



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM



# NBS MONTHLY BULLETIN

NOVEMBER/DECEMBER 2011

*As of January 2012, the stated month of the Monthly Bulletin of Národná banka Slovenska will correspond to the month of its publication, whereas up to now it has corresponded to the preceding month (to which most of the key data apply). For the purpose of this change, the last issue of 2011 will be published as the Monthly Bulletin for November/December. NBS Monthly Bulletins will continue to be published in the same time intervals.*

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## ABBREVIATIONS

CPI	Consumer Price Index
EA	euro area
ECB	European Central Bank
EC	European Commission
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
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
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
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
SO 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 annual rate of inflation in the euro area, as measured by the Harmonised Index of Consumer Prices, remained at 3.0% in November. The euro area's gross domestic product for the third quarter of 2011 grew by 1.4% in year-on-year terms and by 0.2% when measured against the previous quarter, according to Eurostat data (by comparison, GDP for the second quarter rose by 1.7% year-on-year and by 0.2% quarter-on-quarter). The exchange rate of the euro against the US dollar depreciated during November in comparison with the previous month. On 8 December 2011, the ECB's Governing Council decided to cut each of the ECB's key interest rates by 25 basis points with effect from 14 December 2011. Thus, the main refinancing rate was reduced to 1.00%, the marginal lending rate to 1.75%, and the deposit rate to 0.25%.

In the Czech Republic, Poland and Hungary, the annual rate of change in the HICP inflation rate increased in November in comparison with the previous month, to 2.9%, 4.4% and 4.3%, respectively. According to Eurostat data, annual GDP growth in each of these countries was lower in the third quarter than in the second quarter. In the Czech Republic, it fell from 2.0% to 1.2%; in Poland, from 4.6% to 4.2%, and in Hungary, from 1.7% to 1.5%. Exchange rate movements in the central European region continued to be affected by the adverse situation in financial markets; the Czech koruna, Polish zloty and Hungarian forint all depreciated against the euro in November, compared with their levels in the previous month. Among the central banks of the three countries, only Hungary's Magyar Nemzeti Bank changed its monetary-policy settings in November, raising the base rate by 50 basis points, to 6.50%, with effect from 30 November. Both Česká národní banka and Narodowy Bank Polski kept their key rates unchanged in November, at 0.75% and 4.50%, respectively.

In Slovakia, GDP in the third quarter (not seasonally adjusted) grew by 3.0% year-on-year, according to SO SR data (down from 3.5% in the second quarter). The quarter-on-quarter increase in seasonally adjusted GDP stood at

0.8%, the same as in the second quarter. Overall employment increased, year-on-year, by 1.7% in the third quarter of 2011 (after climbing by 2.3% in the second quarter), and in comparison with the previous three months it went up by 0.3% (after rising by 0.4% in the second quarter). GDP growth in the third quarter exceeded NBS expectations, and the labour market situation was also better than projected.

Annual GDP growth was slower in the third quarter than in the second quarter. In terms of output performance, GDP was boosted by higher value added, mainly in the industry and construction sectors. However, the downward trend in value added in agriculture continued. On the expenditure side, the main driver of economic growth was still external demand, although its rate of growth is gradually declining. The negative contribution from domestic consumption stemmed from the trend decline in both general government and private consumption. The annual growth in gross fixed capital formation in the third quarter was therefore dampened by domestic demand; however, investment increased moderately. Net exports continued to make the largest positive contribution to GDP growth. The current account deficit of the balance of payments for the period January-September 2011 declined year-on-year. This improvement was supported by all balances except the income balance. Growth in external demand put upward pressure on exports, and since they increased more sharply than imports, the trade surplus grew. The continuing economic growth, more moderate in year-on-year terms, was positively affected by the labour market situation. Employment again increased in year-on-year terms in the third quarter, in line with the economic trend, but its growth was lower than in the second quarter. Amid the slowdown in employment growth, labour productivity growth increased moderately quarter-on-quarter. Unit labour costs climbed in the third quarter, since the annual growth in compensation per employee exceeded the growth in labour productivity. The unemployment rate remained unchanged from the previous quarter. The upward trend in the





financial results of economic agents changed quite abruptly in the third quarter, as both the non-financial corporations sector and financial sector reported a slowdown in profit growth. In the case of non-financial corporations, the slowdown was largely attributable to results in industry.

In Slovakia, annual HICP inflation in November was higher than in the previous month, at 4.8%. This reflected a substantially increased annual rate of change in prices of services and transport. Looking at industrial producer price inflation, its annual rate of change rose in comparison with October, mainly due to a rise in energy price inflation. The annual rate of change in construction work prices increased moderately. The annual increase in prices of agricultural products was again markedly slower than in the month before.

The current account surplus in October further improved against its September figure, owing to the positive effects of a rising trade surplus and a lower deficit in the income balance. The services balance and current transfers balance deteriorated slightly in comparison with the previous month. Turning to the industrial production index (IPI), its annual rate of change maintained a relatively strong rising trend in October, driven mainly by year-on-year growth in the electricity, gas, steam and air-conditioning supply sector. In the manufacturing component, the transport equipment sector made the largest contribution to production growth, but this was offset by negative results in the electronics sector and machinery and equipment sector. In the construction component, the annual rate of change returned to a downward trajectory after rising quite sharply in September. As for sales in selected sectors, their annual rate of change again slowed moderately in October, mainly due to results in the sectors of industry, construction, and transport. The overall economic sentiment indicator in November increased month-on-month and declined year-on-year. While confidence rose in the services and construction sectors, it fell in the retail trade and industry sectors, and consumer confidence also declined.

The annual increase in nominal wages was higher in October than in September, while the annual

decline in real wages remained unchanged. The largest increases in nominal wage growth were recorded in the information and communications sector and the selected market services sector, while the most pronounced slowdowns were in the construction and industry sectors. Annual employment growth in October was again moderately lower than in the previous month, due to lower year-on-year job growth in selected market services, industry, and retail trade. The rate of registered unemployment fell slightly in October in comparison with the previous month, to 13.3%.

In October, the stock of private sector deposits was affected mainly by a further substantial month-on-month decline in deposits of non-financial corporations, with the amount of household deposits remaining practically unchanged year-on-year. As in the previous month, the drop in deposits of non-financial corporations was largely attributable to a decline in deposits with up to two years' agreed maturity. The annual rate of growth in corporate deposits fell substantially as a result of the decrease in their amount. As for household deposits, the increase recorded by those with an agreed maturity was offset by a decline in demand deposits. Overall, the annual rate of change in household deposits remained largely unchanged. In lending to the private sector, loans to households continued to increase in all categories (particularly housing loans and consumer credit), while loans to non-financial corporations maintained a downward trend, owing mainly to a decline in loans with a maturity of up to one year. The annual rate of change was positive in both sectors: for loans to households, it was unchanged from the previous month, while for loans to non-financial corporations, it was lower. Retail interest rates did not move significantly in October. Interest rates on loans to households rose moderately, while lending rates for non-financial corporations increased on investment loans but decreased on real estate loans. Deposit rates for non-financial corporations in October remained largely unchanged from the previous month. For households, interest rates on time deposits increased.

Note: As of January 2012, the stated month of the Monthly Bulletin of Národná banka Slovenska





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

### 2.1 THE EURO AREA

The annual rate of euro area inflation, as measured by the Harmonised Index of Consumer Prices (HICP), was 3.0% in November 2011, unchanged from October. A slightly higher increase in prices of food and services was offset by the moderation of energy price inflation. The annual rate of change in prices of non-energy industrial goods remained the same. The lowest inflation rates were recorded by Malta (1.5%), Ireland (1.7%) and France and the Netherlands (2.7%). The highest rates were observed in Slovakia (4.8%), Estonia (4.4%), Luxembourg (4.0%) and Cyprus (4.0%). The euro area's annual inflation rate for the same period of the previous year was 1.9%.

The exchange rate of the euro against the US dollar depreciated throughout almost the whole of November. The exchange rate continues to be buffeted by financial market tensions related to the debt crisis. Overall in November, the euro depreciated by 4.2% against the US dollar, and compared with the beginning of 2011, it was stronger by 0.5% (the euro's year-on-year appreciation stood at 3.2%).

The ECB's Governing Council decided at its meeting on 8 December 2011 to lower the interest rate on the main refinancing operations of the Eurosystem by 25 basis points to 1.00%, starting from the operation to be settled on 14 December 2011. It also cut the interest rates on the marginal lending facility and the deposit facility by 25 basis points, leaving them at 1.75% and 0.25%, respectively, with effect from 14 December.

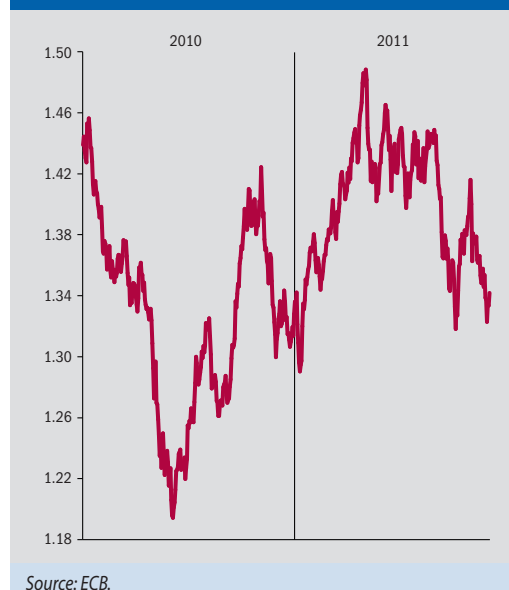
On 30 November 2011, the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank announced coordinated actions to enhance their capacity to provide liquidity support to the global financial system. These central banks agreed to lower the pricing on the existing temporary U.S. dollar liquidity swap arrangements by 50 basis points. Their purpose in doing so was to ease strains in financial markets and thereby

mitigate the effects of such strains on the supply of credit to households and businesses and so help foster economic activity. As a contingency measure, these central banks also agreed to establish temporary bilateral liquidity swap arrangements so that liquidity can be provided in each jurisdiction in any of their currencies. At present, there is no need to offer liquidity in non-domestic currencies other than the U.S. dollar, but the arrangements have now been made to offer liquidity in the other currencies should the need arise.

The ECB will regularly conduct U.S. dollar liquidity-providing operations with a maturity of approximately one week and three months at the new pricing. These operations will take the form of repurchase operations against eligible collateral and will be carried out as fixed-rate tender procedures with full allotment.

In its continued efforts to support the liquidity situation of euro area banks, the Governing Council at its meeting on 8 December 2011 also decided to adopt further non-standard measures. Two longer-term refinancing operations (LTROs) will be conducted with a maturity of 36 months

Chart 1 USD/EUR exchange rate



<sup>1</sup> Further information on developments in the international economy may be found in the tables and graphs published in the Statistics Annex, the External environment.



and the option of early repayment after one year. The operations will be conducted as fixed rate tender procedures with full allotment. The first operation will be allotted on 21 December 2011 and will replace the 12-month LTRO announced on 6 October 2011.

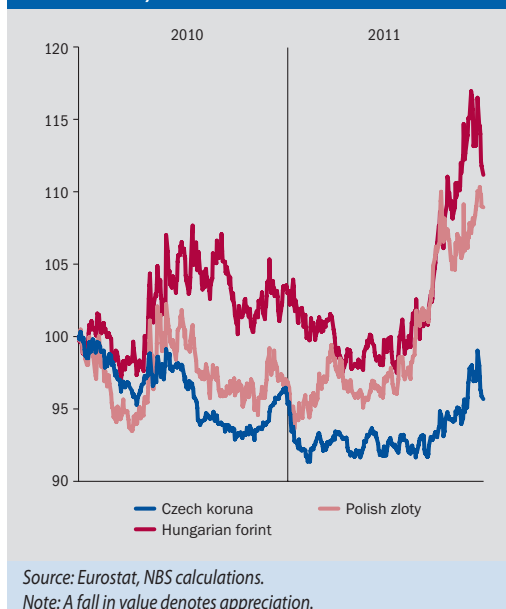
At the same time, the Governing Council decided to discontinue for the time being, as of the maintenance period starting on 14 December 2011, the fine-tuning operations carried out on the last day of each maintenance period. The Governing Council also decided to reduce the reserve ratio, from 2% to 1%, and, as a way of increasing collateral availability, to extend the list of eligible securities.<sup>2</sup>

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

Annual HICP inflation in November accelerated in Poland (by 0.6 percentage point to 4.4%), in Hungary (by 0.5 percentage point to 4.3%) and in the Czech Republic (by 0.3 percentage point to 2.9%), in comparison with the previous month. In the Czech Republic, the higher annual rate of change reflected energy price inflation and, to a lesser extent, a lower rate of decline in prices of non-energy industrial goods. In Poland, the cause was energy prices as well as prices of services and unprocessed food, while in Hungary the inflation rate was driven up by prices of energy, services, and processed food.

As in previous months, the exchange rates of central European currencies vis-à-vis the euro were adversely affected by uncertainty in financial markets (Belgium's credit rating was downgraded, and a package of measures to address the economic crisis in Italy was adopted) and the consequent risk aversion among investors. Sentiment was further impaired by a downward revision of the growth outlook for the euro area and for particular central European economies. The Hungarian forint's depreciation against

**Chart 2 Exchange rate indices of the V4 currencies vis-à-vis the euro (4 January 2010 = 100)**



the euro reflected also the downgrading of Hungarian government bonds. In Poland, the country's central bank intervened towards the end of November to support the plummeting zloty. The Czech koruna's exchange rate against the euro at the end of November was 2.10% weaker month-on-month, while the forint was down by 1.34% and the zloty by 3.76%.

Among the central banks of the three countries, only the Magyar Nemzeti Bank changed its monetary-policy settings in November. At a meeting on 29 November 2011, the Hungarian central bank raised its base rate by 50 basis points, to 6.50%, with effect from 30 November. The reasons given for the move were the worsening outlook for inflation – mainly due to strong depreciation of the Hungarian forint against the euro – and elevated risks related to the Hungarian economy. Both Česká národní banka and Narodowy Bank Polski kept their key rates unchanged in November, at 0.75% and 4.50%, respectively.

<sup>2</sup> Further details on all the monetary-policy measures adopted in the ECB Governing Council are available at [www.ecb.int](http://www.ecb.int)



Box 1

**QUARTERLY REPORT ON THE INTERNATIONAL ECONOMY**

Global economic growth picked up moderately in the third quarter of 2011, as the Japanese economy rebounded from the effects of this year's earthquake and both the U.S. and Germany economies recorded stronger growth. Euro area growth was moderate and remained unchanged from the previous quarter. In Poland, GDP grew more slowly, while in the Czech Republic it actually contracted. In Hungary, by contrast, growth accelerated in the third quarter.

Although global economic growth was relatively favourable, indicators of economic sentiment and confidence showed a marked deterioration during the third quarter. This was largely related to the escalating strains surrounding the debt crisis in Europe and the need in the United States for the implementation of fiscal measures to stabilise public debt.

Prices of oil and non-energy commodities declined in the third quarter; nevertheless, prices of energy and food continued to make positive contributions to the inflation rate. Inflation accelerated in both the United States and the euro area in the third quarter, as well as in the Czech Republic and Hungary. In Poland, by contrast, inflation slowed moderately.

In the United States, the Federal Open Market Committee (FOMC) left the federal funds rate unchanged. At its August meeting, the FOMC announced new measures aimed at reviving the economy, which are focused on supporting both growth and the mortgage market. As for the ECB Governing Council it decided at the beginning of the third quarter to raise the key ECB interest rates by 25 basis points, after previously taking the same step in April. The reason given for the increase was the continuing presence of inflationary risks. From August, however, there was a marked rise in financial market tensions in relation to the debt crisis. Economic sentiment plunged and growth outlooks deteriorated sharply. Price, cost and wage pressures are expected to decline in such circumstances. At its meetings in both November and December, the Governing Council decided to reduce the key rates by 25 basis points. During the course of the third quarter as well as in November and December, the Governing Council adopted several non-standard measures aimed at easing the strains in financial markets and supporting bank credit and liquidity in the euro area money market. Both the Czech and Polish central banks kept their key rates unchanged. In Hungary, the Magyar Nemzeti Bank increased its key rates by 50 basis points, in response to mounting inflationary risks related to weakening of the forint.



## 3 ECONOMIC DEVELOPMENTS IN SLOVAKIA

### 3.1 PRICE DEVELOPMENTS

#### 3.1.1 CONSUMER PRICES

Annual inflation in November reached 4.8%, which was 0.2 percentage point higher than in the previous month. This rise reflected mainly higher annual rates of change in prices of services and transport.

Consumer prices in October, as measured by the HICP, increased by 0.5% month-on-month, with goods prices rising by 0.1% and services prices going up by 1.4%. The month-on-month increase in HICP inflation exceeded NBS expectations. The monthly rate of change in services prices was higher than projected, while in prices of non-energy industrial goods and food, it was lower.

Looking more closely at the month-on-month change in consumer prices in November, the main factors were rises in prices of transport services (public transport, including rail), and to a lesser extent in prices of the following: financial services; company and school catering; and accommodation, social and personal services (especially hairdressing). In the case of rail services, there were scheduled increases in standard fares (23.7%), student discount fares (16.0%) and seat reservation prices (51.5%). In the component of non-energy industrial goods, the largest fall in prices was recorded by durable goods (mainly cars and consumer electronics) and non-durable goods (particularly cleaning products). The highest increase was recorded in prices of clothing. In the energy price component, prices of heat and motor fuel increased, although heat prices rose more moderately than projected. As for food prices, the monthly rate of change encompassed a substantial rise in unprocessed food prices and stagnation in processed food prices. In the category of processed foods, the sharpest rise was in prices of non-alcoholic beverages, but the effect of this increase was cancelled out by a decline in prices of alcoholic beverages, oils and fats, and bread and cereals. Unprocessed food prices were affected by a marked seasonal rise in prices of vegetables, including cauliflowers (up by 63.8%), peppers (56.6%) and cucumbers (54.9%).

The average annual inflation rate for the 12 months from December to 2010 to November 2011 stood at 3.8%, which was 0.3 percentage point higher than in the previous month.

The annual inflation rate in December is expected to remain unchanged from the previous month or to moderate. Food price inflation is assumed to continue slowing as it reflects trends in agricultural commodity prices. Energy prices, too, may record a more moderate annual rise (owing to a base effect in fuel prices).

In November 2011, the Consumer Price Index (CPI) increased by 0.5% month-on-month, with administered prices rising by 1.5% and core inflation by 0.2%. The annual CPI inflation rate increased to 4.6%, from 4.4% in October.

#### 3.1.2 PRODUCER PRICES

Turning to industrial producer prices for the domestic market, their month-on-month increase in October 2011 was higher than in the previous month and their annual rate of change increased by 0.6 percentage point, to 3.0%. This rise was driven mainly by the annual rate of change in energy producer prices, which increased in comparison with the previous month.

The higher year-on-year rise in energy producer prices in October reflected an increase in price inflation all three sub-categories: the manufacture of gas and distribution of gaseous fuels through mains (the annual rate of change rose from 3.1% to 3.8%); steam and air-conditioning supply (from 4.1% to 4.9%), and electricity production prices (from -1.2%, to 0.2%).

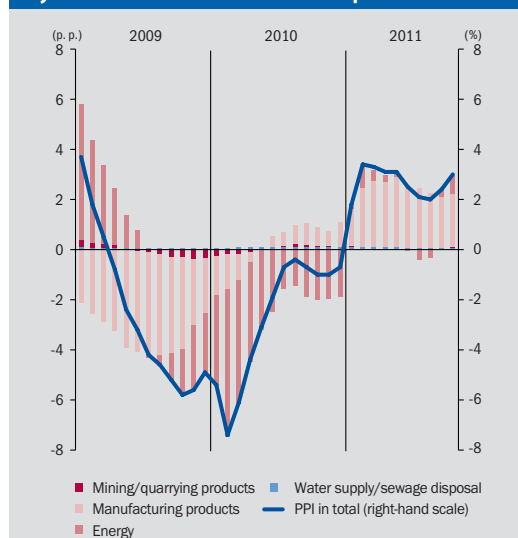
Looking at manufacturing producer prices, their annual rate of change in October 2011 increased in comparison with September, mainly due to higher price inflation in the following segments: refined oil products (the rate of change rose by 1.0 percentage point, to 6.3%), rubber and plastics (by 0.2 percentage point, to 1.3%), and electrical equipment (by 0.5 percentage point, to 1.4%). Prices of food and of metals and metal products declined year-on-year, and the trend decline in prices of the transport equipment

Table 1 Producer price developments in October 2011 (%)

	Month-on-month changes		Year-on-year changes			
	September 2011	October 2011	October 2010	September 2011	October 2011	Average since beginning of 2011
Industrial producer prices (for the domestic market)	0.1	0.5	-1.0	2.4	3.0	2.7
– prices of manufacturing products	-0.2	0.0	1.4	3.7	3.8	4.2
– prices of mining/quarrying products	0.7	1.1	8.8	4.0	6.3	4.2
– energy prices	0.6	1.0	-4.7	0.7	1.8	0.5
– water and sewerage charges	0.1	0.1	6.4	4.6	4.5	5.4
Industrial producer prices (for export)	-0.2	-0.3	4.8	5.0	4.4	6.2
– prices of manufacturing products	-0.2	-0.3	5.1	5.0	4.4	6.3
Construction work prices	0.2	0.1	1.0	0.9	1.0	1.3
Building material prices	0.5	0.0	0.5	2.4	2.5	1.9
Agricultural product prices	-	-	38.0	15.9	5.9	22.5
– prices of plant products	-	-	61.0	17.1	3.1	34.6
– prices of animal products	-	-	6.1	13.5	12.0	11.3

Source: SO SR.

Chart 3 Annual rate of change in the PPI by contribution of main components



Source: SO SR.

component was even more pronounced (-1.8% in September and -2.7% in October).

In the case of agricultural product prices, the annual rate of change again decreased markedly from month to month, declining from 15.9% in September to 5.9% in October. Annual inflation in plant product prices slowed by 14.0 percentage points, to 3.1 %, while inflation in animal product

prices rose by only 1.5 percentage points, to 12.0%. As for plant products, the largest year-on-year slowdown in inflation was recorded by prices of oleaginous fruits (from 27.0% in September to 2.7% in October) and cereals (from 18.2% to 5.9%). Among animal products, the annual rate of change in prices of raw cow's milk and slaughter pigs again declined moderately.

Alongside the assumed moderate deceleration of inflation in food commodity purchase prices, it is likely that energy price inflation will accelerate. Manufacturing producer prices will to some extent be affected a base effect in the metal and metal products component, namely the decline in prices recorded in November 2010. Therefore, a moderate increase in year-on-year growth in producer prices in November is to be expected, compared to the previous month.

According to the latest agrarian market news, cereal purchase prices will continue to decrease moderately until the beginning of next year, when the cereal market can be expected to rebound to some extent. Purchase prices of oil are expected to stabilise and prices of sunflowers should come down owing to the higher yields of this commodity. Potato prices remain under downward pressure amid elevated market supply. As for animal products, purchase prices of slaughter pigs and slaughter cattle are

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

	September	October	
	2011	2011	2010
Trade balance	398.5	570.1	105.8
Exports	5,090.4	5,298.1	4,811.2
Imports	4,691.9	4,728.0	4,705.4
Services balance	-23.2	-37.8	-67.9
Income balance	-154.6	-124.3	-104.3
of which: income from investment	-257.4	-225.3	-201.5
of which: reinvested earnings	-129.4	-171.0	-143.7
Current transfers balance	-101.2	-104.7	-98.3
Current account in total	119.5	303.3	-164.8

Source: NBS and SO SR.

expected to remain relatively stable in the near term. The moderate rising tendency in slaughter pig prices reflects the increase in pork product exports from EU countries to Asian markets (up by more than one quarter year-on-year). In the case of raw cow's milk, the decrease in its supply over recent months may put moderate upward pressure on its purchase price. Looking at agricultural prices overall, their annual rate of growth in November 2011 is projected to be slower than in the previous month.

## 3.2 THE REAL ECONOMY AND THE LABOUR MARKET

### 3.2.1 TRADE BALANCE

The current account surplus on the balance of payments increased month-on-month in October, mainly due to a rise in the trade surplus. Another

positive contribution to the current account came from a moderate month-on-month decline in the income balance deficit. The services balance and current transfers balance remained largely unchanged from the previous month.

Slovakia's exports grew year-on-year by 10.1% in October, which was 3.1 percentage points lower than their growth in September. Therefore export growth in every month of 2011 was in double digit figures, although it did slow down in the second half of the year. Imports grew by 0.5% year-on-year in October, representing a slowdown of 4.8 percentage points from the previous month. Imported inputs for production probably remained lower. The amount of exports rose sharply month-on-month in October, due to seasonal effects. With the import growth weakening, the trade surplus for October was the highest of any month this year.

## Box 2

### BALANCE OF PAYMENTS FOR JANUARY TO JUNE 2011

The current account deficit on the balance of payments for January to September 2011 stood at €134.8 million, representing an improvement of €1,001 million in comparison with the previous year. This year-on-year improvement reflected better developments in all items except the income balance, where

a slight rise in the deficit resulted from the higher estimated profitability of firms with foreign participating interests and its upward effect on estimated earnings reinvested by foreign investors. By contrast, growth in external demand translated into rising exports and subsequently also into a higher





trade surplus and lower deficit in the services balance. The increase in receipts (especially from the EU budget) had a positive effect on the current transfers balance, which contributed significantly to the year-on-year improvement in the current account. The ratio of the current account deficit to GDP (at current prices) for the period under review stood at 0.3%, which represented a year-on-year improvement of 2.0 percentage points. The trade balance to GDP ratio followed a similar pattern, with the trade surplus amounting to 3.1% of GDP and the ratio therefore rising by 1.6 percentage point year-on-year. The current account balance improved in the third quarter in comparison with the previous three months, largely due to the rising trade surplus.

For the first nine months of 2011, exports grew by 20.1% and imports by 18.0% in comparison with the same period of the previous year.

The category of exports that recorded the largest annual growth in the first nine months of 2011 was machinery and transport equipment, with growth in exports of both transport equipment (especially passenger cars) and machinery. Whereas machinery exports grew at a faster pace in third quarter, transport equipment exports increased at a far slower pace than in the first two quarters. Another category of exports that saw substantial growth during the period under review was chemical products and semi-finished goods. Export growth in the category of raw materials was largely attributable to higher exports of processed mineral oils and gas, related mainly to price developments. The lowest annual growth was observed in exports of finished products (the most pronounced rise in this category was in footwear exports).

As for imports, the highest annual rate of growth was in the category of raw materials, as rising world oil prices had an upward effect on imports of crude and processed oil. The category of machinery and transport equipment recorded a large year-on-year increase on the import side (as it did on the export side). However, this category's share

of total imports declined from its level in the first half of the year, owing to a decrease in import intensity in the third quarter. Imports of chemical products and semi-finished goods also rose sharply year-on-year, and their growth accelerated in the third quarter. The import category that recorded the lowest growth was finished products.

The deficit in the balance of services largely reflected developments in the sub-category *other services in total* and, to a lesser extent, an increase in receipts from transportation services. The year-on-year deterioration in the income balance for the first nine months 2011 was caused by a rise in the investment income deficit; this stemmed mainly from the higher estimated profitability of firms with foreign participating interests and its upward effect on estimated earnings reinvested by foreign investors. The annual decline in the current transfers deficit was largely due to an improvement in the *general government transfers* balance which reflected higher receipts from EU funds in the form of current transfers.

The capital and financial account of the balance of payments recorded a surplus of €3,010.9 million for the first nine months of 2011, compared to a surplus of €284.1 million for the same period of 2010. Whereas last year there was a net outflow of funds, the first nine months of 2011 saw a net inflow, mostly due to developments in the *portfolio investment* balance – an increase in demand among non-residents for resident securities was accompanied by a drop in demand among residents for non-resident securities (debt and equity). The inflow of funds in the capital and financial account was also boosted by the FDI balance, which improved mainly due to rising demand among non-residents for participating interests in Slovakia. The inflow to the capital and financial account in the third quarter was lower than in the second quarter by €290.6 million. This decline was largely related to NBS activities in the *other investment* balance (NBS liabilities fell, since the outflow from accounts held with NBS was lower than the inflow of funds from financial loans).



### 3.2.2 PRODUCTION AND SALES

The annual rate of change in the industrial production index (IPI) increased again October, to 7.8% (from 7.4% in September). In the manufacturing component of the IPI, however, annual growth slowed to 8.7% (from 9.6%) due to a moderate base effect and a low month-on-month rate of growth (0.4%). The IPI's year-on-year improvement can be largely attributed to the production and supply of electricity and gas segment, in which the annual rate of change improved from -4.5% in September to 4.2% in October.

Within manufacturing industry, positive contributions to the IPI's annual growth were made by the transport equipment segment (which rose by 13.2% in October, compared to 4.0% in September), in which a number of enterprises are going through an expansion phase. Nevertheless,

a slight majority of manufacturing segments had a downward effect on the IPI, notably electronics (from 9.9% in September to -12% in October) and machinery and equipment (from 37.7% to 23.9%). Production in both sectors declined in month-on-month terms, too. According to the business tendency survey for November,<sup>3</sup> a majority of firms, although not as many as in the previous month, continue to expect production to grow. However, surveys conducted in Slovakia's main trading partners confirm that sentiment among industrial firms and consumers is weakening, the implication being that demand for Slovak products will decline in the months ahead. Although surveys in Slovakia still, on balance, indicate that production will continue to record month-on-month growth in the near term, the base effect of high production growth at the end of 2010 and beginning of 2011 may imply a decline in the IPI's annual rate of change in November.

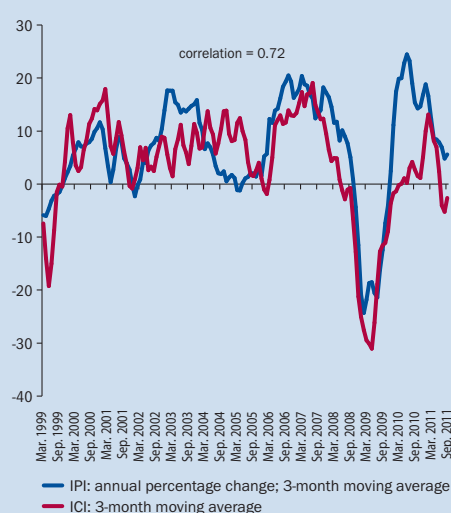
#### Box 3

#### THE USEFULNESS OF THE INDUSTRY CONFIDENCE INDICATOR WITH REGARD TO THE OUTLOOK FOR THE INDUSTRIAL PRODUCTION INDEX (IPI)

The indicator of confidence in industry takes into account developments in current demand, expected production, and the assessment of stocks of finished products. Firms submit their responses towards the end of the first half of the reference month and the results are published at the end of the month. They should therefore be a reliable way of capturing producer sentiment regarding the production situation in the given period. Since the industrial production index is published some 40 days after the reference period, the confidence indicator has the potential to give early pointers to the IPI figures.

The chart shows the relatively close correlation between the IPI and the confidence indicator.<sup>4,5</sup> The correlation, observable also at different lead horizons, is most pronounced on a contemporaneous basis; this implies that the ICI is a current indicator. At the same time, the overall indicator also has a stronger correlation with the IPI than does any of its components or other variables included in the industry business survey.

Chart A Correlation between industrial production growth and the industry confidence indicator



Source: SO SR, European Commission.

A closer analysis of the month-on-month change in the ICI in each month reveals that in 85 of the 150 months under review (i.e. 57%)

3 Source: Business and Consumer Surveys, European Commission, November 2011. The assessment of expected construction production is published online only at [www.statistics.sk](http://www.statistics.sk) in the section Business Surveys.

4 This analysis uses three-month moving averages of the IPI and confidence indicators in order to eliminate excessive monthly fluctuations in both variables. The IPI time series from 1998 to 1999 consists of figures based on OKEČ, a branch classification of economic activities.

5 The industrial confidence indicator is abbreviated to „ICI“ in the text.



the change in the ICI was in the same direction as the annual rate of change in the IPI. Furthermore, changes of more than 2 points (55% of all observations) in the ICI predict the direction of the IPI rate in as many as 65% of cases.

Among the variables covered by the business survey, only expected production is treated as a lead indicator – due to its nature, as well as to its correlation with the IPI, which is strongest at a lead of two months (correlation of 0.7). For this indicator, the respondent enterprises are asked whether production in the next three months will have a falling, rising or stagnating trend. This indicator<sup>6</sup> was also analysed in connection with a seasonally-adjusted base effect (2005=100). The analysis showed that in 113 of 147 cases (77%) the indicator was correct in predicting an increase in the average level of production for the subsequent three months (in comparison with the previous three months), and in 8 of 13 cases (62%) it was correct in predicting a decline. Overall, therefore, the expectations in 76% of the total observations were correct.

As part of a simple regression equation for the period 1998 to 2010, business survey indicators were also relatively successful in predicting the future rate of IPP growth. After being included in the equation, all of the business survey's IPI-relevant indicators (i.e. except the employment and future price trend indicators) were more accurately predictive of the IPI in 2011 than was the optimal benchmark regression (the ARMA model). The demand indicator proved the most accurate (being 12% more accurate than the benchmark) followed by the overall ICI (9% more accurate).

Based on these results, it may be said that the industry confidence indicator and its components provide reliable, but not systematic, pointers to IPI changes, with a lead of several months. Regarding the current situation, the ICI for November was virtually unchanged from October and recorded positive expectations, all of which implies that the IPI for November and the near term will be relatively stable (although the base effect may have a negative effect on the annual rate of change).

Table A Summary

Correlations with IPP, at different time shifts					
Indicator:	t-2	t-1	t	t+1	t+2
ICI	0.66	0.70	<b>0.72</b>	0.71	0.68
Demand	0.48	0.55	0.59	0.61	<b>0.62</b>
Expected production	<b>0.70</b>	0.69	0.66	0.61	0.55
Stocks	-0.25	-0.32	-0.38	<b>-0.41</b>	-0.40
Production trend observed in recent months	0.67	<b>0.69</b>	0.68	0.64	0.57
Comparison of regression analysis predictions with actual data					
Regression model:	Median absolute deviation (p.p.)		Deviation ARMA=1		
ARMA (2.2)	1.05		1.00		
ARMA (2.2) + ICI	0.95		0.91		
ARMA (2.2) + Demand	<b>0.92</b>		<b>0.88</b>		
ARMA (2.2) + Expected production	0.98		0.94		
ARMA (2.2) + Stocks	1.04		0.99		
ARMA (2.2) + Production trend	1.04		1.00		

Source: SO SR, European Commission, NBS calculations.

<sup>6</sup> Not a moving average.

**Chart 4 Indices of industrial production and construction production (3-month moving averages; index: same period a year earlier = 100)**



Source: SO SR and NBS calculations.

Note: The industrial production index is adjusted for calendar effects.

In construction production, the annual rate of change returned to negative territory in October (at -1%) after an against-the-trend positive result in September (5.3%). The monthly rate of change in production fell by 0.9%; it has been largely unchanged for almost two years now, and firms continue to describe the situation as unsatisfactory. The recent trend of favourable weather providing a boost to construction production probably continued in October. Expectations for activity in the months ahead do not indicate any substantial changes in the level of production. In domestic construction production, annual growth declined by 0.8% in October, from 2.9% in September; this reflected results in civil engineering construction (where the rate of change in production fell from 7.8% in September, to 3.6% in October) and in building construction (from 0.5% to -3%). A volatile trend was maintained in construction production abroad, which declined year-on-year by 6.2% after soaring in September by 105.3%; it therefore made a substantial negative contribution to overall construction production growth.

**Table 3 Production and sales**

Statistical classification of economic activities (SK NACE Rev. 2)	EUR millions (at constant prices)	Indices			
	October 2011	October 2010	Jan.-Dec. 2010	September 2011	October 2011
Industrial production index <sup>1), 2)</sup>	-	113.2	118.9	107.4	107.8
Construction production <sup>2)</sup>	538.4	104.1	95.4	105.3	99.0
Sales: <sup>3)</sup>					
Industry in total	6,971.9	114.6	117.5	110.8	109.8
Construction	942.6	99.8	94.8	112.8	109.2
Wholesale trade, excluding motor vehicles	2,001.5	99.7	102.6	99.7	99.7
Retail trade, excluding motor vehicles	1,509.2	98.5	99.2	100.3	101.1
Sale and maintenance of motor vehicles	358.3	114.5	95.6	99.9	99.9
Accommodation	27.3	98.6	96.0	100.4	100.0
Food service activities	70.7	98.5	92.1	100.6	100.6
Transportation and storage	549.3	112.0	107.1	109.0	103.4
Selected market services	918.0	110.1	107.5	119.2	116.8
Information and communication	449.3	86.3	91.3	105.8	123.7
Total sales from own output and merchandise in selected sectors	13,798.1	107.5	107.9	107.8	107.4

Source: SO SR, and NBS calculations.

1) Adjusted for calendar effects (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).



Annual sales growth in the selected sectors was more moderate in October 2011 than in the previous month. The main contributions to this deceleration, measured at current prices, came from the sectors of industry, construction, and transport. By contrast, sales in the information and communication sector recorded a higher increase. The slowdown in industry sales (which occurred despite stronger annual sales growth in the transport equipment manufacturing segment) was caused mainly by sales in the electronics manufacturing segment, which declined year-on-year in October after rising in September. Annual sales growth in the construction sector decelerated, too, probably due to weather conditions being more normal than in the previous year.

In retail trade, the annual rate of change in sales, measured at current prices, increased moderately in October 2011, while at constant prices, it declined slightly. This further confirms that the year-on-year change in real consumer spending remains negative, even during the pre-Christmas period. The disparity between household final consumption and retail trade sales militates in favour of the view that

consumer spending via the internet is being conducted not only through domestic portals, but also foreign portals (in which case it may represent an outflow to the rest of the world sector). Looking at the structure of retail trade, the annual rate of change in sales at current prices was almost entirely due to higher sales growth in the segment *retail trade in non-specialised shops*, i.e. at major retail chains.

As for the sale and maintenance of motor vehicles sector, sales at current prices declined year-on-year in October 2011 at the same rate as in the previous month, while sales at constant prices increased more slowly than in September.

In the information and communication sector, annual sales growth was driven mainly by markedly higher sales in the segment of software programming and consultancy services.

### 3.2.3 WAGES, EMPLOYMENT AND UNEMPLOYMENT

The annual rate of growth in the average nominal wage across the selected sectors increased in October 2011 in comparison with September, boosted mainly by wage growth

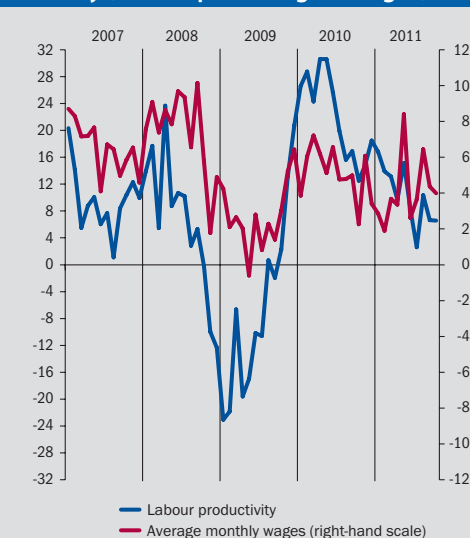
**Table 4 Wage developments in selected sectors (index, same period a year earlier = 100)**

	Average monthly nominal wage		Average monthly real wage <sup>1)</sup>	
	September 2011	October 2011	September 2011	October 2011
Industry	104.5	103.7	100.2	99.3
of which: manufacturing	104.3	104.4	100.0	100.0
Construction	105.1	104.2	100.8	99.8
Sale and maintenance of vehicles	99.7	99.4	95.6	95.2
Wholesale trade	99.9	99.5	95.8	95.3
Retail trade	101.5	102.0	97.3	97.7
Accommodation	100.2	100.4	96.1	96.2
Food service activities	100.0	100.0	95.9	95.8
Transportation and storage	102.1	102.0	97.9	97.7
Information and communication	108.1	120.7	103.6	115.6
Selected market services	101.6	104.1	97.4	99.7
Average for the selected sectors	104.1	104.7	99.8	99.8
Consumer prices	104.3	104.4	-	-

Source: SO SR, and NBS calculations.

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

**Chart 5 Wages and labour productivity in industry (annual percentage changes)**



Source: SO SR, and NBS calculations.

Note: Labour productivity is calculated on the monthly data on sales and employment in the industry. Data are not seasonally adjusted.

in the information and communication sector and the selected market services sector. The largest slowdown in wage growth was recorded in the sectors of construction and industry. In seasonally-adjusted terms, the monthly wage

figures in the industry sector were in line with the stagnation in labour productivity. Monthly indicators for October may imply that wage growth in the fourth quarter will be higher than in the previous quarter. Such an evaluation should, however, be made with caution, since the same indications in the previous quarter were not eventually confirmed.

Employment growth in October 2011 declined moderately in comparison with September, to stand at 1.7%. This slowdown reflected lower employment growth in the sectors of selected market services, industry, and retail trade. In the other sectors under review, employment growth either increased or remained unchanged from the previous month. The average monthly data for the selected sectors in October indicate that employment growth will be lower in the fourth quarter than in the previous quarter.

According to data from the Central Office of Labour Social Affairs and Family, the total number of unemployed in October declined month-on-month by 434, to stand at 390,100. The rate of registered unemployment for the month fell slightly to 13.3%, from 13.4% in September.

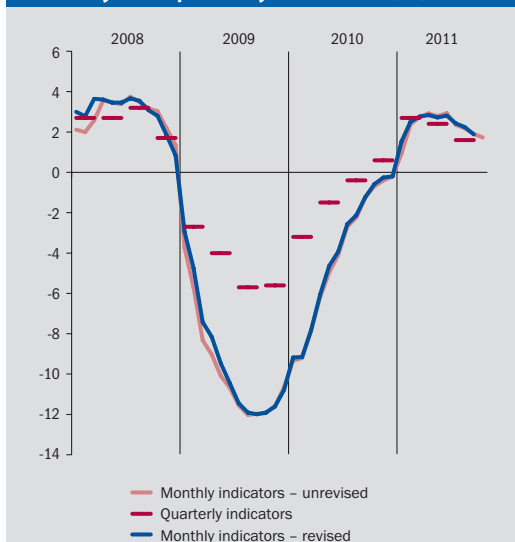
**Table 5 Employment in selected sectors (index: same period a year earlier = 100)**

	Employment	
	September 2011	October 2011
Industry	103.5	103.1
of which: manufacturing	104.1	103.7
Construction	95.9	96.3
Sale and maintenance of vehicles	99.9	100.0
Wholesale trade	99.8	99.9
Retail trade	101.2	100.5
Accommodation	99.9	99.9
Food service activities	100.1	100.1
Transportation and storage	100.7	101.5
Information and communication	112.9	113.5
Selected market services	105.9	105.0
Average for the selected sectors	101.9	101.7

Source: SO SR, and NBS calculations.

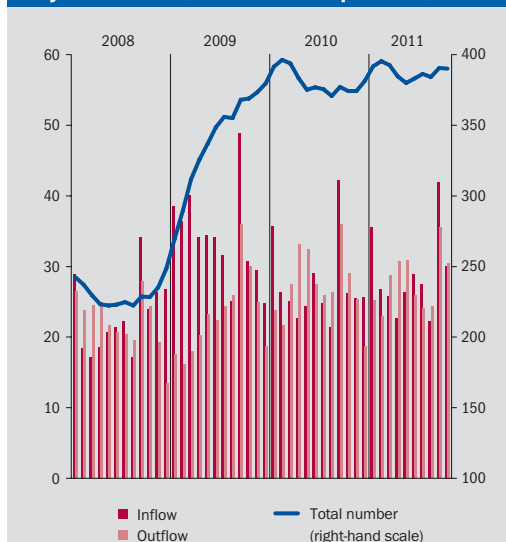


**Chart 6 Employment – comparison of monthly and quarterly indicators (%)**



Source: SO SR and NBS calculations.

**Chart 7 Inflow, outflow and total number of jobseekers (thousands of persons)**



Source: Central Office of Labour, Social Affairs and Family.

#### Box 4

### THE REAL ECONOMY IN THE THIRD QUARTER OF 2011<sup>7</sup>

According to data from the Statistical Office of the Slovak Republic (SO SR), annual GDP growth for the third quarter of 2011 slowed in comparison with the previous quarter, to 3.0% (at constant prices). In quarter-on-quarter terms, third-quarter GDP increased by 0.8% (seasonally adjusted).

Measured by output performance, GDP growth in the third quarter reflected an increase in value added in almost all sectors, but most of all in the industry and construction sectors. In agriculture, however, value added again declined in comparison with the previous quarter. Nominal GDP for the third quarter climbed by 4.6% year-on-year, to stand at €18.3 billion.

The consumption side of third-quarter GDP growth was influenced mainly by the year-on-year growth in external demand (exports of products and services rose by 6.8%), which, however, was far lower than in the previous quarter. Domestic demand recorded an annual decline of 4.4%, reflecting lower consumption in both the private and general government

sectors. The drop in consumption demand was to some extent offset by further growth in gross fixed capital formation.

The average nominal monthly wage of an employee in the Slovak economy increased in the third quarter by 2.5% year-on-year, to €769. In seasonally adjusted terms, annual growth in the nominal wage increased by 0.5 percentage point in comparison with the previous quarter. Real wages recorded a year-on-year decline in the third quarter owing to an increase in consumer price inflation.

Nominal compensation per employee (ESA 95) maintained annual growth in the third quarter of 2011. However, its rate of growth since the beginning of the year has been revised down by 2.0 percentage points.<sup>8</sup> In quarter-on-quarter terms, compensation per employee increased by 1.2 percentage points in the third quarter, to stand at 1.7%.

Employment as defined in the national accounts methodology increased year-on-year in the third quarter by 1.7%, which was

<sup>7</sup> For further details, see Annex 1.

<sup>8</sup> As part of the revision of the national accounts data published by the SO SR, growth in employee compensation in 2010 was revised upwards. This change acted as a base effect on the compensation growth rates in each quarter of 2011.



lower than its annual growth in the second quarter. Employment according to the ESA 95 methodology recorded a quarter-on-quarter rise of 0.3%, which reflected trends in the economy.

As for employment measured in terms of the number of hours worked, the annual rate of change in the third quarter of 2011 increased by 0.3%, which compared with the previous quarter was 1.6 percentage points lower. According to seasonally adjusted data, the number of hours worked declined quarter-on-quarter by 0.5%, with the average working week falling from 37.6 hours in the second quarter to 37.2 hours in the third quarter.

The annual rate of change in unit labour costs increased in the third quarter by 0.4%, which represented a rise of 1.1 percentage points from the decline recorded in the second quarter.

According to a labour force survey (LFS), the number of unemployed in the third quarter of 2011 fell by 6.7% year-on-year and the unemployment rate dropped by 1.0 percentage point, to 13.1%. The number of long-term unemployed fell by 14,500 in comparison with the same period of the previous year, and their share in the total number of unemployed represented 62.1%.

The economy's annual growth in the third quarter of 2011 was slightly higher than expected, as external trade figures were better than projected. Net exports made the largest contribution to growth, while domestic demand declined. Economic growth is expected to moderate in the quarters ahead, as external demand growth slows and domestic demand remains low. As a consequence, the trend improvement in labour market indicators is expected to be less pronounced.

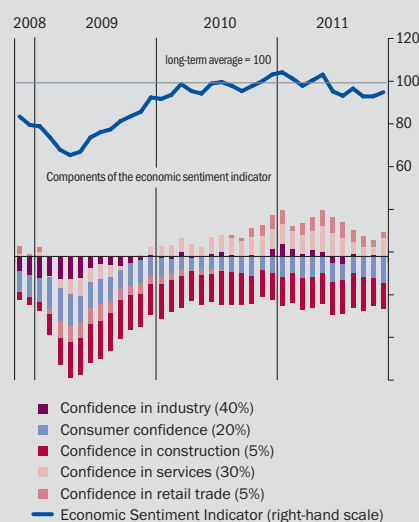
### 3.2.4 ECONOMIC SENTIMENT INDICATOR

The economic sentiment indicator (ESI) for November increased by 1.9 points from its level in October, to 94.8 points. Compared with November 2010, the ESI was lower by 5.1 points. The month-on-month improvement was driven by confidence indicators in the services and construction sectors. The indicators in the industry and retail trade sectors declined, as did the consumer confidence indicator.

The services confidence indicator rose after a four-month downward trend; all of its components improved, and the most marked rise was in expected demand for services. The increase in the construction confidence indicator reflected expectations of a slower decline in employment in the sector. In the industry sector, the confidence indicator declined chiefly due to a deterioration in production expectations. As for the retail trade confidence indicator, it was adversely affected by unfavourable assessments of the expected business situation.

The consumer confidence indicator recorded a month-on-month decline in three of its components: the expected financial situation of households, the expected general economic situation of Slovakia, and the expected situation in

**Chart 8 Economic Sentiment Indicator  
(balance of responses)**



Source: European Commission.

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

unemployment. The only component that improved was the expected situation in household savings. The consumer confidence indicator declined by 6.8 points in comparison with September and by 17.8 points year-on-year.



### 3.3 MONETARY AGGREGATES AND INTEREST RATES

The contribution of domestic monetary financial institutions (MFIs) to the euro area's M3 monetary aggregate declined by €45 million in October. As a result, the annual rate of M3 growth was 0.2 percentage point lower than in September, at 4.7%.

The only M3 component that did not decline in October was currency in circulation, which increased. In the M1 aggregate, comprising the most liquid assets, overnight deposits decreased moderately. The stock of less liquid deposits (i.e. M2-M1) declined as a result of net outflows of deposits with up to two years' agreed maturity and deposits redeemable at notice of up to three months. As for marketable instruments (M3-M2), they also fell moderately, mainly due to outflows from money market funds, a tendency observed since May 2010. The net outflow from money market funds was to some extent offset by an increase in the outstanding amount of debt securities issued with a maturity of up to 2 years, which had previously been in decline since March 2010. Looking at the sectoral

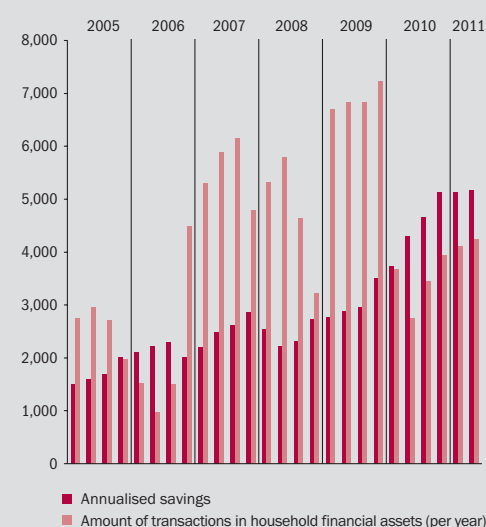
breakdown, the total stock of household deposits maintained its rising trend and, as usual, its increase in October (in this case €18 million) was lower than in any other month of the year. Nevertheless, the annual rate of growth in household deposits remained steady at around 6.4%, owing to the accumulation of deposits in the first half of 2011. Household deposit growth was supported not only by an increase in household income, but also by households switching investments from money market funds to the banking sector, in response to the higher remuneration offered on long-term deposit products. Consequently, there was a rise in deposits with an agreed maturity of over two years, which are included among M3 counterparts. Deposits from non-financial corporations continued their downward trend in October; their outstanding amount fell by €321 million, mostly in deposits with up to two years' agreed maturity. The stock of current account deposits remained largely unchanged. The annual rate of growth in corporate deposits fell almost to zero (0.8%), its lowest level since March 2010, down from 5.6% in September 2011. This probably stemmed from the slowdown in economic and lending activity.

#### Box 5

#### SAVINGS RATE AND DEPOSITS/FINANCIAL ASSETS OF HOUSEHOLDS

National account statistics show that at the beginning of 2010, in the post-crisis period, households began to increase their savings quite substantially, at the expense of consumption. With nominal income rising and consumption stagnating, the savings rate has climbed to around 10%, the highest level ever recorded in Slovakia during its short history as an independent country. That raises the question: which deposit products are households opting for? The following chart plots absolute increases in household savings and financial assets. In recent quarters there has been a uniform gap between the stocks of savings and financial assets (which were almost identical in the first quarter of 2010). This may indicate that households have been allocating their funds not only to financial assets, but also to material property (e.g. precious metals) and to external investments in the form of foreign banks accounts or

Chart A Household savings and financial assets (EUR millions)



Source: NBS and SO SR.

Note: The high volumes of financial asset transactions in 2007 and 2008 (and increase in financial liabilities) reflect the credit expansion taking place at that time.



foreign securities, and in some cases to purchases of real estate abroad. A further factor may be that the statistics are failing

to capture the pace of growth in internet shopping, with the result that retail trade sales are being undervalued.

As regards M3 counterparts in October, MFI claims on the private sector increased month-on-month by €141 million, of which loans constituted €122 million and securities €19 million. The annual rate of growth in such claims fell to 8.6%, from 9.8% in September, with lending growth slowing to 9.1% year-on-year, down by 0.9 percentage point from the previous month. MFI claims on the general government sector recorded a further monthly increase (of €331 million) in October.

At the sectoral level, the trends in September more or less continued in October. As in the previous two months, the stock of loans to the household sector increased year-on-year (by €148 million), while the annual rate of lending growth maintained a marginal downward trend, at 12.2%. Housing loans accounted for two-thirds of the month-on-month increase in lending to households, and their rate of growth moderated by 0.4 percentage point, to 14.7% (this slight dampening of demand for housing loans mirrored the situation in autumn 2009). The

remaining third of the lending growth reflected the rise in consumer credit. In the non-financial corporations sector, the trend decline in lending activity continued, as the stock of corporate fell month-on-month by €84 million. This situation probably stemmed from a reduced need for operational financing, given the decrease in the outstanding amount of loans with a maturity of up to one year (mostly current-account loans). Another factor was that the stock of current-account overdrafts subject to penalty interest declined, since they may have been repaid or sold. The stock of longer-term loans (maturity of more than one year) increased moderately in October. After declining month-on-month in the previous two months, these loans recorded a slower annual rate of growth, at 6.3%, almost three percentage points below their annual growth rate in August, which was the highest since March 2009. The outstanding amount of loans to other financial intermediaries increased quite sharply in October (by €59 million), and, as a result, recorded its first year-on-year increase since May 2008.

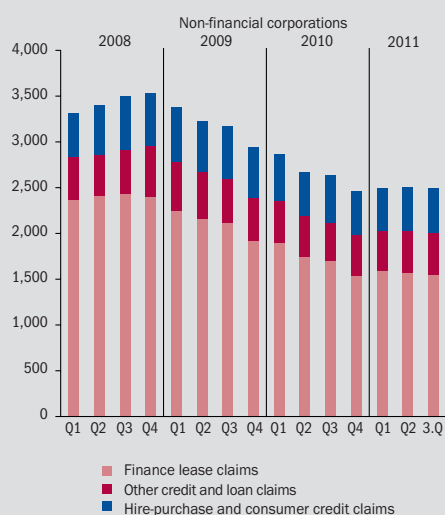
#### Box 6

#### CLAIMS OF FACTORING, LEASING AND HIRE-PURCHASE COMPANIES<sup>9</sup>

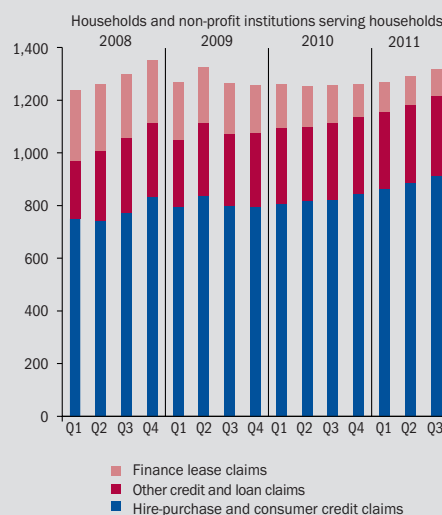
The claims of factoring, leasing and hire-purchase companies on the private sector amounted to €3,849 million at the end of the third quarter of 2011, after rising by €56 million in the second quarter and €24 million in the third quarter. The annual rate of decline in these claims slowed in the second quarter, to -2.7% (from 8.8% in the first quarter) and it decreased further in the third quarter, to -1.3%. The main factor behind these figures was an increase in household demand for hire-purchase and credit agreements from hire-

purchase companies (including credit cards from these companies). In the second quarter, there was also a stronger rise in claims in the sector of financial institutions, which provided credit and loans to each other. In both quarters, non-financial corporations increased their use of other credit and loans from financial intermediaries at the expense of hire-purchase products and consumer credit; this probably reflected a rise in the use of factoring products. Unlike in the first quarter, demand for leasing products fell sharply in all sectors.

<sup>9</sup> Both quarters are evaluated, since the statistical data for other financial intermediaries for the second quarter of 2011 was revised and published together with the third-quarter data.

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

Source: NBS.

**Chart B Claims of factoring companies, leasing companies and hire-purchase companies (EUR millions)**

Source: NBS.

Turning to open-end investment funds (OIFs) in Slovakia, aggregate net sales for all categories (whether denominated in euro or foreign currencies) remained in negative territory in November, with the weekly results ranging from an outflow of €29.7 million to an inflow of €5.3 million. However, the cumulative outflow of €49.5 million (close to this year's average monthly net outflow of €46.4 million)<sup>10</sup> was significantly lower than the outflows recorded in each of the previous three months (August to October).

Investors in Slovakia are pulling an increasing amount of money out of investment funds due largely to persisting uncertainty and the protracted efforts to solve the euro area debt crisis.

Money market funds again recorded a high monthly net outflow in November (at -€111.5 million), while the other OIF categories combined had positive net sales of €62.0 million).

For the third consecutive month, the fund categories that recorded a net inflow were the same, namely: new, special funds (€85.2 million), special real estate funds (€10.5 million) and equity funds (€6.2 million). Apart from money market funds, the other categories in which net sales were negative comprised bond funds (-€14.4 million), funds of funds (-€11.7 million), mixed funds (-€9.1 million) and other funds (-€4.7 million).

Market interest rates in October remained stable in line with the ECB key rates (which were not raised

<sup>10</sup> The different amounts of monthly and cumulative net sales can be explained by the fact that the data of the SASS obtained from regular weekly statistical reports and the data of individual OIF 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 around 550 to 460) and an increase in the number of funds denominated in the domestic currency (euro). In 2009, the number of funds recorded in the SASS database fell towards the year-end from more than 570 to less than 500, and in 2010 it remained relatively stable, ranging from 494 to 511 (and ending the year at 498). In 2011, the number of funds has fluctuated between 496 and 505.

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

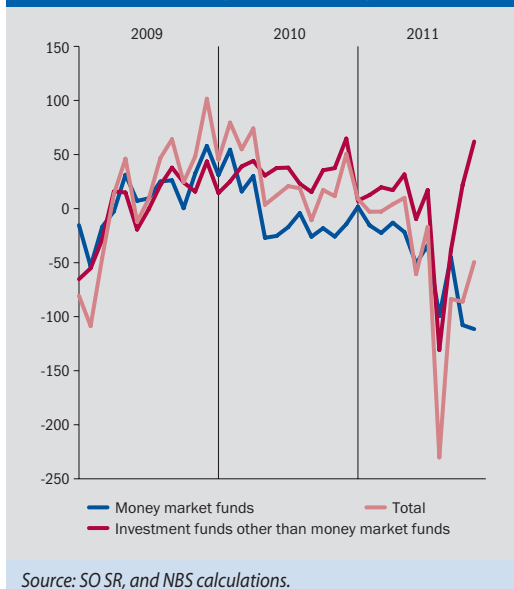
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cumulative
2009	-75.9	-108.5	-45.6	13.2	46.1	-12.3	8.8	46.7	64.1	24.5	48.1	101.5	110.9
2010	45.4	79.5	54.8	74.1	3.5	12.1	20.8	18.8	-10.7	17.2	11.4	50.4	377.3
2011	9.0	-2.9	-2.8	4.0	9.9	-60.7	-17.0	-230.2	-83.8	-86.1	-49.5 <sup>2)</sup>	.	-510.2

Source: SO SR; NBS calculations.

<sup>1)</sup> Total denominated in the domestic currency (euro) and foreign currency.<sup>2)</sup> Calculated by NBS for the given month on the basis of SASS data (Weekly Data on Open-End Investment Funds).



**Chart 9 Monthly net sales of open-end investment funds (EUR millions)**



until early November). Short-term market rates did not change, since the ECB provided liquidity to the banking sector through several longer-term refinancing operations conducted as fixed-rate tender procedures with full allotment. Retail rates had a marginal rising trend, with the exception of deposit rates for non-financial corporations.

Borrowing costs for non-financial corporations did not increase to any significant extent, although they tended slightly upwards. An increase in interest rates on investment loans was offset by a decline in rates on real estate loans. The cost of other types of loan (including current account overdrafts) remained largely unchanged.

Average lending rates for households continued to rise moderately. In the case of housing loans, the average rate increased by 0.13 percentage point, to 5.02%, reflecting mainly rate hikes in the categories of other housing loans and intermediate loans. There was also a modest rise in consumer credit rates. The increase in borrowing costs was notably more pronounced for self-employed persons, possibly due to deteriorating outlooks for the economy.

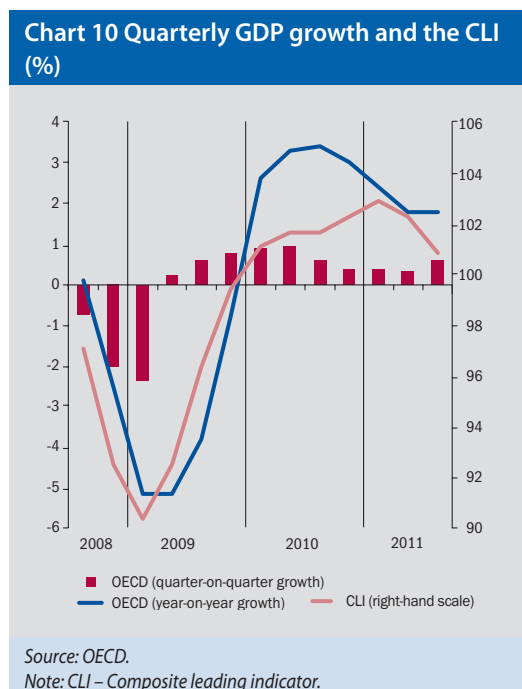
Deposit rates for non-financial corporations remained largely unchanged, with only the rates on current account deposits falling slightly. In the case of household deposits, banks increased the remuneration on longer-term time deposits in order to attract long-term funding from this sector. All time deposit rates went up, but the highest increase was in rates on deposits with an agreed maturity of over two years.



# QUARTERLY REPORT ON THE INTERNATIONAL ECONOMY

## THE GLOBAL ECONOMY

Global economic growth improved slightly in the third quarter of 2011. On a quarter-on-quarter basis, gross domestic product grew in the OECD area by 0.6%, compared with 0.3% in the previous quarter. Annual economic growth of the OECD countries remained unchanged against the previous quarter and stood at 1.8%. The acceleration in economic activity resulted primarily from the economic recovery in Japan and economic activity in Germany and the United States. In Japan, the strong economic growth reflected mainly the recovery from the earthquake. Economic recovery in the United States was driven mainly by household consumption growth. Nevertheless, the growth rate of economic activity varied across different regions. Advanced economies were experiencing relatively sluggish growth while several emerging economies were confronted with the recent moderation in growth. The OECD's composite leading indicator (CLI) continued to suggest a slowdown in economic activity of all major economies despite the GDP growth over the third quarter. The CLI has thus been weakening further close to the expansion/contraction threshold.



Consumer price inflation accelerated slightly again in the third quarter of 2011. As for the average inflation rate in the OECD countries, its annual rate of change increased in September, to 3.3% (from 3.0% in June), and declined moderately in October, to 3.2%, on account of commodity price developments. Energy prices edged upwards to stand at 14.2% in September, up from 13.6 in June. In October, however, their growth pace slowed slightly (to 12.4%). A gradual acceleration was also shown in food prices, when their inflation rose from 4.0% in June to 4.2% in September. Similar to energy prices, food prices slowly declined in October (to 4.1%). In the third quarter, core inflation further accelerated to 1.9% in September, compared with 1.7% in June, before rising again to 2.0% in October.

At the end of the third quarter, the economic outlook worsened on account of sovereign debt crisis in the euro area and a need for fiscal consolidation and debt stabilisation in the United States. This led to heightened uncertainty and substantial downside risks to global economic growth. The economic recovery was impeded mainly by concerns about sustainability of public finances in the advanced economies and worsened economic situation of households. In the developing countries, an adverse effect was exerted by high commodity prices which pushed up inflation, as they have a large share in the consumer basket. Global economic activity may also be adversely affected by a persisting lack of investor confidence in financial markets, geopolitical tensions in certain world regions, more pronounced protectionist measures, and a disorderly correction of global imbalances.

## COMMODITY MARKETS

In an environment of high uncertainty about global economic developments, oil prices declined in the third quarter of 2011. The average oil prices stood at USD 105 per barrel in the third quarter, down from USD 117 per barrel in the previous quarter. Oil prices were highly volatile in the third quarter, when they oscillated between USD 104 and 117 per barrel. At the end of the





third quarter, they reached USD 105 per barrel, representing a rise of 10% since the beginning of the year. The prices of oil maintained their highly volatile pattern and at the end of November rose further to USD 107 per barrel.

Similar developments were also experienced by other global commodity prices, which remained relatively stable at the beginning of the quarter. Prices for other commodities declined by the end of the third quarter, due to concerns about global economy and weakened demand. The non-ferrous metal prices declined mainly because of lower demand. The prices of agricultural commodities, too, went down, as a result of higher agricultural production.

## UNITED STATES

In the United States, economic growth accelerated in the third quarter of 2011, when annual GDP growth went up by 2.0%, compared with 1.3% in the previous quarter. In year-on-year terms, GDP growth slowed moderately to 1.5% in the third quarter, from 1.6% in the second quarter.

Private consumption made the largest contribution to GDP growth, when it surged after a sharp deceleration in the second quarter. The strongest growth was recorded in demand for durable goods, following its sluggish development in the previous quarter. By contrast, demand for non-durable goods went down for the first time since 2009. Demand for services further picked up. Despite favourable developments in demand for durable goods, a decline in demand for non-durable goods coupled with continued fall of households' disposable income brought up questions as to the sustainability of private consumption growth. Net exports, too, made a positive contribution to the growth of GDP. In contrast, gross domestic investment declined and thus contributed negatively to GDP growth. As for investments, only fixed investment recorded accelerated growth. By contrast, changes in inventories went down substantially. Further downward pressure on GDP growth came from federal, state and local government spending. Their decline, however, was far milder than in the previous quarter.

Inflation accelerated again in the third quarter of 2011, driven mainly by higher energy and

food prices. Its rate stood at 3.9% at the end of September, up from 3.6% in June 2011. Declining commodity prices in global markets translated into reduced inflation, which dropped to 3.5% in October. In the third quarter, core inflation also accelerated to 2.0% in September, compared with 1.6% in June. Its increase continued through to October, when it stood at 2.1%.

The US Federal Open Market Committee (FOMC) decided at its two regular meetings and one special meeting to maintain its target range for the federal funds rate unchanged, i.e. at close to zero. The FOMC also confirmed its intention to maintain the federal funds rate at exceptionally low levels for an extended period of time. At its August meeting, the FOMC announced its intention to implement new measures for stimulating economic activity and supporting a distressed housing market. Its stimulating measures include the extension of the average maturity of the FED's holdings of securities. This programme should involve a purchase of government securities in the amount of USD 400 billion with a maturity of 6 to 30 years, as well as a sale of the equal amount of government securities with a maturity of up to 3 years. In order to support the housing market, principal payments from the FED's holdings of agency debt and agency mortgage-backed securities will be reinvested in agency mortgage-backed securities. At its meeting in November, the FOMC decided to leave the federal funds rate unchanged.

## THE EXTERNAL ECONOMIC ENVIRONMENT

### THE EURO AREA

After deceleration in the second quarter of 2011, economic growth of the euro area stagnated in the third quarter and stood at 0.2%. Annual GDP growth declined to 1.4%, from 1.7% in the second quarter.

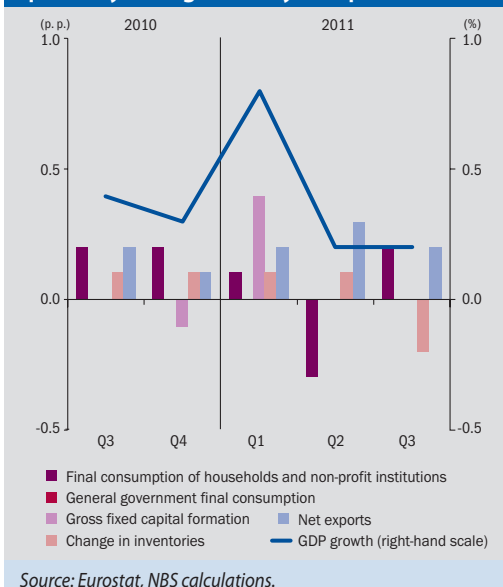
Economic growth weakened on account of inventories depletion, which may have resulted from a decline in industrial new orders (of 2.3% quarter-on-quarter). By contrast, economic activity was supported mainly by external demand leading to a rise in exports. A higher rise was also reported in imports, which dampened



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



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



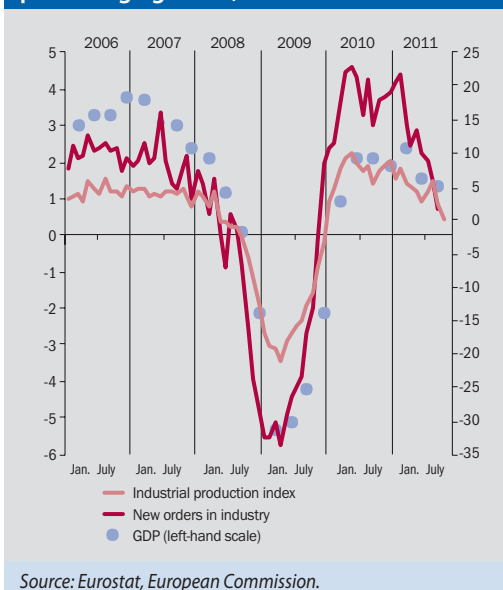
the contribution of net exports to GDP growth. Following its sharp decline in the second quarter 2011, private consumption restored in the third quarter having a favourable effect on economic growth. Thus the growing lack of consumer confidence over the third quarter has not yet been translated into consumer demand. Consumer confidence indicators for October and November suggested its further worsening, albeit at a slightly lower pace. The latest unemployment data also reveal rather weak developments in the labour market. The impact of investment demand and general government consumption on GDP was negligible in the third quarter.

On the supply side, the value added growth (0.2%) in the third quarter of 2011 was only fuelled by the general government and other public services sectors. The value added in industrial output was stagnant. A year-on-year decrease in industrial new orders indicates a downside risk to GDP growth in the fourth quarter of 2011. Although the views about competitiveness in industry suggested its stagnation in the fourth quarter after its previous deterioration, the export expectations in this sector further lowered. These two indicators confirm a slower growth in exports of goods.

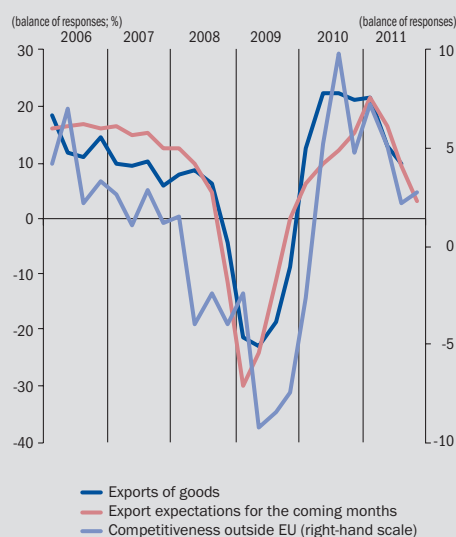
The labour market indicated discontinued favourable developments over the second quarter

of 2011. Since April, future unemployment rates were expected to grow. Simultaneously, expected employment in industry worsened, followed by other sectors. The rate of unemployment, which stabilised around 10% in the first six months of 2011, started to rise again. Over the third quarter it increased by 0.2 percentage point to 10.2%, while in October it reached 10.3%. November European Commission survey data suggest

**Chart 13 Industrial new orders (annual  
percentage growth)**



**Chart 14 Euro area: assessment of competitiveness outside EU and export expectations in industry, year-on-year growth in euro area goods exports**



Source: Eurostat, European Commission.

a further deterioration in the economic sentiment of individual sectors as to future developments in the labour market.

The intensified tensions in the euro area sovereign debt markets led to a further deterioration in business confidence in August, which continued

in the following months through to November. The ESI declined by almost 12 points to 93.7 over the first five months of the second half of 2011. Confidence deteriorated across all sectors of the economy. In the third quarter and mainly the fourth quarter, the worst development was evident in the Ifo indicator for the euro area. The forward-looking indicators for the German economy, however, do not send out clear signals. After its previous deterioration, the Ifo index for the German economy slightly rose in November, reflecting the improved expectations over the future economic developments. The economic sentiment indicator showed only a moderate deterioration in the same month. By contrast, the ZEW index for Germany plummeted in November.

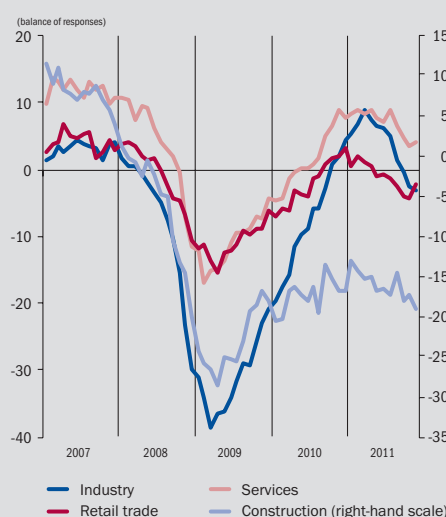
Inflation developments over the third quarter exhibited the effect of the new regulation on the treatment of seasonal products<sup>11</sup>. The new treatment has caused a higher volatility of non-energy industrial goods prices. The new treatment led to reductions in inflation of up to 0.2 percentage point in July and August. In September, this effect waned and the inflation rate rose again. It accelerated by 0.3 percentage point (to 3% in September) compared with its development at the end of the second quarter, which was (not affected by

**Chart 15 Unemployment rate and consumer expectations for the next 12 months**



Source: European Commission, Eurostat.

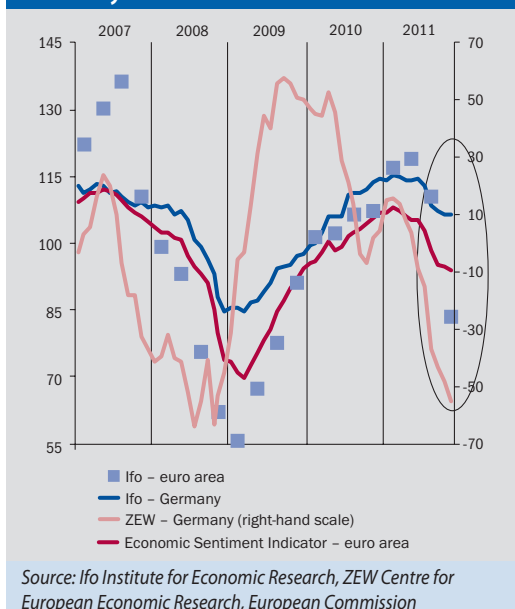
**Chart 16 Expectations for employment by branches and expectations for unemployment by consumers**



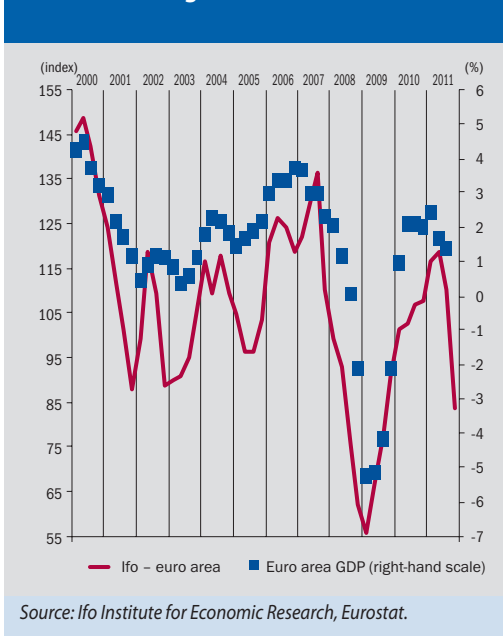
Source: European Commission, Eurostat.

<sup>11</sup> Commission Regulation (EC) No 330/2009 of 22 April 2009 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of seasonal products in the Harmonised Indices of Consumer Prices (HICP).

**Chart 17 Ifo index for the euro area and Germany, ZEW index for Ifo – euro area Germany**



**Chart 18 Ifo economic climate index and euro area GDP growth**

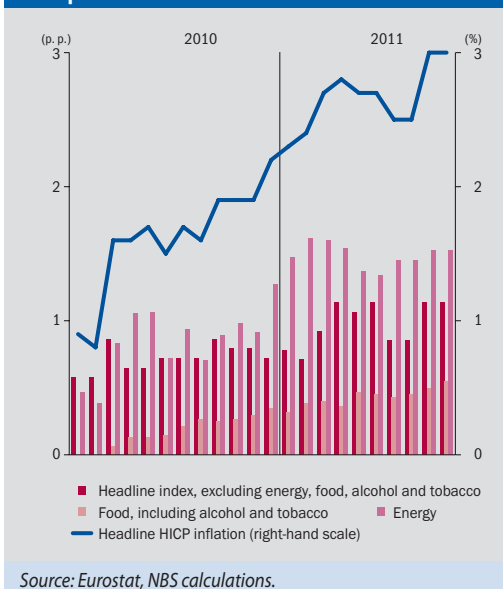


the new treatment, but) due mainly to a higher increase in prices for energy, processed food and non-energy industrial goods. By contrast, inflation of unprocessed food, and to a lesser extent of services, moderated. Its rate remained unchanged in October. The prices of food and non-energy industrial goods further increased, while those for services went slightly down. The rise in energy prices remained relatively strong, although rather stagnant in October. According to the Eurostat's flash estimate, the rate of inflation remained unchanged in November.

The accelerated growth in consumer prices resulted mainly from pipeline pressures, when rising producer prices gradually translated into consumer prices. This effect is relatively strong in energy prices, while in food prices the increased costs materialise in consumer prices only gradually. Although inflation of producer prices of food products and beverages moderated in 2010, it remained high and contributed to the gradual rise of consumer prices of processed food.

Core inflation (i.e. the headline index excluding prices of energy and unprocessed food) increased during the third quarter by 0.2 percentage point to 2.0 %, where it remained also in October.

**Chart 19 Euro area: annual HICP inflation rate and the contributions of selected components**



The growth rate of prices for services gradually slowed over the third quarter, which resulted largely from a lower rise in insurance service prices and a faster decline in post and telecommunication service prices. Services inflation further decelerated in October, when

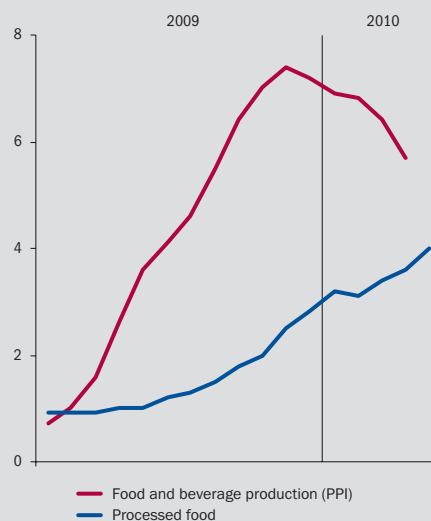
**Chart 20 Energy prices in PPI (MIG<sup>1)</sup>) and in HICP (annual percentage growth)**



Source: Eurostat.

1) Structure according to Main industrial Groupings.

**Chart 21 Prices of food and beverage production in PPI and prices of processed food in HICP (annual percentage growth)**

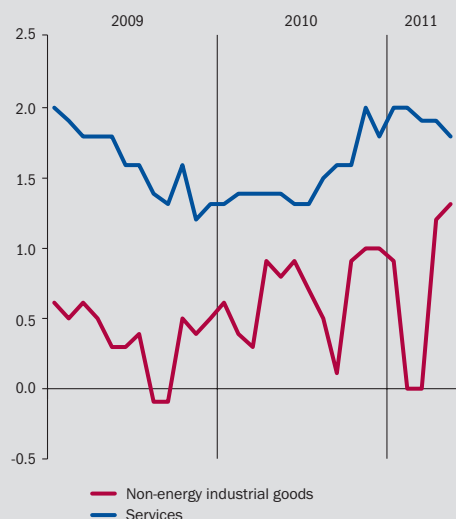


Source: Eurostat.

prices of hotel and restaurant services, as well as holiday services and air transport decreased year-on-year. As mentioned above, prices of non-energy industrial goods were strongly affected by the new regulation. The rise in these prices (in particular clothing and footwear) accelerated over the third quarter and October.

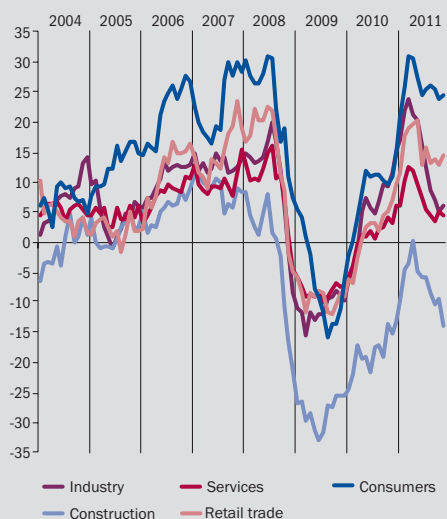
Overall, price expectations in the euro area continued to fall, especially in industry and construction. This may partially relate to concerns regarding further deceleration of economic growth and worsening demand. Lower price expectations are less clear in the retail, services and consumer sectors.

**Chart 22 Euro area: prices of goods and services (annual percentage changes)**



Source: Eurostat.

**Chart 23 Expectations for future price developments (balance of responses)**



Source: European Commission.



In the third quarter of 2011, the euro exchange rate against the US dollar was affected by uncertainty related to the sovereign debt crisis in Europe, news on raising the US statutory debt limit and downgrading the sovereign credit rating of the United States. The European sovereign debt crisis worsened substantially at the end of August, which adversely impacted the euro exchange rate. From late August to early October, the euro depreciated markedly, by 9% on average. Overall, the euro weakened against the US dollar by more than 6%. In October, the euro was boosted by the ratification of outcomes of the July EU summit, at which Member States agreed to reform the European Financial Stability Facility and increase its effective lending capacity. This movement was relatively strong, as the euro strengthened by more than 7% in less than a month. Renewed tensions in connection with sovereign debt crisis and particularly market concerns over Italian debt exerted new pressures for the euro depreciation at the beginning of November. As a result, the euro lost most of its gains and returned to its previous level of early October. Compared to the end of the second half, the euro weakened by almost 7% by the end of November, whereas remained the same when compared with the start of the year.

The mounting tensions over the debt crisis were also reflected in the income from bonds.

The upward tendency in yields to maturity in certain economies facing the debt crisis was halted in the second half of July, when the investor risk aversion abated – mainly in response to a special meeting of the European Council at which a further loan for Greece was approved. Thereafter, the investor confidence in the ability of Greece to solve problems with public finances decreased again, and Greek debt financing costs expanded. The fears of investors gradually passed through also to the yields to maturity of Italian and Spanish bonds. Active implementation of the Securities Markets Programme by the ECB, as well as the adoption of certain measures aimed at stabilisation of public finances by concerned countries helped to stabilise the situation. The declining tendency in the yields to maturity of Irish bonds can be attributed to strict implementation of planned consolidation measures and to the recovery of economy driven by export performance. The renewed financial market concerns translated into an overall substantial increase in bond yields of most countries facing sovereign financing difficulties, with the exception of Greece. The lack of market confidence and concerns about sovereign debt financing were reflected in a slight rise of German bond yields as well, which tended to decline in the previous months.

Chart 24 EUR/USD exchange rate



Source: ECB, Eurostat.

Chart 25 Yields to maturity of government bonds (defined according to convergence criteria; %)



Source: ECB, Eurostat.



At the beginning of the third quarter, the ECB's Governing Council decided to increase each of the key ECB rates by 25 basis points. This decision followed after the equal rise in the key rates in April 2011. The reason given for the increase was the continuing presence of inflationary risks. Thus the main refinancing rate was set at 1.50%, the marginal lending rate at 2.25%, and the marginal deposit rate at 0.75%. At the same time, the Governing Council decided to suspend the application of the minimum credit rating threshold in the collateral eligibility requirements for the purpose of Eurosystem credit operations in the case of marketable debt instruments issued or guaranteed by the Portuguese government. On 3 November 2011, the ECB's Governing Council decided again to cut each of its key interest rates by 25 basis points with effect from 9 November 2011. The main refinancing rate was reduced to 1.25%, the marginal lending rate to 2.00%, and the deposit rate to 0.50%. The reason behind the key interest rates reduction was the intensification of financial market tensions related to the sovereign debt crisis in Europe. The Governing Council expects that the worsened financing conditions and business confidence will materialise in an economic growth slowdown. Forecasts for GDP growth in 2012 will most probably be reviewed downward. Price, cost and wage pressures are also expected to decline in such circumstances. The Governing Council believes that its decision will support inflation developments in line with the definition of price stability over the policy-relevant horizon. The ECB's Governing Council decided on further decrease of the key ECB interest rates by 25 basis points at its monetary-policy meeting in December. Thus the main refinancing rate was newly set at 1.00%, the marginal lending rate at 1.75%, and the marginal deposit rate at 0.25%, with effect from 14 December 2011.

On 7 August 2011, the Governing Council held a special meeting to address the situation surrounding the euro area sovereign debt crisis and its potential spillover. The Governing Council announced that the ECB will actively implement its Securities Markets Programme, which is designed to help maintain a better transmission of monetary policy decisions – taking account of some dysfunctional market segments – and therefore to ensure price stability in the euro area.

At its August and October monetary-policy meetings, the Governing Council decided on details of the implementation of liquidity-providing operations for the period ahead (from 12 October 2011 to 17 January 2012 and from October 2011 to 10 July 2012). At both meetings, it extended the conduct of main refinancing operations and special term refinancing operations as fixed rate tender procedures with full allotment. At the same time, it decided on conducting regular three-month longer-term refinancing operations to be allotted once a month in the period from October 2011 to June 2012. These operations will be conducted as fixed rate tender procedures with full allotment.

At its August monetary-policy meeting, the Governing Council also decided to conduct a liquidity-providing supplementary longer-term refinancing operation (LTRO) with a maturity of approximately six months, the operation to be conducted as a fixed rate tender procedure with full allotment. This operation was realised in the first half of August and will mature on 1 March 2012. At its October monetary-policy meeting, the Governing Council decided to conduct two longer-term refinancing operations with respective maturities of approximately 12 and 13 months. The first of the two operations was allotted in October and the other one is planned for December 2011. The Governing Council at its October meeting also decided to launch a new covered bond purchase programme (CBPP2) in the total amount of €40 billion, which will be carried out by means of direct purchases in both the primary and the secondary markets. The CBPP2 was implemented in November, when the Governing Council announced details of its conduct.

At the end of November, the ECB, together with the national central banks of Canada, the United Kingdom, Japan, Switzerland, and the United States, announced coordinated actions to enhance their capacity to provide liquidity support to the global financial system. The purpose of these actions is to ease tensions in financial markets and thereby mitigate the effects of such strains on the supply of credit to households and businesses and so help foster economic activity. These central banks have agreed to lower the pricing on the existing temporary US dollar liquidity swap arrangements by 50 basis points.





They have also agreed to establish temporary bilateral liquidity swap arrangements in order to provide needed liquidity. In this context, the ECB's Governing Council decided in co-operation with other participating central banks to establish a temporary network of reciprocal swap lines. This will enable the Eurosystem to provide euro to other central banks when required. At the same time, the Eurosystem will be able to provide liquidity operations in Japanese yen, Swiss francs and Canadian dollars (in addition to the existing operations in US dollars). The ECB will regularly conduct US dollar liquidity-providing operations with a maturity of approximately one week and three months at the new pricing.

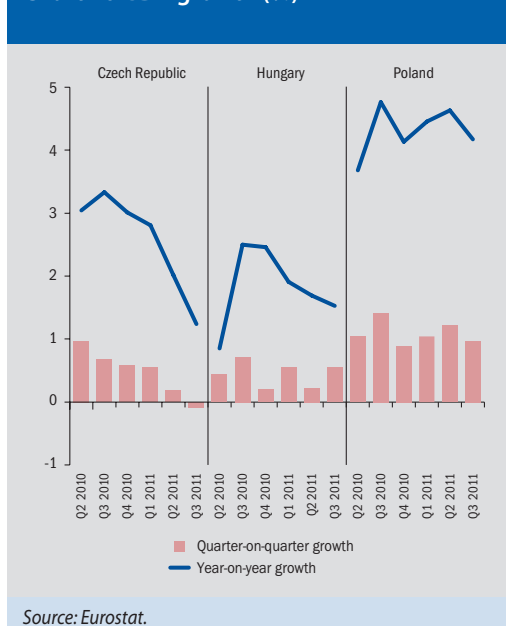
At its December monetary-policy meeting, the Governing Council adopted further measures to support bank lending and money market activity. These measures include two longer-term refinancing operations with a maturity of 36 months and the option of early repayment after one year; the discontinuance of fine-tuning operations carried out on the last day of each maintenance period, as of the maintenance period starting on 14 December 2011; the reduction of the reserve ratio to 1% (from current 2%) as of the reserve maintenance period starting on 18 January 2012; and the increased collateral availability<sup>12</sup>.

These extraordinary measures, with respect to their structure, are of a temporary character.

## DEVELOPMENTS IN POLAND, THE CZECH REPUBLIC AND HUNGARY

In all the central European countries under review, the annual rate of growth slowed over the third quarter. In the Czech Republic, GDP growth fell by 0.8 percentage point compared to the second quarter, ending at 1.2%, on account of subdued developments in all GDP components, except for net exports. Following the weak growth of Hungarian and Czech economies, which slowed in the previous quarters, the growth pace of the Polish economy also decelerated in the third quarter, by 0.4 percentage point to 4.2%. Economic growth was driven up by all the components of GDP, with the exception of general government consumption. Private consumption made the largest contribution to GDP growth, although it

Chart 26 GDP growth (%)



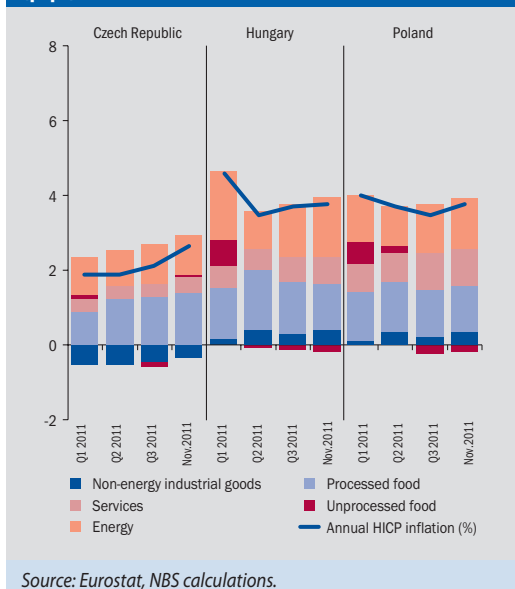
declined against the previous quarter. By contrast, a positive contribution of investment rose. The contribution of net exports to economic growth was also higher than in the previous quarter. The Hungarian economy contracted in year-on-year terms in the third consecutive quarter, when it fell by 0.2 percentage point to 1.5% in the third quarter of 2011. All components of GDP made a negative contribution to growth, except for net exports, which rose compared to the previous quarter.

In the third quarter of 2011, developments differed on the quarter-on-quarter basis in these countries. Against its previous quarter figures, GDP grew by 0.3 percentage point to 0.5% in Hungary; in Poland it fell by 0.2 percentage point to 1.0%, while in the Czech Republic a slump of 0.1% (a slowdown of 0.3 percentage point) was recorded. In Poland, GDP growth was dampened by a change in inventories and net exports. This development was partially offset by a positive contribution of investment. In the Czech Republic, GDP fell on account of household consumption and general government consumption as well as investment demand. On the other hand, GDP growth was positively affected by a change in inventories and net exports. In Hungary, a positive contribution was made by private and general government consumptions and net exports, although the latter contributed less than in the

<sup>12</sup> For further details see [www.ecb.int](http://www.ecb.int)



**Chart 27 Contributions to HICP inflation (p.p.)**



previous quarter. The downward impact was exerted by investment demand and a change in inventories, although more moderate than in the second quarter.

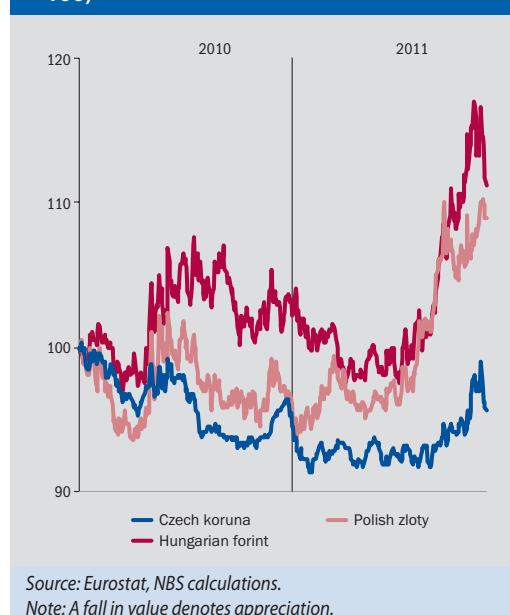
In comparison with its level in June, annual consumer price inflation in September 2011 was slightly higher in the Czech Republic (an increase of 0.2 percentage point to 2.1%) and Hungary (an increase of 0.2 percentage point to 3.7%). In Poland, it slowed marginally by 0.2 percentage point to 3.5%. In the Czech Republic, a moderate increase in inflation was fuelled mainly by a higher rise in energy prices (of 0.3 percentage point to 7.2%) and service prices (of 0.2 percentage point to 1.1%), as well as prices for processed food (of 0.1 percentage point to 6.6%). The elevated headline inflation also reflected a slower reduction in prices for non-energy industrial goods. Headline inflation further accelerated in October, when it rose by 0.5 percentage point to 2.6%. In Hungary, the annual inflation rate accelerated in the third quarter mainly on account of energy prices, which soared by 2.5 percentage points to 9.2%, and, to a lesser extent, service prices, which went up by 0.3 percentage point to 2.1% when compared with June 2011. Other components had rather a dampening effect on inflation growth. Headline inflation increased only marginally in October, to 3.8%. In Poland, the year-on-year increase in consumer prices

moderated by the end of the third quarter against its June figure. This was due mainly to a sharp decline in growth of unprocessed food prices and their subsequent annual decline (a growth of 1.9% in the second quarter and a fall of 2.2% in the third quarter), as well as a slackened growth in processed food prices (of 0.7 percentage point to 6.2%) and non-energy industrial goods (of 0.4 percentage point to 0.9%). The remaining components – energy and services – had rather an accelerating impact on headline inflation. In October, headline inflation in Poland increased again (by 0.3 percentage point to 3.8%).

Turning to the exchange rates of the central European currencies, their development in the third quarter of 2011 was adversely influenced mainly by risk aversion among investors related to the peak of the euro area sovereign debt crisis. This, however, did not fully apply to the Czech koruna, which has been regarded, similarly to the Swiss franc, as a “safe haven” currency when financial market volatility surges.

Financial market tensions relating to the sovereign debt crisis slightly eased in July, when a further loan for Greece was approved at a special meeting of the European Council in Brussels. However, the situation deteriorated

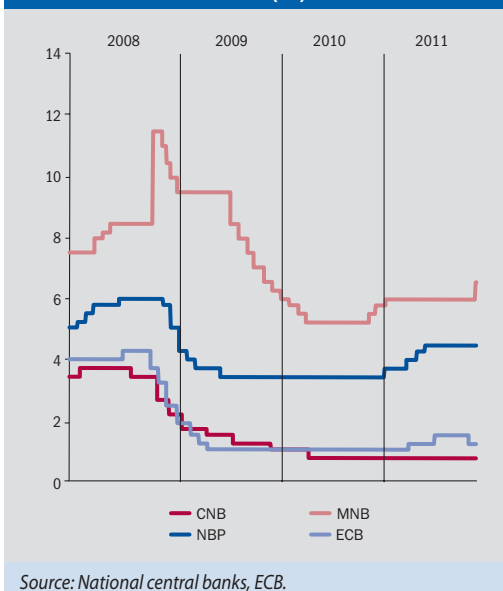
**Chart 28 Exchange rate indices of the V4 currencies vis-à-vis the euro (4 January 2010 = 100)**



again when the euro area debt crisis coupled with contentious discussions in the United States on raising the country's debt ceiling. This was reflected in further devaluation of the central European currencies. The indication of stagnating global economic growth and resulting weaker economic outlook mainly in the EU countries, as well as the potential intensification of the financial crisis, were also considered as being on the downside. Over the quarter, the central European currencies were adversely affected by other news, such as downgrading of Italian sovereign rating due to continued headwinds relating to the need to repair Italian public sector balance sheet, as well as inability of the euro area countries to find effective solutions to the sovereign debt crisis, which would help to regain confidence in financial markets. The following weakening of these currencies was so severe that the Polish central bank had to intervene in the foreign exchange market to support the plummeting zloty. In Hungary, depreciation of the forint also reflected domestic decisions, such as an option to repay housing loans in foreign currencies at the interest rate lower than the market rates.

As to the monetary policy stance, there was no change in any of the countries under review in the third quarter 2011. In the environment of lacking domestic demand pressures on inflation, the Czech central bank kept its base rate unchanged, at 0.75%. This decision was based on balanced inflationary risks, or even downward pressures on inflation, which prevailed by the end of the quarter owing to unfavourable economic developments and growth outlook in the external environment, particularly in the EU member countries. Narodowy Bank Polski also maintained its base rate at the unchanged level (4.50%), on account of the tightened monetary policy implemented in the first half of 2011, which should bring inflation to its targeted levels in the medium term horizon. When assessing the external environment, the bank stated that the Polish economy should remain resistant to the worsening economic growth outlook, especially in the euro area. However, the worsening situation in financial markets poses heightened

**Chart 29 Key interest rates of the V4 national central banks (%)**



risks, as the related risk aversion among investors translates into further depreciation of the developing countries' currencies, including the Polish zloty. As a result, the Polish central bank conducted an intervention in the foreign exchange market at the end of September. In Hungary, Magyar Nemzeti Bank leaved its interest rates at an unchanged level of 6.00% in the third quarter, expecting only a moderate recovery of the Hungarian economy, which should be stagnating below its growth potential. Real inflation is expected to return to its target by the end of 2012 without any need to further tighten monetary policy. Yet the risks of rising risk premiums were on the upside over the third quarter, on account of the continued debt crisis in the euro area and related developments in the financial markets, as well as due to domestic measures (an option to repay housing loans in foreign currencies at the interest rate lower than those in the market). This translated into a gradual weakening of the Hungarian forint exchange rate. This sharp depreciation was considered by the Hungarian central bank as a serious risk to inflation. Therefore, at its November meeting, it decided to raise its base rate by 50 basis points, to 6.50%, with effect from 30 November 2011.

# QUARTERLY REPORT ON THE BALANCE OF PAYMENTS

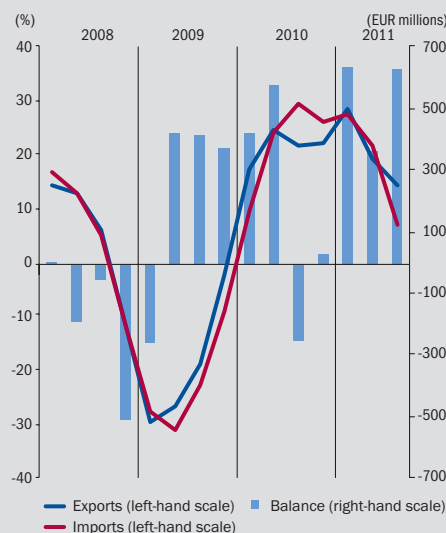
## BALANCE OF PAYMENTS FOR JANUARY TO SEPTEMBER 2011

The balance of payments on current account for January to September 2011 resulted in a deficit of €134.8 million, representing an improvement of €1,001.1 million in year-on-year terms. The improvement in the current account balance was based on an upturn in all components, except in the income balance. The income balance deficit increased slightly, owing to the higher estimated profitability of firms with foreign participating interests and its upward effect on estimated earnings reinvested by foreign investors. By contrast, growth in external demand was reflected in rising exports and subsequently also in a higher trade surplus and lower deficit in the services balance. The increase in revenues (especially from the EU budget) had a positive effect on the current transfers balance, which contributed significantly to the year-on-year improvement in the current account. The ratio of the current account deficit to GDP (at current prices) stood at 0.3%, which represented an improvement of 2.0 percentage points in year-on-year terms. Similarly, the trade balance to GDP ratio rose by 1.6 percentage points, with the trade surplus amounting to 3.1% of GDP. The improved current account balance in the period under review (compared with the second

quarter) was mainly due to a higher surplus in the trade balance.

For the first nine months of 2011, exports grew by 20.1% and imports by 18.0% in comparison with the same period in 2010. The rate of growth in exports and imports slowed in the third quarter, with imports slowing at a faster pace than

Chart 30 Exports and imports – annual percentage changes



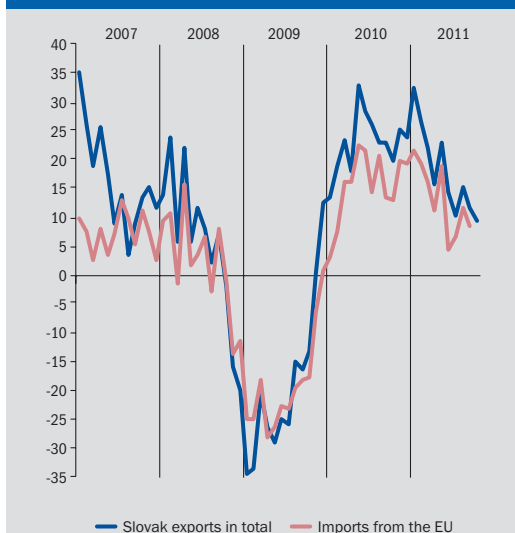
Source: NBS and SO SR.

Table 7 Balance of payments current account (EUR millions)

	January – September		
	2011	2010	2011 – 2010
Trade balance	1,613.8	747.3	866.5
Exports	41,478.4	34,529.3	6,949.1
Imports	39,864.6	33,782.0	6,082.6
Services balance	-402.5	-647.7	245.2
Income balance	-1,234.6	-927.1	-307.5
of which: income from investments	-2,140.1	-1,784.0	-356.0
of which: reinvested earnings	-653.2	-438.6	-214.6
Current transfers	-111.5	-308.4	196.9
<b>Current account in total</b>	<b>-134.8</b>	<b>-1,135.9</b>	<b>1,001.1</b>
<b>Trade balance to GDP ratio (%)</b>	<b>,3.1</b>	<b>,1.5</b>	<b>1.6</b>
<b>Current account to GDP ratio (%)</b>	<b>-0.3</b>	<b>-2.3</b>	<b>2.0</b>

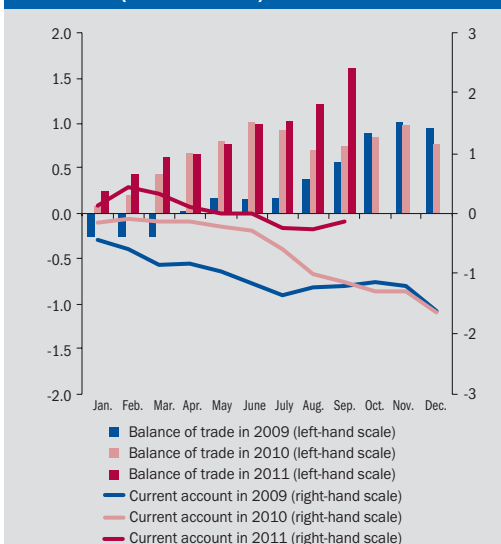
Source: NBS and SO SR.

**Chart 31 Imports from the EU-27 and exports – annual percentage changes**



Source: NBS, SO SR, and Eurostat.

**Chart 32 Trade balance and current account in 2009, 2010 and 2011 – cumulative volumes (EUR billions)**



Source: NBS and SO SR.

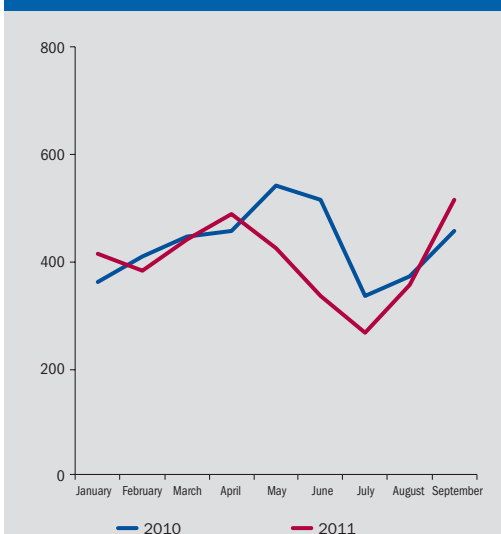
exports. The marked slowdown in imports in the third quarter of 2011 was partly the result of a base effect from last year, when import growth accelerated during the third quarter while export growth recorded a slowdown. The slower growth in imports in the third quarter was influenced by a decline in car exports and the resulting fall in the imports of components.

The slowdown in the annual rate of growth in exports (to 14.3%) and imports (to 6.9%) in the third quarter was due mainly to a decline in external demand for cars and car components in the summer months. The sharp slowdown in import growth was supported by lower imports of semi-finished goods, which was reflected in the contracting inventories of incomplete products and semi-finished goods in the economy. This was probably connected with the decreasing import intensity, the negative expectations of firms regarding the trend in external demand in the months ahead, and in part with a base effect. Despite its slowdown over the nine months under review, the rate of growth in exports was still above the level of 20%.

During the first nine months of 2011, the strongest growth in comparison with the same period a year earlier was recorded in the exports of machinery and transport equipment. Exports

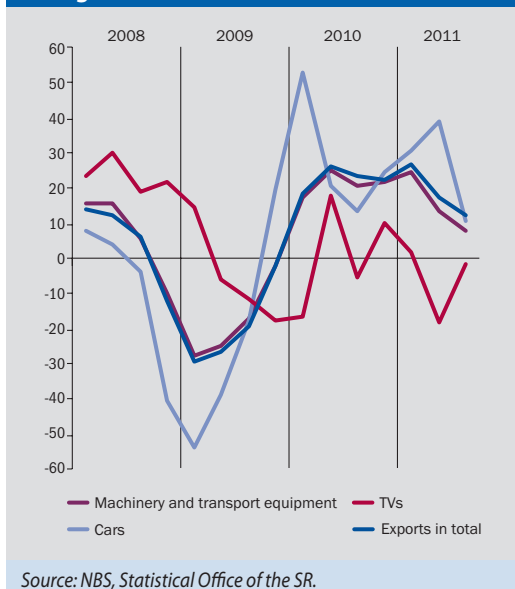
in this category accounted for more than 45% of the total export growth (compared with 50% in the first half of the year), owing to a rise in external demand. The year-on-year growth in exports of the *machinery and transport equipment* category was caused by a year-on-year increase in the exports of transport equipment, which took place in car exports, and in machine exports (shafts,

**Chart 33 Exports of TV sets (EUR millions)**



Source: NBS and SO SR.

**Chart 34 Exports – annual percentage changes**



Besides machinery and transport equipment, chemical products and semi-finished goods also recorded much higher export volumes. The higher exports were caused by a year-on-year increase in semi-finished goods exports (iron and steel, copper, aluminium, and products made from them) and an increase in chemical products, which was probably influenced by the rising prices of petroleum products (mainly rubber, plastics, and rubber/plastic products). Export growth in the *raw materials* category was largely attributable to higher exports of processed mineral oils and gas, which were related mainly to price developments. The smallest year-on-year increase in exports was recorded in the *finished products* category, especially in footwear exports. Compared with the second quarter, the growth in raw material exports slowed somewhat in the third quarter, while exports of chemical products, semi-finished and finished products grew at an accelerated pace.

engines, bearings). Although machine exports recorded a steeper increase in the third quarter, the increase in transport equipment exports was much smaller than in the first two quarters. The moderating year-on-year growth was influenced by the preparation of lines for the production of new car models and by the sluggish demand. By contrast, the steeper quarter-on-quarter rise in machine exports was related to their low level in the second quarter (the electrical industry recorded stronger exports last year as a result of increased demand for TV sets before the football championship, which caused a rise in the base in the second quarter of 2010). This is clearly indicated by the exports of TV sets, which fell in year-on-year terms in May and June, then continued to grow.

The strongest year-on-year growth in imports took place in the *raw materials* category, as a result of a rise in oil prices on the world market. It was reflected in higher imports of raw and processed petroleum. Similarly, a steep year-on-year increase was recorded in the *machinery and transport equipment* category. However, the increase in imports in this category accounted for only 27% of the total import growth. This represented a sharp fall in comparison with the first half of the year (more than 32%). This development was related to a decrease in import intensity in the third quarter. In the period January to September, the higher imports in year-on-year terms were connected with an increase in exports, which led to increased imports of components for the automotive industry in the *transport equipment* and *machinery*

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

	Year-on-year changes in EUR millions		Contribution to year-on-year changes in p.p.	
	2011	2010	2011	2010
Raw materials	1,333	582	3.9	2.3
Chemical products and semi-finished goods	1,591	2,876	4.6	11.6
Machinery and transport equipment	3,140	5,340	9.1	21.5
Finished products	886	953	2.6	3.8
<b>TOTAL EXPORTS</b>	<b>6,949</b>	<b>9,751</b>	<b>20.1</b>	<b>39.4</b>

Source: NBS calculations based on data from the SO SR.

**Table 9 Imports for January to September (year-on-year changes)**

	Year-on-year changes in EUR millions		Contribution to year-on-year changes in p.p.	
	2011	2010	2011	2010
Raw materials	1,692	1,784	5.0	7.3
Chemical products and semi-finished goods	1,639	2,454	4.9	10.1
Machinery and transport equipment	1,642	4,034	4.9	16.5
Finished products	1,110	1,104	3.3	4.5
Of which: agricultural and industrial products	1,010	826	3.0	3.4
passenger cars	-77	-45	-0.2	-0.2
mechanical and electrical con- sumer goods	177	323	0.5	1.3
<b>TOTAL IMPORTS</b>	<b>6,083</b>	<b>9,376</b>	<b>18.0</b>	<b>38.4</b>

Source: NBS calculations based on data from the SO SR.

subcategories. A marked year-on-year increase in imports was also recorded in the *chemical products and semi-finished goods* category; the rate of import growth in this category accelerated in the third quarter. The growth in imports of semi-finished goods was concentrated in the imports of aluminium, copper, iron and steel, and products made from these metals. In the *chemical products* subcategory, the growth in imports was driven mainly by the imports of rubber and plastics. The smallest increase in imports was recorded in the *finished products* category. However, the year-on-year rate of growth accelerated, causing the contribution to total import growth to increase to 18.2% (from 14.5% in the first half of the year). In this category, the largest increase was recorded in imports of agricultural and industrial products (pharmaceuticals, footwear). The overall growth in imports of finished products was negatively affected by a decline in car imports.

The balance of services for January to September 2011 resulted in a deficit of €402.5 million, representing an improvement of €245.2 million compared with the same period in 2010. The services balance deficit contracted in year-on-year terms, mainly as a result of an improvement in *other services in total* and, to a lesser extent, in transport services. At the same time, the balance surplus in travel services remained virtually unchanged, with a modest increase recorded in both revenues and expenses. The smaller deficit in the balance of *other services in total* was largely due to higher revenues from computer engineering services, accompanied by lower expenditure on these services. The

deficit was also reduced in year-on-year terms through higher revenues from legal, accounting and advisory services, as well as through lower expenditure on technical and financial services. The balance of transportation services improved in year-on-year terms, with revenues from the transmission of gas and petroleum (rising by €48.1 million) and other freight transport services increased more significantly than expenditure on rail transport. Compared with the second quarter, the balance of *other services in total* improved in the third quarter, mainly as a result a drop in expenditure on construction services.

Over the first nine months of 2011, the income balance deteriorated by €307.5 million in year-on-year terms, owing to an increase in the investment income deficit. This was largely the result of the higher estimated profitability of firms with foreign participating interests and its upward effect on estimated earnings reinvested by foreign investors. The third quarter saw a marked decrease in the amount of dividends paid (compared with the second quarter), owing to the seasonal nature of this item.

The current transfers deficit decreased by €196.9 million year-on-year, owing mainly to an improvement in the *general government transfers* balance, which stemmed from a rise in revenue from EU funds in the form of current transfers. The *private transfers* balance recorded an upturn in comparison with the same period of the previous year (mainly as a result of higher revenue from grants, deposits, distraints and





Table 10 Balance of payments capital and financial account (EUR millions)		
	January – September	
	2011	2010
Capital account	627.0	702.1
Direct investment	288.9	-34.6
of residents abroad	-284.3	-258.2
of which: equity participation abroad	-6.8	-261.5
reinvested earnings	251.3	61.6
in Slovakia	573.2	223.6
of which: equity participation in Slovakia	602.4	246.5
of which: non-privatised equity	602.4	246.5
reinvested earnings	401.9	377.0
Portfolio investment and financial derivatives	174.3	-2,270.9
of residents abroad	-1,166.0	-2,347.9
in Slovakia	1,340.3	77.0
Other long-term investment	1,144.3	32.0
Assets	377.4	-45.8
Liabilities	766.9	77.8
Other short-term investment	776.3	1,855.4
Assets	-254.6	-143.7
Liabilities	1,031.0	1,999.2
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>3,010.9</b>	<b>284.1</b>

Source: NBS.

other unilateral transfers to legal entities). The revenue from transfers of this type was on the decrease during the year; in the third quarter, it accounted for only 9.4% of the annual figure.

Over the first nine months of 2011, the balance of payments on capital and financial account resulted in a surplus of €3,010.9 million, compared with a surplus of €284.1 million in the same period of 2010. The higher inflow of funds in year-on-year terms was caused mainly by developments in the portfolio investment balance, where a rise in demand among non-residents for domestic securities accompanied by a fall in demand among residents for external securities (debt and equity securities) caused a shift in the balance, from an outflow in 2010 to an inflow in 2011. The higher net inflow of funds was also supported in the *foreign direct investment* balance, mainly as a result of a rise in interest among non-residents in investment in the form of equity participation. In the balance of *other investment*, a decrease in corporate deposits held on accounts abroad, accompanied by increased borrowing, was offset by an outflow of deposits from the banking sector. Compared with the second quarter, the inflow of funds through the capital and financial account fell

by €290.6 million in the third quarter. The fall was related mainly to the activities of NBS affecting the balance of *other investment* (reduction in deposits held on NBS accounts).

From January to September 2011, foreign direct investment (FDI) resulted in an inflow of funds of €288.9 million, compared with an outflow of €34.6 million in the same period a year earlier. The year-on-year change in the *direct investment* balance was caused by an inflow of funds in the form of equity participation (foreign investors were increasingly interested in making investments in Slovakia, while domestic investors showed less interest in investment abroad), which exceeded the outflow of funds in the form of other capital (an increase in claims on, and decrease in liabilities to, direct investment enterprises and an increase in claims on direct investors). The outflow of funds in the form of other capital moderated gradually over the course of the year, from €861.5 million in the first half to €98.4 million in the third quarter.

Portfolio investment resulted in a net inflow of €174.3 million, compared with a net outflow of €2,270.9 million recorded in the first nine months of the previous year. The year-on-year



**Table 11 Capital inflows in the balance of other investment broken down by sector (EUR millions)**

	January – September 2011	January – September 2010	Year-on-year changes
Banks	934.8	2,227.0	-1,292.2
Enterprises	1,186.4	28.7	1,157.7
Government + NBS	-200.6	-368.3	167.7
Total	1,920.6	1,887.4	33.2

Source: NBS.

change from an outflow to an inflow was caused by a rise in demand among non-residents for government securities, supported on the asset side by an inflow of funds stemming from a fall in demand for foreign debt securities (in both the banking and corporate sectors). Demand among non-residents for government securities fell in the third quarter, when a net outflow of €48.6 million was recorded, while the first half of the year saw an inflow of €1,274.0 million from the sale of government securities.

In *other investment*, an inflow of €1,920.6 million was recorded in the period January to September 2011, compared with an inflow of €1,887.4 million in the same period a year earlier. The moderate year-on-year increase (€33.2 million) was caused by diverging developments in the corporate and banking sectors. While the corporate sector recorded a decrease in deposits on accounts abroad and increased borrowing, which stimulated a higher inflow in year-on-year terms, this was offset in the banking sector by a lower inflow in year-on-year terms, stemming from a fall in deposits held on Slovak bank accounts and an increase in deposits held abroad. Developments in the third quarter were influenced most significantly by NBS activities, when a decrease in deposits on NBS accounts was only partly offset by an increase in funds obtained from financial loans. This led to an outflow in *other investment* in the total amount of €57.2 million, compared with an inflow of €1,977.8 million in the first half of the year.

### EXTERNAL DEBT OF SLOVAKIA AS AT 30 SEPTEMBER 2011

The total gross external debt of Slovakia as at the end of September 2011 amounted to €53.2 billion (USD 71.8 billion), which represented an increase of €3.9 billion (USD 6.0 billion) from its level at the beginning of 2011. From the start of the

year, the level of external debt in USD continued to be affected by movements in the EUR/USD cross rate. The external debt of Slovakia is formed predominantly by liabilities in EUR. For that reason, comments on the external debt are formulated in this currency.

Total long-term external debt was €2.9 billion higher at the end of September 2011 than at the beginning of the year, while total short-term external debt increased by €1.0 billion.

Within the country's long-term external debt, the external liabilities of the Government and NBS increased by €2.4 billion, including €2.2 billion under the item of bonds and notes. The commercial sector's long-term external debt rose by €0.5 billion over the period under review.

As regards short-term external debt, the short-term liabilities of commercial banks climbed by €1.2 billion (borrowings increased €0.5 billion and cash and deposits by €0.6 billion) and the short-term liabilities of enterprises rose by €0.1 billion). The short-term external liabilities of the Government and NBS decreased by €0.3 billion, while cash and deposits (Target 2) dropped by €2.1 billion and short-term central bank borrowings rose by €1.8 billion (as at the start of the year). In the third quarter, they increased still further, by €2.7 billion compared with the second quarter.

In per capita terms, Slovakia's total gross external debt as at the end of September amounted to €9,843, compared with €9,121 as at 31 December 2010 (a rise of €722). The ratio of total short-term external debt to Slovakia's total gross external debt as at end-September 2010 stood at 53.0% and was 2.1 percentage points lower than the ratio of 55.1% reported as at 31 December 2010.

The net external debt of Slovakia as at 30 September 2011 amounted to €15.1 billion (debtor



**Table 12 External debt of the Slovak Republic**

	USD millions			EUR millions		
	31.12.2010	30.6.2011	30.9.2011	31.12.2010	30.6.2011	30.9.2011
Total external debt of the SR	65,823.8	76,125.3	71,786.5	49,261.9	52,670.8	53,163.3
Long-term external debt	29,554.5	35,388.0	33,777.1	22,118.3	24,484.7	25,014.5
Government and NBS <sup>1)</sup>	13,296.2	17,797.2	16,619.5	9,950.7	12,313.7	12,308.0
Commercial banks	3,893.8	3,808.4	3,639.5	2,914.1	2,635.0	2,695.3
Enterprises	12,364.5	13,782.4	13,518.1	9,253.5	9,536.0	10,011.2
Short-term external debt	36,269.3	40,737.3	38,009.4	27,143.6	28,186.1	28,148.8
Government and NBS	19,661.4	21,525.1	19,475.8	14,714.4	14,893.2	14,423.3
Commercial banks	4,466.6	6,085.9	6,118.1	3,342.8	4,210.8	4,530.9
Enterprises	12,141.3	13,126.3	12,415.5	9,086.4	9,082.1	9,194.6
External assets	48,274.2	55,761.1	51,470.6	36,128.0	38,581.0	38,117.9
Net external debt	17,549.6	20,364.2	20,315.9	13,133.9	14,089.8	15,045.4
EUR/USD cross rate	1.3362	1.4453	1.3503	-	-	-

Source: NBS.

1) Including government agencies and municipalities.

position), representing a rise of €1.9 billion since the beginning of the year. The figure was calculated as the difference between the gross external debt, i.e. €53.2 billion (comprising liabilities of the Government and NBS, commercial banks and the corporate sector – except for equity participations), and external assets, i.e. €38.1 billion (comprising the foreign reserves of NBS and foreign assets of commercial banks and the corporate sector – except for equity participations).

According to preliminary data, the ratio of Slovakia's total gross external debt to GDP (at current prices) reached 77.7% as at 30 September 2011, representing an increase of 3.0 percentage points compared with the end-2010 figure (74.7%).

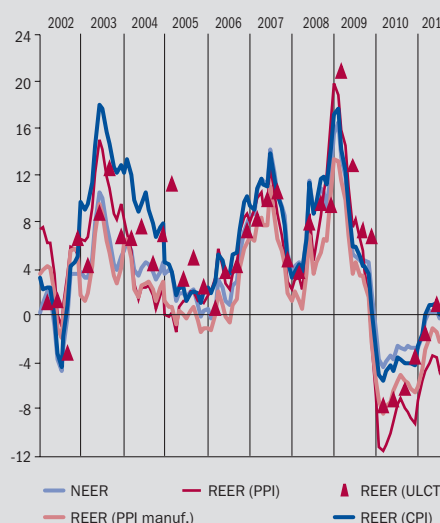
## NOMINAL AND REAL EFFECTIVE EXCHANGE RATES

The nominal effective exchange rate (NEER)<sup>13</sup> appreciated by 1.2% year-on-year in September 2011, after depreciating by 2.8% in December 2010. The strengthening of the NEER index stemmed mainly from appreciation against the Polish zloty, to the extent of 0.6 percentage point. Compared with June 2011, the year-on-year appreciation of the NEER accelerated by 0.8 percentage point.

The appreciation of the NEER, combined with a positive inflation differential, resulted in the

CPI-based real effective exchange rate (REER) appreciating by 2.1% year-on-year, in contrast to its depreciation by 4.1% in December 2010. The REER based on the industrial producer price index (PPI) and the REER based on the manufacturing products price index (PPI manufacturing) each recorded a slower rate of depreciation in year-on-year terms. The depreciation of the PPI-based REER slowed from 9.2% to 3.0%, and that of the

**Chart 35 NEER and REER indices (15 trading partners; year-on-year changes in %)**



Source: NBS.

Note: + represents appreciation of the indices and – represents depreciation.

13 The methodology that NBS uses to calculate the effective exchange rate is available on the NBS website at: [http://www.nbs.sk/\\_img/Documents/\\_Statistika/VybrMakroUkaz/EER/NEER\\_REER\\_Metodika.pdf](http://www.nbs.sk/_img/Documents/_Statistika/VybrMakroUkaz/EER/NEER_REER_Metodika.pdf)



PPI manufacturing-based REER from 6.6% to 1.5%. The continuing moderation of the negative inflation differential vis-à-vis the relevant foreign trading partners of Slovakia, measured in terms of the PPI and PPI-manufacturing price indices, contributed to the weakening depreciation of the relevant REER indices. The slowdown in the rate of depreciation was more pronounced

than the change in the rate of the NEER index. In September, the year-on-year appreciation of the CPI-based REER accelerated in comparison with June by 1.1 percentage points, while the depreciation of the PPI-based REER slowed by 0.5 percentage point and that of the PPI manufacturing-based REER accelerated by 0.1 percentage point.



# QUARTERLY REPORT ON THE REAL ECONOMY

## THE REAL ECONOMY IN THE THIRD QUARTER OF 2011

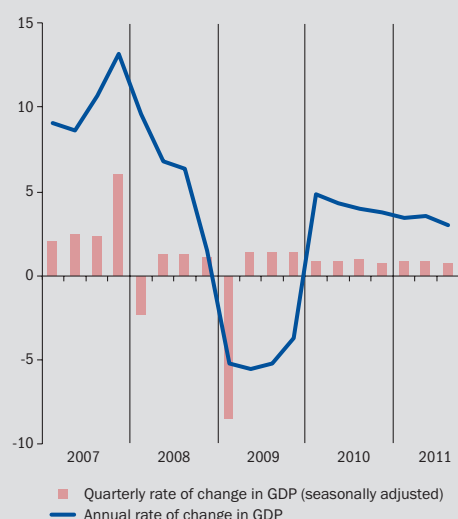
### GROSS DOMESTIC PRODUCT

In the third quarter of 2011, Slovakia's annual GDP growth slowed to 3.0% (at constant prices), according to data from the Statistical Office of the Slovak Republic. In quarter-on-quarter

terms, seasonally adjusted GDP grew by 0.8% in the third quarter of the year.

Measured by output performance, annual GDP growth in the third quarter of 2011 was driven mainly by value added growth in almost all sectors, especially in industry and construction. Meanwhile, value added in agriculture continued to decline in year-on-year terms, as in the previous period.

**Chart 36 GDP – annual and quarterly rates of change (%)**



Source: SO SR.

**Chart 37 Domestic and external demand (index: same period a year earlier = 100)**



Source: SO SR; NBS calculations.

**Table 13 GDP by expenditure (index: same period a year earlier = 100, constant prices)**

Indicator	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross domestic product	104.9	104.4	104.0	103.7	104.2	103.4	103.5	103.0
Domestic demand	101.2	105.2	106.5	103.7	104.2	100.7	100.4	95.6
Final consumption	101.2	98.9	100.0	99.4	99.8	99.4	98.6	98.6
Final consumption of households	99.6	98.1	99.2	100.0	99.2	99.8	99.9	99.1
Final consumption of general government	106.6	100.9	102.4	97.6	101.5	97.9	94.9	96.7
Non-profit institutions serving households	102.2	101.3	101.2	100.9	101.4	101.4	101.0	101.4
Gross fixed capital formation	109.5	111.3	113.4	115.1	112.4	101.6	106.4	105.9
Exports of goods and services	117.6	116.7	116.2	115.8	116.5	116.8	113.1	106.8
Imports of goods and services	111.8	118.0	120.0	115.5	116.3	111.4	110.9	98.2

Source: SO SR.

**Table 14 Structure of gross fixed capital formation in the third quarter of 2011 (current prices)**

	Gross fixed capital formation (EUR millions)	Proportion (%)	Index	
			Q2 2011 Q2 2010	Q3 2011 Q3 2010
Slovak economy in total	3,893.1	100.0	105.9	106.2
<i>of which, by sector:</i>				
Non-financial corporations	2,593.5	66.6	106.6	108.1
Financial corporations	86.3	2.2	188.4	248.0
General government	389.5	10.0	98.8	98.6
Households	814.3	20.9	104.7	98.5
Non-profit institutions	9.5	0.2	100.7	100.9
<i>of which, by segment of production:</i>				
Machinery	1,582.5	40.7	110.9	111.2
<i>of which: Other machines and equipment</i>	1,117.3	28.7	111.8	110.4
Transport equipment	465.2	12.0	108.8	113.3
Buildings	1,853.1	47.6	102.5	102.6
<i>of which: Residential buildings</i>	451.6	11.6	101.3	101.2
Other buildings	1,401.5	36.0	102.9	103.0

Source: SO SR.

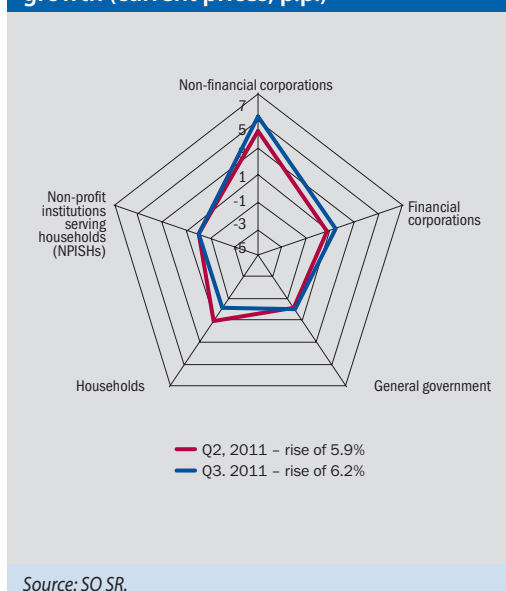
Nominal GDP for the third quarter of 2011 increased by 4.6% year-on-year, to stand at €18.3 billion.

**DEMAND**

In expenditure terms, GDP growth in the third quarter of 2011 was influenced mainly by a rise in external demand (exports of goods and services climbed by 6.8%), even though the rate of growth slowed considerably. Domestic demand<sup>14</sup> fell again (by 4.4%), mainly owing to a decrease in both private and general government consumption. The drop in consumer demand was to some extent offset by continued growth in gross fixed capital formation.

Gross fixed capital formation (at current prices) grew at a somewhat faster pace than in the previous quarter, despite a fall in corporate profits. The third quarter of 2011 saw an increase in investment in all types of assets. However, the acceleration in gross fixed capital formation was driven mainly by increased investment in transport equipment, other buildings, and intangible fixed assets.

Growth in investment activity could be observed in non-financial and financial corporations, while investment in the public sector continued to decline

**Chart 38 Contributions to fixed investment growth (current prices; p.p.)**

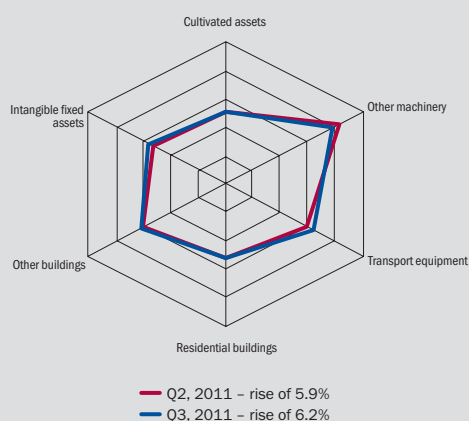
Source: SO SR.

slowly in year-on-year terms. The investment activity of households started to fall, too.

Household final consumption continued to decline in the third quarter (after falling by 0.1%

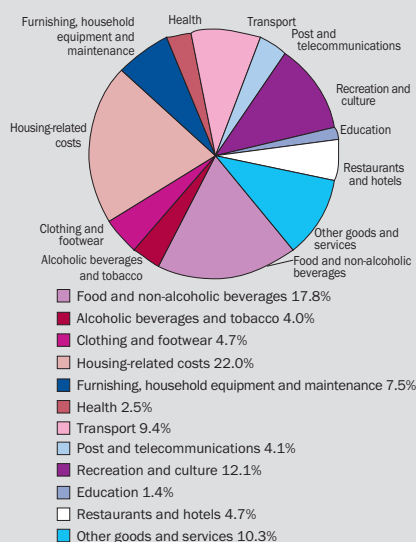
<sup>14</sup> The sum of final consumption by households, final consumption by general government, final consumption by non-profit institutions serving households, and gross capital formation.

**Chart 39 Contributions to fixed investment growth (current prices; p.p.)**



Source: SO SR.

**Chart 40 Structure of household final consumption in the third quarter of 2011 (shares in %)**



Source: SO SR.

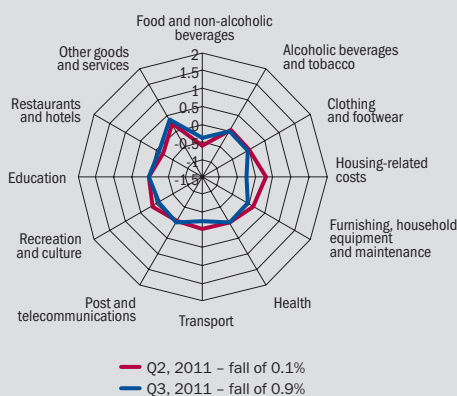
Note: The individual items of final consumption do not add up to 100%.

in the second quarter), despite a more favourable situation in the labour market and continuing rise in household incomes. The still-deteriorating indicator of consumer confidence and fears about the future economic situation caused a further increase in the household saving ratio in the quarter under review. Owing to the continuing fall in household final consumption and trend growth in lending, the total claims of monetary financial institutions (MFIs) on households, as a share of household final consumption, continued to increase in the third quarter, by 0.7 percentage point compared with the previous quarter, to 43.2%.

Looking at the breakdown of consumer spending (at constant prices), the main factors in low household consumption were the continuing decline in expenditure on food and non-alcoholic beverages and lower expenditure on transport and housing-related costs. Despite these developments, expenditures on food and on housing-related costs continued to account for the largest proportion of overall household consumption expenditure.

The expected slowdown in economic growth in Slovakia's main trading partners for the third quarter of 2011 led to slower growth in nominal exports of goods and services (10.9%).

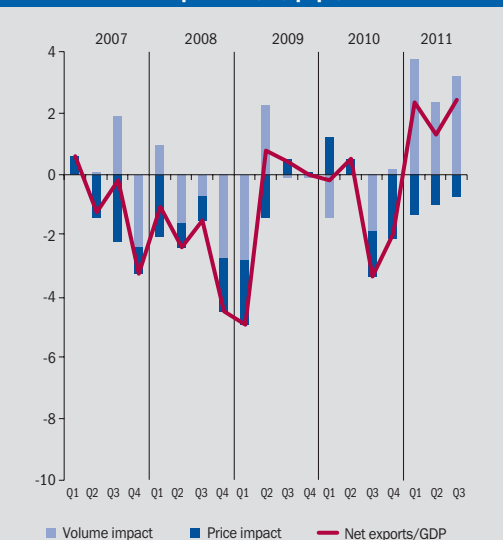
**Chart 41 Household final consumption growth broken down by component (p.p.)**



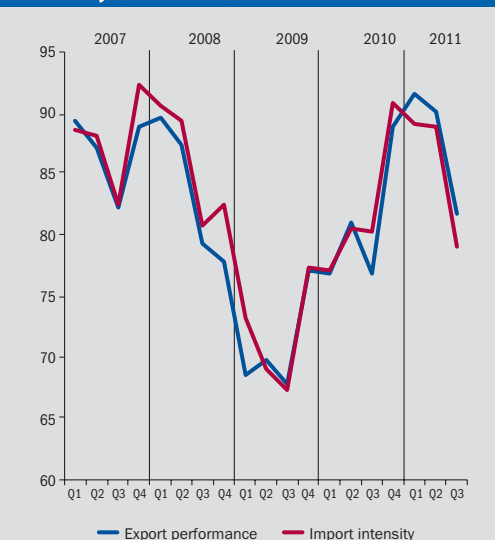
Source: NBS calculations based on SO SR data.

Note: The individual items of final consumption do not add up to 100%.

Imports of goods and services, however, were growing at a much slower pace than exports (at 3.1%), as a result of decelerating export growth and continuing decline in household consumption. This led to a trade balance surplus

**Chart 42 Contribution of net exports to GDP at current prices (%; p.p.)**


Source: NBS calculations based on SO SR data.

**Chart 43 Export performance and import intensity (% of GDP)**


Source: SO SR.

of €454.0 million. Thus, net exports continued to be the main source of GDP growth.

The net export surplus, adjusted for price developments in external markets, reached €1,382.0 million (at constant prices), compared with €1,169.9 million in the previous quarter.

Price developments in external trade were influenced by a decelerating rise in oil prices and in prices of other non-energy commodities. This was reflected in the import deflator, which slowed to 4.9%, while the export deflator increased by 3.9% amid the rise in industrial producer prices. With import prices rising more

**Table 15 Export growth and import growth by contribution of price and volume changes (p. p.)**

Indicator	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Exports of goods and services (annual percentage change measured at current prices)	16.2	22.0	20.8	20.6	20.0	24.1	17.5	10.9
Contribution of volume	17.6	16.7	16.2	15.8	16.5	16.8	13.1	6.8
Contribution of price	-1.4	5.3	4.6	4.8	3.5	7.4	4.4	4.1
Imports of goods and services (annual percentage change measured at current prices)	8.7	22.6	26.9	23.2	20.5	20.5	16.5	3.1
Contribution of volume	11.8	18.0	20.0	15.5	16.3	11.4	10.9	-1.8
Contribution of price	-3.1	4.6	7.0	7.7	4.2	9.1	5.7	4.8
Contribution of net exports to GDP growth (contribution in % at current prices)	-0.2	0.6	-3.3	-1.9	-1.3	2.4	1.4	2.5
Contribution of volume	-1.4	0.1	-1.9	0.2	-0.8	3.7	2.3	3.2
Contribution of price	1.2	0.5	-1.5	-2.1	-0.5	-1.3	-1.0	-0.7
Terms of trade (index)	101.6	100.6	98.2	97.7	99.4	98.3	98.8	99.0

Source: NBS calculations based on SO SR data.

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



**Table 16 Seasonally adjusted GDP by expenditure (quarterly percentage changes; at constant prices)**

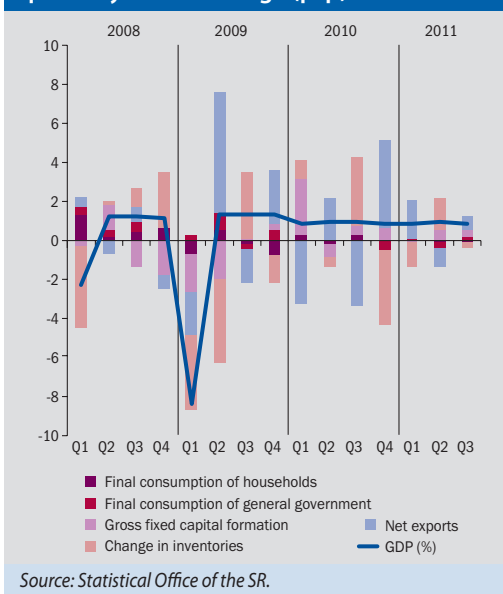
Indicator	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross domestic product	0.8	0.9	0.9	0.8	4.2	0.8	0.8	0.8
Final consumption:	0.1	-0.4	0.0	-0.4	-0.2	-0.3	-0.4	-0.3
Households and NPISHs	0.4	-0.4	0.4	-0.2	-0.7	0.0	-0.2	-0.3
General government	0.1	-0.1	-0.4	-2.3	1.5	0.0	-1.6	1.0
Gross fixed capital formation	13.8	-2.8	2.3	2.7	12.4	-0.4	2.2	1.3
Exports of goods and services	1.0	3.5	4.9	4.6	16.5	3.9	-0.8	-2.1
Imports of goods and services	5.4	0.8	9.3	-0.6	16.3	1.7	0.3	-3.1

Source: SO SR.

sharply than export prices, the terms of trade continued to deteriorate.

The export performance of the Slovak economy weakened in the third quarter of 2011 (by 8.6 percentage points) and the contribution of net exports of goods and services to GDP (at current prices) stood at 81.6%. Import intensity also decreased, by 9.7 percentage points to 79.1%. The openness of the Slovak economy, expressed in terms of the ratio of exports / imports of goods and services to nominal GDP, fell by 18.3 percentage points compared with the previous quarter, to 160.7%.

According to seasonally adjusted data, GDP for the third quarter of 2011 was 0.8% higher than GDP for the previous quarter. Looking at GDP growth in quarter-on-quarter terms, the components of domestic demand that made a positive contribution were fixed capital formation and the slightly increased general government consumption. Private consumption continued to fall in quarter-on-quarter terms, as in the previous quarter. The moderating growth in the euro area and the neighbouring countries led to decline in Slovakia's export performance, compared with the previous quarter. With imports of goods and services declining too, net exports made a positive contribution to GDP growth. In the period ahead, the quarter-on-quarter rate of economic growth is expected to moderate, owing to subdued external trade and slightly increased domestic demand.

**Chart 44 Seasonally adjusted GDP at constant prices by contribution to its quarterly rate of change (p. p)**


Source: Statistical Office of the SR.

#### SUPPLY

GDP growth in the third quarter of 2011 was driven by a modest rise in value added, by 3.2% at constant prices (compared with 2.8% in the previous quarter). The modest acceleration was related to slower growth in intermediate consumption (3.3%), while gross output increased by 3.2%. Net taxes on products went up by 1.3%.

Almost all the sectors<sup>15</sup> contributed to value added growth, especially industry and construction,

<sup>15</sup> As of the first quarter of 2011, data on value added for the individual sectors are recorded according to the NACE Rev.2 methodology.

**Table 17 GDP and its components (index: same period a year earlier = 100; constant prices)**

	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross output	107.9	110.3	110.6	106.5	108.7	107.5	108.2	103.2
Intermediate consumption	109.8	114.7	116.0	108.1	111.9	109.9	111.8	103.3
Value added	105.2	104.4	103.9	103.7	104.3	103.7	102.8	103.2
Net taxes on products <sup>1)</sup>	102.9	104.6	105.1	103.6	104.0	100.5	110.7	101.3

Source: SO SR.

<sup>1)</sup> Value added tax, excise tax, import tax, less subsidies.**Table 18 GDP development by sector (index: same period a year earlier = 100; at constant prices)**

Branch of economic activity	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross domestic product	104.9	104.4	104.0	103.7	104.2	103.4	103.5	103.0
of which:								
Agriculture	115.9	138.5	95.8	84.7	105.0	63.5	70.8	90.4
Industry	129.5	118.2	134.3	141.1	130.8	124.2	121.5	102.7
Construction	93.1	101.0	109.1	113.0	105.6	99.8	93.7	106.5
Trade, repair of motor vehicles, accommodation and food services, transportation and storage	102.9	94.2	79.8	74.8	87.4	90.8	88.1	102.8
Information and communication	98.9	98.1	114.6	97.1	102.1	105.2	105.8	107.3
Financial and insurance activities	94.9	96.5	88.1	89.0	92.1	90.6	95.9	100.0
Real estate activities	96.9	101.6	94.1	92.7	96.2	94.7	101.7	112.6
Professional, scientific, technical and administration activities	79.2	85.3	74.6	79.1	79.5	103.5	99.0	116.5
Public administration, education, health and other services	95.6	109.1	106.1	103.2	103.5	94.5	107.3	100.4
Arts, entertainment and recreation; other activities	104.6	108.5	111.8	100.9	106.4	110.6	80.5	88.4
Net taxes on products <sup>1)</sup>	102.9	104.6	105.1	103.6	104.0	100.5	110.7	101.3

Source: SO SR.

<sup>1)</sup> Value added tax, excise tax, import tax, less subsidies.

except for agriculture where value added continued to fall.

Confidence in the economy, as measured by the economic sentiment indicator, deteriorated considerably in the third quarter of 2011; this led to slowdown in the annual rate of economic

growth. In quarter-on-quarter terms, however, the economy continued to grow at a moderate pace. The confidence trend in the economy in the period ahead indicates that economic growth is expected to slow still further amid the persisting negative sentiment.

**Chart 45 Economic sentiment indicator and GDP**


Source: SO SR, European Commission.

## GROSS NATIONAL INCOME

Gross national income (GNI)<sup>16</sup> in the third quarter of 2011 recorded a year-on-year increase of 3.5% (at current prices), according to data from the Statistical Office of the Slovak Republic. Compared with the previous period, annual GNI growth accelerated by 2.4 percentage points. Gross national disposable income (GNDI), measured at current prices, increased by 4.0% year-on-year.

The smaller volume of GNI compared with GDP indicates that in the third quarter of 2011, as in

the previous quarter, remittances from residents working abroad (employee compensation) continued to be lower than the outflow of income from economic activity in the domestic economy to foreign countries (property income, reinvested earnings, interest income). The slowdown in GNI growth was related to a steeper rise in the outflow of income from the domestic economy and a slower increase in remittances from residents working abroad.

## WAGES AND LABOUR PRODUCTIVITY

The average monthly nominal wage of an employee in the Slovak economy increased in the third quarter of 2011 by 2.5% year-on-year, to €769. The seasonally adjusted nominal wage growth was 0.5 percentage point higher than in the previous quarter. The average real wage in the third quarter fell by 1.4% year-on-year, owing to a steeper rise in consumer prices.

The strongest nominal wage growth in this period was observed in the sectors of information and communication (14.3%), financial and insurance activities (8.3%), industry (4.8%), and construction (4.5%). In four sectors, however, the average nominal wage remained below the level of the previous year. The sharpest fall was recorded in real estate activities (2.4%).

As employment growth slowed, the annual rate of growth in labour productivity accelerated somewhat in comparison with the previous quarter. Labour productivity growth was 2.7

**Table 19 Comparison of GDP, GNI and GNDI (EUR millions; current prices)**

Indicator	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross domestic product (GDP)	15,195	16,312	17,476	16,904	65,887	15,872	17,226	18,286
Gross national income (GNI)	15,057	16,000	17,296	16,635	64,988	15,605	16,948	17,906
Gross national disposable income (GNDI)	15,048	15,817	17,037	16,477	64,379	15,654	16,839	17,720
GDP – growth index	103.2	104.8	106.1	104.8	104.8	104.5	105.6	104.6
GNI – growth index	102.2	105.5	105.5	106.5	105.0	103.6	105.9	103.5
GNDI – growth index	103.0	106.0	105.2	106.6	105.2	104.0	106.5	104.0
GNI/GDP ratio in %	99.1	98.1	99.0	98.4	98.6	98.3	98.4	97.9
GNDI/GDP ratio in %	99.0	97.0	97.5	97.5	97.7	98.6	97.8	96.9

Source: SO SR; NBS calculations.

<sup>16</sup> Gross national income (GNI) is one of the macroeconomic indicators used for measuring the output of the economy according to the national concept; GDP, by contrast, 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; it is calculated as GNI less current transfers paid to non-resident units, plus current transfers received from non-resident units.

**Table 20 Average monthly wages and labour productivity in the Slovak economy (index: same period a year earlier = 100)**

	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Nominal wages (index)	102.1	103.6	103.7	103.8	103.2	102.9	103.0	102.5
Real wages	101.6	102.4	102.6	102.7	102.2	99.6	99.1	98.6
Labour productivity, at current prices	106.6	106.4	106.5	104.1	106.0	101.7	103.2	102.9
Labour productivity, at constant prices	108.4	106.0	104.4	103.1	105.4	100.6	101.2	101.3
Real labour productivity – real wages (p.p.)	6.8	3.6	1.8	0.4	3.2	1.0	2.1	2.7
CPI (average for the period)	100.5	101.2	101.1	101.1	101.0	103.3	103.9	104.0

Source: SO SR; NBS calculations.

Note: Labour productivity is calculated on the basis of GDP and employment data according to quarterly statistical reporting.

**Chart 46 Real wages and labour productivity (%)**



Source: SO SR; NBS calculations.

percentage points faster than the annual rate of change in real wages, which was falling from the beginning of 2011 owing to a steeper rise in consumer prices.

Nominal compensation per employee<sup>17</sup> (ESA 95) continued to grow in the third quarter of 2011 in year-on-year terms. Compared with the previous quarter, the rate of growth in employee compensation accelerated by 1.2 percentage points, to 1.7%. Real compensation per employee fell by 2.0% year-on-year amid steeper rises in prices. The strongest growth in nominal compensation per employee was recorded in the sectors of financial and insurance activities, agriculture, information and communication, trade and industry.

Labour productivity, calculated according to ESA 95, increased year-on-year by 2.9% in nominal

**Table 21 Average compensation per employee and labour productivity in the Slovak economy (ESA 95 methodology; index: same period a year earlier = 100)**

	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Nominal compensation per employee	103.8	106.0	105.3	102.6	104.4	101.6	100.5	101.7
Real compensation per employee	104.8	105.0	103.5	100.2	103.4	98.0	96.8	98.0
Labour productivity, at current prices	106.5	107.4	107.0	104.4	106.4	102.1	103.3	102.9
Labour productivity, at constant prices	108.3	107.0	104.9	103.3	105.8	101.0	101.2	101.3
Real labour productivity – real compensation per employee (p.p.)	3.5	2.0	1.4	3.1	2.4	3.0	4.4	3.3
ULC nominal	95.8	99.0	100.4	99.3	98.7	100.6	99.2	100.4
Deflator of household final consumption	99.1	100.9	101.7	102.3	101.0	103.7	103.8	103.7

Source: SO SR; NBS calculations.

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

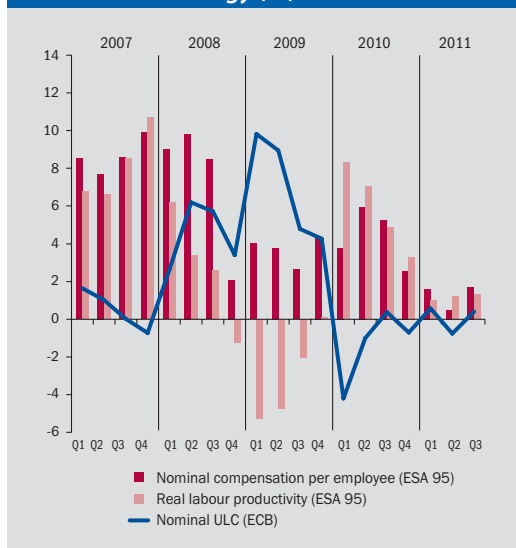
<sup>17</sup> As defined by the Statistical Office of the Slovak Republic, compensation means remuneration paid by employers to employees.

**Table 22 Real labour productivity and compensation per employee in the third quarter of 2011 (index: same period a year earlier = 100)**

	Real labour productivity	Real compensation per employee
Economy in total	101.3	98.0
Agriculture and fishing	88.3	100.7
Industry	99.6	99.9
Construction	107.4	93.7
Wholesale trade, retail trade, repair of motor vehicles; transportation and storage; accommodation and food services	103.0	100.0
Information and communication	101.3	100.3
Financial and insurance activities	99.4	101.0
Real estate activities	99.6	91.3
Professional, scientific and technical activities and administrative services	107.1	92.5
Public administration and defence, education and health	101.2	96.3
Arts, entertainment and recreation	86.7	95.5

Source: SO SR; NBS calculations.

**Chart 47 Unit labour costs by component in ECB methodology (%)**



Source: SO SR; NBS calculations.

terms and by 1.3% in real terms. The largest contributions to real labour productivity growth came from construction, professional activities, administrative services, and trade.

Unit labour costs as defined in the ECB's methodology ( $ULC_{ECB}$ ), calculated 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, increased in the third quarter of 2011 by 0.4% year-on-year, after falling in the previous quarter.

## INCOME AND EXPENDITURE OF HOUSEHOLDS

The current income of households in the third quarter of 2011 reached €14.6 billion, representing a year-on-year rise of 3.8% in nominal terms, according to data from the Statistical Office of the Slovak Republic. Compared with the second quarter, the rate of growth accelerated by 0.6 percentage point, mainly due to increases in employee compensation and incomes earned by self-employed.

Current household expenditure (expenses paid to other sectors and not used for direct consumption) increased by 2.9% year-on-year, to €3.8 billion. Its growth was largely attributable to a rise in social contributions.

The gross disposable income of households (current income less current expenditure) amounted to €10.8 billion, which represented a year-on-year rise of 4.1%. Of that income, households spent 92.0% on final consumption. The third-quarter decrease in household consumption expenditure was reflected in



**Table 23 Generation and use of income in the household sector (at current prices)**

	EUR billions		Same period a year earlier = 100 (%)		Percentage share	
	Q3 2010	Q3 2011	Q3 10 Q3 09	Q3 11 Q3 10	Q3 2010	Q3 2011
Item	6.5	6.7	4.1	3.2	46.2	45.9
Employment compensation (all sectors)	5.1	5.3	4.8	3.8	36.0	36.0
of which: gross wages and salaries	4.3	4.5	4.5	4.6	30.7	31.0
Gross mixed income	0.4	0.4	-4.4	4.0	2.8	2.8
Property income – received	2.3	2.4	2.5	3.4	16.4	16.3
Social benefits	0.6	0.6	6.1	6.5	3.9	4.0
<b>Other current transfers – received</b>	<b>14.1</b>	<b>14.6</b>	<b>3.8</b>	<b>3.8</b>	<b>100.0</b>	<b>100.0</b>
Property income – paid	0.1	0.1	-11.6	2.6	3.5	3.5
Current taxes on income, assets, etc.	0.5	0.5	1.3	7.1	12.2	12.7
Social contributions	2.4	2.5	0.3	2.5	66.1	65.9
Other current transfers – paid	0.7	0.7	13.3	1.5	18.2	17.9
<b>Current expenditure in total</b>	<b>3.7</b>	<b>3.8</b>	<b>2.1</b>	<b>2.9</b>	<b>100.0</b>	<b>100.0</b>
<b>Gross disposable income</b>	<b>10.4</b>	<b>10.8</b>	<b>4.4</b>	<b>4.1</b>	-	-
Adjustment results from changes in net equity of households in pension fund reserves	0.2	0.3	8.6	17.5	-	-
Final consumption of households	9.7	10.0	0.9	2.9	-	-
Gross household savings	1.0	1.1	62.1	20.4	-	-

Source: SO SR.

**Table 24 Gross disposable income (index: same period a year earlier = 100; constant prices)**

	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Gross disposable income	101.1	105.1	104.4	106.0	104.2	103.5	103.7	104.1
Household final consumption	98.7	99.0	100.9	102.4	100.3	103.5	103.8	102.9
Household gross savings	183.7	198.3	162.1	122.7	146.3	100.6	102.9	120.4
Gross savings as a share of gross disposable income (%)	5.4	11.0	9.2	21.3	12.2	5.3	10.9	10.6

Source: SO SR; NBS calculations.

household gross savings for the period, which increased by 20.4% year-on-year, as well as in the savings ratio (gross savings as a share of gross disposable income), which climbed by 1.4 percentage points year-on-year to 10.6%.

## EMPLOYMENT AND UNEMPLOYMENT

In the third quarter of 2011, employment recorded year-on-year growth under each of

the three measurement methodologies. In quarter-on-quarter terms, however, the rate of growth in employment slowed. According to statistical reports, employment grew by 1.6% year-on-year; according to the methodology of national accounts (ESA 95) its level rose by 1.7% and according to a labour force sample survey (LFSS) by 1.3%. According to ESA 95, seasonally adjusted employment rose by 0.3% quarter-on-quarter, reflecting the trend in economic development.

**Table 25 Employment and unemployment (average for the period)**

	2010					2011		
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3
Employment according to statistical reports <sup>1)</sup> thousands of persons	2,128.2	2,150.0	2,154.6	2,175	2,151.9	2,185.6	2,200.6	2,190.0
index: same period a year earlier = 100	96.8	98.5	99.6	100.6	98.9	102.7	102.4	101.6
Employment according to a labour force sample survey thousands of persons	2,283.1	2,312.5	2,335.0	2,339.4	2,317.5	2,332.0	2,355.6	2,366.5
index: same period a year earlier = 100	95.6	97.2	98.7	100.4	98.0	102.1	101.9	101.3
Employment according to ESA 95 thousands of persons	2,148.6	2,162.2	2,179.7	2,188.8	2,169.8	2,198.4	2,211.2	2,216.1
index: same period a year earlier = 100	96.9	97.5	99.2	100.4	98.5	102.3	102.3	101.7
Unemployment according to a labour force sample survey thousands of persons	407.1	388.3	383.3	377.3	389.0	375.6	356.5	357.8
index: same period a year earlier = 100	144.9	128.5	113.1	100.7	120.0	92.3	91.8	93.3
Unemployment rate according to a labour force sample survey in %	15.1	14.4	14.1	13.9	14.4	13.9	13.1	13.1
Rate of registered unemployment in % <sup>1)</sup>	12.9	12.4	12.3	12.3	12.5	13.1	12.9	13.2

Source: SO SR.

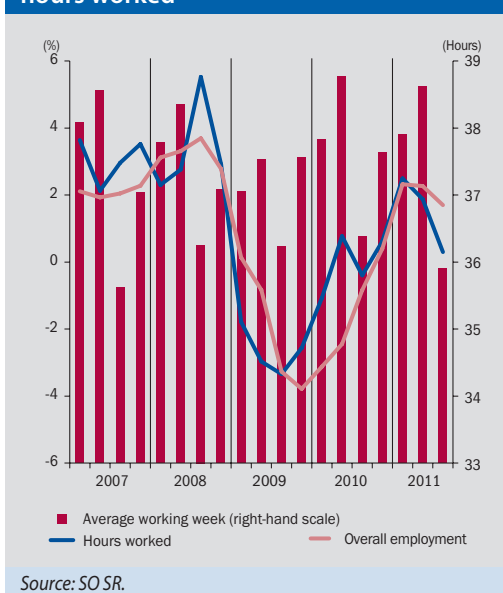
<sup>1)</sup> NBS calculations based on monthly data from the Central Office of Labour, Social Affairs and Family.

Employment expressed in terms of the number of hours worked increased by 0.3% year-on-year in the third quarter, but the rate of growth slowed in comparison with the previous quarter by 1.6 percentage points. In quarter-on-quarter terms, the seasonally adjusted number of hours worked decreased by 0.5%. As a result of slower growth in the number of hours worked, the average working week contracted from 37.6 hours in the second quarter to 37.2 hours in the third quarter.

In terms of structure, overall employment (LFSS) in the third quarter was influenced by an increase in the number of employees (1.0%), as well as in the number of self-employed persons (3.6%).

At the sectoral level, growth in employment (ESA 95) in the third quarter of 2011 was driven mainly by rising employment in the professional, scientific and administrative services sector, and in industry. Employment in construction and public administration continued to fall in year-on-year terms. The quarter-on-quarter growth in seasonally adjusted employment (0.3%) took place mostly in professional, scientific and administrative services, where the number of employees increased by 9,200 compared with the second quarter of 2011.

According to a labour force sample survey, the number of unemployed in the third quarter of

**Chart 48 Number of employed and of hours worked**


2011 decreased by 6.7% year-on-year, to 357,800. This decrease was also reflected in the average unemployment rate, which at 13.1% for the third quarter was 1.0 percentage point lower than the figure for the same period of 2010. At the same time, the number of long-term unemployed dropped by 14,500 year-on-year, and as a share



**Table 26 Developments in employment by sector (ESA 95 methodology; SK NACE Rev. 2)  
(index: same period a year earlier = 100)**

	2010					2011		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
Economy in total	96.9	97.5	99.2	100.4	98.5	102.3	102.3	101.7
Agriculture and fishing	94.2	86.3	88.8	95.0	90.9	104.6	104.9	102.4
Industry	89.7	94.9	98.5	101.7	96.0	103.7	103.6	103.1
Construction	98.4	97.3	96.4	99.1	97.8	98.4	97.9	99.2
Wholesale trade, retail trade, repair of motor vehicles; transportation and storage; accommodation and food services	97.8	97.5	98.8	100.7	98.7	101.4	102.6	99.8
Information and communication	98.8	98.4	99.5	99.2	99.0	110.3	108.8	105.9
Financial and insurance activities	97.8	97.6	98.7	98.0	98.0	98.6	100.0	100.6
Real estate activities	99.8	105.6	109.7	109.0	106.0	116.6	106.6	113.0
Professional, scientific and technical activities and administrative services	105.3	104.2	107.5	103.0	105.0	109.0	106.8	108.8
General government and defence, education and health	100.5	100.0	100.0	99.4	100.0	99.4	99.1	99.2
Arts, entertainment and recreation	97.7	94.2	94.7	95.6	95.5	100.6	102.1	102.0

Source: SO SR.

of the total number of unemployed it reached 62.1%. According to the registers of Offices for Labour, Social Affairs and Family, the average unemployment rate in the third quarter of 2011 stood at 13.2%.

### FINANCIAL RESULTS IN THE THIRD QUARTER OF 2011

For the third quarter of 2011, financial and non-financial corporations reported profits in the

total amount of €2,328.7 million, according to preliminary data from the Statistical Office of the Slovak Republic. The profits generated in this period were 10.2% (€264.0 million) lower than in the same period a year earlier (the second quarter saw an increase of 14.8%). This result was due to deteriorated financial performance in both sectors. Owing to an unfavourable trend in financial performance, the profits of non-financial corporations dropped to €2,032.0 million (by 9.2%), after rising in the second quarter by 2.4%. Financial corporations also recorded a negative

**Table 27 Financial results (EUR millions, current prices)**

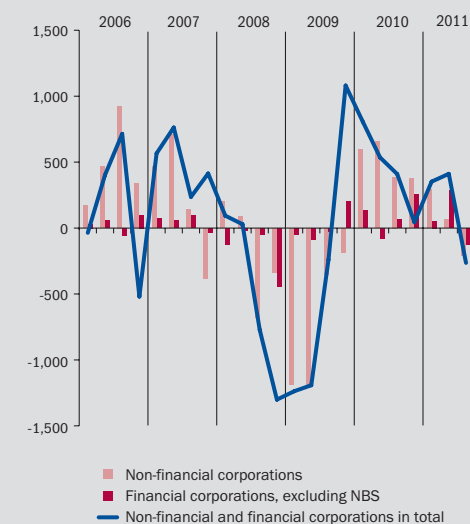
Profit/loss (before taxes)	Q3 2010	Q3 2011	$\frac{\text{Q3 2011}}{\text{Q3 2010}}$
	EUR million	EUR million	annual growth in %
<b>Non-financial and financial corporations in total</b>	2,592.8	2,328.8	-10.2
of which:			
<b>Non-financial corporations</b>	2,239.1	2,032.0	-9.2
<b>Financial corporations</b>	353.7	296.8	-16.1
of which:			
NBS <sup>1)</sup>	39.5	105.4	166.4
Financial corporations, excluding NBS	314.2	191.5	-39.1

Source: SO SR and NBS.

1) Unaudited financial results.



**Chart 49 Financial results of financial and non-financial corporations (year-on-year absolute changes in EUR millions)**



Source: SO SR and NBS.

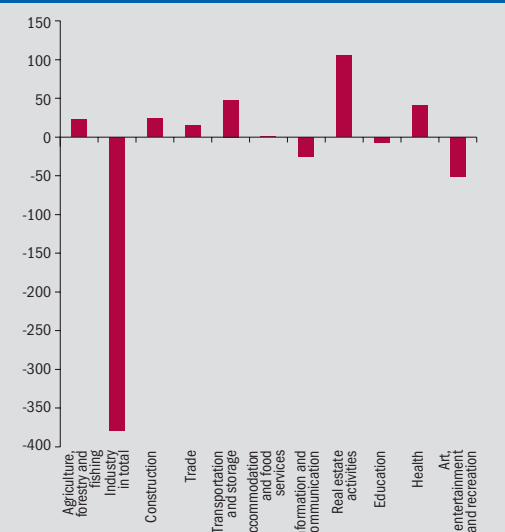
NBS profits (166.4%). The total profits of financial corporations excluding NBS dropped in the third quarter by 39.1% year-on-year, after rising in the second quarter by 184.8%.

The profits of financial corporations fell by €56.9 million year-on-year (after rising in the second quarter by €347.4 million), while the profits of financial corporations excluding NBS dropped by €122.7 million year-on-year. A positive trend in profits was reported only by NBS, the profits of which increased by €65.8 million year-on-year. Thus, NBS partially offset the negative trend in the financial sector's profitability. In this sector, lower profits were reported by insurance corporations, pension funds, and other financial intermediaries.

The negative trend in the financial results of corporations, recorded as a slowdown in profit growth in the second quarter (an absolute year-on-year rise of €63.5 million), continued in the third quarter in the form of a year-on-year decline in profits (by €207.1 million). In the non-financial corporate sector, the year-on-year decline in profits in absolute terms took place predominantly in industry (a fall of €378.9 million). At the same time, profit growth was recorded in real estate activities, transport and storage, and in other sectors (an increase of €105.8 million and €47.8 million respectively).

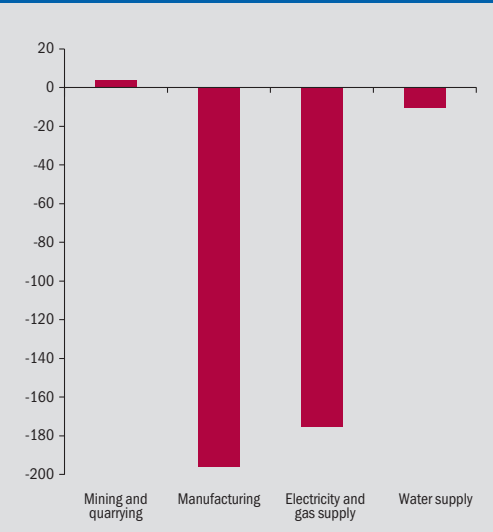
trend in their financial situation in comparison with the same period a year earlier: their profits dropped to €296.8 million in the third quarter (by 16.2% year-on-year), after soaring in the second quarter by 211.6%. The deteriorated financial results of financial corporations were mitigated to a significant extent by a year-on-year rise in

**Chart 50 Year-on-year changes in non-financial corporation profits for Q3, 2011 by sector of economy (EUR millions)**



Source: SO SR and NBS.

**Chart 51 Year-on-year changes in industry sector profits for Q2 2011 by branch of industry (EUR millions)**



Source: SO SR and NBS.



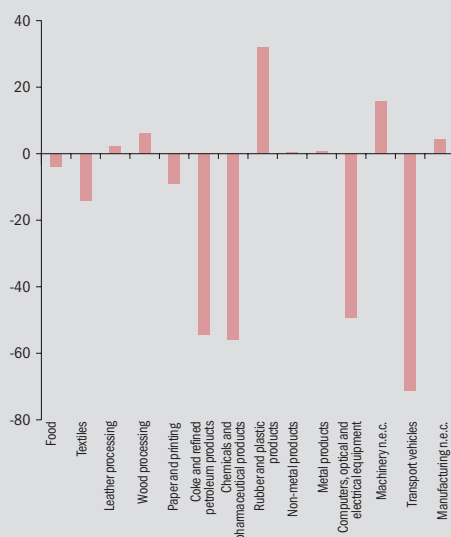
**Table 28 Financial results (EUR millions; current prices)**

Financial results before tax	Q3 2011	
	Volume	Year-on-year changes in absolute terms
<b>Non-financial corporations in total</b>	2,032.0	-207.1
<b>Agriculture, forestry and fishing</b>	73.6	22.6
<b>Industry in total</b>	517.4	-378.9
<i>Mining and quarrying</i>	40.9	3.7
<i>Manufacturing</i>	396.5	-196.5
Manufacture of foodstuffs, beverages and tobacco products	47.6	-4.0
Manufacture of textiles and textile products	-0.4	-14.2
Manufacture of leather and leather products	6.4	2.4
Manufacture of wood and wood products	2.0	6.2
Manufacture of paper and paper products, printing and reproduction of recorded media	10.7	-9.1
Manufacture of coke and refined petroleum products	-24.5	-54.5
Manufacture of chemicals, chemical products, and pharmaceuticals	-8.2	-56.0
Manufacture of rubber and plastic products	60.7	31.9
Manufacture of other non-metal mineral products	47.2	0.5
Manufacture of basic metals and metal products, except for machinery and equipment	89.5	0.7
Manufacture of computers, electronic, optical and electrical equipment	41.9	-49.3
Manufacture of machinery and equipment n.e.c.	40.1	15.7
Manufacture of motor vehicles, trailers and other transport equipment	63.0	-71.3
Manufacture of furniture, other goods, repair and installation of machines and instruments	20.5	4.5
<i>Electricity, gas, steam and air-conditioning supply</i>	69.0	-175.5
<i>Water supply, sewerage, waste management and remediation</i>	11.0	-10.7
<b>Construction</b>	175.3	23.8
<b>Wholesale and retail trade, repair of motor vehicles and motor-cycles</b>	518.9	14.4
<b>Transportation and storage; post and telecommunications</b>	163.0	47.8
<b>Accommodation and food service activities</b>	9.3	1.0
<b>Information and communication</b>	172.7	-25.8
<b>Real estate activities; professional, scientific and technical activities; administrative and support service activities</b>	388.1	105.8
<b>Education</b>	-3.7	-7.5
<b>Human health and social work activities</b>	48.1	41.0
<b>Arts, entertainment, recreation; other activities</b>	-31.0	-51.5

Source: SO SR.



**Chart 52 Year-on-year changes in non-financial corporation profits for Q3, 2011 by sector of economy (EUR millions)**



Source: SO SR and NBS.

In industry, the continuing year-on-year decline in profits in the third quarter again took place in electricity and gas supply, where profits fell still further in comparison with the same period a year earlier (in absolute terms). Compared with the previous quarter, however, the situation worsened in manufacturing production in particular, where profits decreased in absolute terms by €196.5 million year-on-year (after rising in the second quarter by €95.5 million).

In manufacturing, the year-on-year decline in profits in the third quarter was caused mainly by unfavourable developments in the production of transport equipment, coke and refined oil products, chemical and pharmaceutical products, etc. Profit growth in this sector was recorded mainly in the manufacturing of rubber and plastic products, and in the manufacturing of machines.



# COMMENTS ON THE QUARTERLY FINANCIAL ACCOUNTS FOR Q3 2011

## QUARTERLY FINANCIAL ACCOUNTS (TRANSACTIONS) FOR Q3 2011

### THE LINK BETWEEN QUARTERLY NON-FINANCIAL (GDP) ACCOUNTS AND FINANCIAL ACCOUNTS

Financial accounts are linked to non-financial accounts through the *net lending/borrowing* balancing item. This item provides information about a country's overall debtor or creditor position vis-à-vis the rest of the world. Slovakia has a long-term debtor position (mainly as a result of inflows of foreign direct investment). Any decrease/increase in the Slovak economy's indebtedness is thus 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, less final consumption expenditure in the sectors of *households (including NPISH)* and *general government*. The result represents the total savings in the national economy. If savings in a given quarter (adjusted for net capital transfers) are higher (lower) than gross capital formation, it means that the economy has lent (borrowed) funds to/from non-residents and thus reduced (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.

**Table 29 The ESA 95 system – institutional sectors and sub-sectors**

Non-financial corporations	S.11
Financial corporations	S.12
Central bank	S.121
Other monetary financial institutions	S.122 (commercial banks and money market funds)
Other financial intermediaries	S.123 (other mutual funds, leasing, factoring, and hire purchase)
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
The European Union (EU)	S.21
The member countries of the EU	S.211
The 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 fund asset management companies, IF – investment firms, SE – stock exchange, CD – central depository, MFMC – mutual fund management companies.



Table 30 The ESA 95 system – financial instruments

Monetary gold and special drawing rights	F0.1
Monetary gold	F0.11
Special drawing rights (SDRs)	F0.12
Currency and deposits	F0.2
Currency	F0.21
Transferable deposits	F0.22
Other deposits	F0.29
Securities other than shares	F0.3
Securities other than shares, excluding financial derivatives	F0.33
Short-term	F0.331
Long-term	F0.332
Financial derivatives	F0.34
Loans	F0.4
Short-term	F0.41
Long-term	F0.42
Shares and other equity	F0.5
Shares and other equity, excluding mutual funds shares	F0.51
Quoted shares	F0.511
Unquoted shares	F0.512
Other equity	F0.513
Mutual funds shares	F0.52
Insurance technical reserves	F0.6
Net equity of households in life insurance reserves and in pension funds reserves	F0.61
Net equity of households in life insurance reserves	F0.611
Net equity of households in pension funds reserves	F0.612
Prepayments of insurance payments and reserves for outstanding claims	F0.62
Other accounts receivable/payable	F0.7
Trade credits and advances	F0.71
Other	F.79

Source: NBS.

18 The sum of financial assets and liabilities in the sectors Slovakia (S.1) and the rest of the world (S.2) must equal 0. This means that if the national economy's indebtedness decreases (or its creditor position increases), the rest of the world's creditor position vis-à-vis the national 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 outstanding claims and liabilities.

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

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

## OVERALL DEVELOPMENT

In the third quarter of 2011, the net debtor position of the Slovak economy declined and therefore so did the net creditor position of the *rest of the world* sector<sup>18</sup>. The result was that net lending reached €2.6 billion<sup>19</sup>. This upturn was caused by a higher increase in financial assets than in financial liabilities. Among institutional sectors<sup>20</sup>, the most significant contribution to this result came from financial transactions in the sector of *financial corporations* (S.12), where

transactions on the asset side exceeded those on the liability side by €3.9 billion. By contrast, the worst result in the third quarter of 2011 was reported by *non-financial corporations* (S.11), with its debtor position increasing by €0.9 billion.

Net financial assets of the national economy at the end of the third quarter of 2011 amounted to €2.6 billion, meaning that the financial position of the economy as a percentage of GDP for the respective quarter improved by 14%.

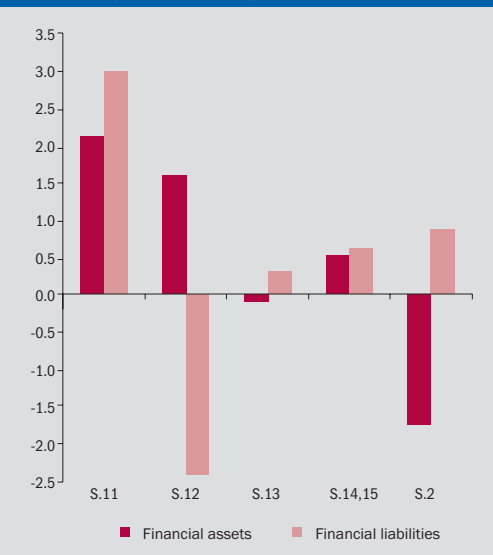


**Chart 53 Net lending (+)/ borrowing (-) by sector in Q3/2011 (EUR billions)**



Source: NBS.

**Chart 54 Financial transactions by sector in Q3/2011 (EUR billions)**



Source: NBS.

## QUARTERLY FINANCIAL ACCOUNTS BROKEN DOWN BY INSTITUTIONAL SECTORS

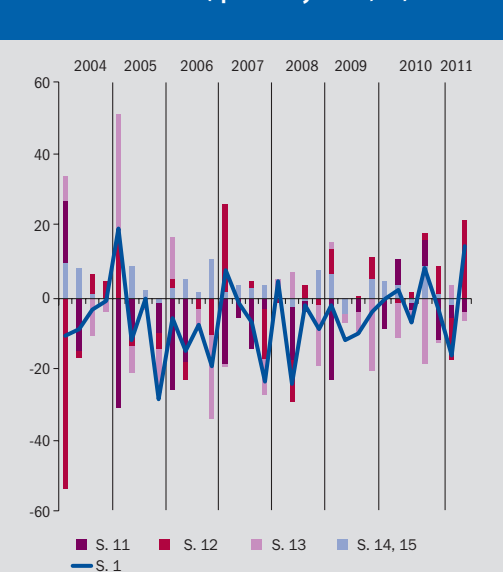
### S.11 Non-financial corporations

The indebtedness of non-financial corporations increased as a result of financial assets not rising by as much as financial liabilities.

As for the corporate assets, a larger rise was recorded in trade credits and advances (€0.6 billion) and short-term financial loans (€0.6 billion) provided as intra-sectoral transactions.

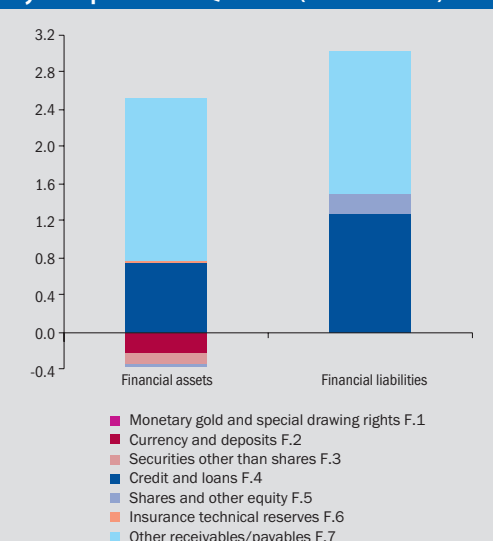
On the liability side of the balance sheet of non-financial corporations, along with intra-sectoral credits, there also rose the amount of long-term

**Chart 55 Net financial assets (transactions) as a share of GDP (quarterly data; %)**



Source: NBS.

**Chart 56 Financial assets and liabilities (transactions) of non-financial corporations by component in Q3/2011 (EUR billions)**

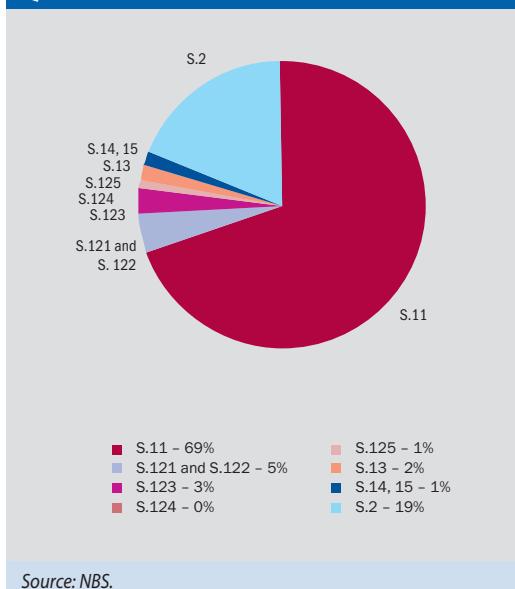


Source: NBS.

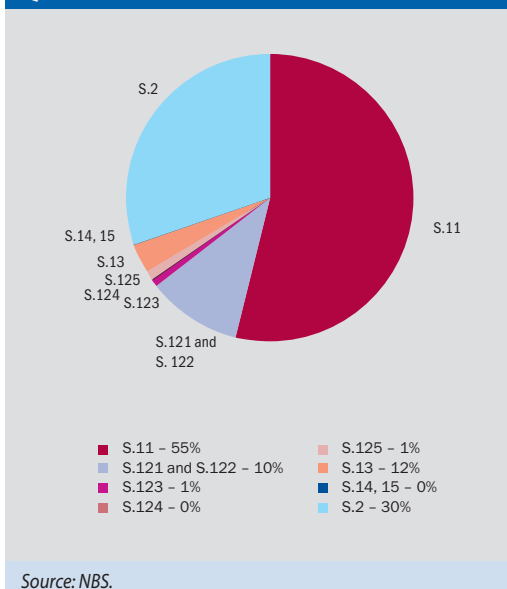




**Chart 57 Financial assets (transactions) of non-financial corporations by sector in Q3/2011**



**Chart 58 Financial liabilities (transactions) of non-financial corporations by sector in Q3/2011**



financial loans received from non-residents (by €0.4 billion). The amount of issued unquoted shares held by non-residents also went up, by €0.3 billion.

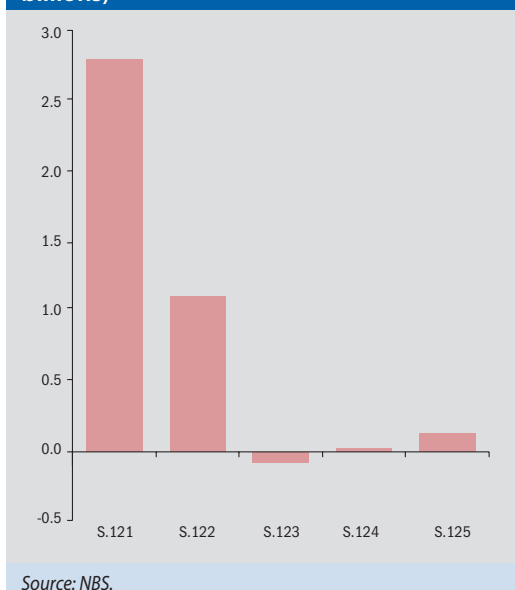
#### S.12 FINANCIAL CORPORATIONS

The *financial corporations* sector (S.12) recorded net borrowing in the third quarter of 2011,

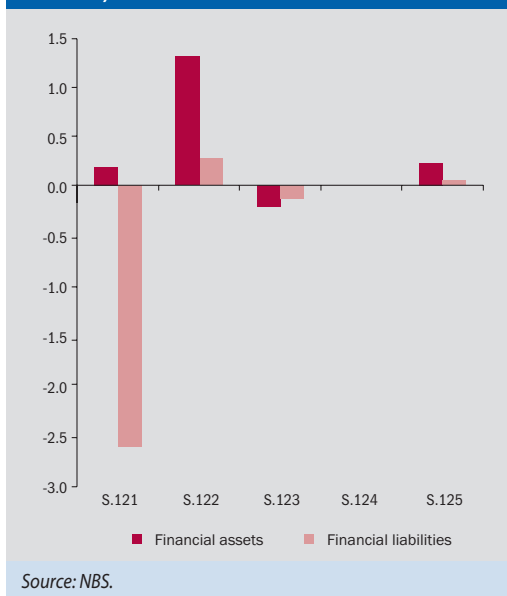
mostly consisting of borrowing from the central bank.

Overall transactions of the *central bank* (S.121) reflected a large decline in liabilities and a slight increase in assets. The main factor in the central bank's positive results was the fall in liabilities related to settlements in TARGET2, which went

**Chart 59 Net lending (+)/ borrowing (-) by financial corporations in Q3/2011 (EUR billions)**



**Chart 60 Financial transactions of financial corporations by sub-sector in Q3/2011 (EUR billions)**



down by €3.1 billion. The largest increase on the asset side was in monetary gold (€0.08 billion) and long-term debt securities issued abroad (€0.07 billion).

In the sub-sector of *other monetary financial institutions* (S.122), net lending reached €1.1 billion, as the increase in assets was greater than in liabilities. The rise in assets was mostly attributable to short-term deposits in domestic and foreign financial institutions (€0.4 billion), long-term loans to households (€0.4 billion) and holdings of government bonds (€0.3 billion). Loans to non-financial corporations also increased, by €0.3 billion in total.

The rise in liabilities was mostly attributable to other deposits from households (€0.4 billion) and from non-residents (€0.3 billion).

In the sub-sector of *other financial intermediaries* (S.123), a similar decline was recorded both in assets and liabilities. On the asset side, quoted shares and mutual fund shares/units of non-residents reported the largest decline. The liability side was most affected by the household sector selling mutual fund shares/units (- €0.1 billion).

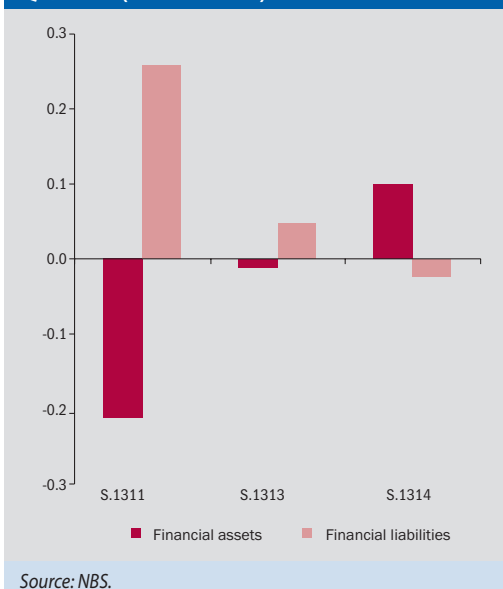
Transactions of *financial auxiliaries* (S.124) ended with a positive result, as assets rose more than liabilities. The main factor in the S.124 results was the rise in transferable deposits with banks, which went up by €0.06 billion.

The balance sheet of *insurance corporations and pension funds* (S.125) also improved as assets increased at a faster pace than liabilities. Funds obtained from households in the form of pension savings (€0.2 billion) were invested predominantly in domestic and foreign bonds (€0.3 billion in total) and other bank deposits (€0.2 billion). On the asset side, holdings of short-term debt securities fell sharply (by €0.2 billion).

### S.13 GENERAL GOVERNMENT

The *general government* sector increased its debtor position by €0.4 billion during the third quarter of 2011. The sub-sector of *central government* (S.1311) accounted for the largest part of that rise (- €0.5 billion), while the *local governments* sub-sector (S.1313) made a negligible contribution. The *social security funds* sub-sector (S.1314) reported net borrowing of €0.1 billion.

**Chart 61 Financial transactions in the general government sector by sub-sector in Q3/2011 (EUR billions)**



The overall result of the *central government* sub-sector was determined mainly by a fall in deposits with domestic banks (- €0.5 billion) and a rise in issued bonds held by resident financial corporations (€0.5 billion).

The fall in assets in the *local government* sector was largely concentrated in other claims on households and non-financial corporations. On the liability side, trade credits and advances to enterprises rose.

The sub-sector of *social security funds* ended the period with a marginally positive result, arising mainly from a rise in deposits with banks and a fall in other liabilities to households.

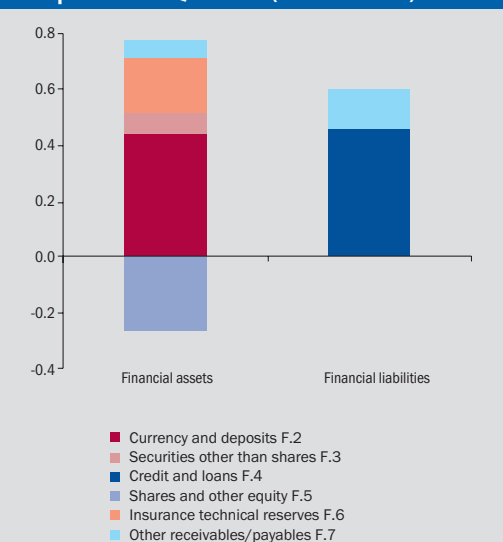
### S.14, 15 HOUSEHOLDS (INCLUDING NPISH)

The sector of *households (including non-profit institutions serving households)* slightly decreased its overall creditor position in the third quarter of 2011, owing to a higher rise in financial liabilities than in financial assets.

Households took on more debt in the form of long-term loans from banks (€0.4 billion), which largely contributed to the rise in liabilities. The rises on the asset side were household deposits with banks (€0.3 billion), household cash holdings (€0.2 billion) and pension fund savings



**Chart 62 Financial assets and liabilities (transactions) of households and NPISH by component in Q3/2011 (EUR billions)**



Source: NBS.

(€0.2 billion). On the other side, mutual fund shares/units held by households declined by €0.3 billion in total.

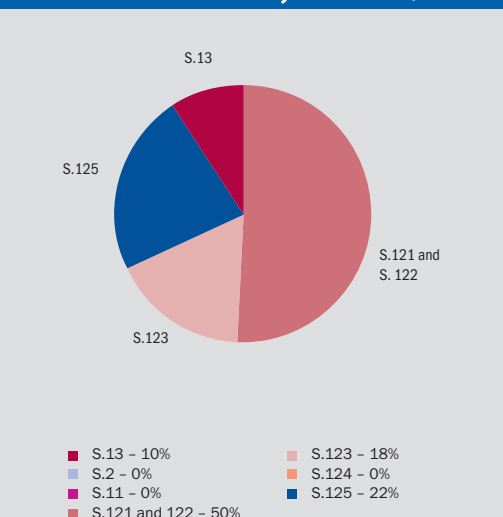
## S.2 REST OF THE WORLD

The overall creditor position of the *rest of the world* sector in relation to the national sectors decreased as a result of a large decline in assets and a rise in liabilities.

The main factor in the *rest of the world* sector was the fall in transferable deposits with the central bank (-€3.0 billion), which included claims related to settlements in TARGET2 (-€3.1 billion). Other deposits with banks increased by €0.3 billion.

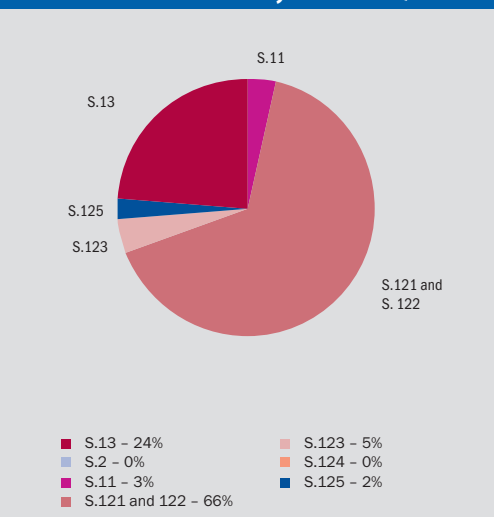
In the *rest of the world* liabilities, the largest increase was reported in deposits from banks (€0.3 billion), followed by financial and trade credits from non-financial corporations (€0.2 billion).

**Chart 63 Financial assets (transactions) of households and NPISH by sector in Q3/2011**



Source: NBS.

**Chart 64 Financial liabilities (transactions) of households and NPISH by sector in Q3/2011**



Source: NBS.



NÁRODNÁ BANKA SLOVENSKA  
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# 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
2007	10.5	1.9	1.8	2.1	11.0	16.9	-	112.7	12.9	25.6	28.6	-781.0	-1.81	29.56	-5.36	-1.18	1.3705
2008	5.9	3.9	6.1	3.2	9.6	3.2	-	97.4	4.9	15.5	25.3	-703.8	-2.09	27.79	-6.62	-1.13	1.4708
2009	-4.9	0.9	-2.5	-2.0	12.1	-13.8	-18.6	76.9	-2.8	-3.3	11.0	-2,791.3	-7.96	35.42	-2.59	1.50	1.3948
2010	4.2	0.7	-2.8	-1.5	14.4	18.9	7.9	97.2	7.8	1.7	12.4	-4,436.1	-7.90	40.96	-2.48	1.18	1.3257
2010 Q4	3.7	1.1	-0.9	0.4	13.9	16.7	9.5	100.2	7.8	1.6	12.5	-4,436.1	-	-	-2.96	0.18	1.3583
2011 Q1	3.4	3.5	2.8	2.3	13.9	11.9	12.2	101.1	5.8	4.3	12.7	-655.2	-	-	2.10	3.98	1.3680
2011 Q2	3.5	4.1	3.0	2.3	13.1	7.9	9.5	99.5	6.7	8.7	13.0	-1,577.6	-	-	-1.95	2.08	1.4391
2011 Q3	3.0	3.2	2.2	1.7	13.1	5.6	7.5	94.2	7.0	8.7	12.3	-2,158.9	-	-	-0.72	3.41	1.4127
2010 Nov.	-	1.0	-1.0	-	12.2	17.5	10.2	99.9	7.9	1.8	11.8	-3,511.0	-	-	-	-	1.3661
2010 Dec.	-	1.3	-0.7	-	12.5	19.8	10.7	103.1	7.8	1.6	12.5	-4,436.1	-	-	-	-	1.3220
2011 Jan.	-	3.2	1.8	-	13.0	19.1	13.6	104.2	9.5	3.1	12.6	-17.7	-	-	-	-	1.3360
2011 Feb.	-	3.5	3.4	-	13.2	10.9	11.6	101.2	7.2	3.7	12.7	-344.1	-	-	-	-	1.3649
2011 Mar.	-	3.8	3.3	-	13.1	6.8	11.4	97.9	5.8	4.3	12.7	-655.2	-	-	-	-	1.3999
2011 Apr.	-	3.9	3.1	-	12.9	7.8	8.7	100.3	4.4	7.0	12.8	-1,018.5	-	-	-	-	1.4442
2011 May	-	4.2	3.1	-	12.8	10.7	12.1	103.1	4.0	7.0	12.9	-1,567.5	-	-	-	-	1.4349
2011 June	-	4.1	2.5	-	13.0	5.1	7.8	95.2	6.7	8.7	13.0	-1,577.6	-	-	-	-	1.4388
2011 July	-	3.8	2.1	-	13.2	5.0	5.3	93.2	6.6	8.6	12.8	-1,675.0	-	-	-	-	1.4264
2011 Aug.	-	4.1	2.0	-	13.1	4.2	9.5	96.5	7.3	9.2	12.6	-2,022.2	-	-	-	-	1.4343
2011 Sep.	-	4.4	2.4	-	13.4	7.4	7.8	92.9	7.0	8.7	12.3	-2,158.9	-	-	-	-	1.3770
2011 Oct.	-	4.6	3.0	-	13.3	7.8	7.4	92.9	6.7	6.3	12.2	-2,341.3	-	-	-	-	1.3706
2011 Nov.	-	4.8	.	-	.	.	.	94.8	.	.	.	-2,665.0	-	-	-	-	1.3556

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

1) Currency in circulation in M3 refers to money held by the public (according to methodology in place prior to 2008)



## 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
13.4.2011	0.50	0.25	1.25	0.25	-	-	2.00	0.25
13.7.2011	0.75	0.25	1.50	0.25	-	-	2.25	0.25
9.11.2011	0.50	-0.25	1.25	-0.25	-	-	2.00	-0.25
14.12.2011	0.25	-0.25	1.00	-0.25	-	-	1.75	-0.25

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
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 Dec.	0.34	1.88	2.47	3.11	0.71	1.55	0.12	0.48	1.77	2.96	-
2010 Nov.	0.35	2.21	2.39	2.48	0.76	1.54	0.14	0.78	3.13	5.84	-
2010 Dec.	0.37	1.97	2.52	2.82	0.71	1.52	0.15	0.76	2.74	3.05	-
2011 Jan.	0.38	2.25	2.72	2.67	0.73	1.52	0.29	0.89	2.27	1.13	-
2011 Feb.	0.38	2.33	2.80	2.86	0.77	1.55	0.17	0.95	3.05	3.14	-
2011 Mar.	0.40	1.83	2.76	2.92	0.84	1.55	0.20	0.95	1.73	3.08	-
2011 Apr.	0.40	1.96	2.81	3.17	0.92	1.57	0.34	1.23	2.56	3.08	-
2011 May	0.40	2.13	2.81	2.83	0.95	1.58	0.24	1.30	2.81	2.71	-
2011 June	0.40	2.02	3.08	2.87	1.00	1.59	0.43	1.29	3.04	2.38	-
2011 July	0.39	1.96	3.11	3.34	1.05	1.63	0.24	1.29	3.06	4.05	-
2011 Aug.	0.39	1.58	3.04	3.06	1.07	1.67	0.19	1.30	2.99	5.93	-
2011 Sep.	0.39	1.78	3.02	3.09	1.07	1.65	0.29	1.32	2.62	3.09	-
2011 Oct.	0.38	2.00	3.13	3.36	1.04	1.65	0.22	1.32	2.70	3.22	-

**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			
			Total	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	Total	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	15	16
2007 Dec.	7.52	14.34	13.23	10.08	16.20	14.12	14.91	6.06	5.80	6.16	7.34	7.41	6.40	6.65	6.93	6.77
2008 Dec.	7.92	14.36	13.83	7.70	15.49	15.20	15.37	6.49	6.31	6.45	7.11	7.92	6.75	6.11	7.01	6.72
2009 Dec.	7.42	14.35	13.90	7.11	15.47	15.18	15.71	5.53	5.26	5.57	8.19	10.29	5.79	5.46	6.46	4.46
2010 Nov.	6.67	14.43	13.08	7.97	14.64	13.25	15.29	4.79	4.68	4.64	5.82	7.49	5.16	6.04	4.73	4.88
2010 Dec.	6.74	14.37	13.17	7.56	15.13	13.60	15.35	4.81	4.74	4.68	6.01	7.70	5.07	4.95	5.16	5.42
2011 Jan.	6.50	14.48	13.92	12.80	15.07	13.51	16.37	4.65	4.74	4.55	5.88	5.66	4.88	5.55	5.46	7.76
2011 Feb.	7.09	14.31	13.76	13.40	14.71	13.46	16.09	4.86	4.62	4.89	6.03	5.79	5.17	5.88	5.43	12.26
2011 Mar.	6.87	14.14	14.48	13.28	15.41	14.22	16.80	4.83	4.57	4.88	5.85	4.93	5.13	5.97	5.18	5.86
2011 Apr.	6.76	14.04	14.26	13.46	15.15	13.97	16.58	4.86	4.64	4.84	5.69	5.97	5.19	5.96	5.26	5.46
2011 May	6.61	13.97	14.33	13.61	15.04	14.11	16.55	4.80	4.79	4.78	5.03	4.62	5.19	5.68	5.39	5.10
2011 June	6.42	13.78	13.82	12.63	14.85	13.52	16.11	4.67	4.61	4.62	5.11	5.26	5.15	5.45	5.28	5.26
2011 July	6.79	13.95	13.97	13.10	15.17	13.58	16.33	4.79	4.81	4.71	5.27	5.12	5.33	5.51	6.69	5.24
2011 Aug.	6.67	14.09	14.00	13.21	15.10	13.63	16.32	4.76	4.85	4.65	5.68	5.05	5.34	5.69	5.63	6.18
2011 Sep.	6.87	14.07	14.08	14.35	15.20	13.66	16.59	4.89	4.82	4.81	5.91	5.74	5.30	6.39	5.77	5.07
2011 Oct.	6.87	14.04	14.16	14.53	15.40	13.69	16.65	5.02	4.99	4.93	5.84	6.42	5.30	6.08	5.64	6.44

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 EUR 1 million			Loans of over EUR 1 million		
			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
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 Dec.	3.02	3.31	3.70	4.08	4.72	2.57	7.39	-
2010 Nov.	3.41	3.48	4.03	5.88	5.20	3.84	2.55	4.30
2010 Dec.	3.15	3.56	4.02	5.01	4.60	3.30	2.95	5.43
2011 Jan.	3.01	3.63	3.90	5.94	5.50	2.85	5.64	5.26
2011 Feb.	2.92	3.59	4.16	5.09	3.94	2.76	4.24	5.20
2011 Mar.	3.11	3.66	4.22	5.55	4.70	2.92	2.46	2.85
2011 Apr.	3.23	3.90	4.25	6.02	4.98	3.10	-	5.62
2011 May	3.31	3.91	4.65	5.39	5.08	3.08	3.70	-
2011 June	3.45	3.90	4.50	5.23	5.27	3.24	3.31	-
2011 July	3.62	3.92	4.62	4.92	5.12	3.60	2.21	-
2011 Aug.	3.40	3.76	4.52	4.93	4.29	3.41	3.66	2.83
2011 Sep.	3.29	3.88	4.69	5.24	4.27	3.13	2.34	2.51
2011 Oct.	3.36	3.86	4.73	4.82	5.50	3.33	5.35	5.21

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									
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	
	Currency	M1	M2-M1	M2	M3-M2				Loans		
	1	2	3	4	5	6	7	8	9	10	11
		Outstanding amounts									
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	1,067	37,078	2,212	15,083	30,866	29,996	976
2009	6,984	24,478	13,344	37,821	1,050	38,872	1,999	13,794	32,341	30,259	5,302
2010 Q4	7,324	26,443	12,325	38,768	1,809	40,578	2,778	16,122	33,574	31,704	5,815
2011 Q1	7,186	25,334	13,082	38,416	1,714	40,131	3,094	15,557	34,220	32,307	5,178
2011 Q2	7,420	25,888	13,355	39,244	1,628	40,872	2,961	15,361	35,391	33,549	6,447
2011 Q3	7,489	25,377	14,272	39,648	1,423	41,071	3,835	16,063	35,977	34,113	3,095
2010 Nov.	7,142	25,401	12,354	37,755	1,816	39,572	2,375	16,472	33,997	32,103	5,622
2010 Dec.	7,324	26,443	12,325	38,768	1,809	40,578	2,778	16,122	33,574	31,704	5,815
2011 Jan.	7,160	25,967	12,800	38,767	1,806	40,573	2,945	15,574	33,972	32,117	5,286
2011 Feb.	7,149	25,959	12,704	38,663	1,734	40,397	3,063	16,232	34,070	32,210	4,487
2011 Mar.	7,186	25,334	13,082	38,416	1,714	40,131	3,094	15,557	34,220	32,307	5,178
2011 Apr.	7,265	25,448	13,295	38,743	1,697	40,441	2,940	15,006	34,627	32,712	5,752
2011 May	7,320	25,582	13,434	39,016	1,658	40,674	3,140	15,129	34,959	33,011	5,420
2011 June	7,420	25,888	13,355	39,244	1,628	40,872	2,961	15,361	35,391	33,549	6,447
2011 July	7,500	25,367	13,730	39,097	1,590	40,687	3,344	15,196	35,579	33,728	4,693
2011 Aug.	7,432	25,411	14,548	39,959	1,463	41,422	3,885	15,620	35,925	34,041	3,400
2011 Sep.	7,489	25,377	14,272	39,648	1,423	41,071	3,835	16,063	35,977	34,113	3,095
2011 Oct.	7,556	25,420	14,135	39,555	1,393	40,948	3,929	16,351	36,103	34,210	4,171

Source: NBS.

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												
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
2010	10,045.6	6,954.5	2,975.9	101.8	13.1	0.3	23,648.8	10,462.7	7,042.6	4,763.4	557.2	823.0
2010 Q4	10,045.6	6,954.5	2,975.9	101.8	13.1	0.3	23,648.8	10,462.7	7,042.6	4,763.4	557.2	823.0
2011 Q1	9,397.8	6,218.4	3,047.5	108.7	22.9	0.4	23,923.7	10,330.5	7,301.3	4,930.3	548.7	813.0
2011 Q2	9,486.1	6,462.7	2,876.9	112.4	33.7	0.4	24,340.4	10,451.7	7,420.5	5,113.1	570.6	784.5
2011 Q3	9,332.9	6,065.4	3,114.6	117.7	34.8	0.4	24,582.9	10,306.3	7,781.3	5,178.5	541.6	775.3
2010 Nov.	9,328.1	6,524.3	2,687.4	97.3	18.9	0.4	23,177.8	10,136.3	7,125.8	4,549.1	551.2	815.3
2010 Dec.	10,045.6	6,954.5	2,975.9	101.8	13.1	0.3	23,648.8	10,462.7	7,042.6	4,763.4	557.2	823.0
2011 Jan.	9,814.6	6,655.0	3,041.7	100.4	17.0	0.5	23,841.0	10,519.1	7,151.7	4,824.3	529.1	816.9
2011 Feb.	9,651.8	6,585.3	2,940.3	104.8	21.1	0.3	24,068.4	10,514.3	7,130.0	5,073.3	535.7	815.2
2011 Mar.	9,397.8	6,218.4	3,047.5	108.7	22.9	0.4	23,923.7	10,330.5	7,301.3	4,930.3	548.7	813.0
2011 Apr.	9,413.7	6,169.4	3,112.3	111.3	20.3	0.4	24,093.9	10,454.7	7,301.7	4,959.3	567.3	810.9
2011 May	9,479.6	6,299.6	3,036.4	112.2	31.0	0.4	24,184.4	10,448.0	7,304.7	5,059.6	569.0	803.1
2011 June	9,486.1	6,462.7	2,876.9	112.4	33.7	0.4	24,340.4	10,451.7	7,420.5	5,113.1	570.6	784.5
2011 July	9,084.4	5,995.2	2,935.1	117.6	36.1	0.4	24,466.2	10,428.2	7,558.3	5,131.2	567.6	780.9
2011 Aug.	9,776.3	6,090.8	3,532.3	118.0	34.9	0.4	24,542.7	10,388.0	7,684.3	5,139.8	546.1	784.5
2011 Sep.	9,332.9	6,065.4	3,114.6	117.7	34.8	0.4	24,582.9	10,306.3	7,781.3	5,178.5	541.6	775.3
2011 Oct.	9,012.3	6,100.5	2,762.9	119.1	29.4	0.4	24,601.2	10,160.0	7,880.3	5,271.4	524.7	764.8
Transactions												
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
2010	880.9	299.1	517.8	61.7	2.6	-0.2	1,202.7	1,349.0	-1,118.2	1,030.9	-99.4	40.3
2010 Q4	1,207.0	734.3	441.3	36.9	-5.5	-0.1	576.7	374.6	-164.1	343.7	8.1	14.5
2011 Q1	-647.8	-736.1	71.5	6.9	9.8	0.1	274.9	-132.3	258.8	166.9	-8.5	-10.0
2011 Q2	88.2	244.3	-170.6	3.7	10.7	0.0	416.7	121.2	119.2	182.8	22.0	-28.5
2011 Q3	-153.2	-397.3	237.7	5.3	1.1	0.0	242.5	-145.4	360.8	65.4	-29.0	-9.2
2010 Nov.	384.1	480.0	-128.4	31.5	1.1	0.0	63.0	39.8	-49.4	67.9	1.4	3.3
2010 Dec.	717.5	430.3	288.5	4.5	-5.7	-0.1	471.1	326.4	-83.3	214.3	5.9	7.7
2011 Jan.	-231.0	-299.5	65.8	-1.4	3.9	0.2	192.2	56.3	109.1	61.0	-28.1	-6.1
2011 Feb.	-162.8	-69.6	-101.4	4.4	4.1	-0.2	227.4	-4.8	-21.7	248.9	6.7	-1.7
2011 Mar.	-254.0	-366.9	107.2	3.9	1.8	0.0	-144.7	-183.8	171.3	-143.0	12.9	-2.2
2011 Apr.	15.8	-49.0	64.9	2.7	-2.6	0.0	170.1	124.2	0.4	29.0	18.6	-2.1
2011 May	65.9	130.2	-76.0	0.9	10.7	0.0	90.5	-6.7	3.0	100.3	1.7	-7.8
2011 June	6.5	163.1	-159.5	0.2	2.6	0.0	156.0	3.7	115.8	53.5	1.6	-18.6
2011 July	-401.7	-467.5	58.2	5.2	2.4	0.0	125.8	-23.5	137.9	18.0	-3.0	-3.6
2011 Aug.	691.9	95.6	597.2	0.4	-1.2	0.0	76.5	-40.2	126.0	8.6	-21.5	3.6
2011 Sep.	-443.5	-25.4	-417.7	-0.2	-0.2	0.0	40.2	-81.8	96.9	38.7	-4.5	-9.2
2011 Oct.	-320.6	35.1	-351.7	1.3	-5.3	0.0	18.3	-146.3	99.1	92.9	-16.9	-10.4

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												
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
2010	9.6	4.5	21.1	153.8	24.2	-39.4	5.4	14.8	-13.7	27.6	-15.1	5.2
2010 Q4	9.6	4.5	21.1	153.8	24.2	-39.4	5.4	14.8	-13.7	27.6	-15.1	5.2
2011 Q1	8.5	0.6	26.0	129.9	59.9	-38.0	5.7	9.4	-6.2	21.3	-1.2	3.1
2011 Q2	8.9	4.2	18.6	81.3	69.6	-36.7	5.6	4.8	-0.6	19.9	4.6	-2.4
2011 Q3	5.6	-2.5	22.9	81.5	87.1	-5.6	6.5	2.2	8.0	17.2	-1.4	-4.1
2010 Nov.	8.8	10.2	2.8	225.0	94.6	-24.9	4.6	13.9	-17.7	37.1	10.6	4.7
2010 Dec.	9.6	4.5	21.1	153.8	24.2	-39.4	5.4	14.8	-13.7	27.6	-15.1	5.2
2011 Jan.	15.2	11.6	21.6	133.9	24.5	-9.0	5.7	13.6	-11.1	23.7	-7.0	4.4
2011 Feb.	12.6	11.2	13.6	131.1	56.3	-44.1	6.0	11.8	-9.6	25.0	-4.8	3.8
2011 Mar.	8.5	0.6	26.0	129.9	59.9	-38.0	5.7	9.4	-6.2	21.3	-1.2	3.1
2011 Apr.	5.6	3.4	8.0	131.0	17.2	-38.1	6.0	9.0	-4.1	18.7	3.5	2.0
2011 May	2.5	-1.2	8.5	129.0	66.9	-37.6	5.7	6.7	-2.8	19.5	4.8	0.3
2011 June	8.9	4.2	18.6	81.3	69.6	-36.7	5.6	4.8	-0.6	19.9	4.6	-2.4
2011 July	5.4	-1.4	19.2	88.6	102.4	-26.7	6.0	4.2	2.1	19.1	2.8	-3.0
2011 Aug.	8.4	-3.3	34.2	82.5	88.5	-40.4	6.2	3.3	4.8	18.0	-0.7	-2.8
2011 Sep.	5.6	-2.5	22.9	81.5	87.1	-5.6	6.5	2.2	8.0	17.2	-1.4	-4.1
2011 Oct.	0.8	0.9	-1.9	81.0	65.5	4.5	6.4	0.6	9.8	17.6	-4.6	-5.8

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).



**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								
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
2010	15,124.0	5,272.0	3,867.0	5,984.0	15,588.0	3,120.0	10,849.0	1,620.0
2010 Q4	15,124.0	5,272.0	3,867.0	5,984.0	15,588.0	3,120.0	10,849.0	1,620.0
2011 Q1	15,517.0	5,406.0	3,873.0	6,237.0	15,863.0	2,983.0	11,217.0	1,664.0
2011 Q2	16,044.0	5,823.0	3,848.0	6,373.0	16,422.0	3,085.0	11,656.0	1,681.0
2011 Q3	16,285.0	5,913.0	3,828.0	6,545.0	16,808.0	3,138.0	11,991.0	1,678.0
2010 Nov.	15,655.0	5,800.0	3,925.0	5,930.0	15,416.0	3,125.0	10,670.0	1,621.0
2010 Dec.	15,124.0	5,272.0	3,867.0	5,984.0	15,588.0	3,120.0	10,849.0	1,620.0
2011 Jan.	15,502.0	5,522.0	3,883.0	6,098.0	15,621.0	2,921.0	11,041.0	1,659.0
2011 Feb.	15,569.0	5,499.0	3,868.0	6,201.0	15,702.0	2,940.0	11,103.0	1,658.0
2011 Mar.	15,517.0	5,406.0	3,873.0	6,237.0	15,863.0	2,983.0	11,217.0	1,664.0
2011 Apr.	15,781.0	5,560.0	3,904.0	6,317.0	16,011.0	3,024.0	11,316.0	1,671.0
2011 May	15,861.0	5,588.0	3,916.0	6,357.0	16,215.0	3,056.0	11,487.0	1,672.0
2011 June	16,044.0	5,823.0	3,848.0	6,373.0	16,422.0	3,085.0	11,656.0	1,681.0
2011 July	16,116.0	5,833.0	3,813.0	6,470.0	16,541.0	3,093.0	11,777.0	1,670.0
2011 Aug.	16,313.0	5,995.0	3,782.0	6,536.0	16,680.0	3,112.0	11,914.0	1,654.0
2011 Sep.	16,285.0	5,913.0	3,828.0	6,545.0	16,808.0	3,138.0	11,991.0	1,678.0
2011 Oct.	16,185.0	5,777.0	3,847.0	6,561.0	16,947.0	3,181.0	12,085.0	1,682.0
Transactions								
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	-510.0	-1,121.0	674.0	-66.0	1,386.0	253.0	936.0	198.0
2010	258.0	183.0	-275.0	349.0	1,723.0	197.0	1,398.0	129.0
2010 Q4	111.0	-17.0	-100.0	227.0	542.0	55.0	423.0	65.0
2011 Q1	409.0	142.0	8.0	257.0	308.0	-107.0	369.0	46.0
2011 Q2	537.0	420.0	-21.0	137.0	590.0	125.0	446.0	18.0
2011 Q3	257.0	103.0	-21.0	174.0	411.0	73.0	336.0	2.0
2010 Nov.	324.0	258.0	-15.0	80.0	169.0	35.0	121.0	13.0
2010 Dec.	-483.0	-493.0	-57.0	67.0	219.0	-1.0	179.0	42.0
2011 Jan.	384.0	252.0	16.0	115.0	43.0	-189.0	193.0	39.0
2011 Feb.	70.0	-20.0	-14.0	104.0	84.0	22.0	62.0	0.0
2011 Mar.	-45.0	-90.0	6.0	38.0	181.0	60.0	114.0	7.0
2011 Apr.	273.0	156.0	34.0	83.0	158.0	44.0	106.0	7.0
2011 May	77.0	27.0	11.0	38.0	209.0	36.0	171.0	2.0
2011 June	187.0	237.0	-66.0	16.0	223.0	45.0	169.0	9.0
2011 July	70.0	9.0	-36.0	96.0	125.0	12.0	121.0	-9.0
2011 Aug.	217.0	178.0	-30.0	69.0	144.0	23.0	137.0	-16.0
2011 Sep.	-32.0	-85.0	45.0	9.0	142.0	38.0	78.0	27.0
2011 Oct.	-84.0	-130.0	20.0	27.0	148.0	45.0	98.0	5.0

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	-17.9	19.4	-1.2	11.0	15.0	10.9	8.4
2010	1.7	3.6	-6.6	6.2	12.4	8.2	14.8	6.9
2010 Q4	1.6	3.5	-6.8	6.1	12.5	8.2	14.8	8.2
2011 Q1	4.3	3.2	-3.1	10.4	12.7	1.4	16.4	10.6
2011 Q2	8.7	11.2	0.6	11.9	13.0	4.5	15.9	10.1
2011 Q3	8.7	12.3	-3.4	13.8	12.3	4.8	15.1	8.3
2010 Nov.	1.8	5.4	-5.7	3.9	11.8	8.6	14.1	5.1
2010 Dec.	1.6	3.5	-6.8	6.1	12.5	8.2	14.8	8.2
2011 Jan.	3.1	4.8	-5.9	7.9	12.6	1.4	16.3	11.3
2011 Feb.	3.7	4.0	-5.0	9.6	12.7	1.2	16.4	11.5
2011 Mar.	4.3	3.2	-3.1	10.4	12.7	1.4	16.4	10.6
2011 Apr.	7.0	9.0	-1.9	11.5	12.8	1.3	16.6	10.8
2011 May	7.0	5.9	0.8	12.3	12.9	4.5	15.9	10.3
2011 June	8.7	11.2	0.6	11.9	13.0	4.5	15.9	10.1
2011 July	8.6	11.9	-3.0	13.5	12.8	4.5	15.8	8.7
2011 Aug.	9.2	13.4	-2.8	13.3	12.6	4.5	15.8	7.2
2011 Sep.	8.7	12.3	-3.4	13.8	12.3	4.8	15.1	8.3
2011 Oct.	6.3	5.5	-2.2	12.7	12.2	5.6	14.7	8.0

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).



### 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	76.3	69.2	30.8	100.0	15.6	8.3	29.9	15.4	30.8	75.5	24.5
	1	2	3	4	5	6	7	8	9	10	11	12	13
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
2010	112.2	0.7	0.7	0.1	1.9	-	-	-	-	-	-	0.9	-0.2
2010 Q4	112.6	1.1	0.9	0.9	1.8	0.3	1.0	-0.7	0.1	0.4	0.3	1.6	-0.6
2011 Q1	115.6	3.5	1.7	4.0	2.9	3.0	3.4	6.3	-0.2	8.8	2.2	2.8	5.8
2011 Q2	116.8	4.1	2.6	4.4	3.2	1.0	2.1	2.5	0.4	0.9	0.8	3.5	5.8
2011 Q3	116.9	4.1	3.1	4.4	3.4	0.1	1.3	-6.4	0.1	1.1	0.7	3.2	6.9
2010 Dec.	112.9	1.3	0.9	1.0	1.8	0.2	-0.2	1.8	0.0	0.7	0.1	1.8	-0.6
2011 Jan.	115.2	3.2	1.5	3.4	2.8	2.1	2.0	2.6	0.2	7.3	1.2	2.4	5.8
2011 Feb.	115.6	3.5	1.6	3.8	2.8	0.3	0.2	2.3	-0.3	0.2	0.4	2.7	5.8
2011 Mar.	116.0	3.8	2.0	4.1	3.0	0.4	0.9	0.8	0.0	0.4	0.3	3.1	5.8
2011 Apr.	116.6	3.9	2.3	4.2	3.2	0.5	0.6	1.3	0.4	0.4	0.3	3.3	5.8
2011 May	117.0	4.2	2.7	4.6	3.3	0.3	0.8	0.9	0.1	0.2	0.2	3.6	5.9
2011 June	116.9	4.1	2.8	4.5	3.2	-0.1	0.5	-2.0	0.1	-0.2	0.2	3.6	5.8
2011 July	116.7	3.8	3.0	4.0	3.4	-0.2	0.4	-3.6	0.0	-0.1	0.3	3.1	6.1
2011 Aug.	116.8	4.1	3.0	4.4	3.2	0.1	0.3	-2.4	0.0	1.7	0.1	3.1	7.0
2011 Sep.	117.2	4.4	3.3	4.7	3.6	0.3	0.4	-1.0	0.1	0.5	0.6	3.4	7.4
2011 Oct.	117.4	4.6	3.4	5.0	3.6	0.2	0.2	-0.1	0.4	0.3	0.1	3.6	7.6
2011 Nov.	118.0	4.8	3.8	4.7	5.1	0.5	0	0.9	-0.1	0.1	1.4	3.3	9.3

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

1) According to ECB methodology.

2) Weights apply to the period of 2011.





**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>	23.9	15.6	8.3	45.3	29.9	15.4	5.3	1.1	4.1	4.2	12.1	5.2
	14	15	16	17	18	19	20	21	22	23	24	25
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
2010	2.9	2.3	3.6	-1.3	-1.4	-1.3	2.9	1.7	0.3	0.8	1.4	4.7
2010 Q4	4.6	2.8	8.1	-1.3	-1.1	-1.6	2.1	0.7	1.3	0.0	1.3	4.7
2011 Q1	5.6	3.9	8.9	2.8	-0.7	9.9	3.3	1.0	3.8	0.6	2.2	5.4
2011 Q2	6.4	5.8	7.5	3.4	0.3	9.6	3.8	0.8	4.5	0.4	2.7	5.4
2011 Q3	5.0	7.2	1.0	4.0	0.6	10.7	3.5	0.6	5.1	0.2	3.2	5.2
2010 Dec.	5.1	2.6	9.8	-1.1	-1.0	-1.2	2.2	0.7	1.3	-0.1	1.4	4.6
2011 Jan.	5.2	3.5	8.4	2.5	-0.9	9.2	2.8	0.7	3.7	0.5	2.1	5.7
2011 Feb.	5.6	3.4	9.6	2.9	-0.8	10.3	3.1	1.2	3.6	0.8	2.2	5.3
2011 Mar.	6.1	4.7	8.8	3.1	-0.5	10.1	4.0	1.2	4.0	0.3	2.4	5.2
2011 Apr.	6.0	5.0	7.9	3.3	-0.1	9.8	3.9	1.2	4.1	0.3	2.6	5.5
2011 May	6.7	5.8	8.3	3.5	0.4	9.5	3.8	0.6	4.7	0.4	2.8	5.3
2011 June	6.5	6.6	6.2	3.5	0.4	9.5	3.6	0.6	4.8	0.4	2.8	5.2
2011 July	5.1	6.9	1.7	3.4	0.5	9.2	3.6	0.6	5.6	0.3	2.9	5.1
2011 Aug.	5.0	7.1	1.1	4.1	0.6	11.1	3.4	0.6	4.9	0.2	2.9	5.0
2011 Sep.	5.0	7.4	0.3	4.6	0.8	11.9	3.5	0.6	4.8	0.1	3.7	5.4
2011 Oct.	5.4	7.3	1.7	4.8	1.0	12.1	3.8	0.6	5.1	0.1	3.7	5.2
2011 Nov.	4.7	6.4	1.3	4.7	0.9	12.0	3.6	0.6	15.2	0.5	3.8	5.4

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

1) According to ECB methodology.

2) Weights apply to the period of 2011.



**TABLE 8 CPI**

(annual percentage changes, unless otherwise indicated)

	Total					Total (percentage changes from previous period)						Net inflation excluding fuels	Net inflation
	Index 2005=100	Total	Core inflation	Regulated prices	Contribution of changes in indirect taxes	Total	Food	Tradable goods without fuels	Fuels	Market services	Regulated prices		
weights in %	100	100	79.1	20.9	-	100	16.0	31.1	2.6	29.4	20.9	60.5	63.1
	1	2	3	4	5	6	7	8	9	10	11	12	13
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
2010	115.2	1.0	1.2	-0.5	0.1	-	-	-	-	-	-	0.4	0.9
2010 Q4	115.6	1.1	1.6	-0.7	0.0	0.3	0.6	0.0	1.1	0.1	0.5	0.1	0.5
2011 Q1	118.5	3.3	1.9	5.9	0.6	2.5	4.0	-0.7	9.7	0.8	4.9	0.1	0.8
2011 Q2	119.7	3.9	2.5	6.0	0.6	1.0	2.3	0.6	4.6	0.9	0.2	0.8	1.4
2011 Q3	119.9	4.0	2.3	7.1	0.6	0.1	-2.3	0.2	-1.0	0.6	1.4	1.2	1.8
2010 Dec.	115.9	1.3	1.9	-0.7	-0.1	0.3	1.0	-0.2	2.8	0.1	0.1	0.2	0.6
2011 Jan.	118.1	3.0	1.6	5.8	0.5	1.9	1.7	-0.5	6.2	0.3	4.8	-0.2	0.5
2011 Feb.	118.5	3.3	1.8	6.0	0.6	0.3	1.2	-0.2	1.0	0.5	0.1	0.0	0.7
2011 Mar.	118.9	3.6	2.2	5.9	0.6	0.4	0.8	0.2	1.8	0.4	0.1	0.5	1.1
2011 Apr.	119.5	3.7	2.3	5.9	0.6	0.4	0.8	0.3	2.6	0.3	0.1	0.6	1.3
2011 May	119.9	4.0	2.6	6.0	0.6	0.3	1.1	0.1	1.0	0.2	0.1	0.8	1.4
2011 June	119.8	3.9	2.6	6.0	0.6	0.0	-0.6	0.1	-0.9	0.2	0.0	1.0	1.6
2011 July	119.7	3.7	2.2	6.3	0.6	-0.1	-1.5	0.1	-1.0	0.2	0.3	1.1	1.6
2011 Aug.	119.8	4.0	2.3	7.3	0.6	0.1	-0.9	0.0	0.4	0.0	1.2	1.1	1.7
2011 Sep.	120.2	4.3	2.5	7.9	0.6	0.3	-0.3	0.2	-0.1	0.4	0.8	1.4	2.0
2011 Oct.	120.4	4.4	2.7	8.0	0.6	0.2	0.2	0.3	0.7	0.0	0.3	1.5	2.1
2011 Nov.	121.0	4.6	2.5	9.6	0.6	0.5	0.3	0.1	-0.1	0.2	1.5	1.6	2.2

Sources: 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 %	16.0	31.1	6.2	6.0	4.5	2.6	29.4	11.3	5.3	5.8	3.7	3.0	4.2
	14	15	16	17	18	19	20	21	22	23	24	25	26
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
2010	1.8	-1.4	0.5	-4.0	1.8	11.6	2.3	3.2	1.3	1.8	-3.3	-4.8	-2.6
2010 Q4	5.7	-1.0	1.4	-3.1	0.6	9.0	1.3	0.8	1.2	1.7	-3.3	-4.8	-3.1
2011 Q1	6.2	-1.4	0.1	-3.2	5.9	17.4	1.7	1.2	0.8	1.9	9.2	5.5	7.6
2011 Q2	6.7	-0.4	-0.2	-2.7	6.2	15.8	2.1	1.9	1.2	2.3	9.2	5.5	7.9
2011 Q3	4.6	0.0	-0.8	-1.9	6.4	14.7	2.4	2.5	1.3	2.3	9.2	10.4	8.8
2010 Dec.	6.7	-0.9	1.4	-2.8	1.8	10.4	1.4	1.0	1.2	1.4	-3.3	-4.8	-3.3
2011 Jan.	5.8	-1.6	0.3	-3.5	5.6	17.9	1.4	0.6	0.9	1.6	9.2	5.5	7.3
2011 Feb.	6.2	-1.6	0.0	-3.3	5.7	18.3	1.6	1.2	0.8	2.0	9.2	5.5	7.7
2011 Mar.	6.6	-0.9	0.1	-2.8	6.5	16.1	1.9	1.9	0.8	2.0	9.2	5.5	7.6
2011 Apr.	6.2	-0.7	-0.1	-3.0	6.5	16.4	2.1	1.9	1.1	2.3	9.2	5.5	7.8
2011 May	7.2	-0.4	-0.1	-2.7	6.2	15.4	2.2	2.0	1.2	2.3	9.2	5.5	7.9
2011 June	6.6	-0.2	-0.3	-2.3	6.1	15.5	2.2	2.0	1.2	2.3	9.2	5.5	7.9
2011 July	4.6	-0.1	-0.8	-2.2	5.5	13.6	2.3	2.4	1.0	2.3	9.2	5.5	8.0
2011 Aug.	4.7	-0.1	-1.0	-1.8	6.2	14.9	2.4	2.5	1.0	2.2	9.2	12.8	8.3
2011 Sep.	4.3	0.3	-0.7	-1.5	7.5	15.7	2.6	2.6	1.9	2.3	9.2	12.8	10.2
2011 Oct.	4.9	0.6	-1.1	-1.2	7.8	16.0	2.5	2.5	2.0	2.0	9.2	12.8	10.7
2011 Nov.	3.8	0.5	-1.2	-1.7	7.3	15.0	2.8	2.7	2.2	2.4	9.2	12.8	10.9

Sources: 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
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
2010	0.2	2.7	-2.8	1.1	0.0	-6.7	6.2	14.2	29.9	1.1	1.0	-3.3	-3.9
2010 Q4	1.9	4.3	-0.9	7.9	1.5	-4.6	6.3	30.0	47.4	5.5	0.9	0.3	-2.1
2011 Q1	5.3	7.4	2.8	6.8	3.9	1.1	6.8	26.5	75.9	7.5	1.3	1.6	-2.5
2011 Q2	5.1	7.0	3.0	2.3	4.9	0.3	5.0	23.8	72.4	11.5	1.4	1.5	-2.9
2011 Q3	3.6	4.8	2.2	3.1	4.1	-0.4	4.7	26.2	33.1	14.6	1.2	2.3	-4.3
2010 Nov.	1.5	3.6	-1.0	8.6	1.1	-4.6	6.4	37.5	68.3	5.3	0.8	0.0	-
2010 Dec.	2.0	4.3	-0.7	6.3	1.8	-4.4	6.1	18.3	25.6	4.8	0.9	0.4	-
2011 Jan.	4.5	6.7	1.8	8.3	2.7	0.2	7.3	22.8	63.1	7.4	1.2	1.5	-
2011 Feb.	5.7	7.5	3.4	7.2	4.2	2.0	7.7	27.1	78.9	6.2	1.4	1.9	-
2011 Mar.	5.9	7.9	3.3	5.0	4.8	1.0	5.6	29.2	84.2	8.3	1.3	1.5	-
2011 Apr.	5.8	7.8	3.1	0.3	4.9	0.6	5.4	26.6	78.5	10.4	1.1	0.7	-
2011 May	5.1	6.7	3.1	3.5	5.2	0.4	5.1	22.7	78.0	11.8	1.4	1.9	-
2011 June	4.6	6.2	2.5	3.0	4.3	-0.1	4.4	21.9	60.5	12.5	1.7	1.8	-
2011 July	3.3	4.3	2.1	2.8	4.4	-1.0	4.8	35.0	50.6	14.5	1.8	2.3	-
2011 Aug.	3.7	5.1	2.0	2.5	4.0	-0.8	4.8	30.2	36.5	15.8	1.4	2.1	-
2011 Sep.	3.8	5.0	2.4	4.0	3.7	0.7	4.6	15.9	17.1	13.5	0.9	2.4	-
2011 Oct.	3.8	4.4	3.0	6.3	3.8	1.8	4.5	5.9	3.1	12.0	1.0	2.5	-

Sources: Statistical Office of the SR, NBS.

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



**TABLE 9 Producer prices and residential property prices**

(annual percentage changes)

	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
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
2010	0.2	2.7	-2.8	-4.5	-0.7	-1.7	-5.7	-1.2
2010 Q4	1.9	4.3	-0.9	-2.4	3.2	-2.8	-4.1	-0.4
2011 Q1	5.3	7.4	2.8	3.7	5.3	-1.7	1.3	1.4
2011 Q2	5.1	7.0	3.0	2.5	5.3	-0.2	2.5	3.7
2011 Q3	3.6	4.8	2.2	1.7	3.8	-0.4	3.5	3.8
2010 Nov.	1.5	3.6	-1.0	-2.5	3.0	-3.2	-4.1	-0.3
2010 Dec.	2.0	4.3	-0.7	-2.2	3.4	-2.1	-4.2	-0.2
2011 Jan.	4.5	6.7	1.8	2.8	4.3	-2.8	-0.5	-0.1
2011 Feb.	5.7	7.5	3.4	4.6	5.8	-1.8	2.1	1.8
2011 Mar.	5.9	7.9	3.3	3.7	5.7	-0.4	2.3	2.3
2011 Apr.	5.8	7.8	3.1	2.7	5.8	0.1	2.4	3.2
2011 May	5.1	6.7	3.1	2.9	5.6	0.0	2.4	3.7
2011 June	4.6	6.2	2.5	2.0	4.4	-0.8	2.7	4.1
2011 July	3.3	4.3	2.1	1.0	4.3	-0.1	3.4	4.3
2011 Aug.	3.7	5.1	2.0	1.5	3.9	-1.2	3.6	3.8
2011 Sep.	3.8	5.0	2.4	2.6	3.3	0.1	3.6	3.2
2011 Oct.	3.8	4.4	3.0	3.8	3.3	0.0	3.7	3.4

Sources: Statistical Office of the SR, NBS.



**TABLE 10 Wages and productivity**

(annual percentage changes)

	Total	Agriculture, forestry and fishing	Industry	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities; administrative and support service activities	Public administration and defence; compulsory social security; education; human health and social work activities	Arts, entertainment and recreation, repair of household goods and other services
	1	2	3	4	5	6	7	8	9	10	11
Unit labour costs (ULC)											
2007	0.5	-7.7	-1.9	-9.3	13.2	-8.5	21.1	-12.1	-2.6	-0.6	-19.9
2008	4.5	-6.2	7.6	6.1	-9.4	23.8	9.9	23.1	9.8	11.5	27.6
2009	7.0	57.9	4.5	20.6	13.5	-3.5	-11.9	-27.6	14.3	2.7	-20.7
2010	-1.4	3.7	-9.6	-0.1	4.1	18.1	9.2	-14.8	3.9	2.1	-8.5
2010 Q3	0.4	12.1	-10.3	-3.3	17.0	5.1	16.8	-4.7	8.1	-0.7	-12.3
2010 Q4	-0.7	29.0	-15.3	-7.3	16.6	26.1	13.6	-10.3	4.8	2.6	-6.7
2011 Q1	0.6	82.7	-14.7	1.4	15.5	5.4	11.8	21.9	-6.5	6.4	-3.7
2011 Q2	-0.8	54.5	-14.1	1.0	19.1	5.7	8.8	5.5	11.8	-9.6	19.4
2011 Q3	0.4	18.2	3.9	-9.5	0.7	2.7	5.3	-5.0	-10.4	-1.3	14.3
Compensation per employee (current prices)											
2007	8.7	9.9	8.1	-1.0	19.0	-0.6	14.8	-11.4	5.4	3.9	3.3
2008	7.3	4.8	8.8	13.0	-1.9	15.5	-4.5	43.5	17.2	12.3	-6.1
2009	3.7	17.9	2.9	7.2	-3.0	0.7	0.6	-22.4	16.3	7.8	3.1
2010	4.4	19.2	22.4	5.9	-8.7	21.4	2.3	-22.9	-21.5	5.3	2.0
2010 Q3	5.3	20.9	22.4	9.6	-5.5	21.1	4.3	-18.2	-25.0	5.4	3.5
2010 Q4	2.6	15.1	17.6	5.7	-13.5	23.4	3.1	-23.8	-19.6	6.5	-1.5
2011 Q1	1.6	10.9	2.1	2.8	3.4	0.5	2.7	-0.9	-11.3	1.2	5.9
2011 Q2	0.5	4.3	0.7	-3.3	2.4	2.9	4.3	0.6	3.7	-2.1	-5.9
2011 Q3	1.7	4.4	3.6	-2.9	3.7	4.0	4.7	-5.3	-4.1	-0.2	-0.9
Labour productivity (constant prices)											
2007	8.2	19.3	10.5	9.2	5.4	9.3	-4.2	1.5	8.5	4.7	30.4
2008	2.7	12.5	1.9	9.3	8.2	-6.1	-11.2	16.6	7.0	0.9	-25.9
2009	-3.0	-22.5	0.0	-10.5	-14.2	5.0	15.4	7.4	2.8	5.9	31.0
2010	5.9	20.2	36.0	6.4	-10.8	3.2	-6.0	-9.0	-24.2	3.5	11.5
2010 Q3	4.9	7.9	36.3	13.3	-19.2	15.2	-10.7	-14.2	-30.6	6.1	18.1
2010 Q4	3.3	-10.8	38.8	14.0	-25.8	-2.1	-9.2	-15.0	-23.2	3.8	5.6
2011 Q1	1.0	-39.3	19.8	1.4	-10.5	-4.6	-8.2	-18.7	-5.1	-4.9	10.0
2011 Q2	1.2	-32.5	17.3	-4.2	-14.1	-2.7	-4.1	-4.6	-7.3	8.2	-21.2
2011 Q3	1.3	-11.7	-0.3	7.4	3.0	1.3	-0.6	-0.3	7.1	1.2	-13.3

Sources: 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	
2007	135.2	16.9	21.1	15.4	-3.7	5.6	47.8	46.9	-2.3	5.8
2008	139.6	3.2	2.6	-10.7	9.9	-4.2	9.7	3.9	0.6	12.0
2009	120.3	-13.8	-15.5	1.7	-5.8	-13.2	-25.9	0.4	-7.7	-11.3
2010	143.1	18.9	20.1	0.4	15.6	14.0	35.5	22.5	3.9	-4.6
2010 Q4	155.5	16.7	17.0	-2.6	17.7	8.8	27.9	28.1	1.3	1.7
2011 Q1	149.0	11.9	13.3	-10.8	7.4	5.9	25.0	3.9	1.7	0.5
2011 Q2	157.0	7.9	11.3	7.7	-10.2	0.1	25.1	-6.0	10.3	-1.2
2011 Q3	145.9	5.6	7.7	-2.7	-4.6	5.0	13.9	-12.7	16.2	-1.7
2010 Nov.	168.2	17.5	18.7	0.2	12.5	10.6	27.9	28.3	7.6	0.8
2010 Dec.	139.7	19.8	19.5	-4.9	24.4	12.7	32.0	28.8	-1.8	0.0
2011 Jan.	145.7	19.1	20.0	2.5	16.5	11.7	40.2	1.1	5.5	-0.8
2011 Feb.	142.1	10.9	10.8	-14.6	14.8	5.7	19.1	2.0	-2.2	-7.9
2011 Mar.	159.4	6.8	10.0	-17.8	-6.2	1.4	19.1	8.3	1.7	0.5
2011 Apr.	151.8	7.8	11.2	0.6	-8.5	-3.4	20.4	28.6	13.4	-7.1
2011 May	163.8	10.7	13.9	11.2	-7.5	-0.6	32.6	-8.7	6.9	-4.0
2011 June	155.4	5.1	8.7	11.2	-14.3	4.6	22.2	-31.0	11.0	-1.2
2011 July	135.6	5.0	5.5	1.4	2.8	7.9	11.6	-39.0	10.3	-3.7
2011 Aug.	140.1	4.2	7.7	-5.5	-11.3	4.9	16.5	-15.8	16.5	-6.2
2011 Sep.	162.0	7.4	9.6	-3.8	-4.5	2.5	14.0	9.0	21.0	5.3
2011 Oct.	170.8	7.8	8.7	-8.8	4.2	7.9	16.5	-13.3	14.2	-1.0
	Month-on-month percentage changes <sup>1)</sup>									
2010 Nov.	152.1	3.8	4.7	-0.3	-1.0	0.9	3.1	5.8	8.3	-0.6
2010 Dec.	150.2	-1.2	-1.0	-4.6	5.5	1.2	5.9	4.0	-2.1	-2.4
2011 Jan.	153.6	2.3	1.8	5.0	-2.5	2.0	5.2	-8.0	1.6	-2.7
2011 Feb.	149.7	-2.5	-3.5	-8.1	1.2	-1.9	-6.4	4.3	-2.4	-3.2
2011 Mar.	151.1	0.9	2.8	0.2	-14.7	2.3	2.5	4.7	5.1	6.0
2011 Apr.	152.9	1.2	0.8	12.9	3.8	-4.2	1.8	11.9	2.2	-0.1
2011 May	157.2	2.8	2.9	2.7	1.6	1.3	5.1	-9.3	0.1	-0.9
2011 June	153.6	-2.3	-2.9	-0.5	-0.8	2.7	-4.4	-27.1	-0.4	1.9
2011 July	148.4	-3.4	-5.2	-6.9	7.3	-2.1	-5.3	-5.8	-0.7	-0.2
2011 Aug.	151.4	2.0	4.6	-3.1	-4.7	3.0	4.0	3.8	6.2	-2.1
2011 Sep.	156.4	3.3	3.6	-0.8	4.8	0.2	3.0	12.7	0.3	3.9
2011 Oct.	157.8	0.9	0.4	-4.0	4.1	3.0	2.0	-3.6	-2.8	-0.9

Sources: 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 activities	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>				Accom- modation	Restau- rants					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
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	-18.6	-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
2010	155.9	25.3	7.9	19.2	17.5	-6.1	-5.2	-1.5	2.6	-2.2	-4.8	-9.1	5.7	-8.7	7.1	71.0	-21.5
2010 Q4	172.0	24.6	9.5	18.1	17.8	1.0	1.8	19.7	2.1	-3.1	-2.3	-4.2	9.1	-12.4	11.2	22.0	24.9
2011 Q1	172.5	20.4	12.2	16.7	20.5	4.4	5.9	18.6	-1.8	-1.2	-3.0	-0.3	13.7	4.3	12.4	17.4	21.3
2011 Q2	172.8	10.8	9.5	12.3	16.3	-0.8	0.9	11.0	-0.9	-2.7	0.7	0.7	13.8	4.4	10.8	20.0	15.1
2011 Q3	162.4	6.5	7.5	8.0	11.2	5.9	7.0	9.5	-0.2	-3.9	-2.8	-1.7	16.3	12.7	8.0	17.2	-0.1
2010 Nov.	175.2	21.0	10.2	17.5	17.0	0.1	0.9	25.8	7.5	-3.1	-2.7	-1.9	10.2	-13.6	7.3	7.0	36.2
2010 Dec.	162.4	33.2	10.7	22.3	22.2	4.1	4.9	13.4	-0.8	-2.4	-0.7	-8.0	9.0	-10.2	14.6	8.3	28.7
2011 Jan.	161.1	28.5	13.6	19.1	22.7	8.8	10.0	27.5	-1.4	-0.1	-2.8	0.3	13.9	7.1	7.4	4.8	21.8
2011 Feb.	173.0	22.9	11.6	16.4	20.2	-5.2	-3.8	15.4	-1.9	0.0	-2.4	-0.1	13.8	0.8	12.5	5.2	21.6
2011 Mar.	183.3	12.0	11.4	14.5	18.9	9.5	10.9	12.8	-2.0	-3.4	-3.8	-1.1	13.5	4.9	16.5	7.3	20.7
2011 Apr.	170.8	11.7	8.7	11.6	15.5	-7.8	-6.8	11.4	-1.8	-0.3	0.3	0.8	14.4	-0.7	11.2	6.1	16.6
2011 May	179.9	14.5	12.1	16.0	20.4	3.1	4.5	11.8	0.2	-3.5	4.2	2.2	14.0	8.5	14.1	7.0	30.2
2011 June	167.6	6.3	7.8	9.4	13.2	2.4	4.1	9.8	-1.1	-4.2	-2.4	-1.0	13.0	5.5	7.2	6.9	1.7
2011 July	141.5	-1.3	5.3	3.2	7.5	3.9	5.6	9.3	-0.2	-4.3	-2.7	-1.1	16.6	6.7	3.4	6.0	1.3
2011 Aug.	158.7	9.6	9.5	12.2	15.2	2.1	3.0	10.0	-0.2	-3.7	-2.7	-1.3	16.2	26.7	11.7	5.7	1.8
2011 Sep.	187.1	10.6	7.8	8.6	10.8	11.8	12.8	9.3	-0.3	-3.6	-3.1	-2.7	16.2	5.8	9.0	5.4	-3.4
2011 Oct.	.	.	7.4	6.9	9.8	8.1	9.2	8.8	-0.3	-3.1	-2.1	-2.8	14.0	23.7	3.4	6.3	-5.3

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				Receipts 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>	current prices <sup>1)</sup>	EUR mil. <sup>1)</sup>
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
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	
2010	20.5	-3.3	20.8	8.8	24.3	24.9	21.8	28.3	7.2	28.3	7.4	8.6	20.5	55,228.1	
2010 Q4	19.6	9.6	19.7	13.2	23.3	23.7	20.3	27.1	7.1	6.5	7.9	7.5	19.6	15,232.3	
2011 Q1	22.6	11.3	22.7	18.0	41.1	28.2	22.4	34.4	0.0	-9.9	10.5	-4.3	22.6	15,041.1	
2011 Q2	17.2	15.3	17.2	21.8	53.8	21.1	15.7	26.9	-4.0	-19.7	16.3	-12.2	17.2	16,272.7	
2011 Q3	11.3	3.9	11.3	17.0	31.6	12.7	11.6	13.8	-0.3	-13.7	12.1	-6.5	11.3	15,400.6	
2010 Nov.	18.6	14.6	18.7	12.4	21.0	21.7	21.0	22.4	9.7	7.4	13.2	9.8	18.6	5,393.7	
2010 Dec.	25.5	-0.6	25.7	15.3	30.9	30.0	25.1	34.9	10.1	13.7	7.0	11.8	25.5	4,575.1	
2011 Jan.	27.0	15.7	27.1	11.9	24.6	33.8	24.6	44.5	6.3	-4.5	17.9	1.8	27.0	4,634.5	
2011 Feb.	22.7	10.4	22.9	20.3	68.7	27.2	22.5	32.0	-2.3	-9.8	5.4	-4.5	22.7	4,876.4	
2011 Mar.	19.0	8.6	19.1	22.4	35.7	24.7	20.4	29.1	-2.9	-14.1	9.2	-9.0	19.0	5,530.1	
2011 Apr.	16.7	8.2	16.7	14.5	27.5	17.6	11.8	24.0	10.1	2.2	20.0	5.6	16.7	5,260.2	
2011 May	22.4	21.3	22.4	26.7	93.7	27.1	21.6	33.0	-5.0	-22.6	19.3	-14.5	22.4	5,544.7	
2011 June	12.9	16.7	12.8	25.2	54.1	18.8	13.9	23.9	-15.3	-36.1	10.3	-25.5	12.9	5,467.8	
2011 July	5.9	4.2	6.0	23.1	38.6	8.4	10.2	6.6	-13.5	-36.9	5.4	-21.8	5.9	4,631.4	
2011 Aug.	15.7	8.5	15.8	17.4	27.6	18.6	13.2	25.0	2.0	-14.5	17.8	-6.3	15.7	5,043.4	
2011 Sep.	12.0	-0.9	12.1	11.0	29.4	11.3	11.3	11.4	9.1	4.9	13.4	6.0	12.0	5,725.8	
2011 Oct.	10.5	-8.2	10.6	13.4	33.2	13.6	12.7	14.5	-5.3	-14.8	8.6	-10.7	10.5	5,814.0	

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

	EUR	year-on-year % changes	Agriculture, forestry and fishing	Industry	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles	Transporting and storage	Accommodation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence; social security	Education	Human health and social work activities	Arts, entertainment and recreation	Other activities
2009	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
2010	769.0	3.2	1.2	5.4	3.6	2.9	2.1	4.7	2.6	2.1	6.0	2.1	-0.7	1.9	2.5	4.0	0.5	-3.0
2009 Q3	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
2010 Q4	844.0	3.8	0.8	3.9	6.1	5.3	4.9	6.3	2.2	6.7	5.7	4.5	-2.3	0.3	1.7	4.1	2.5	-0.6
2011 Q1	746.0	2.9	4.1	2.9	6.1	2.7	1.5	0.2	3.2	6.4	2.9	-1.9	4.7	-0.1	1.2	5.1	2.9	2.7
2011 Q2	781.0	3.0	6.6	4.8	3.3	1.5	5.1	0.6	8.3	11.6	6.9	0.5	1.3	-3.4	1.1	3.2	5.9	1.2
2011 Q3	769.0	2.5	3.3	4.8	4.5	2.7	2.0	1.5	14.3	8.1	-2.4	-0.8	-0.6	1.3	0.0	2.5	3.5	-1.3

	EUR	year-on-year % changes	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 Nov.	822.4	7.1	5.9	8.0	5.4	5.0	4.0	6.5	5.9	4.9	6.8	18.2
2010 Dec.	796.5	3.3	3.5	5.1	0.8	2.8	1.4	1.8	2.3	6.3	-4.9	8.4
2011 Jan.	710.1	3.4	2.8	4.9	4.3	3.1	2.7	1.6	0.6	-0.1	-3.3	4.6
2011 Feb.	705.3	4.0	1.9	6.8	3.5	2.1	1.9	1.1	0.0	1.4	6.4	5.9
2011 Mar.	742.6	4.3	3.9	6.3	1.5	0.3	1.3	0.7	0.0	-0.8	7.1	5.5
2011 Apr.	739.4	3.5	3.5	1.5	0.6	-0.3	0.7	0.2	-0.3	0.4	10.4	4.0
2011 May	750.3	6.1	8.2	3.2	1.1	0.3	0.9	0.7	0.6	1.4	5.7	7.8
2011 June	771.6	3.8	2.8	5.4	0.7	-0.3	0.2	0.5	0.3	-0.5	9.1	6.4
2011 July	756.2	3.9	3.6	1.2	-0.1	-0.4	0.4	0.0	0.3	1.7	21.4	1.7
2011 Aug.	753.9	6.3	6.4	6.8	0.3	-0.1	0.5	0.0	-0.6	3.9	22.1	3.2
2011 Sep.	748.2	4.1	4.5	5.1	-0.3	-0.1	1.5	0.2	0.0	2.1	8.1	1.6
2011 Oct.	747.3	4.7	3.7	4.2	-0.6	-0.5	2.0	0.4	0.0	2.0	20.7	4.1

Sources: Statistical office of the SR and NBS calculations.

1) Statistical reports.

Note: According to NACE Rev. 2 as of 1 January 2009.



**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
2007	112.7	14.4	5.1	-4.1	34.0	73.6	-0.3	1.1	6.8	-12.4	-21.7
2008	97.4	-4.6	-11.7	3.8	1.8	72.0	-13.1	-13.6	-12.4	1.2	-25.0
2009	76.9	-17.7	-44.9	10.3	2.0	53.7	-35.4	-18.3	-40.2	53.0	-30.1
2010	97.2	1.9	-21.9	-2.7	25.0	57.5	-20.4	-11.6	-21.9	22.3	-25.8
2010 Q4	100.2	5.1	-15.0	-4.6	25.6	56.7	-22.8	-16.3	-27.9	23.1	-24.0
2011 Q1	101.1	10.9	-3.7	-4.7	31.7	68.1	-27.0	-20.4	-31.4	26.3	-29.7
2011 Q2	99.5	2.4	-11.2	0.8	19.1	55.4	-25.7	-19.8	-31.3	25.4	-26.6
2011 Q3	94.2	-2.6	-26.2	-1.6	16.8	60.6	-24.4	-17.8	-33.5	21.1	-25.5
2010 Dec.	103.1	11.1	-6.7	-12.5	27.5	-	-23.0	-18.4	-29.7	18.5	-25.4
2011 Jan.	104.2	17.6	-0.6	-7.1	46.3	68.1	-27.5	-21.7	-32.3	23.5	-32.5
2011 Feb.	101.2	10.7	-2.8	-5.5	29.5	-	-23.5	-17.4	-25.8	23.7	-27.1
2011 Mar.	97.9	4.4	-7.8	-1.6	19.4	-	-29.9	-22.2	-36.2	31.7	-29.6
2011 Apr.	100.3	9.4	-5.3	-3.0	30.5	55.4	-28.4	-22.0	-34.2	29.2	-28.4
2011 May	103.1	7.2	-8.1	4.5	34.3	-	-23.1	-17.0	-27.4	23.7	-24.4
2011 June	95.2	-9.5	-20.1	0.8	-7.5	-	-25.7	-20.4	-32.2	23.4	-26.9
2011 July	93.2	-9.8	-25.5	7.9	4.1	60.6	-23.3	-20.3	-31.9	15.5	-25.6
2011 Aug.	96.5	3.6	-29.7	-7.7	32.7	-	-23.5	-15.6	-30.3	22.9	-25.3
2011 Sep.	92.9	-1.6	-23.4	-5.0	13.7	-	-26.5	-17.5	-38.2	24.9	-25.5
2011 Oct.	92.9	1.8	-21.7	-3.2	24.0	62.3	-29.6	-17.9	-40.2	31.1	-29.4
2011 Nov.	94.8	0.7	-23.7	-6.4	19.6	-	-36.4	-21.6	-46.4	49.5	-27.9

Source: European Commission.

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

2) The economic sentiment indicator is composed of the industrial, services, consumer, construction, and retail trade confidence indicators; the industrial confidence indicator has a weight of 40%, the services confidence indicator a weight of 30%, the consumer confidence indicator a weight of 20%, and construction and retail trade indicators a weight of 5% each. Values of the economic sentiment indicator above (below) 100 indicate above – average (below – average) economic sentiment, calculated for the period 1993 to 2010.

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.

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.



**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
2007	-5.1	-20.8	10.5	20.5	33.7	5.9	33.7	34.6	28.9	32.0	43.0
2008	-6.8	-24.0	10.3	20.4	32.6	7.3	35.8	18.7	10.2	19.9	26.0
2009	-43.3	-55.7	-31.0	-14.8	-18.6	15.7	-10.0	-8.6	-13.9	-7.2	-4.7
2010	-41.6	-55.8	-27.5	0.6	-6.3	2.3	10.3	20.4	17.2	20.0	24.1
2010 Q4	-37.3	-52.4	-22.3	15.1	12.3	-0.2	32.7	25.7	21.6	20.8	34.9
2011 Q1	-41.1	-50.6	-31.8	13.7	21.3	3.6	23.4	26.0	25.1	22.7	30.3
2011 Q2	-42.5	-53.8	-31.2	20.0	22.2	4.4	42.1	31.5	30.9	29.7	33.8
2011 Q3	-46.2	-60.6	-31.8	17.2	15.4	6.0	42.1	18.4	20.6	10.8	23.9
2010 Dec.	-36.6	-53.8	-19.5	18.1	19.9	-0.9	33.5	26.6	19.3	23.0	37.6
2011 Jan.	-39.8	-54.7	-24.9	18.9	31.3	-3.3	22.1	26.7	23.5	22.1	34.5
2011 Feb.	-39.9	-48.6	-31.3	6.4	7.9	12.4	23.7	25.0	23.8	22.6	28.6
2011 Mar.	-43.7	-48.4	-39.1	15.8	24.8	1.7	24.5	26.3	28.0	23.3	27.7
2011 Apr.	-41.7	-52.4	-31.1	18.1	20.8	3.4	36.9	25.8	25.1	29.0	23.4
2011 May	-41.6	-50.8	-32.3	21.1	26.9	5.6	41.9	35.2	33.3	31.0	41.1
2011 June	-44.2	-58.2	-30.2	20.7	19.0	4.3	47.5	33.4	34.4	29.0	36.9
2011 July	-45.7	-61.0	-30.4	21.8	15.9	2.6	52.1	25.0	26.9	19.7	28.3
2011 Aug.	-47.1	-60.0	-34.3	15.2	13.0	9.4	42.0	16.7	19.0	7.3	23.9
2011 Sep.	-45.7	-60.7	-30.7	14.5	17.4	6.1	32.2	13.5	15.8	5.4	19.5
2011 Oct.	-37.9	-53.3	-22.5	9.2	16.2	14.4	25.8	12.2	9.2	8.5	19.0
2011 Nov.	-35.6	-51.1	-20.1	8.4	15.6	6.3	15.8	24.3	16.0	15.1	41.7

Source: European Commission.

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

2) The economic sentiment indicator is composed of the industrial, services, consumer, construction, and retail trade confidence indicators; the industrial confidence indicator has a weight of 40%, the services confidence indicator a weight of 30%, the consumer confidence indicator a weight of 20%, and construction and retail trade indicators a weight of 5% each. Values of the economic sentiment indicator above (below) 100 indicate above – average (below – average) economic sentiment, calculated for the period 1993 to 2010.

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.

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.



**TABLE 15 Employment and unemployment**

(annual percentage changes)

	Total		Number of employees	Self-employed	Agriculture, forestry and fishing	Industry	Construction	Employment <sup>1)</sup>							Unemployment rate in %
	Thousand of person	year-on-year % changes						Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities; administrative and support service activities	Public administration and defence; compulsory social security; education; human health and social work activities	Arts, entertainment and recreation, repair of household goods and other services	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2007	2,177.0	2.1	1.5	5.7	-3.6	1.3	4.0	3.3	4.3	4.5	13.1	7.6	0.4	-8.0	11.0
2008	2,247.1	3.2	2.0	10.3	-1.1	3.2	9.3	3.7	5.7	8.1	-10.6	3.3	0.8	6.2	9.6
2009	2,203.2	-2.0	-3.3	5.3	-7.1	-10.5	3.9	0.2	-0.1	0.2	8.3	3.8	0.8	6.1	12.1
2010	2,169.8	-1.5	-1.6	-1.2	-9.1	-4.0	-2.2	-1.3	-1.0	-2.0	6.0	5.0	0.0	-4.5	14.4
2010 Q4	2,188.8	0.4	0.8	-1.5	-5.0	1.7	-0.9	0.7	-0.8	-2.0	9.0	3.0	-0.6	-4.4	13.9
2011 Q1	2,198.4	2.3	3.1	-1.7	4.6	3.7	-1.6	1.4	10.3	-1.4	16.6	9.0	-0.6	0.6	13.9
2011 Q2	2,211.2	2.3	3.1	-1.9	4.9	3.6	-2.1	2.6	8.8	0.0	6.6	6.8	-0.9	2.1	13.1
2011 Q3	2,216.1	1.7	2.4	-2.0	2.4	3.1	-0.8	-0.2	5.9	0.6	13.0	8.8	-0.8	2.0	13.1
2010 Nov.	1,240.7	-	-	-	-	2.3	-2.1	-1.3	-9.6	-	-	-	-	-	12.2
2010 Dec.	1,233.4	-	-	-	-	2.8	-1.9	-1.6	-9.6	-	-	-	-	-	12.5
2011 Jan.	1,255.7	-	-	-	-	5.3	-2.1	-1.3	14.0	-	-	-	-	-	13.0
2011 Feb.	1,253.4	-	-	-	-	5.6	-3.3	1.0	13.6	-	-	-	-	-	13.2
2011 Mar.	1,252.5	-	-	-	-	5.1	-4.0	2.2	16.1	-	-	-	-	-	13.1
2011 Apr.	1,258.6	-	-	-	-	5.2	-4.2	2.3	16.0	-	-	-	-	-	12.9
2011 May	1,258.7	-	-	-	-	4.8	-3.7	2.3	15.0	-	-	-	-	-	12.8
2011 June	1,258.9	-	-	-	-	4.5	-3.8	2.9	13.5	-	-	-	-	-	13.0
2011 July	1,258.6	-	-	-	-	4.3	-3.6	2.2	12.4	-	-	-	-	-	13.2
2011 Aug.	1,258.4	-	-	-	-	3.9	-3.8	2.2	13.0	-	-	-	-	-	13.1
2011 Sep.	1,257.0	-	-	-	-	3.5	-4.1	1.8	12.9	-	-	-	-	-	13.4
2011 Oct.	1,260.6	-	-	-	-	3.1	-3.7	1.6	13.5	-	-	-	-	-	13.3

Source: Statistical Office of the SR.

1) ESA 95. According to SK NACE Rev. 2 (published as of 2011).



**TABLE 16 GDP – consumption 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.)											
2007	61.45	62.13	33.90	0.60	10.53	16.10	1.00	-0.68	53.37	54.05	0.00
2008	66.93	68.52	37.57	0.67	11.78	16.58	1.93	-1.59	55.79	57.39	0.00
2009	62.90	63.42	37.64	0.69	12.59	13.02	-0.53	-0.52	44.51	45.03	0.00
2010	65.89	66.75	37.74	0.70	12.89	14.62	0.80	-0.86	53.41	54.27	0.00
2009 Q4	16.13	16.14	9.41	0.18	3.86	3.45	-0.76	0.00	12.46	12.46	0.00
2010 Q1	15.20	15.23	9.16	0.17	2.84	3.48	-0.42	-0.04	11.70	11.74	0.00
2010 Q2	16.31	16.22	9.25	0.17	3.18	3.48	0.13	0.09	13.23	13.14	0.00
2010 Q3	17.48	18.06	9.69	0.18	3.05	3.67	1.48	-0.58	13.46	14.04	0.00
2010 Q4	16.90	17.23	9.64	0.18	3.82	3.98	-0.39	-0.33	15.03	15.36	0.00
2011 Q1	15.87	15.72	9.48	0.17	2.83	3.56	-0.33	0.38	14.52	14.15	-0.22
2011 Q2	17.23	16.76	9.60	0.18	3.07	3.69	0.23	0.23	15.54	15.31	0.23
2011 Q3	18.29	17.64	9.97	0.18	3.00	3.89	0.59	0.45	14.92	14.47	0.20
Percentage of GDP											
2010	101.0	101.3	57.3	1.1	19.6	22.2	1.2	-1.3	81.1	82.4	0.0
Chain-linked volumes											
Annual percentage changes											
2007	10.5	6.3	6.8	-1.3	-0.2	9.1	-	-	14.3	9.2	-
2008	5.9	5.8	6.1	10.5	6.9	1.0	-	-	3.1	3.1	-
2009	-4.9	-7.3	0.2	0.7	6.2	-19.7	-	-	-15.9	-18.1	-
2010	4.2	4.5	-0.7	2.3	1.5	12.4	-	-	16.5	16.3	-
2009 Q4	-3.7	-6.6	-2.4	0.8	6.9	-16.6	-	-	-4.0	-9.1	-
2010 Q1	4.9	-7.9	-0.4	3.1	6.6	9.5	-	-	17.6	11.8	-
2010 Q2	4.4	1.2	-1.8	2.2	0.9	11.3	-	-	16.7	18.0	-
2010 Q3	4.0	5.2	-0.7	2.1	2.4	13.4	-	-	16.2	20.0	-
2010 Q4	3.7	6.5	0.0	1.7	-2.4	15.1	-	-	15.8	15.5	-
2011 Q1	3.4	3.7	-0.2	2.0	-2.1	1.6	-	-	16.8	11.4	-
2011 Q2	3.5	0.4	-0.1	1.6	-5.1	6.4	-	-	13.1	10.9	-
2011 Q3	3.0	-4.4	-0.9	1.4	-3.3	5.9	-	-	6.8	-1.8	-
Quarterly percentage changes											
2009 Q4	1.4	-0.5	-0.9	2.8	2.6	1.6	-	-	6.7	3.2	-
2010 Q1	0.8	4.5	0.3	-1.9	0.1	13.8	-	-	1.0	5.4	-
2010 Q2	0.9	-1.2	-0.4	-0.3	-0.1	-2.8	-	-	3.5	0.8	-
2010 Q3	0.9	3.3	0.2	0.7	-0.4	2.3	-	-	4.9	9.3	-
2010 Q4	0.8	-1.6	0.0	2.4	-2.3	2.7	-	-	4.6	-0.6	-
2011 Q1	0.8	0.2	-0.2	-1.4	0.0	-0.4	-	-	3.9	1.7	-
2011 Q2	0.8	-1.0	-0.1	-0.7	-1.6	2.2	-	-	-0.8	0.3	-
2011 Q3	0.8	-1.7	-0.3	1.1	1.0	1.3	-	-	-2.1	-3.1	-

Source: Statistical Office of the SR.





TABLE 17 GDP – supply side

	Gross value added											Taxes on products
	Total	Agriculture, hunting and forestry; fishing	Industry	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities; administrative and support service activities	Public administration and defence; compulsory social security; education; human health and social work activities	Arts, entertainment and recreation, repair of household goods and other services	
	1	2	3	4	5	6	7	8	9	10	11	12
Current prices (mld. EUR)												
2007	55.4	2.2	16.6	4.7	12.2	2.3	2.0	3.3	3.7	6.9	1.6	6.1
2008	60.7	2.5	17.4	6.1	13.7	2.4	2.0	3.6	4.3	7.3	1.3	6.2
2009	57.2	1.8	14.3	5.6	12.4	2.6	2.3	3.8	4.6	8.0	1.8	5.7
2010	59.9	1.9	18.3	5.7	11.4	2.7	2.2	3.6	3.7	8.4	2.0	6.0
2009 Q4	14.6	0.41	3.44	1.73	2.93	0.61	0.61	1.00	1.07	2.36	0.49	1.49
2010 Q1	13.8	0.45	4.60	0.89	2.60	0.62	0.58	0.87	0.88	1.82	0.45	1.44
2010 Q2	14.9	0.39	4.54	1.24	3.14	0.69	0.56	0.85	0.93	2.07	0.49	1.42
2010 Q3	15.9	0.64	4.70	1.68	3.12	0.79	0.50	0.92	0.98	2.04	0.54	1.56
2010 Q4	15.3	0.40	4.45	1.93	2.50	0.62	0.53	0.97	0.94	2.50	0.51	1.56
2011 Q1	14.4	0.42	5.13	0.89	2.65	0.68	0.55	0.88	0.94	1.75	0.52	1.46
2011 Q2	15.6	0.40	4.99	1.20	3.11	0.75	0.56	0.88	0.98	2.33	0.40	1.61
2011 Q3	16.7	0.77	5.18	1.74	3.12	0.81	0.55	0.94	0.99	2.09	0.50	1.61
Contribution to GDP (%)												
2010	90.9	2.8	27.8	8.7	17.2	4.1	3.3	5.5	5.7	12.8	3.0	9.1
Chain-linked volumes, reference year 2000												
Medziročné zmeny (%)												
2007	10.5	14.9	12.0	13.3	8.3	13.1	-0.5	14.6	16.7	4.5	19.1	9.2
2008	5.9	11.6	4.4	20.3	12.2	-0.9	-4.2	4.5	10.9	1.5	-21.7	-0.4
2009	-4.9	-27.6	-11.2	-7.0	-13.9	3.7	13.9	15.8	5.3	6.2	38.2	-6.8
2010	4.2	5.0	30.8	5.6	-12.6	2.1	-7.9	-3.8	-20.5	3.5	6.4	4.0
2009 Q4	-2.3	-43.8	-3.2	-10.9	-11.4	0.7	-4.6	21.4	7.9	8.3	62.5	-15.5
2010 Q1	5.2	15.9	29.5	-6.9	2.9	-1.1	-5.1	-3.1	-20.8	-4.4	4.6	2.9
2010 Q2	4.4	38.5	18.2	1.0	-5.8	-1.9	-3.5	1.6	-14.7	9.1	8.5	4.6
2010 Q3	3.9	-4.2	34.3	9.1	-20.2	14.6	-11.9	-5.9	-25.4	6.1	11.8	5.1
2010 Q4	3.7	-15.3	41.1	13.0	-25.2	-2.9	-11.0	-7.3	-20.9	3.2	0.9	3.6
2011 Q1	3.7	-36.5	24.2	-0.2	-9.2	5.2	-9.4	-5.3	3.5	-5.5	10.6	0.5
2011 Q2	2.8	-29.2	21.5	-6.3	-11.9	5.8	-4.1	1.7	-1.0	7.3	-19.5	10.7
2011 Q3	3.2	-9.6	2.7	6.5	2.8	7.3	0.0	12.6	16.5	0.4	-11.6	1.3

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	
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	
2010	-4,436.1	10,900.9	7,962.4	139.0	1,257.5	152.3	4,431.5	1,945.0	37.1	681.3	2,257.2	1,427.0	15,337.0	12,969.1	2,367.9	
2010 Dec.	-4,436.1	10,900.9	7,962.4	139.0	1,257.5	152.3	4,431.5	1,945.0	37.1	681.3	2,257.2	1,427.0	15,337.0	12,969.1	2,367.9	
2011 Jan.	-17.7	830.4	744.3	-15.1	81.8	27.5	477.6	168.9	3.6	46.3	39.8	38.4	848.1	830.7	17.4	
2011 Feb.	-344.1	1,758.1	1,242.1	-41.3	192.8	36.2	707.8	339.0	7.6	79.9	436.1	433.8	2,102.2	1,985.8	116.4	
2011 Mar.	-655.2	2,751.9	1,993.2	3.8	527.2	46.3	962.7	442.3	10.9	118.5	640.3	636.3	3,407.1	3,022.5	384.6	
2011 Apr.	-1,018.5	3,635.6	2,668.3	-93.4	578.1	56.8	1,496.7	616.3	13.8	208.1	759.2	751.6	4,654.1	4,127.5	526.6	
2011 May	-1,567.5	4,396.2	3,187.3	-99.6	610.7	67.5	1,812.4	778.6	17.7	275.3	933.6	923.5	5,963.7	5,295.5	668.2	
2011 June	-1,577.6	5,483.0	4,112.6	-3.1	827.3	79.0	2,222.5	950.5	36.4	341.3	1,029.1	1,017.3	7,060.6	6,261.7	798.9	
2011 July	-1,675.0	6,569.4	4,921.3	10.9	968.7	90.4	2,682.5	1,125.5	43.3	459.4	1,188.7	1,171.4	8,244.4	7,255.6	988.8	
2011 Aug.	-2,022.2	7,343.2	5,526.2	13.1	1,125.7	99.7	2,942.2	1,298.7	46.8	528.9	1,288.1	1,269.3	9,365.4	8,187.0	1,178.4	
2011 Sep.	-2,158.9	8,279.3	6,205.9	27.7	1,256.9	109.7	3,278.7	1,483.2	49.7	626.0	1,447.4	1,426.5	10,438.2	9,096.3	1,341.9	
2011 Oct.	-2,341.3	9,311.4	7,077.4	39.7	1,379.1	118.8	3,826.7	1,660.1	53.0	666.6	1,567.4	1,533.1	11,652.7	10,152.4	1,500.3	
2011 Nov.	-2,665.4	10,238.9	7,800.6	41.4	1,486.7	132.6	4,250.5	1,833.5	55.9	750.9	1,687.4	1,651.1	12,904.3	11,078.6	1,825.7	

Sources: 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
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
2010	58.9	3.4	-0.8	386.0	-41.0	-2.2	15.2	6.0	27.5	-17.7	33.7	32.0	15.0	16.1	9.7
2010 Dec.	58.9	3.4	-0.8	386.0	-41.0	-2.2	15.2	6.0	27.5	-17.7	33.7	32.0	15.0	16.1	9.7
2011 Jan.	-177.6	3.8	-2.2	-41.0	37.0	-16.4	-6.3	-7.1	63.6	19.9	4 322.2	38 300.0	9.1	7.2	544.4
2011 Feb.	-55.9	20.3	9.8	-16.1	3.0	-12.8	11.5	8.4	58.3	-10.8	81.6	82.7	-6.2	-5.9	-10.9
2011 Mar.	-33.4	9.6	-0.5	-91.1	7.3	-5.5	5.1	-11.3	60.3	-7.2	68.6	76.7	-2.5	-5.0	22.5
2011 Apr.	-31.2	12.8	8.3	49.0	53.1	-6.9	4.9	-5.5	51.6	7.4	34.0	39.6	-1.1	-2.8	15.1
2011 May	-24.6	11.1	7.6	16.9	60.6	-0.9	1.1	-2.0	42.7	-6.0	32.7	38.0	-1.2	-2.1	6.7
2011 June	-35.3	12.4	11.6	-115.3	57.9	-0.4	5.7	0.7	139.5	-3.5	22.7	28.4	-3.5	-2.0	-13.8
2011 July	-30.4	8.9	8.9	-74.2	52.3	-13.3	2.7	1.9	136.6	9.6	8.3	41.3	-2.4	-1.3	-9.7
2011 Aug.	-28.4	8.5	8.4	-67.3	48.0	-10.7	1.9	1.7	118.7	9.2	8.5	46.8	-2.4	-1.8	-6.3
2011 Sep.	-30.6	9.8	8.3	-43.8	43.4	-10.7	2.3	2.3	98.8	18.1	13.1	52.0	-2.0	-1.7	-4.1
2011 Oct.	-30.6	9.9	9.4	-36.2	43.6	-9.2	4.1	2.9	85.3	11.9	11.4	51.0	-1.6	-1.2	-4.4
2011 Nov.	-24.1	7.5	8.5	-39.2	36.0	-5.2	4.2	3.0	69.4	16.8	-0.3	46.6	-1.0	-1.2	0.4

Sources: 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
2007	47,351	48,076	-725	5,755	5,320	435	-2,634	-368	-3,292	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	4,342	5,368	-1,026	-870	-676	-1,627	464	-656	-1,506	4,222	2,060
2010	48,272	47,494	779	4,397	5,141	-744	-1,249	-422	-1,637	1,018	21	-1,294	793	-480
2010 Q4	13,743	13,712	31	1,216	1,312	-96	-322	-114	-501	316	56	977	-1,095	-62
2011 Q1	13,475	12,843	632	1,066	1,194	-128	-399	228	333	42	268	-238	752	782
2011 Q2	14,223	13,865	359	1,167	1,319	-152	-411	-133	-337	390	-275	-102	1,226	849
2011 Q3	13,780	13,157	623	1,212	1,335	-123	-425	-207	-132	195	296	515	-57	753
2010 Nov.	4,886	4,761	125	359	399	-40	-103	16	-3	34	-278	-297	554	-21
2010 Dec.	4,046	4,246	-200	479	467	12	-114	-31	-333	276	495	151	-867	-221
2011 Jan.	4,078	3,832	246	355	370	-14	-138	30	124	-9	149	-619	131	-338
2011 Feb.	4,375	4,188	187	344	404	-60	-119	291	298	-10	-26	409	413	796
2011 Mar.	5,022	4,823	199	367	420	-53	-142	-93	-88	62	144	-28	208	324
2011 Apr.	4,509	4,477	32	370	422	-52	-121	-74	-215	150	-123	-47	537	368
2011 May	4,919	4,802	117	405	476	-71	-138	-30	-122	152	-224	-123	-123	-469
2011 June	4,795	4,586	209	393	421	-29	-151	-29	0	88	72	68	811	951
2011 July	4,249	4,213	36	405	459	-54	-137	-75	-231	16	-61	351	-99	191
2011 Aug.	4,441	4,252	189	422	467	-45	-133	-30	-20	1	160	269	-374	55
2011 Sep.	5,090	4,692	399	385	408	-23	-155	-101	119	177	197	-106	416	508
2011 Oct.	5,298	4,728	570	371	409	-38	-124	-105	303	.	.	.	.	.

Sources: 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
2007	15.8	10.6	7.9	16.0
2008	4.6	4.6	4.3	22.0
2009	-19.8	-22.9	-27.7	-17.3
2010	21.5	22.5	1.3	-4.2
2010 Q3	21.6	29.6	1.6	-2.3
2010 Q4	22.4	26.2	9.7	-4.2
2011 Q1	28.3	27.5	8.4	-5.2
2011 Q2	18.8	21.7	9.9	3.5
2010 Nov.	25.0	25.7	11.8	3.0
2010 Dec.	23.6	27.3	16.4	-15.6
2011 Jan.	34.8	30.1	8.6	-1.4
2011 Feb.	28.5	27.5	13.2	-6.6
2011 Mar.	23.3	25.4	4.1	-7.0
2011 Apr.	16.6	23.6	4.8	-4.2
2011 May	24.2	25.5	17.9	16.4
2011 June	15.7	16.2	7.3	-1.1
2011 July	12.7	9.2	8.7	-3.4
2011 Aug.	17.2	6.4	3.7	11.0
2011 Sep.	13.2	5.3	8.4	2.6
2011 Oct.	10.1	0.5	-1.8	-8.3

Sources: 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 %)
2008	3.3	2.4	6.1	0.4	-1.6	-0.7	7.7	4.36
2009	0.3	1.3	-5.1	-4.2	-14.8	-2.5	9.6	4.03
2010	1.6	1.0	2.9	1.9	7.4	0.8	10.1	3.79
2010 Q3	1.7	1.0	4.0	2.1	7.1	1.5	10.1	3.52
2010 Q4	2.0	1.1	4.8	2.0	8.0	0.6	10.1	3.72
2011 Q1	2.5	1.3	6.5	2.4	6.6	0.1	10.0	4.30
2011 Q2	2.8	1.8	6.3	1.7	4.2	-0.5	10.0	4.46
2011 Q3	2.7	1.7	5.9	1.4	4.0	-0.6	10.1	4.28
2011 Aug.	2.5	1.5	5.8	-	6.0	-0.1	10.1	4.21
2011 Sep.	3.0	2.0	5.8	-	2.2	-1.4	10.2	4.04
2011 Oct.	3.0	2.0	5.5	-	1.3	-0.4	10.3	4.09
2011 Nov.	3.0	2.0	.	-	.	.	.	4.41

Sources: 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.

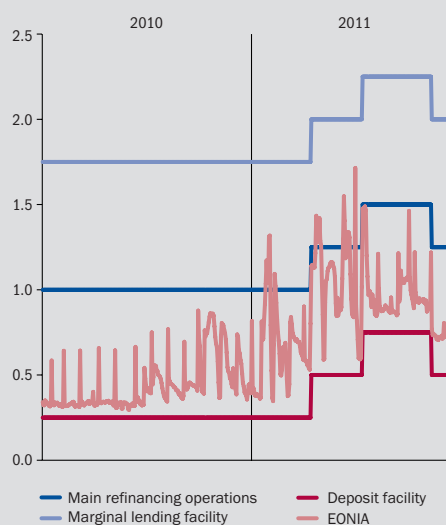
**Chart 1 USD/EUR: year-on-year changes (%)**



Source: ECB.

Note: Negative values denote depreciation of the euro.

**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>
2008	6.3	5.8	4.5	3.1	-2.2	3.9	4.4	4.63
2009	0.6	0.5	-3.1	-4.7	-12.9	-1.5	6.7	4.84
2010	1.2	0.5	1.2	2.7	9.9	-1.2	7.3	3.88
2010 Q3	1.6	0.8	2.2	3.3	11.5	0.0	7.1	3.62
2010 Q4	2.0	0.9	3.0	3.0	11.1	-1.5	7.0	3.64
2011 Q1	1.9	0.8	5.4	2.8	11.4	1.4	6.9	4.03
2011 Q2	1.8	1.2	5.9	2.0	9.2	1.0	6.9	3.90
2011 Q3	2.1	1.5	5.5	1.2	3.7	-1.4	6.7	3.40
2011 Aug.	2.1	1.4	5.6	-	3.5	-0.6	6.7	3.40
2011 Sep.	2.1	1.6	5.5	-	1.6	-1.7	6.6	3.00
2011 Oct.	2.6	1.9	5.5	-	1.7	-1.2	6.7	3.14
2011 Nov.	2.9	2.1	.	-	.	.	.	3.67

Sources: 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>
2008	6.0	5.1	11.6	0.9	-0.9	-1.8	7.8	8.24
2009	4.0	4.1	1.2	-6.8	-17.5	-5.3	10.0	9.12
2010	4.7	3.3	7.3	1.3	10.3	-2.2	11.1	7.28
2010 Q3	3.6	1.8	10.0	2.5	12.9	1.1	11.0	7.17
2010 Q4	4.3	2.2	10.5	2.5	9.8	-0.9	11.0	7.39
2011 Q1	4.3	2.3	9.1	1.9	11.5	-0.1	11.0	7.46
2011 Q2	3.9	3.1	3.7	1.7	4.1	-0.2	10.9	7.13
2011 Q3	3.4	3.2	4.2	1.5	1.8	-0.2	10.3	7.49
2011 Aug.	3.5	3.2	3.4	-	-0.4	0.4	10.3	7.49
2011 Sep.	3.7	3.1	5.9	-	3.0	0.4	9.9	7.64
2011 Oct.	3.8	3.0	7.5	-	.	.	9.8	7.88
2011 Nov.	4.3	3.3	.	-	.	.	.	8.53

Sources: 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>
2008	4.2	3.6	5.4	5.1	2.5	4.7	7.2	6.07
2009	4.0	3.3	2.4	1.6	-3.8	3.3	8.2	6.12
2010	2.7	2.0	3.7	3.9	10.8	6.5	9.7	5.78
2010 Q3	2.1	1.4	5.1	4.8	12.4	9.9	9.5	5.65
2010 Q4	2.7	1.7	6.4	4.1	9.0	12.5	9.6	5.78
2011 Q1	3.6	2.4	8.4	4.5	7.4	1.5	9.4	6.26
2011 Q2	4.0	3.1	8.0	4.6	7.2	1.4	9.6	6.03
2011 Q3	3.7	3.3	7.1	4.2	5.7	-2.3	9.7	5.75
2011 Aug.	4.0	3.5	7.0	-	5.5	-2.3	9.7	5.70
2011 Sep.	3.5	3.3	7.3	-	7.5	-0.7	9.8	5.74
2011 Oct.	3.8	3.3	7.4	-	7.1	-0.3	9.9	5.71
2011 Nov.	4.4	3.6	.	-	.	.	.	5.80

Sources: Eurostat, ECB, NBS calculations.

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

2) Constant prices.

3) Adjusted for calendar effects.

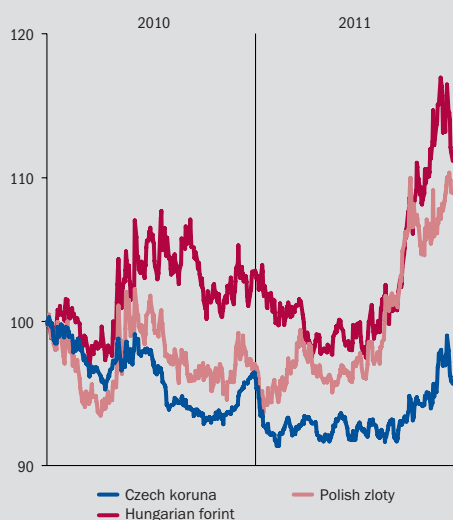
4) Adjusted for seasonal and calendar effects.

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.

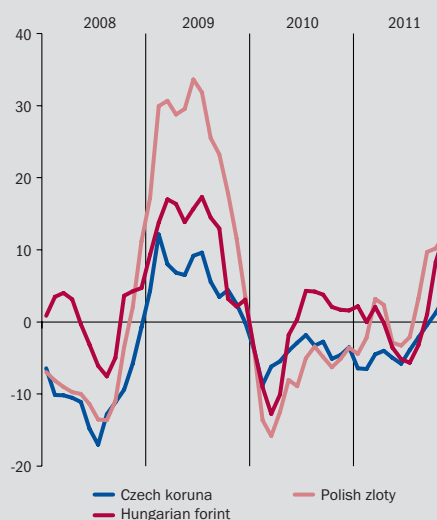
**Chart 3 Exchange rate indices of V4 currencies against the euro (04.01.2010 = 100)**



Sources: 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 %)**



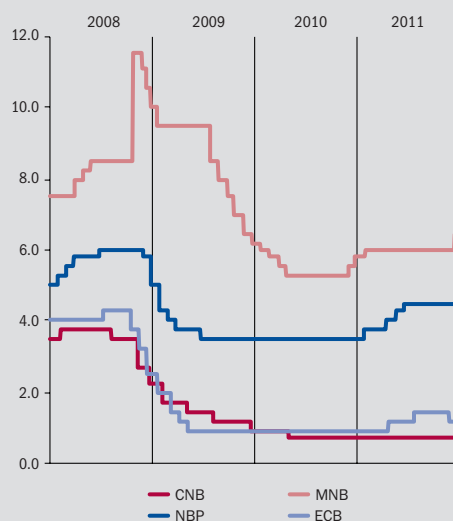
Sources: Eurostat, NBS calculations.

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 %)
2008	3.8	2.3	6.3	0.0	-3.7	-1.0	5.8	3.66
2009	-0.4	1.7	-2.4	-2.6	-11.2	-6.4	9.3	3.26
2010	1.6	1.0	4.2	2.9	5.3	6.5	9.6	3.22
2010 Q3	1.2	0.9	3.7	3.5	6.9	5.8	9.6	2.78
2010 Q4	1.3	0.7	3.8	3.1	6.4	7.7	9.6	2.88
2011 Q1	2.1	1.1	4.8	2.2	5.4	7.1	8.9	3.46
2011 Q2	3.4	1.5	6.9	1.6	3.8	6.8	9.1	3.20
2011 Q3	3.8	1.9	6.9	1.6	3.4	7.1	9.1	2.14
2011 Aug.	3.8	1.9	6.5	-	3.4	6.9	9.1	2.30
2011 Sep.	3.9	2.0	7.1	-	3.1	7.1	9.1	1.98
2011 Oct.	3.5	2.1	6.2	-	3.9	5.9	9.0	2.15
2011 Nov.	.	.	.	-	.	.	8.6	2.01

Sources: 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 (commodity data – finished goods).

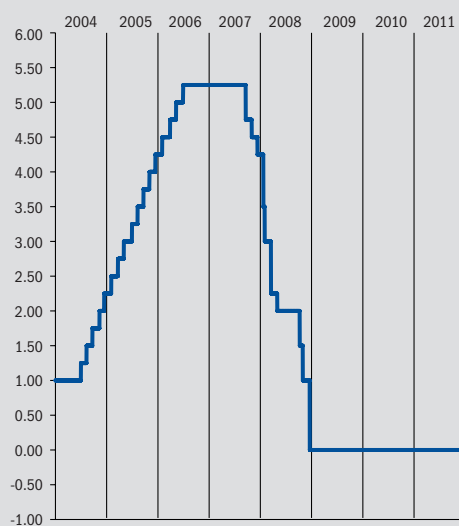
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail and food services sales.

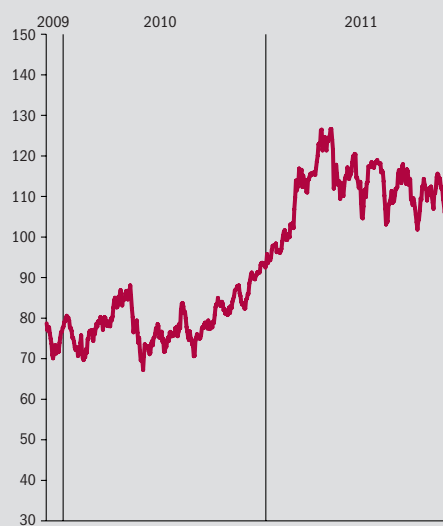


Chart 6 United States (federal funds rate in %)



Source: Federal Reserve System.

Chart 7 Oil prices (USD/barrel)



Source: Reuters.

