sector by sub-sector in Q3/2010 (EUR billions)**



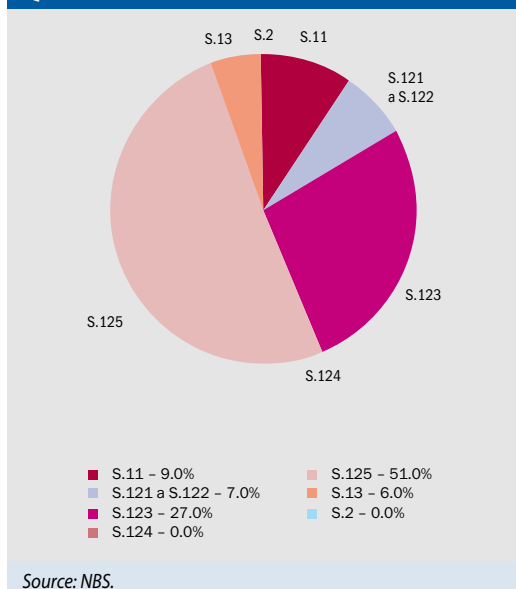
Source: NBS.

**Chart 57 Financial assets and liabilities (transactions) of households and NPISH by component in Q3/2010 (EUR billions)**

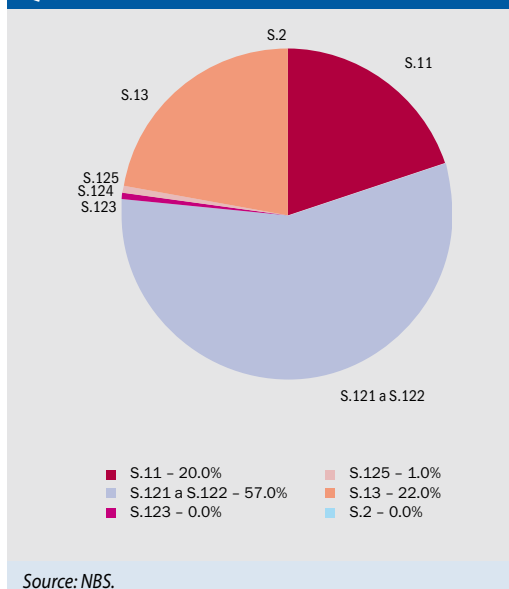


Source: NBS.

**Chart 58 Financial assets (transactions) of households and NPISH by sector in Q3/2010**



**Chart 59 Financial liabilities (transactions) of households and NPISH by sector in Q3/2010**



#### S.14.15 HOUSEHOLDS AND NPISH

The household sector (including non-profit institutions serving households) reduced its overall creditor position in the third quarter of 2010. This was the result of accelerated growth in financial liabilities, exceeding the growth in financial assets. Household indebtedness increased mainly in the form of long-term loans from banks (€+0.5 billion) and other liabilities vis-à-vis the central government (€+0.2 billion). On the asset side, increases were mainly recorded in pension savings (€+0.2 billion), transferable deposits (€+0.1 billion) and mutual fund shares (€+0.1 billion).

The structure of assets by sector was dominated by transactions with insurance companies and pension funds, banks and other mutual funds. On the liability side, negative developments were mainly recorded in transactions with

monetary financial institutions and with the central government.

#### S.2 REST OF THE WORLD

The overall creditor position of the 'rest of the world' sector in relation to domestic sectors increased, as a result of a more rapid increase in assets than in liabilities.

Assets were dominated by an increase in other deposits in banks (€+1.3 billion) and in unlisted shares (€+0.9 billion) held by non-financial and financial corporations. Among liabilities, the most significant increases took place in unlisted shares held by non-financial corporations (€+0.3 billion), trade credits and advances received from non-financial corporations (€+0.3 billion), and mutual fund shares held by insurance companies and pension funds (€+0.3 billion).



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 <sup>1)</sup>	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
2006	8.5	4.3	6.4	2.1	13.3	15.6	-	110.6	15.3	-	-	-1,052.2	-3.45	30.44	-7.72	-4.54	1.2556
2007	10.5	1.9	1.8	2.1	11.0	16.9	-	112.5	12.9	25.6	28.6	-780.1	-1.86	29.35	-5.32	-1.15	1.3705
2008	5.8	3.9	6.1	2.9	9.6	3.2	-	97.7	4.9	15.5	25.3	-703.8	-2.19	27.64	-6.62	-1.13	1.4708
2009	-4.8	0.9	-2.5	-2.5	12.1	-13.7	-18.8	77.2	-2.8	-3.3	11.0	-2,791.3	-6.77	35.70	-3.59	1.50	1.3948
2009 Q1	-5.1	2.3	2.0	-0.6	10.5	-21.5	-20.8	73.7	0.0	9.5	21.9	-204.6	-	-	-5.38	-1.78	1.3029
2009 Q2	-5.4	1.1	-2.2	-1.4	11.3	-20.6	-22.5	69.1	-1.1	3.0	17.2	-1,108.4	-	-	-1.21	2.74	1.3632
2009 Q3	-5.0	0.4	-4.6	-3.9	12.5	-12.7	-19.1	78.5	-4.1	-0.5	13.5	-1,360.2	-	-	-2.96	2.51	1.4303
2009 Q4	-3.6	0.0	-5.4	-4.2	13.9	1.4	-12.1	87.3	-2.8	-3.3	11.0	-2,791.3	-	-	-4.89	2.26	1.4779
2010 Q1	4.7	0.0	-6.3	-3.0	15.1	19.7	4.3	94.8	2.8	-4.2	10.7	-983.5	-	-	-1.85	1.82	1.3829
2010 Q2	4.2	0.7	-3.1	-0.7	14.4	24.5	9.9	96.1	5.1	-3.0	10.9	-2,439.3	-	-	-2.20	2.27	1.2708
2010 Q3	3.7 <sup>2)</sup>	1.0	-0.7	-0.7 <sup>2)</sup>	14.1	26.7	7.4	97.7	7.2	-1.7	11.1	-3,110.4	-	-	-5.16	-1.73	1.2910
2009 Aug.	-	0.5	-4.6	-	12.1	-8.6	-17.3	77.9	-3.0	0.0	14.6	-1,206.3	-	-	-	-	1.4268
2009 Sep.	-	0.0	-5.2	-	12.5	-7.4	-18.4	81.2	-4.1	-0.5	13.5	-1,360.2	-	-	-	-	1.4562
2009 Oct.	-	-0.1	-5.8	-	12.4	-6.2	-17.4	83.9	-3.4	-1.6	12.1	-1,537.2	-	-	-	-	1.4816
2009 Nov.	-	0.0	-5.6	-	12.4	1.5	-10.4	85.8	-3.7	-2.1	11.4	-1,576.2	-	-	-	-	1.4910
2009 Dec.	-	0.0	-4.9	-	12.7	11.8	-7.8	92.2	-2.8	-3.3	11.0	-2,791.3	-	-	-	-	1.4614
2010 Jan.	-	-0.2	-5.4	-	12.9	20.1	2.3	92.4	-1.1	-3.0	11.4	22.8	-	-	-	-	1.4272
2010 Feb.	-	-0.2	-7.4	-	13.0	20.3	4.3	93.3	1.7	-3.7	10.8	-780.3	-	-	-	-	1.3686
2010 Mar.	-	0.3	-6.1	-	12.9	18.8	6.1	98.7	2.8	-4.2	10.7	-983.5	-	-	-	-	1.3569
2010 Apr.	-	0.7	-4.4	-	12.5	20.5	8.8	95.4	5.0	-4.5	10.6	-1,479.9	-	-	-	-	1.3406
2010 May	-	0.7	-3.1	-	12.2	28.8	10.8	94.3	4.9	-3.3	10.8	-2,077.8	-	-	-	-	1.2565
2010 June	-	0.7	-1.9	-	12.3	24.1	10.2	98.6	5.1	-3.0	10.9	-2,439.3	-	-	-	-	1.2208
2010 July	-	1.0	-0.7	-	12.3	16.9	6.9	99.6	5.5	-2.1	10.7	-2,407.9	-	-	-	-	1.2770
2010 Aug.	-	1.1	-0.4	-	12.2	16.2	8.3	97.9	6.9	-2.1	10.9	-2,822.5	-	-	-	-	1.2894
2010 Sep.	-	1.1	-0.7	-	12.4	13.2	7.9	95.5	7.2	-1.7	11.1	-3,110.4	-	-	-	-	1.3067
2010 Oct.	-	1.0	-1.0	-	12.3	13.4	6.9	97.9	7.9	0.1	11.4	-3,373.4	-	-	-	-	1.3898
2010 Nov.	-	1.0	.	-	.	.	.	99.9	.	.	.	-3,511.0	-	-	-	-	1.3661

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) Flash estimate of the Statistical Office of the SR.



## 2 MONETARY AND BANKING STATISTICS

**TABLE 2 Key ECB interest rates**

(levels in percentages per annum, unless otherwise indicated)

	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.)		
With effect from	1	2	3	4	5	6	7	8
1.1.1999	2.00	-	3.00	-	-	-	4.50	-
4.1.1999 <sup>1)</sup>	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 <sup>2)</sup>	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 <sup>3)</sup>	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 <sup>4)</sup>	3.25	0.50	-	-	-	-	4.25	-0.50
15.10.2008 <sup>5)</sup>	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	1.91	-	1.79	0.96	1.10	0.64	2.55	0.99	0.67	-
2006 Dec.	0.50	3.92	3.98	3.61	1.55	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 Dec.	0.58	3.12	4.37	2.49	1.70	2.63	0.47	2.14	4.04	2.04	-
2009 Nov.	0.32	1.64	2.59	2.88	0.63	1.55	0.12	0.46	1.68	2.80	-
2009 Dec.	0.34	1.88	2.47	3.11	0.71	1.55	0.12	0.48	1.77	2.96	-
2010 Jan.	0.38	1.97	2.54	3.03	0.71	1.54	0.12	0.44	2.03	2.88	-
2010 Feb.	0.38	1.68	2.47	2.82	0.73	1.55	0.12	0.44	2.09	1.60	-
2010 Mar.	0.38	1.55	2.35	2.46	0.69	1.51	0.11	0.50	1.83	2.52	-
2010 Apr.	0.37	1.73	2.25	1.96	0.71	1.52	0.11	0.47	2.73	2.27	-
2010 May	0.36	1.46	2.29	2.38	0.69	1.52	0.11	0.44	1.68	1.75	-
2010 June	0.36	1.36	1.91	2.30	0.71	1.53	0.12	0.44	1.63	2.37	-
2010 July	0.35	1.28	2.20	2.25	0.75	1.54	0.11	0.59	1.71	1.41	-
2010 Aug.	0.33	1.87	2.14	2.33	0.75	1.54	0.11	0.60	2.62	3.15	-
2010 Sep.	0.30	1.85	2.30	2.08	0.75	1.53	0.15	0.62	2.62	3.32	-
2010 Oct.	0.34	2.01	2.38	2.20	0.75	1.53	0.16	0.77	1.69	2.82	-

**Interest rates on loans to households (new business)**

(percentages per annum)

	Total <sup>2)</sup>	Current account overdrafts and credit cards	Consumer loans				Loans for house purchase					Other loans		
			Floating rate and IRF <sup>1)</sup> of up to 1 year	IRF <sup>1)</sup> of over 1 year and up to 5 years	IRF <sup>1)</sup> of over 5 years	Annual percentage rate of charge	Floating rate and IRF <sup>1)</sup> of up to 1 year	IRF <sup>1)</sup> of over 1 year and up to 5 years	IRF <sup>1)</sup> of over 5 years and up to 10 years	IRF <sup>1)</sup> of over 10 years	Annual percentage rate of charge	Floating rate and IRF <sup>1)</sup> of up to 1 year	IRF <sup>1)</sup> of over 1 year and up to 5 years	IRF <sup>1)</sup> 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	9.09	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	12.55	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	14.12	14.91	5.80	6.16	7.34	7.41	6.40	6.65	6.93	6.77
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 Nov.	7.81	14.34	7.84	15.42	15.11	16.01	5.36	5.61	7.41	8.81	5.81	5.23	6.67	6.52
2009 Dec.	7.42	14.35	7.11	15.47	15.18	15.71	5.26	5.57	8.19	10.29	5.79	5.46	6.46	4.46
2010 Jan.	7.13	14.62	7.10	14.53	14.04	14.73	5.09	5.58	7.85	7.65	5.86	6.36	6.40	6.51
2010 Feb.	7.45	14.70	8.14	14.34	14.44	15.67	5.01	5.61	8.69	7.77	5.87	6.07	6.08	6.26
2010 Mar.	7.30	14.60	6.66	13.37	15.04	15.17	5.04	5.65	6.84	7.37	5.84	5.85	6.20	5.98
2010 Apr.	6.97	14.51	6.94	13.67	14.10	14.44	4.96	5.46	5.68	7.43	5.76	6.21	5.67	5.53
2010 May	6.77	14.51	8.16	14.83	14.03	15.35	4.81	5.44	5.73	7.25	5.71	6.08	5.82	5.24
2010 June	6.77	14.51	7.19	14.90	14.08	15.28	4.76	5.31	5.63	7.67	5.65	5.43	5.73	5.44
2010 July	7.00	14.49	7.60	15.02	14.47	15.74	4.84	5.29	5.83	7.08	5.72	6.15	5.76	5.78
2010 Aug.	7.04	14.52	9.16	14.91	14.15	15.88	4.80	5.37	6.93	8.75	5.81	6.12	5.88	6.11
2010 Sept.	7.07	14.49	6.93	15.47	14.64	15.72	4.73	5.38	7.47	7.17	5.74	5.93	5.47	6.14
2010 Oct.	6.60	14.45	7.96	15.27	14.07	15.80	4.78	4.93	6.37	7.86	5.48	5.97	4.86	5.36

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 <sup>2)</sup>	Current account overdrafts and credit cards	Loans of up to 1 mil. EUR			Loans of over 1 mil. EUR		
			Floating rate and IRF <sup>1)</sup> of up to 1 year	IRF <sup>1)</sup> of over 1 year and up to 5 years	IRF <sup>1)</sup> of over 5 years	Floating rate and IRF <sup>1)</sup> of up to 1 year	IRF <sup>1)</sup> of over 1 year and up to 5 years	IRF <sup>1)</sup> 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	6.28	5.39	5.86	4.54
2008 Dec.	4.56	4.83	4.93	8.11	6.50	4.07	6.53	7.58
2009 Nov.	3.14	3.33	3.85	5.70	5.18	2.80	5.96	4.78
2009 Dec.	3.02	3.31	3.70	4.08	4.72	2.57	7.39	-
2010 Jan.	2.70	3.32	3.60	5.25	7.01	2.54	8.46	-
2010 Feb.	2.73	3.34	3.64	5.27	5.34	2.49	5.52	-
2010 Mar.	3.01	3.33	3.94	4.22	5.11	2.87	-	-
2010 Apr.	3.07	3.40	3.79	4.06	5.92	2.92	2.94	4.63
2010 May	3.57	3.41	3.64	4.80	4.85	3.49	3.07	7.55
2010 June	3.10	3.40	3.79	4.44	4.11	2.84	2.70	10.23
2010 July	3.57	3.43	3.93	4.97	6.02	3.59	3.78	4.23
2010 Aug.	3.58	3.35	4.17	4.98	5.73	3.43	3.30	-
2010 Sept.	3.20	3.38	4.03	4.68	4.72	2.97	3.43	7.06
2010 Oct.	3.10	3.47	4.10	5.23	5.46	2.90	6.77	3.02

Source: NBS.

1) Initial rate fixation.

2) Excluding overdrafts and credit cards.



**TABLE 4 Monetary aggregates and counterparts of M3<sup>1)</sup>**

(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	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	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
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 Q4	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 area<sup>2)</sup>**

(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
				M2	M3-M2						
	Currency	M1	M2-M1							Loans	
	1	2	3	4	5	6	7	8	9	10	11
		Outstanding amounts									
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	1,427	19,096	16,914	36,010	902	36,912	2,379	15,083	30,866	29,996	977
2009	6,984	24,478	13,344	37,821	1,050	38,872	1,999	13,794	32,341	30,259	5,302
2009 Q1	6,485	22,677	15,907	38,584	937	39,522	1,657	13,642	31,477	30,197	3,749
2009 Q2	6,645	23,495	14,772	38,267	401	38,668	1,386	14,586	31,888	30,197	4,231
2009 Q3	6,665	23,121	14,450	37,571	224	37,795	1,652	14,490	32,336	30,482	5,848
2009 Q4	6,984	24,478	13,344	37,821	1,050	38,872	1,999	13,794	32,341	30,259	5,302
2010 Q1	6,927	24,052	12,939	36,991	2,053	39,044	2,007	15,163	32,417	30,310	5,069
2010 Q2	7,065	24,891	12,447	37,338	2,010	39,348	1,872	17,097	32,699	30,605	5,475
2009 Nov.	6,770	23,570	13,631	37,201	670	37,871	1,337	13,507	32,662	30,625	5,595
2009 Dec.	6,984	24,478	13,344	37,821	1,050	38,872	1,999	13,794	32,341	30,259	5,302
2010 Jan.	6,798	23,500	13,455	36,955	1,302	38,256	2,015	14,413	32,364	30,374	5,014
2010 Feb.	6,819	23,783	13,412	37,194	1,679	38,874	1,561	14,645	32,286	30,312	5,025
2010 Mar.	6,927	24,052	12,939	36,991	2,053	39,044	2,007	15,163	32,417	30,310	5,069
2010 Apr.	6,946	24,001	13,470	37,472	2,268	39,740	1,981	15,475	32,399	30,261	5,261
2010 May	7,002	24,796	13,242	38,038	2,010	40,048	2,124	16,401	32,600	30,482	5,596
2010 June	7,065	24,891	12,447	37,338	2,010	39,348	1,872	17,097	32,699	30,605	5,475
2010 July	7,167	24,635	12,656	37,291	1,995	39,287	2,141	16,406	32,728	30,832	4,562
2010 Aug.	7,117	24,937	12,656	37,593	1,866	39,459	2,326	16,501	32,895	31,030	5,130
2010 Sep.	7,113	24,904	12,372	37,276	1,855	39,131	2,362	16,562	33,046	31,201	5,259
2010 Oct.	7,130	24,599	12,732	37,331	1,829	39,160	2,806	16,521	33,512	31,593	5,246

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											
2005	8,798.6	5,373.6	3,411.2	8.8	4.6	0.3	13,504.3	5,722.8	4,509.3	1,864.7	485.1	922.3
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	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	9,164.7	6,655.4	2,458.1	40.1	10.6	0.5	22,446.1	9,113.7	8,160.7	3,732.5	656.6	782.6
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 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 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 Q4	9,164.7	6,655.4	2,458.1	40.1	10.6	0.5	22,446.1	9,113.7	8,160.7	3,732.5	656.6	782.6
2010 Q1	8,664.8	6,183.4	2,419.2	47.3	14.3	0.6	22,634.8	9,439.8	7,786.2	4,065.1	555.1	788.6
2010 Q2	8,708.6	6,201.3	2,424.8	62.0	19.8	0.6	23,049.5	9,972.3	7,462.7	4,265.6	545.4	803.5
2009 Nov.	8,573.1	5,918.6	2,614.4	29.9	9.7	0.5	22,159.1	8,899.9	8,662.5	3,319.1	498.6	779.0
2009 Dec.	9,164.7	6,655.4	2,458.1	40.1	10.6	0.5	22,446.1	9,113.7	8,160.7	3,732.5	656.6	782.6
2010 Jan.	8,523.2	5,964.0	2,502.1	42.9	13.7	0.6	22,561.1	9,260.6	8,048.7	3,900.3	568.9	782.6
2010 Feb.	8,571.3	5,923.3	2,588.5	45.3	13.5	0.6	22,697.5	9,403.0	7,887.1	4,059.6	562.5	785.4
2010 Mar.	8,664.8	6,183.4	2,419.2	47.3	14.3	0.6	22,634.8	9,439.8	7,786.2	4,065.1	555.1	788.6
2010 Apr.	8,914.2	5,965.4	2,882.7	48.2	17.3	0.6	22,729.1	9,593.7	7,612.6	4,179.8	548.3	794.7
2010 May	9,245.2	6,377.3	2,799.8	49.0	18.6	0.6	22,883.8	9,789.3	7,516.5	4,234.3	542.9	800.8
2010 June	8,708.6	6,201.3	2,424.8	62.0	19.8	0.6	23,049.5	9,972.3	7,462.7	4,265.6	545.4	803.5
2010 July	8,619.9	6,077.8	2,461.4	62.4	17.8	0.5	23,078.3	10,011.1	7,402.5	4,307.9	552.0	804.7
2010 Aug.	9,017.6	6,301.2	2,632.6	64.7	18.5	0.6	23,101.9	10,057.7	7,332.5	4,354.3	550.1	807.4
2010 Sep.	8,838.6	6,220.2	2,534.6	64.9	18.6	0.4	23,072.1	10,088.1	7,206.7	4,419.7	549.1	808.5
2010 Oct.	8,944.0	6,044.3	2,815.8	65.8	17.8	0.3	23,114.8	10,096.5	7,175.2	4,481.3	549.9	811.9

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
	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	-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	-1,606.0	-404.6	-1,225.7	15.9	8.3	0.1	-459.2	580.5	-2,606.9	1,202.8	358.3	6.1
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 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 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 Q4	588.8	910.8	-328.9	-0.2	7.2	0.0	127.7	373.7	-1,302.4	868.9	179.1	8.4
2010 Q1	-499.9	-472.1	-38.9	7.2	3.8	0.1	188.7	326.1	-374.5	332.6	-101.4	5.9
2010 Q2	43.9	18.0	5.6	14.7	5.5	0.0	414.7	532.5	-323.6	200.6	-9.7	14.9
2009 Nov.	107.0	269.1	-164.5	-2.3	4.7	0.0	-87.6	116.5	-505.9	288.1	8.9	4.8
2009 Dec.	591.6	736.8	-156.3	10.2	0.9	0.0	287.1	213.8	-501.7	413.4	158.0	3.7
2010 Jan.	-641.4	-691.4	44.0	2.8	3.1	0.1	114.9	146.8	-112.0	167.8	-87.7	0.0
2010 Feb.	48.0	-40.7	86.4	2.4	-0.1	0.0	136.5	142.5	-161.6	159.3	-6.4	2.8
2010 Mar.	93.5	260.0	-169.3	1.9	0.8	0.0	-62.7	36.8	-100.9	5.5	-7.3	3.2
2010 Apr.	249.4	-218.0	463.5	0.9	3.0	0.0	94.3	153.9	-173.6	114.7	-6.8	6.1
2010 May	331.0	411.9	-82.9	0.8	1.3	0.0	154.7	195.6	-96.1	54.5	-5.4	6.1
2010 June	-536.6	-175.9	-374.9	13.0	1.3	0.0	165.7	183.1	-53.8	31.4	2.5	2.7
2010 July	-88.7	-123.6	36.5	0.4	-2.0	-0.1	28.8	38.8	-60.2	42.3	6.6	1.3
2010 Aug.	397.7	223.4	171.3	2.3	0.7	0.1	23.6	46.5	-70.0	46.4	-1.9	2.6
2010 Sep.	-179.0	-81.0	-98.1	0.2	0.1	-0.2	-29.9	30.5	-125.8	65.4	-1.1	1.2
2010 Oct.	105.4	-175.9	281.2	0.9	-0.8	0.0	42.7	8.3	-31.5	61.6	0.8	3.4

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											
2006	12.9	12.7	12.9	122.2	28.2	25.2	15.3	8.5	32.7	17.3	-22.0	-12.4
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	-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	-14.9	-5.7	-33.3	65.8	364.7	27.6	-2.0	6.8	-24.2	47.5	120.1	0.8
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 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 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 Q4	-14.9	-5.7	-33.3	65.8	364.7	27.6	-2.0	6.8	-24.2	47.5	120.1	0.8
2010 Q1	0.1	8.6	-17.3	53.2	348.0	34.6	-1.3	9.8	-26.9	55.9	92.2	0.6
2010 Q2	4.1	4.7	0.9	65.8	816.0	35.8	1.5	13.2	-26.4	64.0	41.9	2.8
2009 Nov.	-11.2	-4.0	-24.4	28.1	343.7	17.5	7.1	14.7	-8.2	34.4	75.2	5.3
2009 Dec.	-14.9	-5.7	-33.3	65.8	364.7	27.6	-2.0	6.8	-24.2	47.5	120.1	0.8
2010 Jan.	-5.3	-3.0	-11.2	29.3	527.0	34.4	-1.8	9.5	-26.2	54.0	92.2	0.5
2010 Feb.	-4.1	1.3	-15.3	50.4	366.6	33.7	-1.9	9.9	-27.6	56.1	91.4	0.4
2010 Mar.	0.1	8.6	-17.3	53.2	348.0	34.6	-1.3	9.8	-26.9	55.9	92.2	0.6
2010 Apr.	4.7	9.7	-5.2	59.8	616.4	32.7	-0.8	9.1	-27.3	62.6	91.7	1.2
2010 May	4.5	9.7	-6.6	59.4	645.5	33.1	0.4	10.4	-26.5	63.4	76.4	2.1
2010 June	4.1	4.7	0.9	65.8	816.0	35.8	1.5	13.2	-26.4	64.0	41.9	2.8
2010 July	3.6	4.6	-0.4	68.4	714.5	17.6	2.0	13.8	-25.8	63.7	25.7	3.2
2010 Aug.	4.7	12.2	-10.8	69.2	651.9	27.6	2.7	14.4	-24.8	60.5	18.6	4.0
2010 Sep.	3.1	8.3	-9.1	60.9	446.4	-19.6	3.4	15.4	-23.8	54.3	15.0	4.4
2010 Oct.	5.6	7.0	1.3	103.9	258.0	-28.9	3.9	14.9	-21.7	47.8	12.3	4.9

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	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	14,941.0	5,130.0	4,152.0	5,659.0	13,948.0	1,910.0	9,469.0	2,570.0
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 Q2	15,310.0	5,793.0	3,819.0	5,698.0	13,291.0	1,820.0	8,983.0	2,488.0
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 Q4	14,941.0	5,130.0	4,152.0	5,659.0	13,948.0	1,910.0	9,469.0	2,570.0
2010 Q1	14,961.0	5,283.0	4,001.0	5,677.0	14,197.0	1,960.0	9,652.0	2,585.0
2010 Q2	14,855.0	5,294.0	3,838.0	5,724.0	14,669.0	1,977.0	10,069.0	2,624.0
2009 Nov.	15,385.0	5,507.0	4,169.0	5,710.0	13,862.0	1,913.0	9,364.0	2,585.0
2009 Dec.	14,941.0	5,130.0	4,152.0	5,659.0	13,948.0	1,910.0	9,469.0	2,570.0
2010 Jan.	15,110.0	5,308.0	4,129.0	5,673.0	13,979.0	1,913.0	9,507.0	2,559.0
2010 Feb.	15,089.0	5,333.0	4,076.0	5,680.0	14,038.0	1,930.0	9,554.0	2,554.0
2010 Mar.	14,961.0	5,283.0	4,001.0	5,677.0	14,197.0	1,960.0	9,652.0	2,585.0
2010 Apr.	14,833.0	5,147.0	3,990.0	5,696.0	14,307.0	1,989.0	9,724.0	2,594.0
2010 May	14,918.0	5,332.0	3,896.0	5,690.0	14,488.0	1,951.0	9,927.0	2,609.0
2010 June	14,855.0	5,294.0	3,838.0	5,724.0	14,669.0	1,977.0	10,069.0	2,624.0
2010 July	14,922.0	5,260.0	3,937.0	5,724.0	14,805.0	1,992.0	10,183.0	2,630.0
2010 Aug.	15,053.0	5,353.0	3,898.0	5,803.0	14,956.0	2,011.0	10,308.0	2,637.0
2010 Sep.	15,062.0	5,323.0	3,968.0	5,770.0	15,118.0	2,029.0	10,436.0	2,654.0
2010 Oct.	15,324.0	5,539.0	3,940.0	5,845.0	15,255.0	2,037.0	10,555.0	2,663.0

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
	Transactions							
2006	1,826.0	576.0	412.0	836.0	1,857.0	238.0	1,226.0	391.0
2007	2,765.0	1,468.0	629.0	669.0	2,251.0	210.0	1,575.0	464.0
2008	2,079.0	487.0	744.0	849.0	2,550.0	340.0	1,764.0	446.0
2009	-513.0	-1,124.0	678.0	-66.0	1,386.0	253.0	936.0	198.0
2009 Q1	161.0	-5.0	128.0	39.0	270.0	34.0	174.0	62.0
2009 Q2	-317.0	-459.0	212.0	-70.0	415.0	96.0	274.0	46.0
2009 Q3	42.0	-196.0	211.0	28.0	389.0	66.0	243.0	80.0
2009 Q4	-399.0	-464.0	127.0	-63.0	312.0	57.0	245.0	10.0
2010 Q1	15.0	154.0	-153.0	14.0	258.0	57.0	184.0	16.0
2010 Q2	-131.0	-7.0	-165.0	41.0	487.0	23.0	424.0	41.0
2009 Nov.	56.0	-91.0	162.0	-15.0	103.0	28.0	66.0	9.0
2009 Dec.	-446.0	-379.0	-14.0	-53.0	103.0	7.0	105.0	-9.0
2010 Jan.	167.0	178.0	-23.0	13.0	32.0	4.0	38.0	-10.0
2010 Feb.	-23.0	24.0	-53.0	6.0	60.0	17.0	47.0	-5.0
2010 Mar.	-126.0	-47.0	-76.0	-4.0	166.0	36.0	99.0	31.0
2010 Apr.	-130.0	-138.0	-11.0	19.0	117.0	31.0	78.0	9.0
2010 May	73.0	176.0	-96.0	-7.0	182.0	-38.0	204.0	16.0
2010 June	-64.0	-38.0	-58.0	32.0	188.0	30.0	142.0	17.0
2010 July	80.0	-26.0	103.0	4.0	139.0	17.0	115.0	8.0
2010 Aug.	125.0	89.0	-39.0	75.0	153.0	22.0	125.0	7.0
2010 Sep.	32.0	-20.0	71.0	-20.0	164.0	18.0	128.0	18.0
2010 Oct.	270.0	218.0	-28.0	80.0	154.0	21.0	123.0	10.0

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	15.5	8.4	27.1	17.3	25.3	24.8	26.1	22.9
2009	-3.3	-18.0	19.5	-1.2	11.0	15.0	10.9	8.4
2009 Q1	9.5	-0.2	23.7	13.5	21.9	22.7	22.3	20.1
2009 Q2	3.0	-11.4	27.3	7.0	17.2	20.2	17.5	13.9
2009 Q3	-0.5	-15.0	20.8	4.1	13.5	15.9	13.5	11.7
2009 Q4	-3.3	-18.0	19.5	-1.2	11.0	15.0	10.9	8.4
2010 Q1	-4.2	-15.4	11.0	-1.6	10.7	16.1	10.8	6.2
2010 Q2	-3.1	-8.9	0.5	0.3	10.9	11.3	12.2	5.9
2009 Nov.	-2.1	-16.3	21.1	0.3	11.4	15.1	11.4	8.9
2009 Dec.	-3.3	-17.9	19.4	-1.2	11.0	15.0	10.9	8.4
2010 Jan.	-3.0	-14.6	16.5	-2.4	11.4	16.0	11.4	8.1
2010 Feb.	-3.7	-15.8	13.9	-1.4	10.8	16.1	10.7	7.2
2010 Mar.	-4.2	-15.4	10.9	-1.6	10.7	16.1	10.8	6.2
2010 Apr.	-4.5	-15.3	9.0	-1.6	10.6	15.3	10.8	6.5
2010 May	-3.3	-9.8	3.8	-1.3	10.8	11.5	12.0	6.0
2010 June	-3.0	-8.7	0.5	0.4	10.9	11.3	12.2	5.9
2010 July	-2.1	-7.0	2.0	0.1	10.7	10.6	12.2	5.4
2010 Aug.	-2.1	-5.4	-2.1	1.1	10.9	10.8	12.5	5.0
2010 Sep.	-1.7	-4.7	-1.4	1.0	11.1	10.5	13.2	3.9
2010 Oct.	0.1	-1.0	-1.6	2.3	11.4	10.3	13.7	3.8

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 <sup>1)</sup>	
	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 % <sup>2)</sup>	100.0	100.0	76.5	68.5	31.5	100.0	15.3	7.9	29.7	15.7	31.5	76.4	23.6
	1	2	3	4	5	6	7	8	9	10	11	12	13
2006	104.3	4.3	2.1	4.6	3.5	-	-	-	-	-	-	1.6	12.0
2007	106.2	1.9	1.9	1.4	2.9	-	-	-	-	-	-	1.8	2.1
2008	110.4	3.9	3.9	3.5	4.8	-	-	-	-	-	-	3.5	5.3
2009	111.4	0.9	1.6	-0.8	4.4	-	-	-	-	-	-	-0.5	5.1
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	-1.5	4.3	-0.2	-0.6	-5.0	-0.5	0.9	0.7	-1.3	5.4
2009 Q4	111.4	0.0	0.6	-1.5	3.0	0.2	1.5	-2.1	-0.1	0.3	0.4	-1.0	3.0
2010 Q1	111.7	0.0	0.3	-1.0	2.0	0.2	1.6	5.3	-0.4	-3.1	0.5	-0.1	0.2
2010 Q2	112.2	0.7	0.8	0.2	2.0	0.5	0.2	3.9	-0.6	1.1	0.4	0.9	0.0
2010 Q3	112.3	1.0	1.0	0.7	1.9	0.1	0.0	-0.5	-0.3	0.1	0.5		0.3
2010 May	112.3	0.7	0.8	0.1	2.0	0.1	0.0	0.5	-0.3	0.4	0.1	0.9	0.0
2010 June	112.3	0.7	0.9	0.1	2.0	0.0	-0.2	-0.1	0.0	-0.1	0.2	0.9	-0.1
2010 July	112.4	1.0	0.9	0.6	1.8	0.1	0.1	0.6	0.0	0.1	0.2	1.4	-0.4
2010 Aug	112.3	1.1	1.0	0.7	1.9	-0.1	0.1	-1.8	-0.1	-0.1	0.2	1.4	-0.3
2010 Sep.	112.3	1.1	1.1	0.7	1.9	0.0	0.1	-0.3	-0.2	-0.1	0.2	1.5	-0.2
2010 Oct.	112.3	1.0	0.9	0.6	1.8	0.0	0.4	-1.4	0.2	0.1	0.0	1.4	-0.6
2010 Nov.	112.6	1.0	0.8	0.6	1.7	0.3	0.8	1.3	0.1	0.2	0.0	1.5	-0.7

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 % <sup>2)</sup>	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
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
2009	-0.9	0.8	-4.6	-0.7	-1.3	0.3	4.3	5.4	4.6	0.2	4.6	7.2
2009 Q2	-1.3	0.4	-5.0	-0.6	-1.2	0.4	4.3	5.7	5.7	-0.7	5.8	7.7
2009 Q3	-2.3	-0.3	-6.5	-1.0	-1.7	0.1	3.9	5.2	4.6	1.1	4.2	7.1
2009 Q4	-2.1	-0.5	-5.5	-1.2	-1.7	-0.1	4.3	5.1	1.7	1.2	2.5	5.7
2010 Q1	-0.2	0.3	-1.7	-1.4	-1.6	-1.3	3.0	2.3	-0.5	1.4	1.7	4.6
2010 Q2	2.7	2.7	1.9	-1.2	-1.5	-0.8	3.4	2.2	-0.3	1.7	1.4	4.6
2010 Q3	4.6	3.4	6.7	-1.4	-1.3	-1.7	3.2	1.5	0.8	0.2	1.2	4.8
2010 May	2.5	2.6	1.5	-1.1	-1.6	-0.5	3.5	2.8	-0.4	1.8	1.3	4.7
2010 June	2.9	3.0	1.8	-1.4	-1.4	-1.3	3.4	1.7	-0.4	1.8	1.3	4.7
2010 July	4.4	3.1	6.1	-1.4	-1.4	-1.5	3.2	1.5	0.0	0.2	1.2	4.8
2010 Aug.	4.7	3.4	7.0	-1.4	-1.3	-1.7	3.1	1.5	1.0	0.2	1.1	4.9
2010 Sep.	4.8	3.6	7.0	-1.4	-1.2	-1.8	3.1	1.5	1.5	0.2	1.2	4.7
2010 Oct.	4.5	3.2	6.9	-1.4	-1.3	-1.7	1.9	0.7	1.3	0.2	1.2	4.9
2010 Nov.	4.4	2.6	7.7	-1.3	-1.1	-1.8	2.1	0.7	1.2	-0.2	1.3	4.7

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

1) According to ECB methodology.

2) Weights apply to the period of 2009.



**TABLE 8 CPI**

(annual percentage changes, unless otherwise indicated)

	Total					Total (percentage changes from previous period)						Net inflation	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	excluding fuels	
weights in %	100	100	79.9	20.1	-	100	16.9	30.7	2.5	29.8	20.1	60.5	63.0
	1	2	3	4	5	6	7	8	9	10	11	12	13
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	0.0	-	-	-	-	-	-	3.6	3.8
2009	114.1	1.6	0.5	4.2	0.3	-	-	-	-	-	-	2.5	1.4
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 Q4	114.3	0.5	-0.5	2.5	0.2	0.2	-1.1	-0.2	0.7	0.5	0.6	1.0	0.7
2010 Q1	114.7	0.5	0.5	-0.2	0.1	0.3	3.5	-0.3	1.8	0.5	-1.6	0.7	1.2
2010 Q2	115.3	1.2	1.4	-0.4	0.1	0.5	1.8	-0.4	6.0	0.4	0.1	0.8	1.3
2010 Q3	115.3	1.0	1.2	-0.7	0.1	0.0	-0.2	-0.2	-0.2	0.3	0.3	0.2	0.6
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
2009 Dec.	114.4	0.5	-0.2	2.2	0.2	-0.1	0.0	-0.3	0.2	0.0	0.0	0.8	1.0
2010 Jan.	114.7	0.4	0.2	-0.1	0.2	0.2	2.6	0.2	-0.5	0.3	-1.7	0.6	1.1
2010 Feb.	114.7	0.4	0.4	-0.2	0.0	0.0	0.8	-0.2	0.6	0.2	0.0	0.6	1.1
2010 Mar.	114.8	0.8	0.9	-0.3	0.1	0.1	0.4	-0.5	3.7	0.1	0.1	0.7	1.3
2010 Apr.	115.2	1.3	1.5	-0.4	0.1	0.4	1.2	0.1	2.3	0.2	0.0	0.9	1.5
2010 May	115.3	1.2	1.5	-0.4	0.1	0.1	0.2	-0.1	1.9	0.1	0.0	0.9	1.5
2010 June	115.3	1.0	1.1	-0.4	0.1	0.0	-0.1	-0.1	-0.9	0.2	0.0	0.5	0.9
2010 July	115.4	1.1	1.4	-0.8	0.1	0.1	0.4	-0.1	0.6	0.1	0.0	0.3	0.7
2010 Aug.	115.2	1.0	1.2	-0.6	0.1	-0.1	-1.0	0.0	-0.8	0.0	0.2	0.2	0.5
2010 Sep.	115.3	1.1	1.3	-0.5	0.1	0.0	0.0	-0.2	-0.8	0.1	0.3	0.2	0.5
2010 Oct.	115.3	1.0	1.4	-0.7	0.0	0.0	-0.3	0.1	0.5	0.1	0.2	0.1	0.5
2010 Nov.	115.6	1.0	1.5	-0.8	-0.1	0.3	1.3	0.1	0.7	-0.1	0.0	0.1	0.4

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 %	16.9	30.7	5.8	6.5	4.4	2.5	29.8	10.0	5.8	7.1	3.6	2.9	4.0
	14	15	16	17	18	19	20	21	22	23	24	25	26
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
2009	-3.6	-1.6	-2.2	-2.6	-13.0	-15.8	6.9	14.1	5.0	0.8	6.7	0.9	1.5
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 Q4	-5.8	-2.2	-2.2	-4.0	-6.1	-3.8	4.2	7.7	2.6	1.2	6.7	0.9	-6.2
2010 Q1	-3.0	-1.9	-0.4	-4.6	2.6	13.6	3.2	5.6	1.8	1.5	-3.3	-4.8	-2.3
2010 Q2	0.6	-1.5	0.4	-4.4	3.8	15.2	3.0	5.0	1.2	2.0	-3.3	-4.8	-2.4
2010 Q3	3.9	-1.2	0.8	-3.8	0.3	8.6	1.7	1.6	1.2	1.9	-3.3	-4.8	-2.6
2010 Jan.	-3.9	-2.1	-0.9	-4.4	1.1	11.6	3.3	5.9	2.1	1.4	-3.3	-4.8	-2.2
2010 Feb.	-3.2	-1.8	-0.2	-4.8	2.2	12.5	3.1	5.5	1.8	1.3	-3.3	-4.8	-2.4
2010 Mar.	-1.9	-1.8	-0.1	-4.7	4.5	16.8	3.1	5.3	1.6	1.8	-3.3	-4.8	-2.3
2010 Apr.	0.4	-1.5	0.3	-4.5	4.8	17.4	3.3	5.7	1.2	1.9	-3.3	-4.8	-2.4
2010 May	0.2	-1.5	0.3	-4.5	4.9	17.4	3.3	5.6	1.1	2.1	-3.3	-4.8	-2.4
2010 June	1.0	-1.5	0.6	-4.2	1.8	11.0	2.5	3.6	1.2	2.0	-3.3	-4.8	-2.4
2010 July	3.4	-1.4	0.7	-4.1	0.9	9.4	2.0	2.3	1.3	1.9	-3.3	-4.8	-2.4
2010 Aug.	4.0	-1.2	0.8	-3.9	0.5	8.5	1.6	1.4	1.2	1.8	-3.3	-4.8	-2.6
2010 Sep.	4.4	-1.1	1.0	-3.5	-0.5	7.9	1.5	1.2	1.2	1.9	-3.3	-4.8	-2.7
2010 Oct.	4.8	-1.2	1.4	-3.4	-0.1	8.8	1.4	0.8	1.1	2.3	-3.3	-4.8	-2.8
2010 Nov.	5.6	-1.0	1.3	-3.1	0.1	7.6	101.2	0.7	1.2	1.4	-3.3	-4.8	-3.1

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						Water supply and sewerage <sup>1)</sup>	Agricultural products			Construction work prices	Construction material prices	Residential property prices
	Industry total	Industry export	Industry domestic	Mining/quarrying products	Manufactured products	Energy		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
2009	-6.6	-9.7	-2.5	-2.6	-5.9	1.6	4.5	-24.6	-29.5	-20.0	2.7	-5.7	-11.1
2009 Q3	-7.9	-10.6	-4.6	-10.3	-7.2	-1.3	4.3	-31.7	-35.7	-25.2	1.9	-8.4	-14.3
2009 Q4	-5.8	-6.0	-5.4	-16.0	-5.4	-5.3	5.0	-16.1	-14.8	-18.3	1.6	-9.0	-12.3
2010 Q1	-3.3	-0.7	-6.3	-10.9	-2.5	-11.0	4.8	-8.5	-8.1	-8.7	1.1	-8.4	-8.3
2010 Q2	0.1	2.8	-3.1	-0.9	0.0	-7.4	6.7	1.3	-2.5	2.3	0.9	-3.8	-3.7
2010 Q3	1.9	4.2	-0.7	10.6	1.3	-3.8	6.9	19.4	28.9	5.9	0.9	-1.4	-1.4
2010 May	0.5	3.6	-3.1	-0.9	0.1	-7.3	6.4	1.1	-3.8	2.1	1.0	-3.4	-
2010 June	0.8	3.2	-1.9	3.3	0.9	-5.7	7.7	2.8	0.7	3.3	0.6	-3.2	-
2010 July	2.0	4.4	-0.7	7.8	1.0	-3.6	7.3	12.8	20.3	4.7	0.6	-2.2	-
2010 Aug.	2.0	4.0	-0.4	12.8	1.4	-3.4	6.8	20.2	27.0	7.5	1.0	-1.3	-
2010 Sep.	1.9	4.2	-0.7	11.4	1.6	-4.4	6.6	25.1	39.5	5.5	1.0	-0.5	-
2010 Oct.	2.1	4.8	-1.0	8.8	1.4	-4.7	6.4	38.0	61.0	6.1	1.1	0.5	-

	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
2009	-6.6	-9.7	-2.5	-1.1	-8.0	-0.2	-2.5	-1.7
2009 Q3	-7.9	-10.6	-4.6	-4.3	-10.2	0.7	-4.0	-2.5
2009 Q4	-5.8	-6.0	-5.4	-6.1	-9.8	0.6	-5.0	-2.4
2010 Q1	-3.3	-0.7	-6.3	-9.3	-6.4	-0.7	-7.4	-2.4
2010 Q2	0.1	2.8	-3.1	-4.8	-1.6	-1.7	-7.0	-1.6
2010 Q3	1.9	4.2	-0.7	-1.6	2.3	-1.7	-4.4	-0.9
2010 May	0.5	3.6	-3.1	-4.5	-1.6	-2.0	-7.0	-1.7
2010 June	0.8	3.2	-1.9	-3.3	0.4	-0.7	-6.3	-1.1
2010 July	2.0	4.4	-0.7	-1.5	1.3	-0.7	-5.0	-1.3
2010 Aug.	2.0	4.0	-0.4	-1.1	2.4	-1.9	-4.1	-0.7
2010 Sep.	1.9	4.2	-0.7	-2.2	3.3	-2.3	-4.1	-0.5
2010 Oct.	2.1	4.8	-1.0	-2.6	3.1	-2.9	-4.1	-0.7

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)							
2006	1.5	-9.9	-4.0	-2.4	6.8	-5.5	6.9
2007	0.2	-15.0	0.8	1.2	0.9	5.7	-4.7
2008	4.1	-0.3	6.2	-7.4	-8.0	1.3	19.4
2009	7.7	1.0	13.5	14.7	18.8	8.9	-4.6
2009 Q3	6.4	-18.0	-2.3	1.1	19.6	19.9	5.1
2009 Q4	3.3	15.1	-0.5	7.2	17.8	5.4	-11.1
2010 Q1	-4.6	3.7	-13.2	-6.8	-12.3	-3.1	8.9
2010 Q2	-3.1	-31.0	8.0	-9.7	-7.7	-6.2	-2.6
2010 Q3	-2.9	9.6	-2.8	-11.6	-3.4	6.5	-13.2
Compensation per employee (current prices)							
2006	7.6	8.7	11.3	13.1	1.7	5.6	9.1
2007	8.4	10.4	9.1	8.1	12.8	4.6	4.5
2008	7.2	13.7	9.1	0.9	0.7	6.6	12.6
2009	5.1	12.8	1.4	2.9	4.6	12.0	6.6
2009 Q3	5.2	7.9	-1.4	1.0	5.3	11.0	10.7
2009 Q4	3.8	6.9	-1.3	-2.1	3.8	10.7	6.6
2010 Q1	3.0	-4.0	-1.6	-16.9	3.7	5.8	9.7
2010 Q2	3.3	-14.8	2.0	-11.0	-0.5	7.8	8.6
2010 Q3	1.5	-4.7	3.1	-6.1	-1.5	9.9	-0.7
Labour productivity (constant prices)							
2006	6.2	15.8	18.6	13.9	-3.1	9.6	2.8
2007	8.2	30.2	8.3	6.8	12.3	-0.7	9.8
2008	3.0	15.0	3.6	9.7	9.6	5.3	-5.5
2009	-2.3	14.5	-9.2	-9.5	-11.8	3.4	12.6
2009 Q3	-1.1	31.4	1.0	0.0	-11.9	-7.4	5.3
2009 Q4	0.5	-7.1	-0.8	-8.7	-11.9	5.1	20.0
2010 Q1	7.9	-7.4	13.3	-10.8	18.2	9.2	0.8
2010 Q2	6.6	23.4	-5.6	-1.4	7.8	15.0	11.5
2010 Q3	4.5	-13.1	6.1	6.2	2.0	3.2	14.4

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 <sup>2)</sup>				Construction production <sup>3)</sup>
	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	0.9	-1.2	-14.4	13.5	-2.7	-2.3	19.3	-1.0	14.7
2006	115.6	15.6	21.0	-3.2	-3.1	8.4	32.1	93.7	20.0	14.8
2007	135.2	16.9	21.1	15.4	-3.7	5.5	47.8	46.9	-2.1	5.7
2008	139.5	3.2	2.5	-10.8	9.9	-4.2	9.6	4.0	0.4	12.1
2009	120.4	-13.7	-15.5	1.7	-5.8	-13.2	-25.8	0.3	-7.5	-11.3
2009 Q4	133.4	1.4	2.4	6.8	-5.1	5.8	5.4	-6.5	-0.1	-17.9
2010 Q1	133.2	19.7	21.6	11.8	12.0	22.7	38.6	1.7	12.8	-13.9
2010 Q2	145.9	24.5	26.8	-0.6	16.7	19.8	44.1	44.0	2.6	-5.6
2010 Q3	143.1	26.7	15.8	-4.7	16.3	6.4	33.4	16.4	-0.4	-3.6
2010 May	149.7	28.8	32.9	-0.7	13.1	21.6	53.9	78.7	5.3	-8.6
2010 June	147.5	24.1	24.8	-3.0	24.9	13.1	29.2	93.2	5.2	-6.6
2010 July	129.2	16.9	21.5	-7.1	0.6	4.9	44.0	59.4	4.4	-3.3
2010 Aug.	134.1	16.2	14.7	-0.4	27.3	7.7	28.8	16.3	3.6	-1.1
2010 Sep.	150.8	13.2	12.2	-6.4	23.9	6.4	28.9	-2.5	-7.5	-6.5
2010 Oct.	158.4	13.4	13.5	-3.4	15.3	4.1	24.5	27.7	-0.4	4.0
	month-on-month percentage changes <sup>1)</sup>									
2010 May	143.8	2.2	1.1	-6.5	-3.6	-1.3	-5.0	12.7	7.8	-4.0
2010 June	145.0	0.8	0.3	-0.3	8.1	-2.0	4.1	6.2	-7.2	0.8
2010 July	140.5	-3.1	-5.0	1.0	-9.8	-6.7	1.6	-3.1	1.7	2.1
2010 Aug.	143.6	2.2	4.0	3.9	9.7	7.9	-0.6	-25.1	0.2	2.3
2010 Sep.	144.1	0.3	4.8	-2.7	-3.3	3.1	7.7	-5.4	-3.6	-7.5
2010 Oct.	145.7	1.1	1.0	1.0	-2.2	-2.6	-0.3	15.6	1.3	2.0

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.

3) Not adjusted for calendar effects.



**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 <sup>2)</sup>	current prices <sup>2)</sup>	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- munications	Trans- port and storage	Total in thosands of units	Annual percent- age changes
				constant prices <sup>1)</sup>	current prices <sup>2)</sup>	constant prices <sup>1)</sup>	current prices <sup>2)</sup>	constant prices <sup>1)</sup>	constant prices <sup>1)</sup>	constant prices <sup>1)</sup>	Accom- modation	Restau- rants	constant prices <sup>1)</sup>	current prices <sup>2)</sup>	current prices <sup>2)</sup>		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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
2009	124.4	-22.3	-18.8	-18.0	-21.1	-13.9	-11.7	-17.9	-26.8	-10.3	-23.6	-27.7	-4.7	3.3	-13.6	90.4	-6.7
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	130.9	-16.9	-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 Q4	138.1	1.8	-12.1	-1.6	-7.6	-18.2	-16.9	-18.7	-23.7	-9.8	-13.7	-23.1	-1.6	-3.0	-10.4	17.6	-30.2
2010 Q1	143.2	27.2	4.3	17.1	-31.5	-15.2	-14.5	-9.3	2.3	-1.9	-10.7	-13.7	0.3	-6.0	3.3	14.3	-11.6
2010 Q2	155.9	34.3	9.9	25.8	23.6	-6.2	-5.3	-15.4	4.5	-2.5	-6.9	-12.8	3.8	-8.5	10.8	17.4	-45.6
2010 Q3	152.8	16.8	7.4	15.7	16.4	-6.8	-6.2	4.2	1.7	-1.7	0.5	-5.9	8.9	-7.4	3.1	17.2	-30.1
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	116.5	-28.2	-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	-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.	147.5	-8.7	-17.4	-11.1	-15.9	-21.1	-19.9	-25.4	-27.8	-10.3	-16.7	-25.4	-3.2	1.1	-16.4	6.0	-36.5
2009 Nov.	144.8	1.7	-10.4	-1.1	-5.8	-15.6	-14.1	-19.1	-22.3	-9.8	-13.0	-22.7	0.0	4.3	-8.6	5.2	-22.3
2009 Dec.	121.9	18.5	-7.8	7.3	1.7	-17.9	-16.5	-11.5	-20.7	-9.2	-11.4	-21.3	-1.7	-11.2	-5.0	6.5	-29.5
2010 Jan.	125.3	21.3	2.3	14.3	8.2	-13.4	-12.3	-2.8	-3.1	-2.9	-9.9	-12.1	2.5	-1.7	2.5	3.9	-1.9
2010 Feb.	140.8	29.4	4.3	19.6	13.0	-16.5	-15.7	-5.8	2.1	-2.9	-14.3	-15.9	-2.0	-5.3	-4.3	4.3	-4.1
2010 Mar.	163.6	30.0	6.1	17.3	31.7	-15.8	-14.9	-19.2	7.4	0.2	-7.9	-13.1	0.3	-10.3	12.0	6.1	-21.0
2010 Apr.	153.0	34.0	8.8	24.7	22.3	-6.0	-4.8	-19.3	3.9	-5.4	-12	-13.7	2.8	-8.1	10.6	5.3	-51.8
2010 May	157.2	39.7	10.8	28.0	22.9	-7.8	-6.8	-14.3	6.7	-3.1	-5.1	-13.7	2.6	-7.6	10.7	5.4	-43.7
2010 June	157.6	29.5	10.2	24.8	23.1	-4.7	-4.1	-12.7	3.1	1.0	-3.6	-10.9	5.9	-9.7	11.2	6.8	-41.3
2010 July	143.7	23.4	6.9	18.6	18.4	-7.3	-6.8	-10.5	-0.8	-1.6	1.1	-6.2	7.8	-9.0	3.2	6.0	-46.8
2010 Aug.	144.9	14.6	8.3	13.7	15.2	-1.5	-0.5	11.5	6.9	-1.8	1.0	-6.4	9.8	-7.9	-0.4	5.6	-23.8
2010 Sep.	169.8	13.5	7.9	17.1	17.8	-12.2	-11.3	11.5	-0.8	-1.8	-0.7	-5.0	9.1	-5.3	6.3	5.6	-6.6
2010 Oct.	.	.	6.9	13.9	13.8	-1.3	-0.2	19.8	-0.3	-3.7	-3.5	-2.7	4.2	-13.7	12.0	6.6	11.0

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				Revenues and Industry <sup>2)</sup>	
		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 <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	current prices <sup>1)</sup>	EUR mil. <sup>1)</sup>
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2006	16.5	14.0	16.5	15.6	25.9	14.7	9.5	22.5	19.3	22.5	44.7	27.3	16.5	51,622.4
2007	13.9	-7.6	14.1	1.3	-6.9	17.2	8.4	28.8	10.1	28.8	24.6	15.1	13.9	58,801.7
2008	3.1	17.1	3.0	19.4	9.6	2.3	0.3	4.5	4.2	4.5	4.0	3.7	3.1	60,639.6
2009	-24.4	-9.6	-24.6	-10.8	-29.8	-27.1	-26.5	-27.7	-14.1	-27.7	-9.9	-13.3	-24.4	45,832.2
2009 Q2	-32.3	-11.6	-32.5	-15.2	-31.8	-36.2	-33.9	-38.7	-17.1	-38.7	-8.9	-15.7	-32.3	10,983.7
2009 Q3	-24.0	-10.3	-24.1	-15.1	-37.3	-26.1	-26.1	-26.1	-11.5	-26.1	-1.9	-9.3	-24.0	11,610.3
2009 Q4	-7.5	-18.2	-7.4	-6.6	3.4	-5.4	-9.5	-0.9	-15.0	-0.9	-17.1	-16.1	-7.5	12,739.5
2010 Q1	16.9	-12.3	17.2	1.0	41.6	21.5	19.3	24.0	0.2	24.0	-4.1	-1.4	16.9	12,269.2
2010 Q2	26.4	-8.4	26.9	10.6	12.6	29.6	26.0	33.5	20.7	33.5	35.0	29.1	26.4	13,884.3
2010 Q3	18.2	-2.0	18.4	12.0	23.9	23.6	19.0	28.7	0.9	28.7	-4.4	0.2	18.2	13,717.8
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	-33.2	3,530.7
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	-28.4	3,837.4
2009 July	-30.4	-9.9	-30.6	-15.4	-44.2	-33.2	-29.2	-37.4	-12.4	-0.1	-19.8	-10.6	-30.4	3,597.9
2009 Aug.	-19.9	-13.7	-19.9	-13.0	-33.7	-21.4	-26.6	-14.4	-9.6	1.8	-19.3	-6.2	-19.9	3,719.1
2009 Sep.	-21.4	-7.3	-21.5	-16.9	-33.5	-23.1	-22.6	-23.6	-12.4	-5.5	-20.2	-10.7	-21.4	4,293.3
2009 Oct.	-17.7	-24.9	-17.6	-11.7	-22.9	-15.5	-17.2	-13.6	-21.8	-26.1	-14.5	-23.6	-17.7	4,546.9
2009 Nov.	-4.1	-15.1	-4.0	-10.1	11.4	-3.1	-6.5	0.4	-9.5	-8.9	-10.4	-9.7	-4.1	4,546.2
2009 Dec.	3.8	-12.0	4.0	1.7	47.4	7.0	-1.8	17.3	-11.5	-12.0	-11.1	-11.7	3.8	3,646.3
2010 Jan.	13.3	-22.5	13.8	1.0	51.3	18.3	16.8	20.1	-6.3	-7.4	-5.0	-6.3	13.3	3,650.3
2010 Feb.	18.2	-19.6	18.7	0.2	21.9	23.6	15.4	32.9	3.0	-0.1	6.4	0.7	18.2	3,972.7
2010 Mar.	18.6	6.9	18.7	1.7	51.2	22.4	24.9	19.8	3.2	-4.5	13.0	1.0	18.6	4,646.2
2010 Apr.	24.7	-1.9	25.0	18.1	46.4	33.5	27.1	41.3	-1.6	-3.4	0.8	-1.8	24.7	4,508.9
2010 May	28.3	-13.1	28.9	6.2	-10.6	30.6	26.1	35.7	32.0	60.6	5.9	48.6	28.3	4,531.1
2010 June	26.2	-9.9	26.7	7.1	4.7	25.2	24.9	25.5	36.2	65.9	11.8	50.9	26.2	4,844.4
2010 July	20.2	-2.5	20.5	8.7	22.4	23.2	16.5	31.2	10.1	16.4	5.4	14.6	20.2	4,326.0
2010 Aug.	15.9	-0.7	16.1	10.9	22.3	20.2	21.3	18.8	2.1	-3.0	7.8	1.4	15.9	4,311.1
2010 Sep.	18.3	-2.8	18.6	16.5	27.0	26.8	19.2	35.0	-6.9	-16.9	6.7	-10.1	18.3	5,080.7

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

1) At current prices.

2) Intermediate goods receipts + Capital goods + Consumer goods – Energy excluding supply of electricity, gas, heat, cold air, water = Receipts for industry – (Electricity, gas, steam and air conditioning supply + Water supply; sewerage, waste management and remediation activities)



**TABLE 13 Nominal average wages**

(annual percentage changes)

	Wages <sup>1)</sup>													
	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												
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
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	Agri-culture, forestry and fishing	Industry	Con-struction	Wholesale and retail trade; repair of motor vehicles and motorcycles	Trans-posing and storage	Accom-modation and food service activities	Informa-tion and commu-nication	Financial and in-surance activities	Real estate activities	Profes-sional, scientific and technical activities	Admin-istrative and support service activities	Public admin-istration and defence; social security	Education	Human health and so-cial work activities	Arts, entertain-ment and recrea-tion	Other activities
2009 Q3 <sup>2)</sup>	722.5	2.5	-0.3	1.6	0.5	-3.0	-1.4	-5.3	0.4	-0.1	-6.1	3.7	10.6	4.2	6.8	5.6	9.0	6.2
2009 Q4	813.2	2.1	1.3	4.7	-2.1	-7.0	-2.5	-8.7	4.3	-1.5	2.0	-3.8	10.3	1.9	7.3	4.8	3.5	2.1
2010 Q1	725.0	2.1	2.9	5.8	-0.3	1.2	0.9	4.2	0.6	-0.2	3.9	0.5	-1.1	1.5	3.2	2.2	-0.2	-1.9
2010 Q2	758.0	3.6	-2.5	6.2	4.1	2.0	1.0	6.5	2.0	-1.8	2.4	1.6	-1.4	4.3	2.7	4.0	0.5	-0.5
2010 Q3	750.0	3.7	4.3	4.9	3.7	4.2	1.5	3.7	5.6	3.9	10.8	4.0	1.4	1.5	2.6	6.0	0.8	-0.6
2009	744.5	3.0	1.2	2.6	0.6	-1.1	0.2	-7.3	3.0	0.0	-3.0	3.4	9.0	5.0	7.3	5.4	6.4	5.6

	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
2010 Jan. <sup>2)</sup>	687.1	3.8	-0.6	2.5	1.1	1.4	3.6	5.0	-1.3	6.1	4.9
2010 Feb.	678.0	6.1	-0.8	2.4	5.6	1.4	-1.9	6.6	0.5	4.1	4.1
2010 Mar.	711.8	7.4	0.9	2.7	7.8	4.2	5.0	3.8	3.7	-3.5	4.5
2010 Apr.	714.1	6.5	6.6	2.4	6.3	3.7	5.6	2.3	-0.7	3.4	4.8
2010 May	707.4	5.0	2.7	2.5	5.1	4.2	2.4	6.0	0.1	1.4	1.7
2010 June	743.5	6.7	2.9	0.0	6.0	5.4	7.0	4.5	3.0	-2.1	6.9
2010 July	727.9	4.7	3.2	0.1	5.1	4.9	5.8	5.3	0.7	0.6	6.4
2010 Aug.	709.5	4.8	6.1	1.6	4.8	5.0	7.3	5.0	0.0	8.3	7.6
2010 Sep.	719.1	5.2	3.1	1.7	3.1	3.8	3.8	5.9	0.9	2.4	7.5
2010 Oct.	713.1	1.4	4.9	0.8	4.3	4.0	5.2	5.0	1.3	3.0	2.3

Source: Statistical office of the SR and NBS calculations.

1) Statistical reports.

2) Data for 2008 are classified according to OKEČ; data for 2009 according to NACE.

**TABLE 14 Business and consumer surveys**(percentage balances<sup>1)</sup>, unless otherwise indicated; seasonally adjusted)

	Economic sentiment indicator <sup>2)</sup> (long-term average = 100)	Manufacturing industry					Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation <sup>3)</sup> (percentages)					Savings over next 12 months
		Total <sup>4)</sup>	Order books	Stocks of finished products	Production expectations		Total <sup>4)</sup>	Financial situation of households over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	
	1	2	3	4	5	6	7	8	9	10	11
2006	110.6	9.0	-1.8	0.9	29.6	75.4	-9.6	-6.1	-6.1	-4.4	-30.5
2007	112.5	14.2	4.7	-4.1	33.8	73.6	-0.3	1.1	6.8	-12.4	-21.7
2008	97.7	-4.2	-11.7	3.6	2.8	72.0	-13.1	-13.6	-12.4	1.2	-25.0
2009	77.2	-17.9	-45.2	10.4	1.9	53.7	-35.4	-18.3	-40.2	53.0	-30.1
2009 Q1	73.7	-30.1	-45.1	17.6	-27.8	53.3	-40.9	-21.5	-43.7	68.8	-29.5
2009 Q2	69.1	-25.8	-52.5	15.1	-9.8	50.9	-39.0	-21.0	-48.0	56.1	-30.9
2009 Q3	78.5	-11.5	-46.2	6.4	17.9	51.9	-31.7	-16.2	-38.5	43.4	-29.0
2009 Q4	87.3	-4.0	-37.2	2.3	27.4	58.8	-30.0	-14.6	-30.8	43.6	-31.1
2010 Q1	94.8	-0.1	-25.5	-1.9	23.2	58.1	-20.4	-8.7	-18.8	27.3	-26.7
2010 Q2	96.1	0.0	-23.8	-1.5	22.2	55.4	-17.6	-7.5	-18.0	19.6	-25.3
2010 Q3	97.7	2.7	-23.5	-3.1	28.5	59.7	-20.8	-13.7	-23.0	19.3	-27.3
2009 Sep.	81.2	-13.3	-44.5	5.9	10.5	-	-26.2	-11.8	-28.3	36.1	-28.8
2009 Oct.	83.9	-8.7	-37.5	4.7	16.2	58.8	-30.9	-14.0	-32.5	46.9	-29.9
2009 Nov.	85.8	-5.6	-37.4	3.0	23.4	-	-31.5	-16.2	-32.4	47.2	-30.1
2009 Dec.	92.2	2.3	-36.7	-0.9	42.7	-	-27.7	-13.7	-27.4	36.6	-33.2
2010 Jan.	92.4	-2.3	-31.9	-6.4	18.7	58.1	-25.3	-12.3	-26.7	31.2	-30.9
2010 Feb.	93.3	-4.6	-30.7	-1.1	15.7	-	-18.7	-7.7	-13.6	26.8	-26.7
2010 Mar.	98.7	6.6	-13.8	1.8	35.2	-	-17.1	-6.1	-16.0	23.8	-22.4
2010 Apr.	95.4	-2.3	-27.4	-0.4	20.1	55.4	-15.9	-5.8	-13.0	18.8	-26.1
2010 May	94.3	-1.2	-26.4	-3.2	19.6	-	-18.6	-8.6	-16.6	23.5	-25.6
2010 June	98.6	3.5	-17.7	-1.0	27.0	-	-18.2	-8.1	-24.4	16.4	-24.1
2010 July	99.6	6.3	-24.5	-5.7	37.9	59.7	-18.5	-11.8	-18.7	16.8	-26.7
2010 Aug.	97.9	2.6	-25.1	-3.4	29.7	-	-21.3	-13.6	-21.5	23.4	-26.9
2010 Sep.	95.5	-0.9	-20.8	-0.2	17.9	-	-22.6	-15.8	-28.9	17.6	-28.3
2010 Oct.	97.9	2.8	-18.7	-2.8	24.3	56.7	-26.8	-19.7	-34.4	29.1	-24.1
2010 Nov.	99.9	1.0	-19.4	1.7	24.1	-	-18.6	-10.7	-19.7	21.6	-22.4

Source: European Commission.

Note: As of May 2010, data from sentiment surveys (except for the consumer confidence indicator) are classified according to economic activities (SK NACE Rev. 2). Up to May 2010, data are classified according to NACE Rev. 1.

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 balances<sup>1)</sup>, unless otherwise indicated; seasonally adjusted)

	Construction confidence indicator			Retail trade indicator				Services confidence indicator			
	Total <sup>4)</sup>	Order books	Employment expectations	Total <sup>4)</sup>	Present business situation	Volume of stocks	Expected business situation	Total <sup>4)</sup>	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
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
2009	-43.3	-55.7	-30.9	-14.5	-18.4	15.4	-9.6	-8.7	-13.9	-7.4	-4.7
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 Q4	-45.3	-66.0	-24.5	-12.2	-26.4	11.2	0.9	3.6	-1.8	3.8	8.9
2010 Q1	-44.1	-61.0	-27.1	-9.6	-26.3	3.7	1.2	16.1	13.4	15.1	19.9
2010 Q2	-39.6	-55.7	-23.6	-5.0	-12.6	3.3	0.9	17.3	14.1	20.2	17.6
2010 Q3	-44.6	-54.0	-35.1	1.7	1.6	2.4	5.8	22.2	19.4	23.8	23.3
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
2009 Dec.	-43.2	-68.0	-18.5	-9.9	-28.1	7.1	5.5	10.2	9.8	3.5	17.3
2010 Jan.	-47.7	-64.2	-31.2	-10.0	-30.7	3.2	3.8	15.1	12.0	10.7	22.5
2010 Feb.	-42.1	-58.1	-26.0	-9.5	-27.3	1.3	0.2	15.4	11.0	15.1	20.1
2010 Mar.	-42.4	-60.7	-24.2	-9.3	-20.8	6.6	-0.4	17.9	17.1	19.6	17.1
2010 Apr.	-40.9	-58.6	-23.2	-2.5	-10.7	3.2	6.4	16.6	15.8	21.8	12.2
2010 May	-40.9	-57.6	-24.3	-6.8	-15.4	2.6	-2.4	13.1	7.2	17.6	14.5
2010 June	-37.1	-51.0	-23.2	-5.7	-11.6	4.2	-1.3	22.2	19.4	21.2	26.0
2010 July	-45.2	-52.2	-38.2	-2.0	-3.2	2.3	-0.6	22.7	20.5	23.9	23.5
2010 Aug.	-45.1	-55.0	-35.1	3.6	3.4	0.3	7.6	22.6	20.4	24.5	22.9
2010 Sep.	-43.4	-54.7	-32.0	3.5	4.7	4.7	10.5	21.3	17.4	23.0	23.5
2010 Oct.	-38.7	-49.8	-27.7	12.3	13.3	0.8	24.4	24.1	24.2	18.8	29.3
2010 Nov.	-37.4	-54.1	-20.8	14.9	5.1	-0.3	39.4	26.5	21.4	20.8	37.4

Source: European Commission.

Note: As of May 2010, data from sentiment surveys (except for the consumer confidence indicator) are classified according to economic activities (SK NACE Rev. 2). Up to May 2010, data are classified according to NACE Rev. 1.

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 <sup>1)</sup>										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
2006	2,132.4	2.1	2.1	2.1	-7.5	1.1	4.3	4.9	4.6	0.1	13.3
2007	2,177.0	2.1	1.8	3.8	-5.0	1.2	5.1	2.8	7.2	0.2	11.0
2008	2,241.1	2.9	2.2	7.6	-1.8	2.6	7.3	3.3	5.3	1.0	9.6
2009	2,184.4	-2.5	-4.4	9.2	-12.6	-9.3	4.7	0.5	-2.2	0.5	12.1
2009 Q3	2,178.3	-3.9	-5.9	8.2	-10.8	-10.0	-0.6	-0.7	-4.9	-0.5	12.5
2009 Q4	2,161.7	-4.2	-5.7	5.7	-16.4	-11.4	-0.9	-0.3	-4.6	0.0	13.9
2010 Q1	2,133.1	-3.0	-4.2	3.4	-1.3	-10.5	-2.4	-0.6	0.2	0.0	15.1
2010 Q2	2,148.3	-2.3	-2.0	-3.6	-12.6	-4.8	-3.9	-1.9	2.1	-0.1	14.4
2010 Q3	2,164.1	-0.7	0.1	-4.6	-13.7	-1.2	-2.6	-0.1	2.3	0.3	14.1
2010 Jan. <sup>2)</sup>	1,236.7	-	-	-	-	-14.3	-1.8	-6.8	-	-	12.9
2010 Feb.	1,222.6	-	-	-	-	-12.0	-3.1	-8.5	-	-	13.0
2010 Mar.	1,218.7	-	-	-	-	-9.0	-3.4	-8.1	-	-	12.9
2010 Apr.	1,222.1	-	-	-	-	-6.3	-3.1	-6.7	-	-	12.5
2010 May	1,221.1	-	-	-	-	-3.8	-2.6	-6.0	-	-	12.2
2010 June	1,222.3	-	-	-	-	-2.2	-2.3	-5.9	-	-	12.3
2010 July	1,227.3	-	-	-	-	-1.2	-2.9	-3.5	-	-	12.3
2010 Aug.	1,229.2	-	-	-	-	-0.5	-2.8	-3.2	-	-	12.2
2010 Sep.	1,233.6	-	-	-	-	0.6	-2.6	-2.2	-	-	12.4
2010 Oct.	1,237.8	-	-	-	-	1.4	-2.7	-1.7	-	-	12.3

Source: Statistical Office of the SR.

1) ESA 95.

2) Monthly data prior to 2009 are classified according to NACE; all other data according to OKEČ.





TABLE 16 GDP – expenditure side

	Total	Domestic demand						External balance			
		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	Statistical discrepancy
	1	2	3	4	5	6	7	8	9	10	11
Current prices (EUR bln.)											
2006	55.08	57.30	30.89	0.59	10.41	14.59	0.82	-2.22	46.47	48.69	0.00
2007	61.56	62.23	33.90	0.60	10.64	16.10	1.00	-0.68	53.37	54.05	0.00
2008	67.01	68.60	37.60	0.69	11.80	16.58	1.93	-1.59	55.79	57.39	0.00
2009	63.05	63.33	37.71	0.69	12.60	12.99	-0.67	-0.28	44.51	44.78	0.00
2008 Q1	15.79	11.66	9.05	0.17	2.44	3.51	0.79	-0.18	14.18	14.36	0.00
2008 Q2	16.79	12.17	9.19	0.17	2.81	4.42	0.60	-0.40	14.66	15.05	0.00
2008 Q3	17.49	12.62	9.61	0.17	2.84	4.39	0.75	-0.27	13.86	14.12	0.00
2008 Q4	16.94	13.65	9.76	0.18	3.72	4.26	-0.22	-0.75	13.10	13.85	0.00
2009 Q1	14.71	12.07	9.32	0.17	2.59	3.23	0.09	-0.69	10.05	10.74	0.00
2009 Q2	15.56	12.63	9.35	0.17	3.10	3.10	-0.33	0.16	10.84	10.67	0.00
2009 Q3	16.50	12.74	9.64	0.17	2.93	3.22	0.38	0.15	11.12	10.97	0.00
2009 Q4	16.29	13.57	9.41	0.18	3.98	3.44	-0.82	0.10	12.50	12.40	0.00
2010 Q1	15.15	12.11	9.20	0.17	2.73	3.05	-0.02	0.01	11.74	11.73	0.00
2010 Q2	16.27	12.56	9.29	0.18	3.09	3.17	0.44	0.11	13.13	13.03	0.00
2010 Q3	17.47	12.92	9.76	0.18	2.98	3.37	1.38	-0.46	13.26	13.71	0.27
Percentage of GDP											
2009	100.0	100.4	59.8	1.1	20.0	20.6	-1.1	-0.4	70.6	71.0	0.0
Chain-linked volumes											
Annual percentage changes											
2006	8.5	6.6	5.9	9.1	9.7	9.3	-	-	21.0	17.8	-
2007	10.5	6.3	6.9	-1.3	0.1	9.1	-	-	14.3	9.2	-
2008	5.8	5.8	6.1	10.5	6.1	1.0	-	-	3.1	3.1	-
2009	-4.8	-7.3	0.2	0.7	5.6	-19.9	-	-	-15.9	-18.6	-
2008 Q1	-1.4	-0.3	2.5	6.6	1.8	-0.7	-	-	2.2	1.8	-
2008 Q2	1.0	-0.1	0.6	0.8	2.0	4.7	-	-	-3.0	-1.8	-
2008 Q3	1.2	-0.3	0.8	0.4	2.1	-5.7	-	-	-2.0	-3.7	-
2008 Q4	0.6	1.3	1.0	3.3	-0.9	-7.2	-	-	-5.3	-4.9	-
2009 Q1	-7.6	-4.7	-1.0	-3.7	1.2	-6.3	-	-	-16.7	-14.5	-
2009 Q2	1.1	-7.3	0.4	0.6	5.5	-10.2	-	-	3.8	-3.5	-
2009 Q3	1.2	3.5	-0.3	0.7	-2.2	-1.2	-	-	4.5	6.0	-
2009 Q4	1.3	-1.0	-0.8	3.3	1.8	1.4	-	-	7.0	3.7	-
2010 Q1	0.8	3.9	0.4	-1.5	0.5	5.0	-	-	2.1	4.5	-
2010 Q2	1.0	-1.1	-0.3	-0.3	-1.2	-1.7	-	-	1.8	1.1	-
2010 Q3	1.0	2.0	0.1	0.6	0.5	1.1	-	-	3.4	6.3	-

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	2.3	16.8	4.5	13.5	9.7	8.8	6.1
2008	60.8	2.6	17.6	5.9	15.0	10.7	9.1	6.2
2009	57.3	2.3	14.7	5.4	14.0	11.0	10.0	5.7
2008 Q1	14.44	0.62	4.77	1.15	3.48	2.46	1.96	1.35
2008 Q2	15.27	0.50	4.73	1.29	3.95	2.44	2.36	1.51
2008 Q3	15.80	0.85	4.28	1.51	4.03	2.97	2.17	1.69
2008 Q4	15.29	0.59	3.83	1.95	3.49	2.85	2.58	1.66
2009 Q1	13.29	0.57	3.57	0.96	3.08	2.79	2.32	1.42
2009 Q2	14.20	0.44	3.70	1.26	3.72	2.71	2.35	1.36
2009 Q3	15.05	0.72	3.90	1.51	3.76	2.74	2.41	1.45
2009 Q4	14.80	0.52	3.54	1.70	3.40	2.73	2.90	1.49
2010 Q1	13.77	0.54	3.91	0.82	3.38	2.79	2.32	1.38
2010 Q2	14.82	0.51	3.83	1.16	3.87	2.85	2.60	1.45
2010 Q3	15.95	0.75	4.01	1.60	3.87	2.93	2.78	1.52
Contribution to GDP (%)								
2009	90.9	3.6	23.3	8.6	22.2	17.4	15.8	9.1
Chain-linked volumes								
Annual percentage changes								
2006	10.1	7.3	19.9	19.3	0.6	14.4	2.9	-4.4
2007	10.6	23.5	9.7	12.0	14.7	6.4	9.4	9.2
2008	6.7	13.1	5.7	18.8	13.2	11.1	-4.8	-0.4
2009	-4.6	0.2	-18.2	-5.6	-11.3	0.4	12.7	-6.9
2008 Q1	10.4	19.8	22.7	11.3	11.6	6.0	-5.0	0.1
2008 Q2	7.5	0.5	15.3	11.0	10.1	7.2	-0.9	1.8
2008 Q3	6.5	11.1	-1.3	13.2	15.9	18.4	-1.0	3.9
2008 Q4	2.3	20.2	-10.7	35.4	15.3	12.0	-11.3	-6.1
2009 Q1	-6.6	12.6	-28.6	-13.3	-13.9	11.8	22.8	11.5
2009 Q2	-5.2	-7.2	-21.7	1.4	-7.1	4.6	4.7	-7.7
2009 Q3	-4.4	17.2	-9.1	-0.6	-12.5	-11.9	4.8	-10.6
2009 Q4	-2.3	-22.4	-12.1	-9.6	-12.1	0.3	19.9	-15.5
2010 Q1	5.2	-8.6	1.4	-12.9	17.5	9.4	0.8	-0.5
2010 Q2	4.0	7.8	-10.1	-5.2	5.8	17.4	11.5	6.2
2010 Q3	3.9	-25.0	4.9	3.5	1.9	5.6	14.8	2.9

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 revenues												Total expenditures		
		Tax revenues							Non-tax revenues	Grants and transfers	Foreign transfers		Current	Capital		
			Individual income tax	Corporate tax	Withhold- ing 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	
2009	-2,791.3	10,540.8	8,024.9	28.6	2,129.6	155.8	3,846.4	1,835.4	29.1	828.2	1,687.7	1,080.9	13,332.1	11,173.4	2,158.7	
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	
2009 Dec.	-2,791.3	10,540.8	8,024.9	28.6	2,129.6	155.8	3,846.4	1,835.4	29.1	828.2	1,687.7	1,080.9	13,332.1	11,173.4	2,158.7	
2010 Jan.	22.8	800.3	760.8	-25.6	59.7	32.9	509.7	181.9	2.2	38.6	0.9	0.1	777.5	774.8	2.7	
2010 Feb.	-780.3	1,461.4	1,131.6	-49.2	187.1	41.5	634.7	312.7	4.8	89.6	240.2	237.5	2,241.7	2,111.0	130.7	
2010 Mar.	-983.5	2,511.5	2,004.1	42.8	491.2	49.0	915.8	498.5	6.8	127.7	379.7	360.2	3,495.0	3,181.1	313.9	
2010 Apr.	-1,479.9	3,224.0	2,463.8	-62.7	377.5	61.0	1,426.7	652.2	9.1	193.8	566.4	538.4	4,703.9	4,246.3	457.6	
2010 May	-2,077.8	3,958.5	2,961.6	-85.2	380.3	68.1	1,791.9	794.3	12.4	292.9	703.8	669.4	6,036.3	5,410.3	626.0	
2010 June	-2,439.3	4,877.0	3,684.6	20.2	523.9	79.3	2,102.1	943.9	15.2	353.8	838.6	792.4	7,316.3	6,390.0	926.3	
2010 July	-2,407.9	6,035.1	4,517.8	42.2	636.0	104.3	2,612.3	1,104.7	18.3	419.3	1,098.0	829.3	8,443.0	7,347.6	1,095.4	
2010 Aug.	-2,822.5	6,770.0	5,098.8	40.1	760.5	111.6	2,887.7	1,277.5	21.4	484.3	1,186.9	864.9	9,592.5	8,334.3	1,258.2	
2010 Sep.	-3,110.4	7,540.3	5,730.0	49.3	876.4	122.8	3,206.1	1,450.4	25.0	530.1	1,280.2	938.6	10,650.7	9,251.7	1,399.0	
2010 Oct.	-3,373.4	8,474.5	6,472.2	62.2	960.4	130.8	3,676.7	1,613.5	28.6	595.9	1,406.4	1,015.3	11,847.9	10,279.0	1,568.9	
2010 Nov.	-3,511.0	9,526.9	7,190.8	68.1	1,092.8	139.9	4,077.7	1,779.3	33.0	642.9	1,693.2	1,125.9	13,037.9	11,218.7	1,819.2	

Source: Ministry of Finance of the SR and NBS calculations.

**TABLE 18 Central government budget**

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

(annual percentage changes)

	Budget balance														
	Total revenues												Total expenditures		
	Tax revenues							Non-tax revenues	Grants and transfers	Foreign transfers		Current	Capital		
		Individual income tax	Corporate tax	Withhold- ing taxes	Value added tax	Excise taxes	Other taxes								
	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
2009	296.6	-7.1	-11.1	-76.1	0.4	-24.4	-17.0	-3.7	-19.8	-5.2	15.9	29.1	10.6	6.9	34.4
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
2009 Dec.	296.6	-7.1	-11.1	-76.1	0.4	-24.4	-17.0	-3.7	-19.8	-5.2	15.9	29.1	10.6	6.9	34.4
2010 Jan.	-77.3	13.2	14.9	-57.3	-9.7	-2.1	39.3	-28.3	-21.4	-12.5	200.0	0.0	28.2	28.5	-22.9
2010 Feb.	321.6	3.6	-3.1	-29.4	-5.8	-5.5	59.1	-47.0	-20.0	6.9	50.3	49.7	40.4	34.8	331.4
2010 Mar.	380.7	4.2	1.3	-1,072.7	-25.9	-11.2	59.3	-26.9	-17.1	7.4	21.5	16.2	33.6	27.4	143.1
2010 Apr.	326.0	-3.1	-6.3	-51.5	-55.8	-13.5	37.6	-17.0	-15.7	-38.8	49.0	44.2	28.0	23.6	92.8
2010 May	149.9	0.3	-4.9	-36.1	-59.7	-15.8	36.2	-11.1	-5.3	-20.3	51.2	47.2	26.4	22.2	78.7
2010 June	120.1	5.9	-0.4	-124.8	-55.0	-13.0	39.3	-5.7	-1.3	-15.7	73.0	68.7	28.1	21.4	105.1
2010 July	163.3	4.1	0.4	-168.6	-53.5	2.7	33.5	-1.2	5.8	-13.2	34.5	67.9	25.8	21.6	63.4
2010 Aug.	134.0	5.1	1.0	-155.8	-48.9	1.6	28.3	1.9	9.7	-10.8	39.8	60.9	25.4	22.7	47.3
2010 Sep.	128.7	4.0	0.2	-186.3	-46.2	2.9	22.3	4.8	15.2	-10.4	36.4	55.2	23.7	22.2	35.1
2010 Oct.	119.5	3.2	-0.6	-234.6	-45.8	0.8	18.0	6.3	19.2	-8.0	33.9	45.0	21.5	21.9	19.6
2010 Nov.	122.8	2.9	-0.3	-249.0	-43.1	-2.5	16.9	5.8	23.6	-7.6	25.5	48.1	20.3	20.5	19.0

Source: Ministry of Finance of the SR 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	49,522	50,280	-758	6,001	6,488	-487	-2,295	-893	-4,433	806	2,113	1,579	1,371	5,063
2009	39,721	38,775	946	4,522	5,768	-1,246	-1,288	-676	-2,264	464	-347	-662	3,967	2,958
2007 Q4	12,956	13,469	-513	1,518	1,457	60	-879	21	-1,311	188	864	-745	996	1,115
2008 Q1	12,728	12,726	2	1,389	1,482	-93	-117	-214	-422	139	-195	656	74	535
2008 Q2	13,097	13,296	-199	1,489	1,595	-106	-1,210	-216	-1,731	402	562	425	663	1,650
2008 Q3	12,244	12,302	-57	1,543	1,666	-123	-572	-196	-948	82	663	504	88	1,255
2008 Q4	11,452	11,956	-504	1,580	1,746	-166	-395	-267	-1,332	183	1,083	-6	547	1,624
2009 Q1	8,972	9,234	-261	1,026	1,423	-396	-79	-55	-791	253	176	-756	1,041	461
2009 Q2	9,602	9,176	426	1,176	1,427	-250	-203	-161	-189	147	-880	26	1,276	421
2009 Q3	9,917	9,503	414	1,151	1,434	-283	-505	-114	-488	2	39	-635	1,428	831
2009 Q4	11,230	10,862	368	1,168	1,485	-317	-501	-346	-796	62	319	704	222	1,245
2010 Q1	10,638	10,362	276	983	1,259	-276	-343	64	-280	388	294	-949	550	-105
2010 Q2	12,102	11,732	370	1,063	1,275	-213	-373	-143	-358	6	76	-1,567	629	-862
2010 Q3	12,244	12,545	-301	1,135	1,294	-159	-211	-229	-901	308	-404	245	708	549
2008 Nov.	3,890	4,094	-203	475	514	-40	-6	-115	-365	14	338	261	132	730
2008 Dec.	2,908	3,275	-367	559	634	-75	-138	-48	-628	116	691	-490	159	360
2009 Jan.	2,715	2,981	-266	358	444	-85	20	-68	-399	-11	15	951	-1,532	-565
2009 Feb.	2,907	2,904	3	324	484	-159	-25	27	-155	273	276	-425	1,349	1,199
2009 Mar.	3,350	3,349	2	344	495	-152	-74	-13	-237	-9	-115	-1,282	1,225	-172
2009 Apr.	3,307	3,016	291	347	495	-148	-49	-41	53	133	-132	-466	1,071	473
2009 May	3,025	2,885	140	354	452	-98	-112	-24	-95	7	-362	1,452	-744	346
2009 June	3,270	3,275	-5	475	480	-5	-42	-96	-147	7	-386	-961	949	-398
2009 July	3,057	3,043	15	412	545	-133	-178	-45	-342	-1	-332	-872	1,170	-34
2009 Aug.	3,147	2,953	194	412	422	-10	-129	-62	-8	5	446	477	-525	398
2009 Sep.	3,713	3,507	206	327	467	-139	-198	-7	-139	-1	-76	-240	783	468
2009 Oct.	4,047	3,739	308	389	471	-82	-156	-146	-77	47	175	159	202	536
2009 Nov.	3,909	3,789	120	339	415	-76	-168	-81	-205	13	210	338	-555	-7
2009 Dec.	3,274	3,335	-61	440	598	-158	-176	-119	-514	3	-66	207	575	715
2010 Jan.	3,074	3,015	59	377	428	-51	-159	-21	-171	88	178	-432	536	282
2010 Feb.	3,448	3,404	44	337	475	-138	-51	124	-22	82	56	-1,104	-51	-1,099
2010 Mar.	4,117	3,943	173	270	356	-87	-134	-39	-87	218	59	587	65	711
2010 Apr.	3,892	3,722	170	353	441	-87	-114	-53	-84	4	281	-382	-674	-775
2010 May	4,014	3,948	66	344	409	-65	-141	-13	-154	-2	-55	-627	96	-586
2010 June	4,196	4,062	134	366	426	-60	-117	-77	-120	4	-150	-558	1,207	500
2010 July	3,837	3,945	-108	372	475	-103	-32	-105	-348	201	-211	218	-2	5
2010 Aug.	3,852	4,085	-234	407	421	-14	-78	-98	-424	74	108	30	225	363
2010 Sep.	4,555	4,515	40	355	398	-43	-101	-26	-129	33	-301	-4	486	181
2010 Oct.	4,721	4,576	145	380	435	-55	-96	-98	-104	.	.	.	.	.

Source: NBS and Statistical Office of the SR.

**TABLE 19 Balance of payments***(EUR mil. unless otherwise indicated)**(annual percentage growth)*

	Goods		Services	
	Exports	Imports	Exports	Imports
	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	7.9	16.0
2008	5.0	5.0	4.3	22.0
2009	-19.8	-22.9	-24.7	-11.1
2008 Q4	-11.6	-11.2	4.1	19.8
2009 Q1	-29.5	-27.4	-26.1	-4.0
2009 Q2	-26.7	-31.0	-21.0	-10.5
2009 Q3	-19.0	-22.7	-25.4	-13.9
2009 Q4	-1.9	-9.1	-26.1	-15.0
2010 Q1	18.6	12.2	-4.2	-11.5
2010 Q2	26.0	27.9	-9.7	-10.6
2010 Q3	23.5	32.0	-1.4	-9.7
2008 Nov.	-15.7	-14.2	-4.3	15.5
2008 Dec.	-19.2	-17.8	0.7	28.7
2009 Jan.	-34.6	-27.2	-24.2	-11.6
2009 Feb.	-33.6	-33.4	-29.0	-6.4
2009 Mar.	-20.2	-21.6	-25.3	6.9
2009 Apr.	-26.2	-36.1	-29.1	-7.3
2009 May	-29.1	-30.5	-27.1	-13.9
2009 June	-24.8	-26.0	-7.5	-10.4
2009 July	-25.7	-28.2	-32.7	-10.1
2009 Aug.	-14.8	-18.7	-24.9	-13.5
2009 Sep.	-16.3	-20.9	-14.5	-18.4
2009 Oct.	-13.0	-18.5	-28.9	-21.1
2009 Nov.	0.5	-7.5	-28.6	-19.3
2009 Dec.	12.6	1.8	-21.3	-5.7
2010 Jan.	13.2	1.1	5.3	-3.5
2010 Feb.	18.6	17.2	3.8	-1.8
2010 Mar.	22.9	17.8	-21.6	-28.1
2010 Apr.	17.7	23.4	1.7	-11.0
2010 May	32.7	36.9	-3.0	-9.6
2010 June	28.3	24.0	-22.9	-11.2
2010 July	25.5	29.6	-9.6	-12.9
2010 Aug.	22.4	38.3	-1.3	-0.2
2010 Sep.	22.7	28.7	8.7	-14.7
2010 Oct.	16.7	22.4	-2.1	-7.6

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 <sup>1)</sup> (core inflation)	PPI	GDP <sup>2(4)5)</sup>	Industrial production <sup>2(3)</sup>	Retail trade (sales) <sup>2(3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-year bonds (yield to maturity in %)
2007	2.1	2.0	2.7	2.8	3.7	1.6	7.5	4.33
2008	3.3	2.4	6.1	0.5	-1.8	-0.7	7.6	4.36
2009	0.3	1.3	-5.1	-4.1	-14.9	-2.3	9.5	4.03
2009 Q3	-0.4	1.2	-7.9	-4.0	-14.5	-2.3	9.7	3.95
2009 Q4	0.4	1.0	-4.7	-2.0	-7.4	-1.0	9.9	3.84
2010 Q1	1.1	0.9	-0.1	0.8	4.7	0.5	9.9	4.06
2010 Q2	1.5	0.8	3.0	2.0	9.1	0.6	10.0	3.85
2010 Q3	1.7	1.0	4.0	1.9	6.8	1.5	10.0	3.52
2010 July	1.7	1.0	4.0	-	7.3	1.4	10.0	3.62
2010 Aug.	1.6	1.0	3.6	-	8.4	1.5	10.0	3.44
2010 Sep.	1.8	1.0	4.3	-	5.2	1.5	10.0	3.50
2010 Oct.	1.9	1.1	4.4	-	.	1.8	10.1	3.34

Source: Eurostat, ECB, NBS calculations.

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

2) Constant prices.

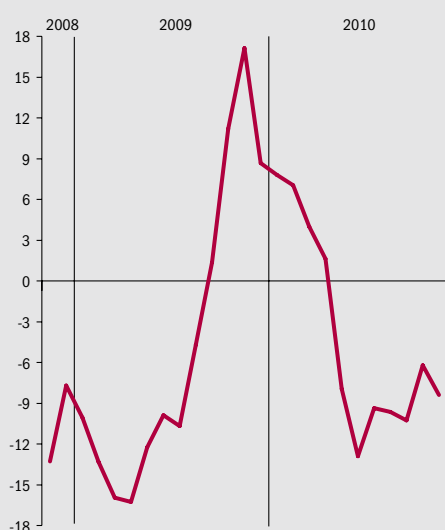
3) Adjusted for calendar effects.

4) Adjusted for seasonal and calendar effects.

5) Annual data are not adjusted for calendar effects.

6) Harmonised data, ILO definition, seasonally adjusted.

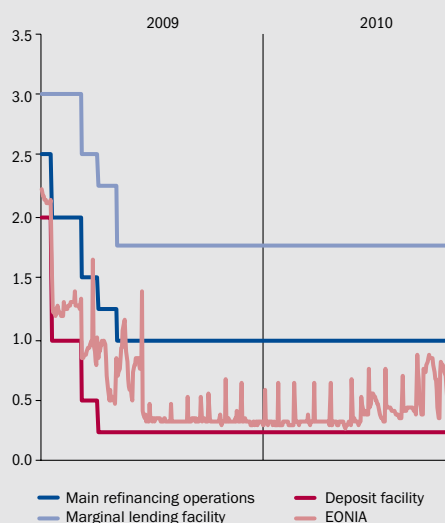
**Chart 1 USD/EUR: year-on-year changes (%)**



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 <sup>1)</sup> (core inflation)	PPI	GDP <sup>2)4)5)</sup>	Industrial production <sup>2)3)</sup>	Retail trade (sales) <sup>2)3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-year bonds (yield to maturity in %) <sup>7)</sup>
2007	3.0	3.1	4.1	6.1	10.6	7.6	5.3	4.30
2008	6.3	5.8	4.5	2.5	-2.4	3.9	4.4	4.63
2009	0.6	0.5	-3.1	-4.1	-13.1	-1.5	6.7	4.84
2009 Q3	-0.1	0.0	-5.2	-4.4	-11.7	-1.1	7.3	5.17
2009 Q4	0.0	-0.2	-2.6	-3.2	-2.8	-1.9	7.4	4.22
2010 Q1	0.4	-0.1	-1.4	1.1	7.7	-2.1	7.8	4.21
2010 Q2	0.9	0.3	1.3	2.5	9.9	-1.8	7.3	4.07
2010 Q3	1.6	0.8	2.2	3.0	11.0	0.1	6.9	3.62
2010 July	1.6	0.6	2.3	-	10.7	0.3	7.0	3.97
2010 Aug.	1.5	0.7	1.8	-	10.1	-1.8	6.9	3.56
2010 Sep.	1.8	0.9	2.4	-	12.2	1.8	6.9	3.34
2010 Oct.	1.8	0.8	2.6	-	..	.	6.9	3.43

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 <sup>1)</sup> (core inflation)	PPI	GDP <sup>2)4)5)</sup>	Industrial production <sup>2)3)</sup>	Retail trade (sales) <sup>2)3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-year bonds (yield to maturity in %) <sup>7)</sup>
2007	7.9	6.7	6.5	0.8	8.0	-2.0	7.4	6.74
2008	6.0	5.1	11.6	0.8	-0.9	-1.8	7.8	8.24
2009	4.0	4.1	1.2	-6.7	-17.5	-5.3	10.0	9.12
2009 Q3	4.9	5.3	-0.8	-7.2	-17.8	-6.9	10.4	8.37
2009 Q4	4.9	5.1	-1.0	-5.2	-7.6	-7.4	10.6	7.50
2010 Q1	5.8	5.1	0.9	-1.1	5.7	-4.6	11.2	7.49
2010 Q2	5.2	4.2	7.8	0.5	12.0	-4.9	11.3	7.08
2010 Q3	3.6	1.8	10.0	2.1	0.0	0.9	10.9	7.17
2010 July	3.6	1.7	9.9	-	11.6	1.7	11.1	7.39
2010 Aug.	3.6	1.8	10.4	-	14.9	0.0	10.9	7.07
2010 Sep.	3.7	1.9	9.6	-	.	0.8	10.8	7.04
2010 Oct.	4.3	2.2	10.0	-	.	.	10.9	6.87

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 <sup>1)</sup> (core inflation)	PPI	GDP <sup>2,4)5)</sup>	Industrial production <sup>2)3)</sup>	Retail trade (sales) <sup>2)3)</sup>	Unemploy-ment (% of the la-bour force) <sup>6)</sup>	10-year bonds (yield to maturity in %) <sup>7)</sup>
2007	2.6	2.0	4.0	6.8	9.5	10.9	9.6	5.48
2008	4.2	3.6	5.4	5.1	2.1	5.1	7.2	6.07
2009	4.0	3.3	2.4	1.7	-3.7	2.9	8.2	6.12
2009 Q3	4.3	3.6	0.7	1.0	-2.5	2.1	8.5	6.15
2009 Q4	3.8	3.4	2.1	2.8	4.7	0.4	8.8	6.17
2010 Q1	3.4	2.9	0.6	3.1	10.9	0.3	9.6	5.98
2010 Q2	2.5	1.9	2.7	3.8	10.9	2.6	9.6	5.72
2010 Q3	2.1	1.4	5.1	4.7	12.3	10.1	9.5	5.65
2010 July	1.9	1.3	4.7	-	11.6	8.3	9.5	5.84
2010 Aug.	1.9	1.4	5.0	-	13.3	10.0	9.5	5.62
2010 Sep.	2.5	1.6	5.7	-	12.1	12.1	9.6	5.49
2010 Oct.	2.6	1.7	.	-	.	12.8	9.7	5.53

Source: Eurostat, ECB, NBS calculations.

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

2) Constant prices.

3) Adjusted for calendar effects.

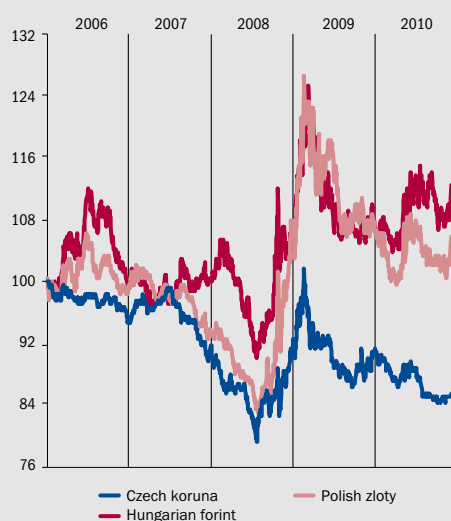
4) Adjusted for seasonal and calendar effects.

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.

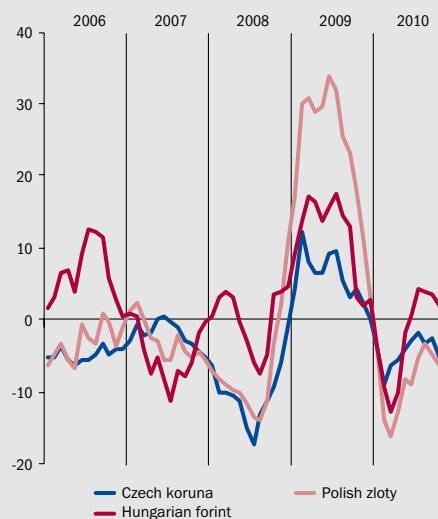
**Chart 3 Exchange rate indices of V4 currencies against the euro (30 December 2005 = 100)**



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 %)**

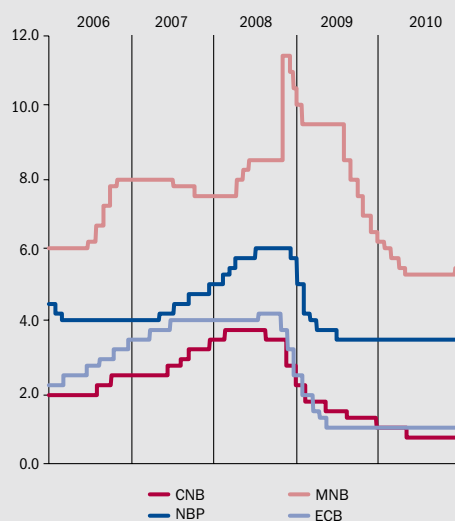


Sources: Eurostat, NBS calculations.

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**

(annual percentage changes, unless otherwise indicated)

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI <sup>2)</sup>	GDP <sup>3)</sup>	Industrial production <sup>4)</sup>	Retail trade <sup>5)</sup>	Unemployment	10-year bonds (yield to maturity in %)
2007	2.9	2.3	3.9	1.9	1.7	3.3	4.6	4.64
2008	3.8	2.3	6.3	0.0	-1.7	-0.8	5.8	3.66
2009	-0.4	1.7	-2.4	-2.6	-10.2	-6.0	9.3	3.26
2009 Q3	-1.6	1.5	-5.3	-2.7	-8.6	-6.7	9.6	3.52
2009 Q4	1.4	1.7	1.5	0.2	-3.8	-4.6	10.1	3.46
2010 Q1	2.4	1.3	5.1	2.4	2.7	5.6	9.7	3.72
2010 Q2	1.8	0.9	4.4	3.0	7.4	6.6	9.7	3.32
2010 Q3	1.2	0.9	3.7	3.1	6.6	5.7	9.6	2.78
2010 Aug.	1.1	0.9	3.0	-	6.6	4.3	9.6	2.69
2010 Sep.	1.1	0.8	4.0	-	5.6	7.2	9.6	2.65
2010 Oct.	1.2	0.6	4.0	-	5.3	7.3	9.6	2.54
2010 Nov.	.	.	.	-	.	.	9.8	2.76

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.

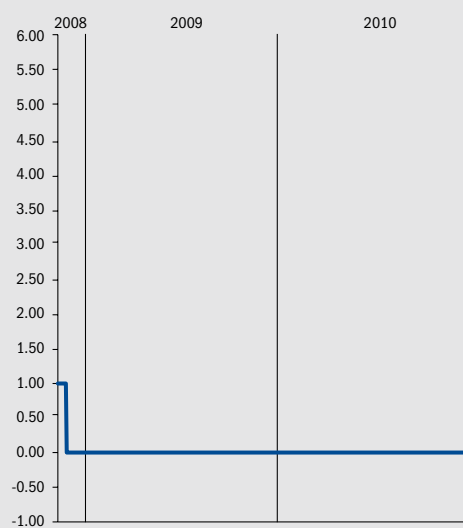
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail and food services sales.

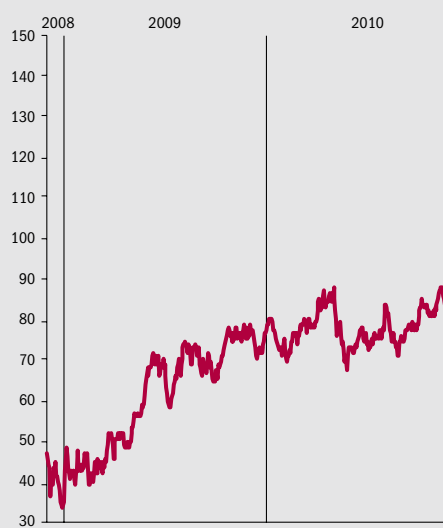


Chart 6 United States (federal funds rate in %)



Source: Federal Reserve System.

Chart 7 Oil prices (USD/barrel)



Source: Reuters.

