



NÁRODNÁ BANKA SLOVENSKA

MONETARY SURVEY
AUGUST 2003

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1. Introduction

The level of consumer prices rose by 1.0% in August, whilst the prices of the components of core inflation fell month-on-month by 0.7%. The 12-month rate of consumer-price inflation reached 9.2%, with core inflation accounting for 2.03 percentage points. The rate of core inflation reached 2.7% on a year-on-year basis.

On a year-on-year basis, real gross domestic product grew by 3.9% in the first half of 2003. In the second quarter, the year-on-year rate of growth reached 3.8%.

According to preliminary data, the M2 money supply (at fixed exchange rates from 1 January 1993) grew month-on-month by Sk 7.4 billion in August, to Sk 708.9 billion. The year-on-year growth rate of M2 reached 6.9%. Slovak-koruna deposits, as a component of the M2 monetary aggregate, grew month-on-month by Sk 4.6 billion, while increasing year-on-year by 8.9%.

The volume of loans to households and enterprises (at fixed exchange rates from 1 January 1993) grew month-on-month by Sk 0.8 billion in August, representing an increase of 11.4% on a year-on-year basis.

The average interest rate on loans provided in July fell by 0.4 of a percentage point (to 7.3%) and the average rate for the total volume of loans by 0.1 of a percentage point (to 8.0%).

Over the period January to August 2003, the State Budget of the SR resulted in a deficit of Sk 33.1 billion.

The foreign exchange reserves of the NBS (at current exchange rates) fell by US\$ 575.6 million in August. At the end of the month, the volume of foreign exchange reserves was 5.1 times greater than the volume of average monthly imports of goods and services to Slovakia during the first seven months of 2003.

The balance of payments on current account for the first half of 2003 resulted in a deficit of Sk 7.4 billion. In the same period, the capital and financial account generated, according to preliminary data, a surplus of Sk 28.9 billion.

In August, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 169.4 billion, representing an increase of Sk 6.6 billion compared with the figure for July.

On 22 August 2003, the Board of the National Bank of Slovakia (NBS) left the key interest rates of the NBS unchanged, i.e. the limit rate for two-week repo tenders at 6.5%, the rate for overnight sterilisation operations at 5.0%, and that for overnight refinancing transactions at 8.0%.

2. Inflation

2.1. Consumer price index

On a month-on-month basis, consumer prices rose by 1.0% in August, with regulated prices increasing by 0.5% and the prices of the components of core inflation falling by 0.7%. The increase in excise duties was a crucial factor in the price increase. In August, excise duties were raised on tobacco and tobacco products, beer, and mineral oils. On a year-on-year basis, overall inflation reached 9.2% (in July 8.7%) and core inflation 2.7% (in July 3.3%). The average 12-month rate of inflation for the first eight months of the year was 8.0%.

Rise in consumer prices as a result of an increase in excise duties

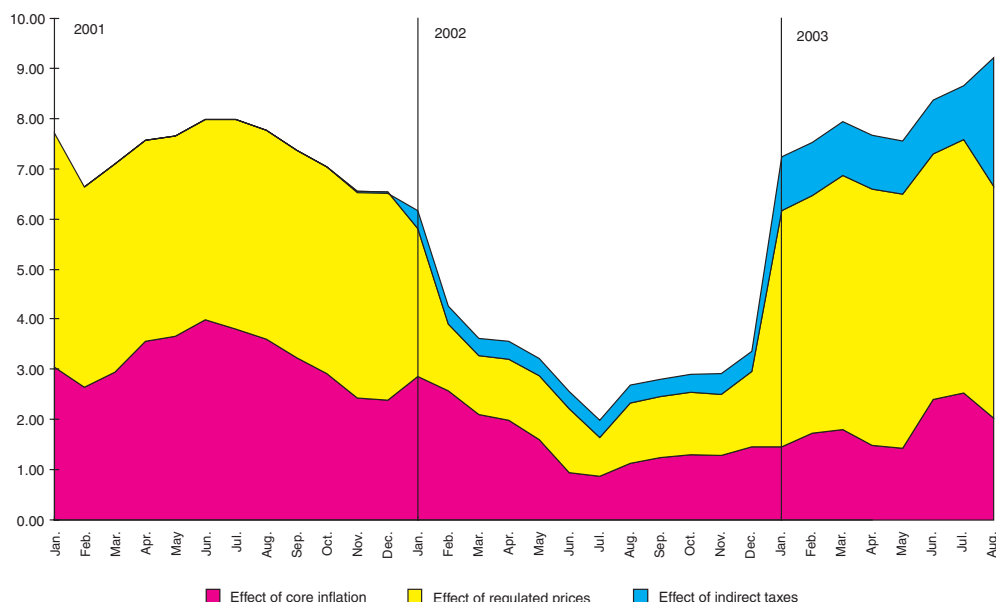
Fall in the rate of core inflation

The changes in excise duties contributed 1.39 percentage points to the rate of overall inflation. The August increase in excise duties led to a month-on-month fall in the prices of the components of core inflation and a slowdown in the year-on-year rate of core inflation. This was due mainly to an increase in the price of cigarettes prior to the introduction of new excise duties, which caused the 12-month rate of core inflation to accelerate in June and July, but this acceleration was only of a temporary nature. The increase in excise duties with effect from August has caused a shift in the structure of price increases, from core inflation to indirect taxes.

Continued fall in food prices

Food prices fell by 0.3% in August. This was due to a fall in the price of unprocessed foods and a moderate increase in the price of processed foods. Within the structure of unprocessed foods, the seasonal fall in fruit and vegetable prices continued. The price of certain fruits and vegetables fell by more than 40% (grape, melon, tomato, paprika). The price of potatoes also fell significantly, by more than 20%. On the other hand, meat prices rose by 4.2%, due to limited supplies. Despite continued fall in the price of milk and dairy products, the price of processed foods remained high, due to an increase in the price of cereal products and fresh eggs. On a year-on-year basis, food prices rose by 0.6% (in July by 0.9%).

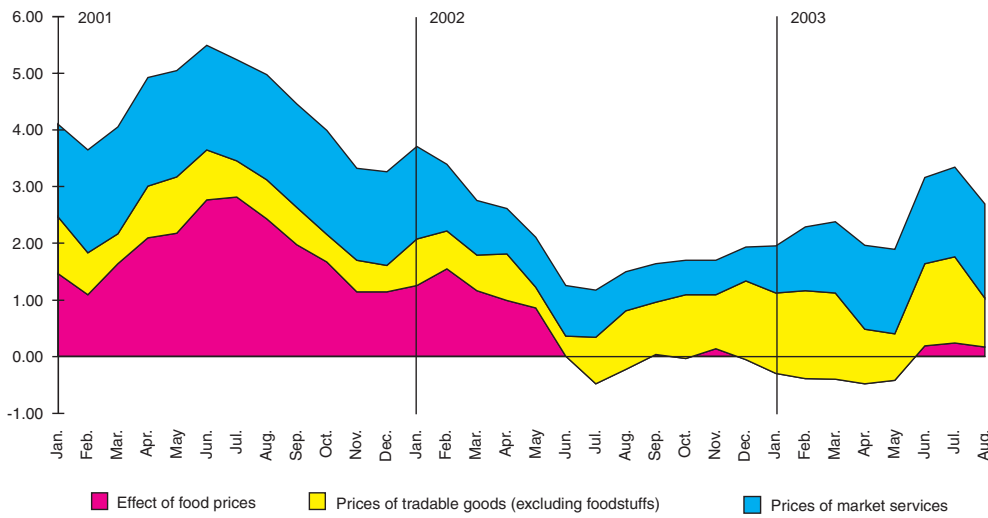
Structure of the 12-month rate of inflation (%)



Fall in the price of tradable goods

The price of tradable goods fell by 1.7% compared with the previous month. This was due, for the most part, to a month-on-month fall in the price of cigarettes (almost 19%), when the price increase recorded in the previous two months was transferred into excise duties in August. The rise in fuel prices, which was stimulated by the increased price of oil and appreciation of the US dollar in relation to the Slovak koruna, reached 2.4%. Oil prices are still affected by the situation in Iraq (slow renewal of oil supplies due to sabotage in production), and the low supplies of this commodity in the USA. On a year-on-year basis, the price of tradable goods increased by 1.7% (in July by 3.1%).

Structure of the 12-month rate of core inflation (%)



Prices for market services increased in comparison with the previous month by 0.2%, due to a rise in the price of services related to recreation, catering, and accommodation, and the price of transport services. On a year-on-year basis, prices for market services increased by 6.8% (in July by 6.6%).

Rise in the price of market services

On a month-on-month basis, the prices of the components of net inflation (tradable goods and market services) fell by 0.8%, due to a marked fall in the price of tradable goods and a rise in the price of market services. The 12-month rate of net inflation slowed to 3.4% in August, from 4.2% in July.

Slowdown in the rate of net inflation

The course of net inflation, as well as core inflation, was affected by a change in the structure of price increases. Net inflation, adjusted for the effects of fuel prices, reached 3.7% on a year-on-year basis, and was 0.8 of a percentage point lower than in the previous month. According to the estimates of the NBS, net inflation, adjusted for the effects of fuel prices and the price of tobacco and tobacco products, would be 4.7% on a year-on-year basis.

Course of net inflation and net inflation excluding fuel prices (%)



^{1/} excluding changes in indirect taxes

Consumer prices in August 2003

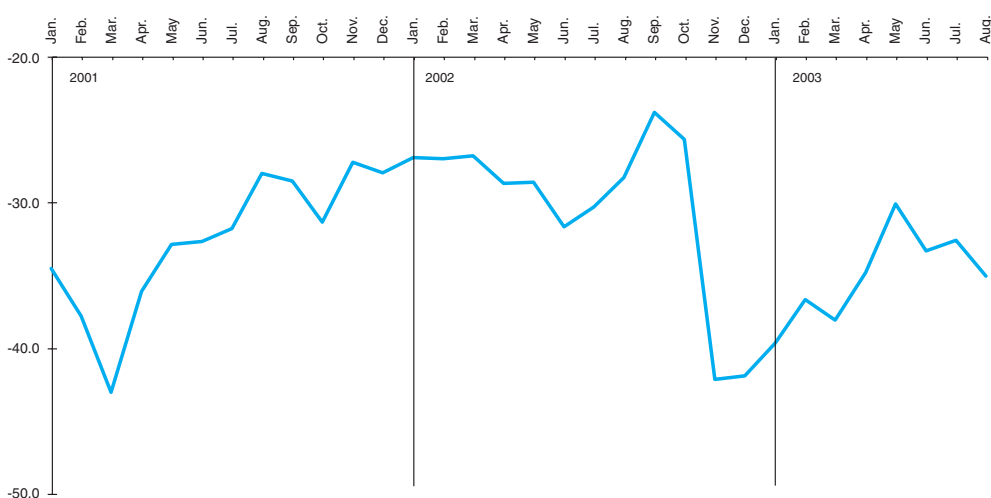
Structure of the consumer basket	Constant weight in %	Change compared with		
		July 2003	August 2002	December 2002
Total in %	100.0	1.0	9.2	8.2
Regulated prices in %	20.7	0.5	19.7	17.1
<i>Share of total, in percentage points</i>		0.14	4.64	4.06
Impact of changes in indirect taxes on non-regulated prices				
<i>Share of total, in percentage points</i>		1.39	2.57	2.54
Core inflation in %	79.3	-0.7	2.7	2.0
<i>Share of total, in percentage points</i>		-0.51	2.03	1.55
of which: Food prices in %	21.4	-0.3	0.6	0.1
<i>Share of total, in percentage points</i>		-0.07	0.12	0.02
Net inflation (excluding the impact of changes in indirect taxes) in %	58.0	-0.8	3.4	2.8
<i>Share of total, in percentage points</i>		-0.44	1.90	1.54

Source: Statistical Office of the SR

Increase in radio and television fees

Regulated prices increased by 0.5% in August, due mainly to an increase in radio and television fees. The cost of health services also increased somewhat. On a year-on-year basis, regulated prices rose by 19.7% and accounted for more than 50% of the total year-on-year increase.

According to the Classification of Individual Consumption by Purpose (COICOP), the steepest increases in August were recorded in the price of alcoholic beverages and tobacco (5.7%); transport services (5.7%); and recreation and culture (2.0%). Price levels were also higher in hotels, cafes, and restaurants (by 0.4%); miscellaneous goods and services (by 0.2%); and in health care (by 0.1%). The price of foodstuffs and non-alcoholic beverages fell by 0.3%. In clothing and footwear, furniture, housing equipment, and standard maintenance of flats, price levels fell by 0.1%. Prices remained unchanged in the following categories: housing, water, electricity, gas, and other fuels; posts and telecommunications; and education.

Index of consumer confidence

Unfavourable trend in the indicator of consumer confidence

In connection with the increase in excise duties on tobacco and tobacco products, beer, and mineral oils, and the increase in radio and television fees with effect from August 2003, and in connection with the further limitation of free services in health

care and the increase in the price of motorway tax discs with effect from next year, the indicator of consumer confidence continued to show an unfavourable tendency in August, when its value fell month-on-month by 2.4 points, to -35.1. Thus, the value of the indicator fell below the long-term average, where it has been fluctuating over the last three months. Compared with July 2003, deterioration was recorded in eleven indicators (out of fifteen), three remained virtually unchanged, and one indicator (expected savings) improved on a month-on-month basis.

In reply to questions about the previous course of inflation, the average value of inflation (16.9%) was twice as high as the value of year-on-year inflation for July 2003, recorded by the Statistical Office of the SR (8.7%). In reply to questions concerning the expected rate of inflation, the respondents gave an average value of 19.3%.

Price levels in September are expected to be affected by an increase in regulated prices, mainly in connection with a possible increase in the price of accommodation at university dormitories and meals at schools, and a price increase in telecommunications. Food prices will probably be affected by the continued fall in fruit and vegetable prices (though at a slower rate) and by an increase in meat prices. The beginning of the academic year will probably generate an increase in prices for services related to education. Despite the predicted rise in consumer prices, the 12-month rate of overall inflation is expected to remain stagnant in September. The year-end rate of overall inflation is expected to be in the middle of the interval projected in the Revised Monetary Programme for 2003.

Forecasts for the next month

2.2. Producer prices in July 2003

Industrial producer prices increased month-on-month by an average of 0.2% in July, due to a rise in the price of mineral raw materials (1.7%, caused mainly by an increase in the price of oil and natural gas), industrial products (0.2%), and the price of electricity, gas, steam, and hot water (0.1%).

Month-on-month increase in industrial producer prices, ...

Producer price indices in July 2003

	Previous period = 100		Same period a year earlier = 100			
	June 2003	July 2003	June 2003	July 2003	Jan. – Jul. 2003	July 2002
Industrial producer prices	100.0	100.2	108.2	108.2	108.3	102.0
– Price of industrial products	99.9	100.2	102.2	102.1	102.8	101.1
– Price of mineral raw materials	100.1	101.7	100.8	102.4	103.8	106.7
– Price of electricity, gas, steam, and hot water	99.9	100.1	118.4	118.3	117.4	105.0
Price of construction work	100.4	100.4	105.6	105.2	105.2	104.8
Price of building materials	100.0	100.0	103.5	103.1	103.5	102.9
Price of agricultural products	x	x	91.5	96.9	93.8	98.7
– Price of plant products	x	x	94.2	101.4	97.8	100.5
– Price of animal products	x	x	91.2	94.4	92.9	97.8

x – Not monitored by the Statistical Office of the SR.

The increase in the price of industrial products was affected by external and internal factors. The external environment was determined by the appreciation of the US dollar in relation to the Slovak koruna and the increased price of oil on international markets. This was reflected mostly in the price of refined oil products, which rose month-on-month by 4.3%. The world market price of oil increased as a reaction to the general strike in Nigeria, the slow renewal of oil production in Iraq, and the persistent low supplies of this commodity in the USA. The supply of oil on the American market was also hindered by the bad weather, causing severe damage to oil refineries.

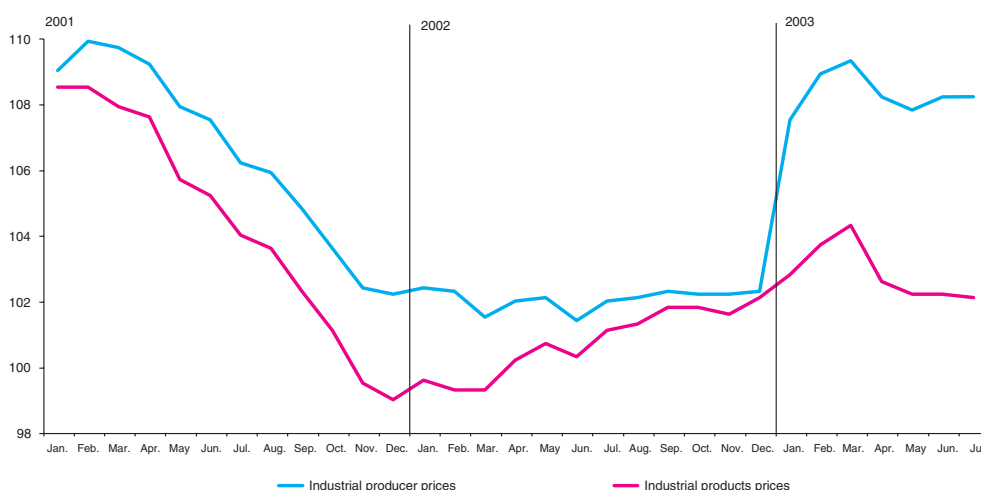
Price increases were reported from most sectors of industrial production, with the steepest increase (0.8%) being recorded in the price of machinery and equipment. The effect of domestic cost factors was reflected mainly in the prices of other non-metal mineral products (which were 0.4% higher as a result of a seasonal rise in the price of basic building materials), and in food prices (which increased by an average of 0.1%). Within the structure of foodstuffs, a moderate fall was recorded in the price of meat, flour, and dairy products, while the price of beverages increased, due probably to the strong demand during the summer.

... accompanied by stagnation
in year-on-year dynamics

The year-on-year rate of increase in industrial producer prices reached 8.2%, as in June. Accelerated increase was recorded in the price of mineral raw materials (2.4%, compared with 0.8% in June), while the price of electricity, gas, steam, and hot water showed weaker dynamics (18.3%, compared with 18.4% in June), as well as the price of industrial products (2.1%, compared with 2.2% in June).

In the case of industrial products, the rate of price increase has slowed over the past three months in numerous sectors, mainly in the paper, metal-working, chemical, and leather industries. On the other hand, construction and food processing have seen a moderate increase in price dynamics, which is due to seasonal factors.

Development of industrial producer prices and the prices of industrial products (same period a year earlier = 100)



Construction prices

Construction prices increased month-on-month by 0.4% and year-on-year by 5.2%, in July. The price of materials and products used in construction remained unchanged in comparison with June, while rising in comparison with the same period a year earlier by 3.1%. On a year-on-year basis, the price of materials used in repair and maintenance work in construction increased by 4.0%, and that of materials used in new construction, modernisation, and reconstruction projects by 2.9%. The price of building materials used in civil engineering projects rose by 2.7%, and in the construction of buildings by 3.0%.

Prices in agriculture

The year-on-year fall in agricultural prices moderated in July. In comparison with July 2002, price levels fell by an average of 3.1%, with the price of animal products falling by 5.6%. After falling for eight months, the price of plant produce recorded a year-on-year increase of 1.4%.

In animal production, the most significant fall was again recorded in the price of pigs (16.6%) and poultry (4.7%). The price of beef, including veal (live animals) fell by 2.7%, and that of milk by 0.6%. The increase in the price of plant produce took place mostly in the price of oil-seed (5.2%) and legumes for animal-feed (3.2%). The price of cereals and potatoes continued to fall (by 3.0% and 10.3% respectively).

3. Factors affecting the course of inflation

3.1. Monetary aggregates

The M2 money supply increased in August, due mainly to an inflow of funds from the government sector. Despite an increase, net foreign assets left the volume of liquid assets in the economy unaffected. Their growth was connected with the maturity of a repo transaction from the previous month, associated with the temporary holding of part of the restructuring bonds by non-residents, and was offset by an increase in other items net.

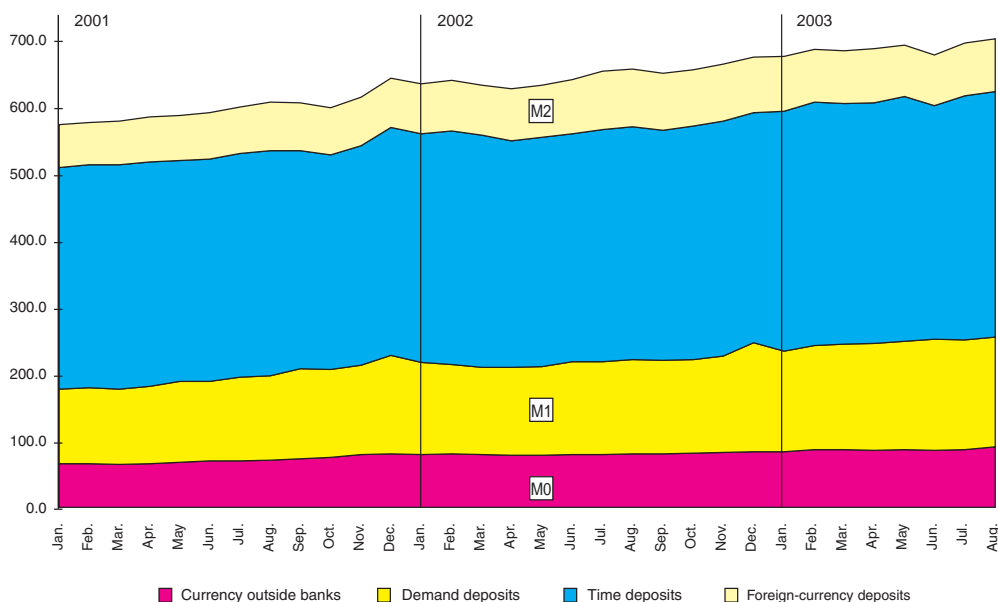
Money supply (M2)

According to preliminary data, the M2 money supply (at fixed 1993 exchange rates) grew by Sk 7.4 billion in August, to Sk 708.9 billion. The year-on-year increase took place in currency in circulation and koruna deposits, while deposits in foreign currency fell slightly. The year-on-year rate of growth accelerated by 0.5 of a percentage point in comparison with July, to 6.9%.

Moderate increase in the year-on-year dynamics of M2

The greatest increase in year-on-year dynamics in August was recorded in currency in circulation (2.1 percentage points), while the other components of the money supply remained virtually unchanged. Since June, currency in circulation and time deposits have shown a gradual increase in year-on-year dynamics (by 3.9 and 2.3 percentage points respectively, in comparison with June). The year-on-year rate of growth in demand deposits slowed somewhat, so the trend of relatively stable growth (at an average rate of almost 18% since February 2003) continued. Foreign-currency deposits recorded a slight fall on a month-on-month basis, which led to a further increase in the year-on-year rate of decline.

Development of the M2 monetary aggregate (at fixed 1993 exchange rates) (Sk billions)



	Month-on-month change (Sk billions)			Year-on-year change (%)		Change since the beginning of the year (Sk billions)
	July 2003	August 2003 ^{*/}	August 2002	July 2003	August 2003 ^{*/}	August 2003 ^{*/}
Money supply [M2]	19.2	7.4	3.5	6.4	6.9	22.5
Money [M1]	3.2	5.0	3.2	14.9	15.5	9.5
Currency outside banks [M0]	1.1	2.9	1.1	10.6	12.7	6.4
Demand deposits	2.1	2.1	2.1	17.3	17.0	3.1
Quasi-money [QM]	16.0	2.4	0.3	2.1	2.6	13.0
Time deposits	11.9	2.5	0.1	4.9	5.6	17.9
Foreign-currency deposits	4.1	-0.1	0.2	-9.0	-9.3	-4.9
Koruna deposits	14.0	4.6	2.2	8.4	8.9	21.0
- households	0.5	0.6	0.0	2.9	3.1	1.4
- enterprises (incl. insurance cos.)	13.5	4.0	2.2	18.3	19.1	19.6

^{*/} Preliminary data

Loans to households and enterprises

*Fall in the year-on-year
dynamics of bank lending*

The volume of loans to households and enterprises (at fixed 1993 exchange rates) grew month-on-month by Sk 0.8 billion in August, to Sk 350.6 billion. Thus, the year-on-year dynamics of bank lending weakened in comparison with the previous month (by 0.6 of a percentage point, to 11.4%), confirming the moderate downward trend that had persisted (except in June) since the beginning of the year. This trend is connected with the increased lending activity of banks last year. If we exclude the effects of methodology, the volume of loans increased over the first eight months of 2002 by Sk 24.7 billion and in the same period of 2003 by Sk 19.4 billion.

The month-on-month increase in the volume of loans to households and enterprises took place mostly in koruna loans, which grew by Sk 1.5 billion. The increase in Sk loans was, as in the previous month, concentrated in loans to households, which grew month-on-month by Sk 1.3 billion, to Sk 72.6 billion. Koruna loans to enterprises increased only slightly, by Sk 0.2 billion (to Sk 227.9 billion). Loans in foreign currency fell month-on-month by Sk 0.7 billion, to Sk 50.1 billion.

Fiscal developments, net credit to the Government

*Increase in net credit
to the Government*

The volume of net credit to the Government (based on fixed 1993 exchange rates) grew month-on-month by Sk 5.9 billion in August, to Sk 273.3 billion. The indebtedness of the public sector increased as a result of various developments in public finance, mainly an increase in the budget deficit and a deterioration in the position of local governments and state authorities.

Budgetary performance

Current budgetary performance deteriorated by Sk 1.9 billion compared with the previous month. Budget expenditure reached Sk 21.4 billion in August, but revenue amounted to only Sk 19.5 billion. At the end of August, the State Budget resulted in a deficit of Sk 33.1 billion, with budget revenue totalling Sk 147.1 billion and expenditure Sk 180.2 billion.

The indebtedness of the public finance sector was mitigated by an improvement in the budgetary performance of social security funds and State funds, and a fall in the external debt of the Government (due mainly to a fall in the liabilities of the former State Road Fund, which is now part of the direct external debt of the Ministry of Finance, and to the repayment of a foreign loan by the municipality of Bratislava).

In August, the creditor position of the National Property Fund (FNM) vis-à-vis the banking sector fell slightly on a month-on-month basis, by Sk 0.2 billion (to Sk 7.4 billion), due mainly to the transfer of funds to the Ministry of Finance for the development of regional schools and the payment of government guarantees. The creditor position of the FNM was supported by a modest increase in the Fund's deposits at commercial banks.

Fall in the creditor position of the FNM

In August, the Ministry of Finance of the SR placed four issues of Treasury bills on the market by American-style auction, with unlimited issue-amount and unlimited minimum price. Three auctions were held in accordance with the 'Issuing Schedule for the 3rd Quarter'. At these auctions, Treasury bills were floated with a maturity of 364 days. In addition, the Ministry of Finance held an auction in bills maturing in 273 days.

Primary market for Treasury bills

In total, Treasury bills were sold in August in the amount of Sk 12.3 billion, with an average annual yield of 5.41% (an increase of 25 base points). The increase was due mainly to the issuer's urgent need to finance the redemption of Treasury bills, which had been issued a year earlier and fell due in August, in the total amount of Sk 17.9 billion.

Net foreign assets

Net foreign assets (at fixed 1993 exchange rates) increased month-on-month by Sk 32.7 billion in August, to Sk 160.3 billion, corresponding to roughly the level of June. The fall in foreign liabilities (Sk 43.1 billion) exceeded the fall in foreign assets (Sk 10.4 billion).

Increase in net foreign assets

Foreign liabilities recorded a marked fall on the first days of August, due mainly to a decline in the volume of government securities in the portfolios of non-residents in favour of the domestic banking sector. The fall resulted from a transaction in futures concluded in connection with the payment of yields on restructuring bonds at the end of the previous month.

On the foreign assets side, there was a month-on-month fall in the foreign exchange reserves of the NBS (Sk 8.4 billion) and the short-term foreign assets of commercial banks (Sk 3.1 billion), and an increase in the long-term assets of commercial banks (Sk 1.1 billion). On the foreign liabilities side, decline was recorded in the volume of government securities held by non-residents (Sk 50.1 billion), the short-term liabilities of the NBS (Sk 7.2 billion), and the foreign liabilities of the government sector. The short-term foreign liabilities of commercial banks increased by Sk 15.8 billion, while long-term liabilities recorded a moderate fall (Sk 0.8 billion).

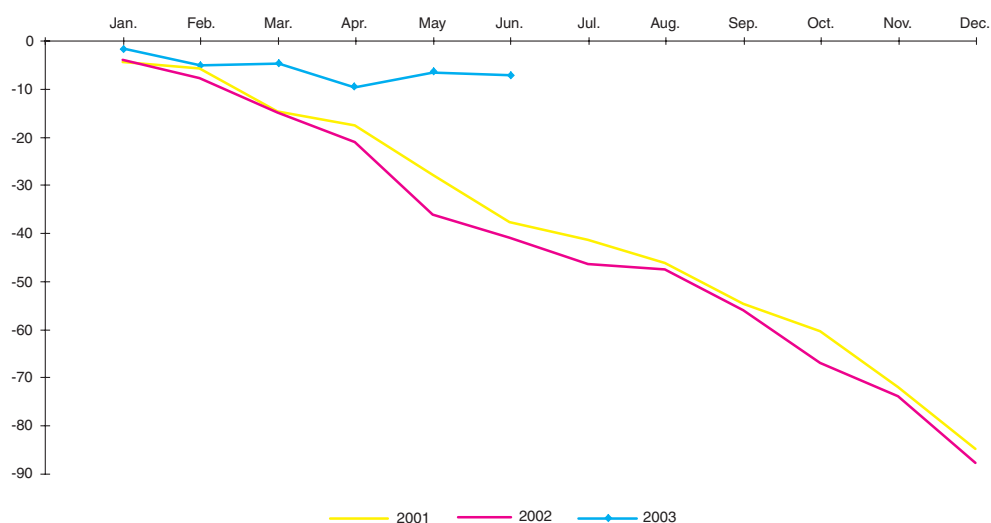
The foreign exchange reserves of the NBS (at fixed 1993 exchange rates) fell month-on-month by Sk 8.4 billion. The fall can be ascribed mainly to the repo operations of the NBS (Sk 7.2 billion).

3.2. Foreign trade

Balance of payments for January to June 2003

During first half of 2003, the balance of payments on current account resulted in a deficit of Sk 7.4 billion, which was Sk 33.5 billion less than a year earlier. The year-on-year decrease in the shortfall was due mainly to a reduction in the trade deficit and an improvement in the balances of income and current transfers. The only item that had recorded a year-on-year fall in its positive balance since the beginning of the year, was the services balance. The ratio of the current account deficit to GDP decreased, from 8.0% in the first half of 2002 to 1.3% in the first half of 2003.

Current account

Balance of payments on current account (Sk billions)**Balance of payments on current account** (Sk billions)

	January – June 2003	January – June 2002
Balance of trade	-9.7	-41.6
Exports	375.3	307.2
Imports	385.0	348.8
Balance of services	2.3	8.4
Balance of income	-5.2	-11.1
Unilateral transfers	5.2	3.4
Current account in total	-7.4	-40.9

Trade balance The trade balance resulted in a deficit of Sk 9.7 billion. On a year-on-year basis, exports grew at a faster rate (22.2%; i.e. 54.3% in USD and 25.4% in EUR) than imports (10.4%, i.e. 39.4% in USD and 13.3% in EUR).

Exports In the structure of exports by commodity, the proportion of machinery and transport equipment increased in the first half of 2003. This category recorded a year-on-year growth of 38.9%, i.e. Sk 47.9 billion. The steep year-on-year increase took place mostly in transport equipment. The year-on-year growth in motor vehicles (Sk 36.2 billion) was connected with the development of the automobile industry and the production of new, more expensive types of automobiles, which began at the end of last year.

Increased export activity was also recorded in the category 'chemical products and semi-finished goods'. The most significant increase took place in iron and steel exports (Sk 9.8 billion), representing 82% of the total growth in exports in this category.

Imports In imports, the strongest growth was recorded in the category 'machinery and transport equipment' and 'chemical products and semi-finished goods'. In machinery and transport equipment, the steepest increase took place in the imports of motor vehicle components and accessories. These items are imported for the automobile industry, the growth of which correlates with the growth in production and exports in this sector. The growth in imports of chemical products and semi-finished goods was concentrated in plastics, rubber, iron and steel.

	Exports from January to June 2003	Year-on-year change	Dovoz za January to June 2003	Year-on-year change
	Sk billions	Sk billions	Sk billions	Sk billions
Raw materials	27.2	2.4	56.1	0.0
Chemicals and semi-finished goods	124.5	11.6	119.2	11.9
Machinery and transport equipment	171.1	47.9	125.3	16.5
Finished products	52.5	6.2	84.4	7.9
TOTAL	375.3	68.1	385.0	36.3

In the first half of 2003, the balance of services generated a surplus of Sk 2.3 billion, representing a year-on-year fall of Sk 6.1 billion (or Sk 3.1 billion, excluding the effect of the change in the methodology applied for calculating the compensation of employees, which was in part reflected in expenses on tourism). Receipts from the export of services fell by Sk 0.6 billion, while payments for the import of services increased by Sk 5.5 billion. The individual items of the services balance followed a different course, and the growth in receipts from tourism represented only a partial compensation for the unfavourable development caused by a fall in net receipts from transport services and 'other services in total'.

Balance of services

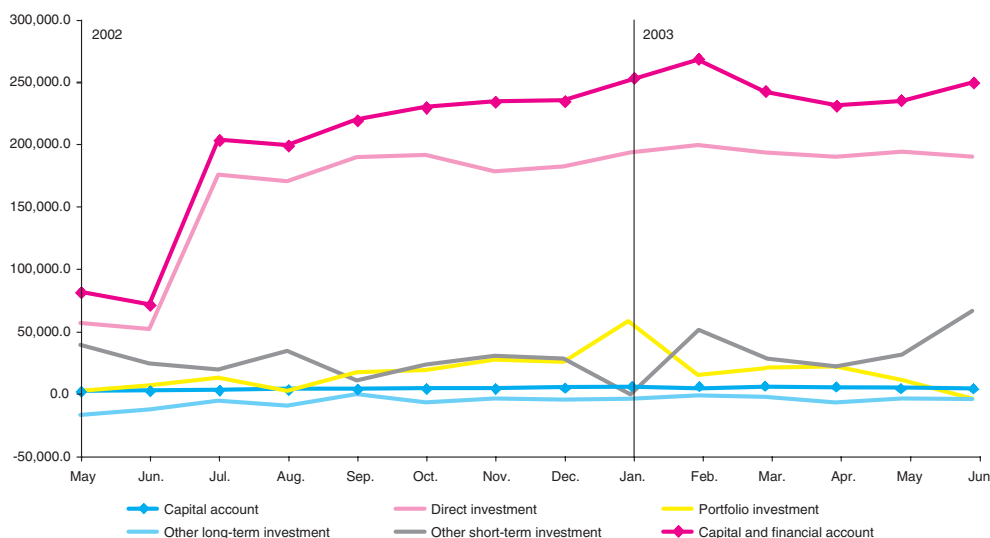
The deficit in the balance of income diminished on a year-on-year basis (by Sk 5.9 billion, to Sk 5.2 billion), due to a change in the methodology applied for determining the compensation of employees (in the first half of 2003, Sk 8.0 billion was added). If we leave the change in methodology out of consideration, the balance of income would deteriorate by Sk 2.1 billion, due to increased payments of interest on portfolio investments. The increase in the positive balance of current transfers was affected by a decline in transfers abroad, by both private individuals and corporate entities.

Balance of income

The capital and financial account resulted in a surplus of Sk 28.9 billion, which was Sk 14.5 billion more than in the same period a year earlier. The inflow of funds took place exclusively through direct investment and in the form of short-term liabilities, while the other items of the capital and financial account recorded an outflow.

Capital and financial account

Development of the capital and financial account and its components (moving cumulative figures) (Sk millions)



Foreign direct investment Foreign direct investment in net terms (difference between FDI by foreign investors in Slovakia and FDI by Slovak investors abroad) amounted to Sk 20.2 billion. The capital interest of foreign investors in Slovakia increased by Sk 20.8 billion (of which an additional payment for the privatisation of the Slovak Gas Industry accounted for Sk 2.6 billion; income from the privatisation of the energy industry of Eastern Slovakia Sk 5.4 billion; and an additional payment for privatisation of the energy industry of Western Slovakia Sk 1.4 billion). Non-privatisation activities amounted to Sk 11.4 billion. Of this amount, 72% was absorbed in industry (with more than 60% being invested in the production of coke, refined oil products, and nuclear fuels).

Portfolio investment In the first half of 2003, portfolio investment resulted in a net outflow of Sk 17.6 billion. A key role in this development was played by the banking and corporate sectors. While domestic banks exchanged part of their assets from short-term deposits for bonds, companies invested their free funds in money market instruments. The increase in capital participation (up to 10%) was connected with privatisation activities in the chemical industry and the reciprocal acquisition of the stakes of Slovak firms in foreign companies. Within the scope of portfolio investment, there was an outflow of funds on the liabilities side as well. This development was affected by the redemption of government eurobonds, which were covered by new drawings up to 65%. Non-residents invested Sk 7.6 billion in domestic securities (government bonds denominated in Sk).

Other investments The balance of other investments resulted in an inflow of funds from abroad in the amount of Sk 26.5 billion. The inflow of other investments took place mostly in the banking sector (Sk 37.9 billion) and, in part, in the official sector (Sk 4.2 billion), while the corporate sector recorded a net outflow of capital (Sk 15.6 billion).

Within the scope of other investments, long-term and short-term transactions followed a different course. The outflow of long-term capital (Sk 4.4 billion) was caused by the excess of repayments over drawings of financial credits, which took place mostly in the government sector (including the NBS) and, in part, in the corporate sector. The inflow of short-term capital (Sk 30.9 billion) resulted from transactions concluded in the banking sector, where other short-term liabilities (which absorb the flows between a parent bank abroad and its subsidiary in Slovakia) increased.

Foreign exchange reserves The foreign exchange reserves of the NBS increased by Sk 20.7 billion, i.e. US\$ 535.9 million (excluding exchange rate differentials).

**Balance of payments adjusted for the activities
of the Government & NBS**

(Sk billions)

	January to June 2003	
	Actual ^{1/}	Adjusted ^{2/}
Current account	-7.4	-0.6
Capital and financial account	28.9	-8.0
of which: FDI in Slovakia – capital participation	20.8	11.5
Other items (not included elsewhere)	-0.8	-0.8
Interventions by the NBS	x	-25.9
Change in net foreign assets of commercial banks (- increase)	x	35.3
Change in NBS reserves (- increase)	-20.7	x

^{1/} Original balance of payments structure, i.e. effect of receipts and payments on NBS reserves.

^{2/} Adjusted for the effects of activities of the Government and the NBS, which do not affect the positions of commercial banks vis-à-vis non-residents and do not qualify as a source of finance for the current account; in the original structure of the balance of payments, they were included in the foreign exchange reserves of the NBS.

The revised capital and financial account resulted in a deficit of Sk 8.0 billion (revised balance of payments). The deficits in the two accounts of the balance of

payments (in the revised current account and in the capital and financial account) led to a fall in the net foreign assets of commercial banks. The fall in net foreign assets was also affected by the sale of foreign exchange to the Central Bank through interventions on the interbank foreign exchange market.

External debt of Slovakia at 30 June 2003

At the end of June 2003, the total gross external debt of the Slovak Republic amounted to US\$ 15,332.0 million, representing a fall of US\$ 21.9 million in comparison with the previous month.

Gross external debt

Total long-term external debt fell month-on-month by US\$ 324.5 million, to US\$ 9,403.8 million at the end of June. The most significant fall took place in the long-term foreign liabilities of entrepreneurial entities (US\$ 178.9 million).

Short-term external debt totalled US\$ 5,928.2 million, representing a month-on-month increase of US\$ 302.6 million. Within the commercial sector, conflicting trends were recorded. The short-term liabilities of entrepreneurial entities fell by US\$ 108.8 million, while the short-term liabilities of commercial banks grew by US\$ 179.4 million. By the end of the first half of 2003, the short-term external debt of the Government and the NBS had increased month-on-month by US\$ 232.0 million, to US\$ 349.8 million.

Per-capita gross foreign debt fell slightly in comparison with May, to US\$ 2,850 at the end of June. The share of short-term debt in the country's total gross external debt increased month-on-month by 2.0%, to 38.7%.

External Debt of the SR

(US\$ millions)

	31. 12. 2002	31. 5. 2003 ^{2/}	30. 6. 2003
Total external debt of the SR	13,188.2	15,353.9	15,332.0
1) Long-term external debt	8,951.5	9,728.3	9,403.8
Government and the NBS ^{2/}	3,740.2	3,944.7	3,818.7
Commercial banks	245.7	233.4	213.8
Entrepreneurial entities	4,965.6	5,550.2	5,371.3
2) Short-term external debt	4,236.7	5,625.6	5,928.2
Government and the NBS	0.0	117.8	349.8
Commercial banks	1,289.5	1,957.9	2,137.3
Entrepreneurial entities	2,947.1	3,549.9	3,441.1
Foreign assets	14,127.4	16,051.7	16,216.2
Net external debt	-939.2	-697.8	-884.2

1/ New methodology with effect from 1 January 2003.

2/ Including government agencies and municipalities.

The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. US\$ 15.3 billion (liabilities of the Government and the NBS, liabilities of commercial banks and the corporate sector – except capital participation), and foreign assets, i.e. US\$ 16.2 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except capital participation), reached US\$ 0.9 billion (creditor position) at the end of June, corresponding to the figure recorded at the beginning of 2003.

Net external debt

Current developments

During the first seven months of 2003, foreign trade resulted in a deficit of Sk 13.5 billion, which was Sk 34.9 billion less than in the same period a year earlier. On a year-on-

Balance of trade

year basis, exports grew by 21.5% (52.6% in USD and 25.4% in EUR) and imports by 10.6% (38.9% in USD and 14.1% in EUR).

After a relatively favourable trend in May and June, when the trade balance had been in surplus, foreign trade again resulted in a deficit in July (Sk 4.2 billion).

Exports In July, exports recorded a very modest month-on-month increase, which took place in the exports of automobiles, including components, machinery, and clothing, while exports of iron, steel, and mineral-based fell slightly in comparison with June. As a result of these tendencies, exports grew month-on-month by Sk 0.2 billion. The total increase in exports during the seven months under review (Sk 78.8 billion) continued to be dominated by exports of motor vehicles, machines, iron and steel, and furniture.

EXPORTS	Exports from January to July 2003	Share in total exports	Year-on-year change	Proportion of the change
	Sk billions	%	Sk billions	%
Raw materials	30.7	6.9	1.1	0.3
Chemicals and semi-finished goods	144.7	32.5	11.3	3.1
Machinery and transport equipment	207.9	46.6	61.4	16.7
Finished goods (agricultural + industrial)	62.3	14.0	5.0	1.4
Exports in total	445.6	100.0	78.8	21.5

Imports The month-on-month increase in imports in July (Sk 4.9 billion) took place in machines and electrical instruments and equipment, and was connected mainly with the import of capital goods for the paper industry. The year-on-year increase in imports (Sk 43.9 billion) took place mostly in motor vehicle components and accessories, electrical machinery and equipment, and machines and instruments.

IMPORTS	Imports from January to July 2003	Share in total imports	Year-on-year change	Proportion of the change
	Sk billions	%	Sk billions	%
Raw materials	65.0	14.2	-0.9	-0.2
Chemicals and semi-finished goods	141.1	30.7	12.5	3.0
Machinery and transport equipment	128.7	28.0	20.0	4.8
Finished products	124.3	27.1	12.3	3.0
of which:				
Agricultural and industrial goods	83.6	18.2	7.1	1.7
Automobiles	14.7	3.2	0.4	0.1
Machines and electrical consumer goods	26.0	5.7	4.8	1.2
Imports in total	459.1	100.0	43.9	10.6

Effect of oil / gas prices and the exchange rate of SKK on imports and exports during the period January to July

	Exports		Imports	
	Cumulative year-on-year change			
	Sk billions	in %	Sk billions	in %
Actual figures in Sk	78.8	21.5	43.9	10.6
Fixed exchange rate	101.5	27.7	77.2	18.6
Fixed price of oil and gas	79.6	21.7	44.3	10.7
Fixed exchange rate and fixed price of oil and gas	102.3	27.9	77.6	18.7

Changes in the price of oil (affecting the exports and imports of oil and oil products) and gas had a negligible effect on the size of the trade deficit. On the other hand, developments in the exchange rate of the Sk (mainly in relation to the US\$) led to improvement in the trade balance (by Sk 10.6 billion).

In the services balance, the fall in the surplus in transport and increase in the deficit in 'other services' were offset partly by an increase in net income from tourism, caused by increased receipts from foreign tourists (expenses on tourism were increased by Sk 3.3 billion in connection with the change in the methodology applied for determining the compensation of employees).

Balance of services

The change in the methodology applied for the calculation of employee compensation (an increase of Sk 9.0 billion in income) contributed to the year-on-year improvement in the negative balance of income, from Sk 11.7 billion to Sk 4.7 billion. Despite growth in income from NBS reserves, the increase in the income balance deficit was affected by the payment of dividends to direct investors and the payment of interest on Sk-denominated government bonds.

Balance of income

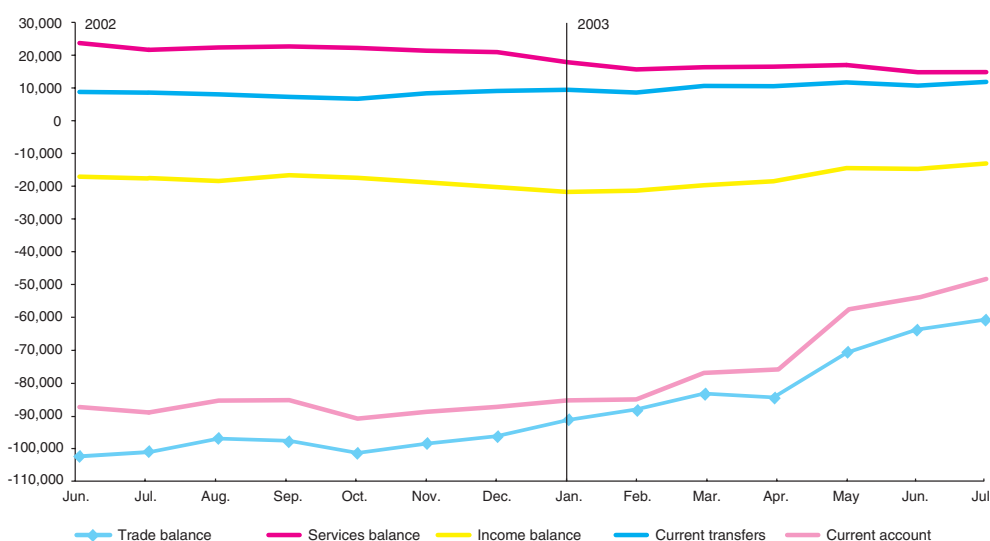
The overall effect of the change in methodology on the current account deficit was zero. Net income from the compensation of employees caused the current account deficit to diminish by Sk 4.0 billion, while interest paid on government bonds increased the current account deficit by the same amount.

The current account resulted in a deficit of Sk 7.6 billion, representing a year-on-year fall of Sk 38.5 billion.

Balance of payments on current account (Sk billions)

	January – July 2003	January – July 2002
Balance of trade	-13.5	-48.4
Exports	445.6	366.8
Imports	459.1	415.2
Balance of services	3.8	9.9
Balance of income	-4.7	-11.7
of which: income from investment	-13.9	-12.0
Unilateral transfers	6.8	4.1
Current account in total	-7.6	-46.1

Development of the current account and its components (moving cumulative figures) (Sk millions)



Development of the current account and its components in 2003 (Sk millions)

	Monthly data						
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
Trade balance ^{1/}	-720	-2,289	-2,847	-5,951	2,038	503	-4,238
Services balance	-611	-821	2,060	959	297	446	1,435
Income balance	-1,083	149	-178	-574	-824	-2,758	610
Current transfers	782	371	1,373	1,151	968	574	1,613
Current account	-1,632	-2,590	408	-4,415	2,478	-1,235	-581

	Moving 12-month cumulative data							
	Dec. 02	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
Trade balance ^{1/}	-96,627	-91,717	-88,622	-83,968	-84,967	-71,197	-64,401	-61,248
Services balance	20,652	18,725	15,923	16,070	16,569	16,713	14,556	14,476
Income balance	-20,690	-21,712	-21,237	-20,063	-18,697	-15,036	-14,827	-13,620
Current transfers	8,765	9,043	8,782	10,194	10,585	11,234	10,571	11,452
Current account	-87,900	-85,661	-85,154	-77,767	-76,511	-58,286	-54,101	-48,940

^{1/} Monthly reports on foreign trade in 2003 (Statistical Office of the SR) – compiled in July.

At the end of August, the total foreign exchange reserves of the NBS stood at US\$ 10,266.9 million, representing a month-on-month fall of US\$ 575.6 million. The fall was due mainly to exchange rate differentials (US\$ -338.9 million), caused by changes in the exchange rate of the US dollar to the euro in the period under review, and to a deficit in the balance of receipts and expenses (US\$ -236.7 million), resulting from the repo transactions of the NBS. At the end of the month, the volume of foreign exchange reserves was 5.1 times greater than the volume of average monthly imports of goods and services to Slovakia during the first seven months of the year.

*Nominal effective
exchange rate*

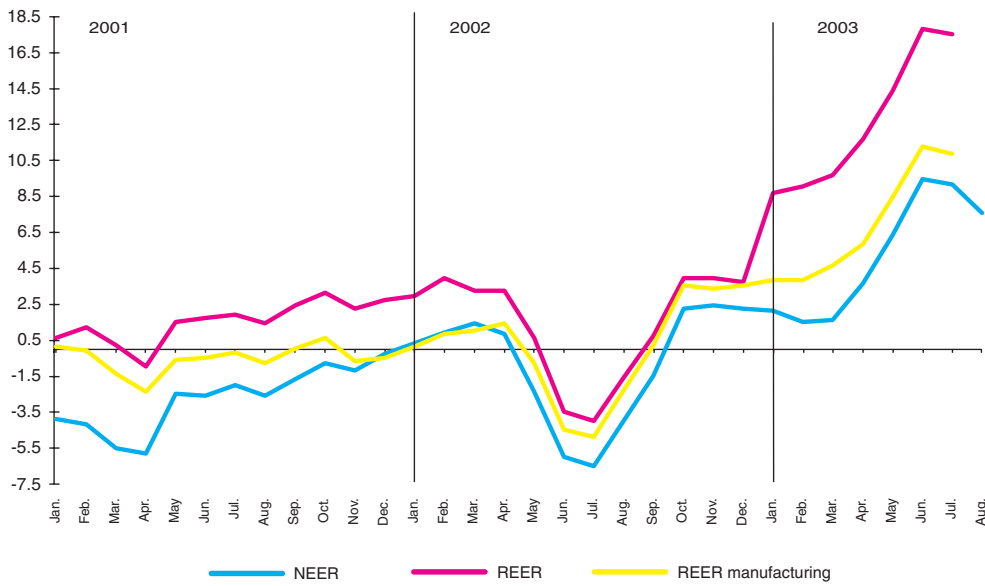
In August, the nominal effective exchange rate of the Slovak koruna (NEER) appreciated month-on-month by 0.3% and year-on-year by 7.4%.^{1/} After reaching 9.3% in June and 9.0% in July, the 12-month dynamics of the NEER index diminished in August, for the second consecutive month. The average monthly exchange rate of the SKK to the USD weakened in August in comparison with the previous month by 2.1%, while appreciating year-on-year by 16.7% (in July by 18.0%). This year, the year-on-year appreciation of the koruna vis-à-vis the dollar exceeds the appreciation of the currencies of Slovakia's main trading partners (the EUR appreciated by 12.2% and the CZK by 7.9% in August), but the rate of appreciation has been falling since June. This fall is also reflected in the 12-month dynamics of the NEER index.

*Real effective
exchange rate*

The real effective exchange rate of the Slovak koruna (REER) depreciated month-on-month by 1.3% in July. On a year-on-year basis, the REER index appreciated, but to a somewhat smaller extent than in the previous month (by 17.3%, compared with 17.6% in June). The appreciation of the NEER index, caused by increased year-on-year appreciation of the SKK in relation to the USD, was a factor determining the dynamics of the REER index. The year-on-year rate of growth in the REER index, based on the prices of industrial products (excluding the price of mineral raw materials and that of electricity, gas, steam, and hot water) slowed to 10.7% in July, from 11.1% in June.

^{1/} The methodology applied for the calculation of the nominal and real effective exchange rates of the Slovak crown (NEER and REER) is that used by the IMF. It is based on the industrial producer price index, PPI (prices of industrial products, PPI manuf.) from the year 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade: Germany, Czech Republic, Italy, Austria, France, the Netherlands, USA, Great Britain, and Switzerland.

Year-on-year change in the NEER and REER indices
(based on PPI and PPI manuf., 9 trading partners, in %)



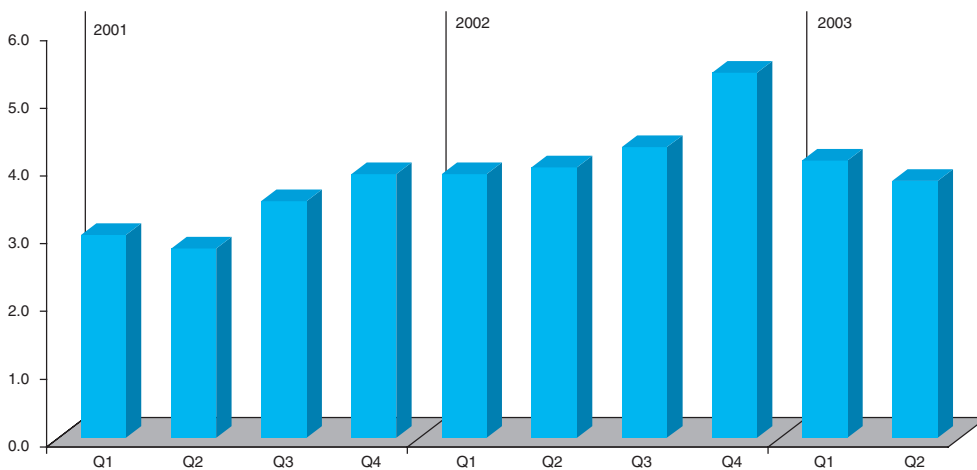
3.3. Real economy

Development of GDP in the first half of 2003

According to preliminary data from the Statistical Office of the SR, gross domestic product (GDP) grew on a year-on-year basis by 3.9% (at constant prices) during the first half of 2003. This figure corresponded to the rate of economic growth in the first half of 2002. After reaching a real increase of 4.1% in the first quarter of 2003, the rate of GDP growth slowed to 3.8% in the second quarter. The volume of GDP created during the period under review amounted to Sk 564.0 billion (at current prices), which was 9.0% more than a year earlier.

The relatively dynamic real economic growth continued

Development of real GDP (Year-on-year growth in %)



Demand

In a breakdown by use, the development of GDP was affected exclusively by foreign demand, while domestic demand was stagnant, at the level of the previous year.

GDP growth, driven exclusively by foreign demand

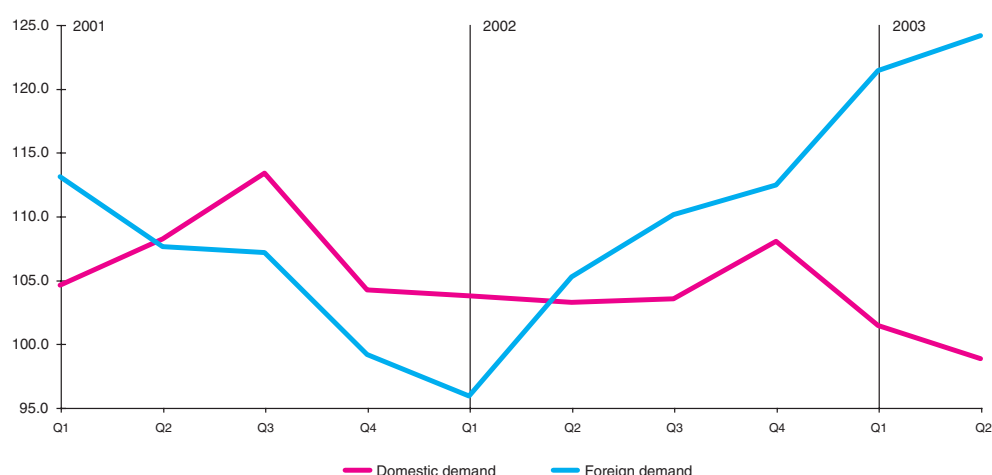
Foreign demand grew year-on-year by 22.8% (at constant prices), representing the most dynamic growth since 1994, while the rate of growth accelerated in the second quarter even further in comparison with the first quarter.

Gross domestic product by use^{1/} (constant 1995 prices, same period a year earlier = 100)

	Q1, 2002	Q2, 2002	Q3, 2002	Q4, 2002	2002	Q1, 2003	Q2, 2003	Q1-2 2003
	Q1, 2001	Q2, 2001	Q3, 2001	Q4, 2001	2001	Q1, 2002	Q2, 2002	Q1-2 2002
Gross domestic product	103.9	104.0	104.3	105.4	104.4	104.1	103.8	103.9
Domestic demand	103.7	103.2	103.5	108.0	104.7	100.9	98.8	100.0
Final consumption	105.3	106.3	104.3	104.0	104.9	101.8	99.6	100.9
Households	105.2	105.9	105.0	105.3	105.4	102.6	99.8	101.2
Public administration	105.7	107.7	102.7	101.2	104.0	99.2	98.8	100.1
Non-profit institutions serving to households	99.7	100.3	98.0	98.1	99.0	101.1	108.6	106.0
Gross capital formation	100.0	96.6	101.7	120.9	104.1	98.7	96.9	97.8
Gross fixed capital	99.2	100.1	98.8	98.5	99.1	98.0	99.6	98.9
Exports of goods and services	95.9	105.2	110.1	112.4	105.9	121.4	124.1	122.8
Imports of goods and services	94.6	104.2	109.9	111.9	105.3	116.4	115.3	115.8

1/ The Statistical Office of the SR retrospectively adjusted the values of final consumption in public administration, the final consumption of non-profit institutions serving households, and the value of statistical discrepancy for the first quarter of 2003; hence the indices of growth in final consumption and domestic demand are not identical to the values published in the Monetary Survey of the NBS for May 2003.

Development of domestic and foreign demand (Year-on-year changes in %)



Stagnation in domestic demand

In the first half of 2003, domestic demand remained at the level of the same period a year earlier, after growing year-on-year by 1.4% in the first quarter and falling by 1.2% in the second quarter. This was due mainly to a fall in gross capital formation and stagnation in final consumption in public administration. The year-on-year rate of growth in private consumption slowed in comparison with the first half of 2002, due partly to a fall in real wages and the high basis of comparison, mainly in the second quarter of 2002 (private consumption increased by 5.9% in that period).

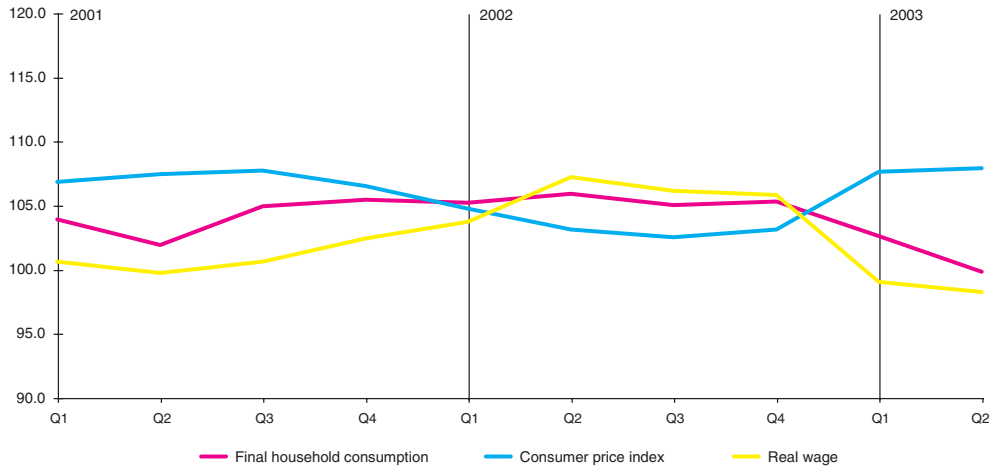
Continued growth in private consumption

Despite a fall in real wages (1.4% during the first six months), private consumption maintained its growth dynamics throughout the first half of the year (1.2%), but followed a different course of development in the individual quarters. The first quarter saw an increase of 2.6% and the second quarter a fall of 0.2%.

According to preliminary data from the Statistical Office of the SR, the tendency of households to consume strengthened in the first half of 2003, while the tendency to save weakened (according to the ESA 95 methodology and the Statistical Office, the

national accounts include the activities of citizens and small entrepreneurs connected with the purchase of tangible and intangible assets, as well as the purchases of citizens abroad, in addition to private koruna deposits). On the other hand, an analysis of gross disposable income and its distribution indicates an increase in the reserves of pension funds^{2/}, which is a sign of increased allocation of free funds by households for life and old-age insurance in various forms.

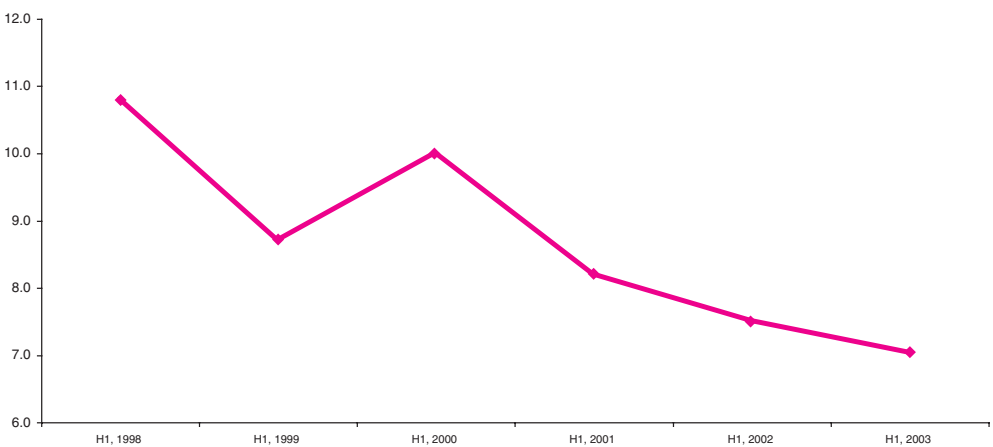
Final household consumption, inflation, and real wages
(Year-on-year development in %)



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

	Q1-2, 2002	2002	Q1,2003	Q2,2003	Q1-2,2003
	Q1-2, 2001	2001	Q1,2002	Q2,2002	Q1-2,2002
Gross disposable income	107.8	108.2	107.5	106.2	106.8
Final household consumption	108.7	107.9	108.9	106.1	107.5
Gross savings of households	98.7	112.9	94.2	109.4	100.2
Ratio of gross savings to gross disposable income in %	7.5	9.9	8.0	6.0	7.0

Ratio of gross savings to gross disposable income (in %)



^{2/} According to the ESA 95 methodology, this item is reflected in the savings of households and represents a change in the net assets of households in the reserves of life insurance and the reserves of pension funds, and prepaid insurance premiums for unsettled claims.

Moderate growth in public consumption

In the first half of 2003, final consumption in public administration increased only slightly, by 0.1% compared with the same period a year earlier. The year-on-year fall in dynamics (6.7 percentage points) confirms that current expenditure remained virtually unchanged in the public sector. Non-profit institutions serving households recorded a 6% increase in expenses, which was, however, not reflected in the rate of GDP growth (due to the small volume of expenses).

Gross capital formation (including a change in inventories) fell by 2.2% at constant prices, and was affected by the lower level of fixed investments, which fell year-on-year by 1.1% (compared with 0.3% a year earlier). Thus, the expected revival of investment demand has remained unfulfilled so far. The fall in gross capital formation was caused mainly by a change in the volume of inventories, which grew by Sk 4.6 billion in the first half of 2003, compared with Sk 5.9 billion a year earlier. On the other hand, the smaller increase in inventories in the first half of the year led to growth in the export performance of the economy, which is a positive development.

Fall in fixed investments

In a breakdown by sector, gross fixed capital formation fell in proportional measure in all sectors, as a result of which fixed investments fell year-on-year by 1.1% in the first half of the year. In a breakdown by category, real decline was recorded in investment in machines (5.9%). On the other hand, investment demand was stimulated by an increase in investment in construction (10.1%), where investment grew on a year-on-year basis in both housing and infrastructure-related construction.

Structure of gross fixed capital formation in the first half of 2003^{1/}

	Gross fixed capital formation (Sk millions)	Share (%)		Index
		Q1-2, 2002	Q1-2, 2003	Q1-2, 2003 Q1-2, 2002
Economy of the SR in total	155,204	100.0	100.0	98.9
<i>of which (by production):</i>				
Buildings	53,437	35.0	34.4	110.1
of which: residential buildings	8,827	6.0	5.7	104.9
other buildings	44,610	29.0	28.7	111.2
Machinery	92,172	58.8	59.4	94.1
of which: metal goods and machines	69,789	44.7	45.0	93.6
transport equipment	22,383	14.2	14.4	95.8
<i>of which (by sector):</i>				
Non-financial corporations	104,201	66.9	67.1	99.2
Financial corporations	20,052	13.0	12.9	98.7
Public administration	9,161	6.0	5.9	98.3
Households	21,329	13.7	13.7	99.2
Non-profit institutions	461	0.4	0.3	66.7

1/ The volumes are given at current prices, the indices at constant prices.

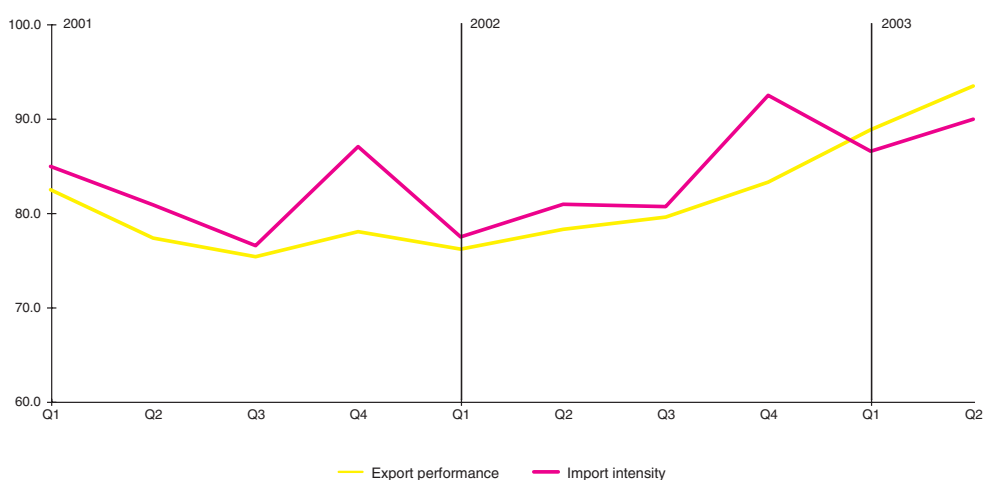
Net export*Surplus in net exports*

Exports of goods and services showed dynamic growth, which led, despite a relatively steep increase in imports, to improvement in the balance of trade. In the first half of 2003, the deficit in net exports reached Sk 7.6 billion (at current prices), which was 4.4 times less than in the same period a year earlier (Sk 33.8 billion). Including the negative year-on-year increases in the foreign trade deflators (caused mainly by exchange rate developments), net exports resulted in a positive balance of Sk 10.9 billion at constant prices (compared with a deficit of Sk 7.4 billion a year earlier).

The improvement in the balance of trade in goods and services, including a statistical estimate of the black economy, was due to faster real year-on-year growth in exports (22.8%) than imports (15.8%). The strong dynamics of exports and imports of goods and services were affected, among other factors, by the so-called 'base effect'.

The dynamic growth in the exports of goods and services led to a year-on-year increase in the export performance of the Slovak economy (by 14.0 percentage points), when the share of exports in GDP increased to 91.2% at constant prices. The dependence of Slovakia's export-oriented industries on imports resulted in a year-on-year increase of 9.0 percentage points in import intensity (share of imports in GDP at constant prices), to 88.3%. The openness of the Slovak economy (expressed in terms of the ratio of exports plus imports of goods and services to GDP) increased over the first half of 2003 to 179.5% at constant prices (compared with 156.4% in the first half of 2002). At current prices, the openness of the economy stood at 155.3% (147.9% in the first half of 2002).

Export performance and import intensity (%)

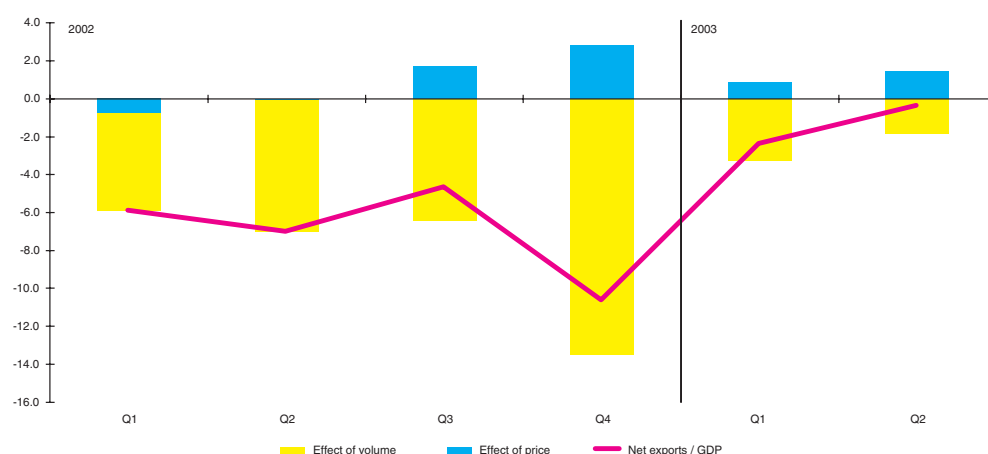


In addition to the volumes of goods and services exported and imported, the value of net exports of goods and services at current prices was determined by price developments, which also involve the effects of changes in exchange rates. While price development in the first half of 2002 had increased the deficit in net exports in nominal terms, price development in the first half of 2003 had the opposite effect: it caused the deficit in net exports to diminish somewhat (at current prices).

Effects of price and volume on exports and imports (percentage points)

	2002					2003		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q1-2
Exports of goods and services (year-on-year growth in %, current prices)	-1.5	3.4	11.3	13.1	3.7	19.0	18.4	18.7
Effect of volume	-4.1	5.2	10.1	12.4	5.9	21.4	24.1	22.8
Effect of price	2.6	-1.8	1.2	0.7	0.8	-2.4	-5.6	-4.1
Imports of goods and services (year-on-year growth in %, current prices)	-1.8	3.0	8.9	9.7	5.1	13.1	8.3	10.5
Effect of volume	-5.4	4.2	9.9	11.9	5.3	16.4	15.3	15.8
Effect of price	3.6	-1.2	-1.0	-2.2	-0.2	-3.3	-7.0	-5.3
Net exports as a share of GDP (share in %, current prices)	-5.9	-7.1	-4.7	-10.7	-7.1	-2.4	-0.4	-1.4
Effect of volume	-5.2	-7.0	-6.4	-13.5	-8.1	-3.3	-1.8	-2.5
Effect of price	-0.7	0.0	1.7	2.8	1.0	0.9	1.4	1.2

Net exports as a share of GDP (at current prices)



As for the structure of GDP growth, net exports contributed 5.1 percentage points to GDP creation, while domestic demand remained unchanged and statistical discrepancy made a negative contribution. In spite of this, the rate of growth in real GDP remained at the level of the first half of 2002.

Contributions to GDP creation^{1/} (percentage points, at constant 1995 prices)

	Q1-2, 2002	2002	Q1-2, 2003
	Q1-2, 2001	2001	Q1-2, 2002
Gross domestic product	3.9	4.4	3.9
Domestic demand	3.5	4.8	0.0
Final consumption	4.1	3.6	0.7
Final households consumption	2.9	2.8	0.6
Final consumption in public administration	1.2	0.8	0.1
Non-profit institutions serving households	0.0	0.0	0.0
Gross capital formation	-0.6	1.2	-0.7
Gross fixed capital formation	-0.1	-0.3	-0.3
Change in inventories	-0.5	1.5	-0.4
Net exports	0.9	0.3	5.1
Exports of goods and services	0.5	4.6	17.6
Imports of goods and services ^{1/}	-0.4	4.3	12.5
Statistical discrepancy	-0.4	-0.7	-1.1

^{1/} Based on the value of GDP in millions of Sk; the contribution of imports of goods and services reduces the values of net exports and GDP; the differences in the subtotals are due to rounding.

Supply

GDP growth in all the key sectors

In the first half of 2003, the creation of gross domestic product in industry increased year-on-year by 10.5% (at constant prices); in agriculture, forestry, and fishing by 9.2%; in construction by 5.8%; and in services by 3.3%.

In industry, GDP creation increased on a year-on-year basis, mainly as a consequence of growth in foreign demand, in manufacturing (by 7.4%), where the volume of GDP created grew year-on-year in almost all sectors, except the chemical industry. The greatest year-on-year increase took place in the production of metals and metal goods. GDP creation in industry was also affected by the generation and distribution of electricity, gas and water supply, with a year-on-year increase of 49.8% in GDP.

Contributions of sectors to GDP creation (year-on-year change in %, constant 1995 prices)

	2002					2003		
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q1-2
Gross domestic products (GDP)	3.9	4.0	4.3	5.4	4.4	4.1	3.8	3.9
of which:								
Agriculture, forestry, and fishing	7.0	8.7	14.4	11.9	10.9	8.5	9.8	9.2
of which: Agriculture	10.7	10.5	14.2	12.9	12.3	8.5	10.8	9.7
Industry in total	-4.3	4.6	10.9	5.3	4.0	15.1	6.4	10.5
Raw materials extraction	-0.8	-18.3	-10.1	-25.5	-13.9	-22.5	-15.8	-19.4
Manufacturing	-9.7	6.0	11.8	3.4	2.6	11.4	4.0	7.4
Electricity, gas, and water supply	85.4	-1.3	9.7	81.0	33.4	56.7	41.6	49.8
Construction	8.0	16.8	10.9	8.3	11.0	8.0	4.0	5.8
Services in total	5.9	2.5	1.0	7.8	4.2	2.3	4.2	3.3
Wholesale and retail trade, repairs	1.5	-2.6	-4.4	-0.2	-1.8	0.5	3.0	1.9
Hotels and restaurants	-5.9	-5.6	-4.5	-10.9	-6.7	-18.2	-27.5	-23.6
Transport, storage, posts and telecom.	-5.6	1.0	-5.3	-3.8	-3.5	6.5	2.8	4.7
Financial intermediary services	5.9	35.5	65.0	74.6	40.0	2.9	31.4	15.8
Real estate, leasing, business activity	-6.5	-0.1	1.6	2.0	-0.5	0.2	3.4	1.9
Public administration, defence, social security	31.1	11.1	4.4	17.4	15.2	4.7	-3.9	0.3
Education	33.8	-2.0	-6.8	7.7	7.2	10.7	22.3	16.1
Health and social care	22.1	1.1	-10.0	6.5	4.1	-0.1	0.9	0.4
Other community, social, and personal services	50.3	4.0	2.7	16.2	16.4	-2.6	7.1	-4.7
Other ^{1/}	16.7	4.5	-1.3	-11.3	0.7	-23.9	-9.7	-16.1

1/ Value added tax, excise duty, import tax, minus subsidies and imputed production of banking services.

Wage development in the first half of 2003

In the first half of 2003, the average monthly nominal wage of an employee in the Slovak economy increased year-on-year by 6.2%, to Sk 13,602. The wage growth was 3.4 percentage points slower than a year earlier. During the first six months, the dynamics of nominal wages weakened, from 6.5% in the first quarter to 5.9% in the second quarter.

Nominal wages

Wage development in the second quarter was affected by the high basis of comparison in the second quarter of 2002 (wage increase in education, health care, other community, social, and personal services in connection with the enactment of laws on civil and public services), and by the low dynamics of wages in transport, posts and telecommunications, and trade.

Nominal wages were higher than in the first half of 2002 in all sectors of the Slovak economy, but the rate of growth slowed in most sectors. Wages increased at a faster rate than a year earlier only in hotels and restaurants, financial intermediaries, construction firms, and in public administration, defence, and compulsory social insurance.

The most dynamic growth in the first half of the year occurred in wages in financial intermediaries (11.8%); and in hotels and restaurants (10.5%). Above-average wage increases were also recorded in education (9.1%), industry (7.0%), real estate (7.6%), and in public administration, defence, and compulsory social insurance (7.5%). The slowest growth was recorded in transport, posts and telecommunications (3.3%); trade and repair work (3.9%); construction (4.9%); and in health care (5.2%).

Real wages fell year-on-year by 1.4%, after rising in the same period a year earlier by 5.5%. The level of real wages was affected by slower growth in nominal wages

Real wages

and accelerated increase in average consumer prices, the dynamics of which almost doubled in comparison with the first half of 2002 and reached 7.7%.

Labour productivity

A positive trend was recorded in labour productivity (GDP per employee in the Slovak economy), which increased in nominal terms by 7.7% and in real terms by 2.8%. Thus, the rate of growth in nominal labour productivity exceeded the dynamics of nominal wages by 1.5 percentage points, while the excess of productivity over real wages at constant prices amounted to 4.2 percentage points.

Average monthly wages and labour productivity in Slovakia

		2002			2003		
		Q1	Q2	Q1-2	Q1	Q2	Q1-2
Nominal wage	a	12,287	13,329	12,811	13,082	14,118	13,602
	b	108.6	110.5	109.6	106.5	105.9	106.2
Real wage	b	103.7	107.2	105.5	99.0	98.2	98.6
Labour productivity, const. prices	b	103.3	104.1	103.7	103.1	102.4	102.8
Consumer prices	b	104.7	103.1	103.9	107.6	107.8	107.7

a – in Sk

b – index: same period a year earlier =100

Current developments**Production and receipts***Slowdown in the rate of growth
in industrial production*

The year-on-year dynamics of industrial production weakened in July, to 2.2% at constant prices, representing the slowest year-on-year increase since May 2002. Production was affected by a slowdown in the rate of growth in manufacturing (4.4%); fall in the production / supply of electricity, gas, and water (9.3%); and by continued decline in the extraction of mineral raw materials (7.3%).

The slowdown in the rate of growth in industrial production in comparison with the previous month, was connected with developments in the key industries. On the one hand, dynamic growth was recorded in the manufacture of transport vehicles, rubber industry, including the production of plastics, and in the manufacture of machinery and equipment. On the other hand, production fell, for the first time this year, in the electrical industry. Output continued to decline, for the fourth consecutive month, in the production of coke, refined oil products, and nuclear fuels; the chemical industry; the paper industry; and in printing and publishing.

*Continued growth in
construction*

In July, the output of the construction sector increased year-on-year by 5.7% (at constant prices), representing the steepest increase in 2003. This was due to growth in domestic production, which increased year-on-year by 2.7%. The increase took place partly in new construction, reconstruction, and modernisation projects, and partly in repair and maintenance work. Accelerated growth was recorded, as in previous months, in the volume of construction work abroad (108.9% in July).

Receipts

Retail sales receipts continued to fall on a year-on-year basis in July (by 7.6% at constant prices). Receipts from own-output and goods fell in all the segments of the retail trade, except retail sales outside shops. The sharpest fall in receipts was recorded in retail trade in foodstuffs, beverages, and tobacco, and in non-specialised retail shops (hyper- and supermarkets).

The trend of growth in receipts from the sale and maintenance of motor vehicles and the retail sale of fuels came to a halt in July, when receipts fell in this sector, for the first time since December 2002, by 0.8% on a year-on-year basis (at constant prices). This was due mainly to a fall in receipts from the sale and maintenance of motor vehicles. A different situation occurred in the retail sale of fuels, where

receipts increased in July, as in previous months, at a relatively fast rate (19% at constant prices).

	Sk millions (current prices)		Indices			
	July 2003	cumulative since beginning of the year	Jun. 2003	Jul. 2003	Jul. 2002	Jan. – Jul. 2003
			Jun. 2002	Jul. 2002	Jul. 2001	Jan. – Jul. 2002
Production:						
Index of industrial production ^{1/2/}	.	.	108.6	102.2	111.3	106.9
of which:						
Mineral raw materials extraction	.	.	96.3	92.7	126.0	96.5
Manufacturing	.	.	110.0	104.4	114.0	108.9
Electricity, gas, and water supply	.	.	102.3	90.7	94.2	99.3
Construction ^{2/}	8,413	46,189	103.3	105.7	106.3	102.5
Receipts from own-output and goods:						
Industry in total ^{3/}	112,392	745,360	111.5	116.6	105.0	110.4
Construction ^{2/}	12,570	67,273	105.4	108.0	108.5	104.5
Retail trade ^{3/}	26,380	176,295	90.7	92.4	105.6	93.6
Sale and maintenance of vehicles, retail sale of fuels ^{3/}	11,552	72,301	102.5	99.2	118.3	104.0
Transport, storage ^{3/}	7,939	46,949	89.0	98.5	103.9	94.2
Real estate, leasing, and business services ^{3/}	10,681	71,581	96.9	94.9	104.8	95.7

1/ Adjusted for the effect of the number of working days (the data in the time series are continually revised).

2/ Index, same period of the previous year = 100 (constant prices, average for 2000 = 100).

3/ Index, same period of the previous year = 100 (constant prices, December 2000 = 100, transport and storage – current prices)

The receipts of transport organisations continued to fall on a year-on-year basis, and were 1.5% lower in July than in the corresponding period a year earlier (at current prices). Fall in receipts was recorded in all transport sectors (except railways), including secondary and auxiliary services.

The July receipts of organisations providing real estate, leasing, and other business services remained, for the seventh successive month, below the level of the previous year (a fall of 4.3% at constant prices). Year-on-year fall in receipts was recorded in all categories of services, first and foremost in computer engineering and related activities (10%).

Wages and unemployment

In July, the year-on-year rate of growth in the average monthly nominal wage accelerated in comparison with June, in construction, transport, and posts and telecommunications in particular. The rate of growth slowed in industry and trade. The marked increase in nominal wages in posts and telecommunications took place mostly in telecommunications, where wages rose by 56% due to the payment of half-yearly bonuses.

Nominal wages

During the first seven months of this year, the average nominal wage grew at a faster rate than a year earlier only in construction, due mainly to the low basis of comparison in the same period of last year. In other sectors, nominal wages grew at a slower rate than in the first seven months of the previous year.

From January to July, the average real monthly wage remained below the level of the same period a year earlier in most sectors. Higher wages were recorded only in real estate, leasing, business and other services. Real wages were affected by the continued increase in average consumer prices, the dynamics of which accelerated during January to July by 4.3 percentage points on a year-on-year basis, to 7.9%.

Real wages

Wage development by sector (index, same period of last year = 100)

	Average monthly nominal wage				Average monthly real wage			
	July		January – July		July		January – July	
	2002	2003	2002	2003	2002	2003	2002	2003
Industry	109.3	105.6	108.2	106.8	107.2	97.1	104.4	99.0
Construction	105.1	105.1	103.1	105.0	103.0	96.7	99.5	97.3
Retail trade	107.7	100.4	106.3	103.0	105.6	92.4	102.6	95.5
Wholesale trade	110.1	105.4	109.0	107.7	107.9	97.0	105.2	99.8
Real estate, leasing, business, and other services	105.3	108.5	111.6	109.5	103.2	99.8	107.7	101.5
Transport	110.6	109.3	108.3	106.3	108.4	100.6	104.5	98.5
Posts and telecom.	98.6	130.0	107.7	107.4	96.7	119.6	104.0	99.5
<i>Consumer prices</i>	<i>102.0</i>	<i>108.7</i>	<i>103.6</i>	<i>107.9</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>

Notes: The above sectors accounted for 64.5% of total employment in 2002 (on average).

Data for April to June were retroactively revised by the Statistical Office in September 2003.

Index of real wages = index of nominal wages / index of consumer prices.

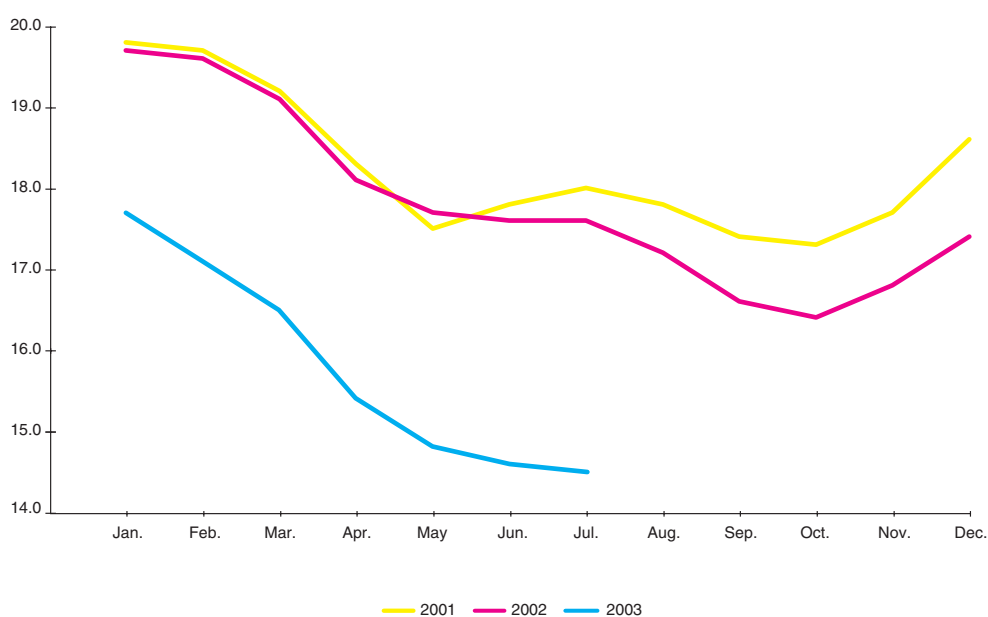
Wages and labour productivity

The favourable trend in the relationship between wages and labour productivity persisted over the first seven months, when productivity grew at a faster rate than wages in most sectors.

If we compare the development of nominal wages and labour productivity based on receipts from own-output and goods (at current prices), labour productivity exceeded the rate of growth in nominal wages in the wholesale trade (by 13.6 percentage points) and posts and telecommunications (by 6.8 percentage points). Labour productivity fell behind wage dynamics only in transport (by 3.8 percentage points). In sectors, where labour productivity is monitored in real terms, the most favourable development was recorded in industry, where real wages fell by 1.0% and real productivity increased by 9.7%, and in the retail trade, where real wages fell by 4.5% and productivity grew by 2.6%. In the construction sector, an increase in labour productivity (0.2%) was accompanied by a fall in real wages (2.7%). Unfavourable trend (growth in real wages, accompanied by a fall in real labour productivity) was again recorded in real estate, leasing, and other public services.

Unemployment rate

(%)



By the end of July, the total number of registered unemployed had fallen month-on-month by 4.9 thousand, to 423 thousand. The rate of unemployment, based on the number of registered unemployed, fell month-on-month by 0.2 of a percentage point, to 14.5%, which was 3.1 percentage points less than in the same period a year earlier.

Unemployment

Despite the expectation of an inflow of new unemployed (school-leavers), the situation on the labour market again improved in July. The large number of persons excluded from the registers (the second largest since 1997) and the low number of school-leavers signing on at labour offices (the lowest in the last six years), were the main factors behind the month-on-month fall in the number of registered unemployed. The increased outflow of unemployed from the registers was probably again connected with the effect of administrative measures, requiring the unemployed to report at labour offices at regular intervals.

A favourable trend was also recorded in the number of vacancies, which increased year-on-year by 5 thousand. The number of unemployed per vacancy stood at 19 in July, compared with 29 in the same period a year earlier.

The average period of registration fell slightly in comparison with June (by 0.09 of a month, to 12.78 months), but was still relatively long.

4. Monetary developments

4.1. Foreign exchange market

By the end of August, the exchange rate of the Slovak koruna to the euro had weakened on a month-on-month basis by 0.4% (from SKK/EUR 41.845 to SKK/EUR 41.996), while the average SKK/EUR rate had depreciated by 0.3%. In relation to the US dollar, the koruna weakened by 5.4% (from SKK/USD 36.571 to SKK/USD 38.550), while depreciating in average terms by 2.1%.

Foreign exchange operations

Spot transactions between foreign and domestic banks resulted in a positive balance (US\$ 98.1 million), i.e. foreign banks sold mostly Slovak koruna and purchased foreign currency.

The National Bank of Slovakia conducted no foreign exchange transactions with domestic or foreign banks in August.

Changes in the exchange rate of SKK to EUR and USD (%)

	Month-on-month change	Ø Aug. 2003	Ø (Jan. – Aug.) 2003
		Ø Aug. 2002	Ø (Jan. – Aug.) 2002
SKK/EUR	+0.4	-4.6	-7.6
SKK/USD	+5.4	-12.9	-19.9

+ Depreciation of the SKK

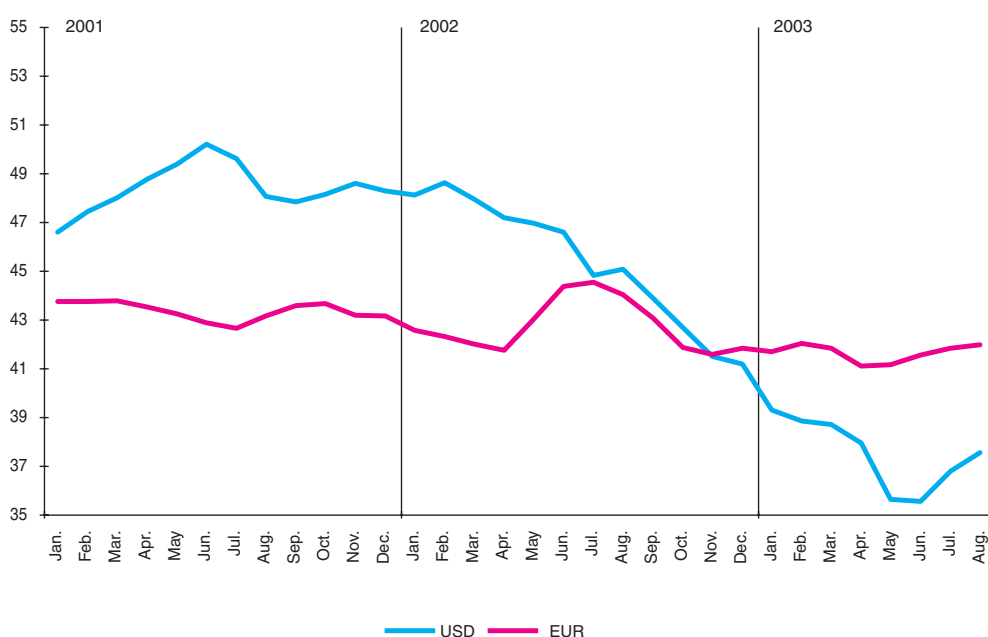
- Appreciation of the SKK

Ø Average

The volume of trading on the interbank foreign exchange market totalled US\$ 34,191.2 million, representing a fall of 18.2% compared with the figure for July (US\$ 41,805.7 million). Of the total volume of trading, 92.0% took place in swap transactions, which were conducted mainly in USD (92.7%). Spot transactions accounted for 8.0% of the total turnover (93.7% of the deals were in EUR). The average daily turnover on the spot market reached US\$ 136.6 million and the average volume per transaction amounted to US\$ 1.67 million.

Interbank foreign exchange market

The volume of transactions between Slovak commercial banks fell from US\$ 7,084.4 million in July to US\$ 4,875.3 million in August. Most trading took place in USD (78.2%, compared with 78.8% in July), followed by EUR (21.3%, compared with 20.9% in July) and other currencies (0.4% of the total turnover).

Average monthly exchange rate of the SKK

Transactions between Slovak banks accounted for 14.3% of the total volume of trading on the interbank foreign exchange market (compared with 16.9% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 83.8% (85.9% in July) and spot transactions 16.2% (14.1% in July).

The volume of trading between domestic and foreign banks fell by 15.6%, from US\$ 34,721.3 million to US\$ 29,315.9 million. Most trading was conducted in USD (82.9%, compared with 80.5% in July), followed by EUR (8.9%, compared with 10.7% in July), and other currencies (8.2%). Trading between Slovak and foreign banks still accounted for 85.7% of the country's foreign exchange market.

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (93.4%, compared with 93.3% in July), while spot transactions accounted for 6.6% (6.5% in July) of the total turnover. The share of forward dealings on the forex market was negligible.

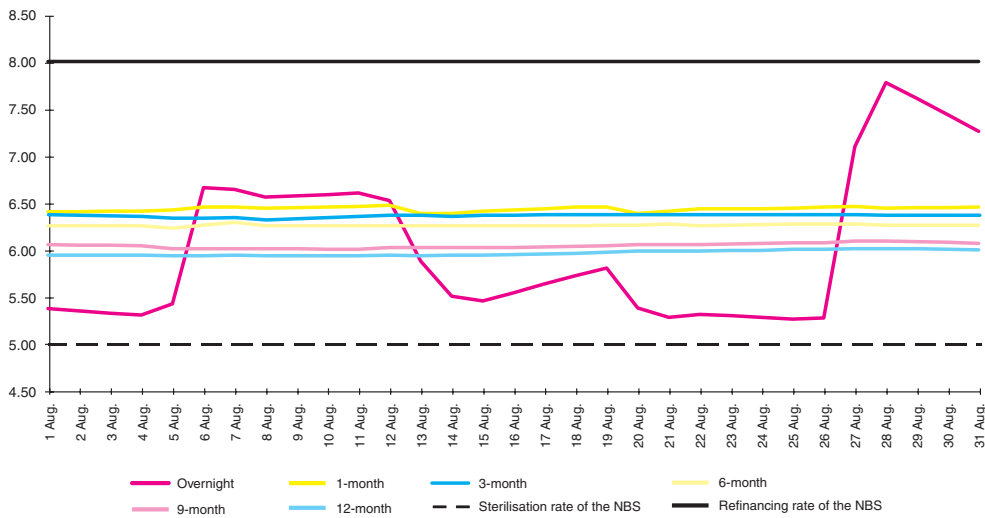
4.2. Money market and monetary policy implementation

In August, trading on the money market took place in an unchanged monetary policy environment (unchanged key NBS rates).

Interest rate developments

Average interbank market rates rose in August for all maturities, except one- to three-month rates. The price of deposits with the shortest maturities was affected by the persistent surplus of daily liquidity (except at the end of the month). It increased above 6.5% in the first half of August, due to growth in the volume of bids accepted at tenders and the uneven spread of liquidity over the banking sector. Tax payments at the end of the month and increased bids at tenders created a shortage of daily liquidity, to which overnight rates reacted with a rise of 0.68 of a percentage point, to 7.78%. In the first half of August, the course of longer term rates was influenced to some extent by trading on the money market and corresponded to the trend in the exchange rate of the Slovak koruna to the euro. In the second half of the month, longer term rates were affected by the results of auctions in Treasury bills, when a gradual rise in the level of yields accepted led to an increase in the price of deposits with longer maturities.

Development of interbank offered rates (BRIBOR) (% p.a.)



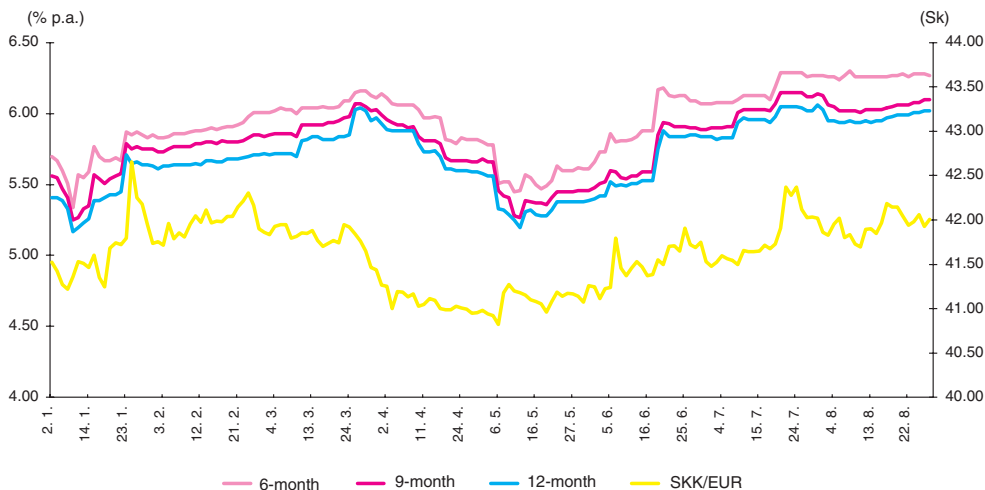
The total volume of trading on the interbank money market fell in comparison with the previous month by 49.4%, to Sk 1,148 billion. Of this amount, swap operations accounted for 56.9% and deposit transactions 43.1%. After a long period of stagnation, repo transactions were also conducted in small amounts. Reference banks accounted for 89.8% of the total turnover (93.5% in July). Of the total volume of trading, transactions with foreign banks accounted for 64.4% and transactions between domestic banks 35.6%.

The average volume of NBS interventions on the money market increased in August to Sk 169.4 billion (from Sk 162.8 billion in July). The increased need for sterilisation was due mainly to a fall in the balance on the summary account of the State Budget. The sterilisation of koruna resources took place through repo tenders (Sk 112.2 billion), NBS bills (Sk 56.0 billion), and overnight transactions (Sk 1.2 billion).

Funds from the repayment of Treasury bills issued in 2002, which exceeded the volume of new issues, represented a regular contribution to the increase in the level of liquidity in the banking sector. The total inflow of liquid assets from securities (repayment and issue of government securities, including yields paid on government bonds) reached Sk 6.8 billion in August.

Liquidity situation in the banking sector

Comparison of BRIBOR rates with the SKK/EUR exchange rate



The reserves of the banking sector were also increased during that month by funds, released from the other balance accounts of the NBS (reduction in the deposits of regional self-governments, funds held in a special account of the FNM at the NBS, deposits of extra-budgetary funds of state authorities). These funds generated an increase of Sk 4.6 billion in liquidity.

The increase in the liquid assets of commercial banks caused by the above effects was offset partly by an outflow through a growth in the volume of currency in circulation (reducing liquidity by Sk 2.6 billion in cumulative terms) and through the balance of current budget revenues and expenditures (reducing liquidity by Sk 1.5 billion in cumulative terms)^{3/}.

At the end of August, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 260.9 billion (including all deposits of the Ministry of Finance and the FNM at the NBS).

The NBS conducted four repo tenders in August (accounting for 66.2% of the koruna transactions of the NBS). At the tenders, demand was regularly higher than the amount due and the NBS accepted the bids of banks in full. The high initial level of demand was connected with a fall in the volume of Treasury-bill issues in comparison with the volume of due issues. As a result of increased demand at the last tender, a shortage of daily liquidity emerged in the banking sector.

Tenders in August 2003

Date tender	Type of tender ^{1/}	Maturity (days)	Volume accepted (Sk million)	Rates (%)		
				minimum	Average	maximum
6.8.2003	SRT	14	56,120	6.49	6.49	6.50
13.8.2003	SRT	14	56,209	6.49	6.49	6.50
20.8.2003	SRT	14	56,769	6.49	6.49	6.50
27.8.2003	SRT	14	60,105	6.49	6.49	6.50

^{1/} SRT – Sterilisation repo tender
RRT – Refinancing repo tender

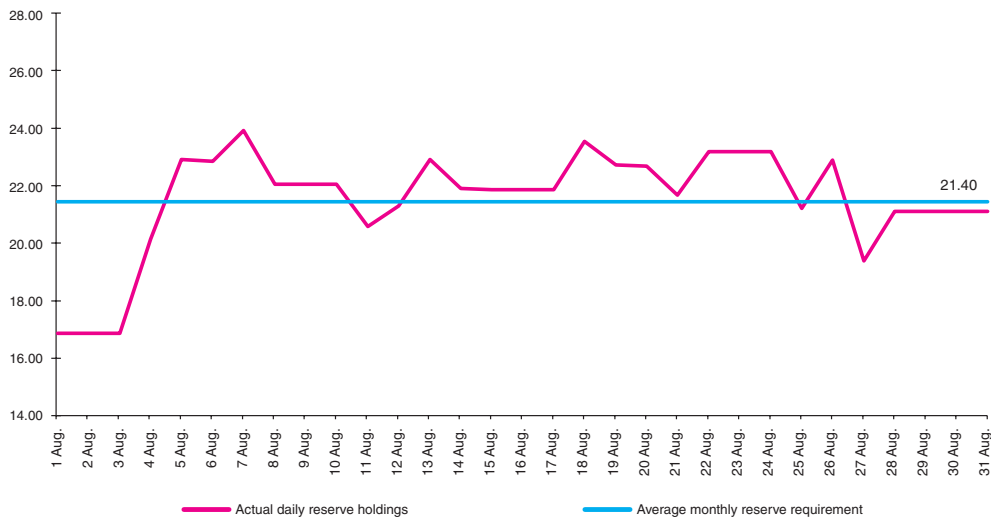
The NBS announced one auction in three-month NBS bills for August. The bids of banks reached Sk 22.8 billion (somewhat more than the amount due, i.e. Sk 21.2 billion) and were accepted by the NBS in full. The auction was run on the Dutch method and the yield accepted was 6.50% p.a. Despite an increase in the volume of NBS bills issued, the average daily share of sterilisation through NBS bills decreased, to 33.1% (from 34.0% in July).

In August, banks conducted both types of overnight transactions with the NBS. Most deposits were placed on the first working day of the period (Sk 5.4 billion), though there was only a modest surplus of daily liquidity. On a regular basis, banks began sterilising their excess liquidity in the form of deposits with the NBS only in the second half of August. Banks used refinancing only once, on the last working day of the period (Sk 2.2 billion), for the replenishment of liquidity subsequent to the increased demand at the last tender.

^{3/} Although the deficit in the State Budget increased month-on-month by Sk 1.9 billion in August, the balance of current revenues from commercial banks and current expenditures via commercial banks developed in favour of revenues, and tended to reduce the level of liquidity in the banking sector (even after including Sk 0.6 billion paid in August in yields on government bonds, which are included in overall budget expenditure in the same way as in the State Budget and hence tend to increase the budget deficit; however, for monitoring the level of liquidity in the banking sector, they are included in securities). This development was connected with the fact that budget expenditure was not directed to the banking sector in full; part of it remained in accounts at the NBS, as a result of which the volume of liquidity-providing resources diminished.

For August, the amount of required minimum reserves in the banking sector was set at Sk 21.4 billion. By the end of the month, the reserve requirement had been fulfilled to 100.31%. The reserve requirements were met by all banks in August.

Fulfilment of reserve requirements (Sk billions)



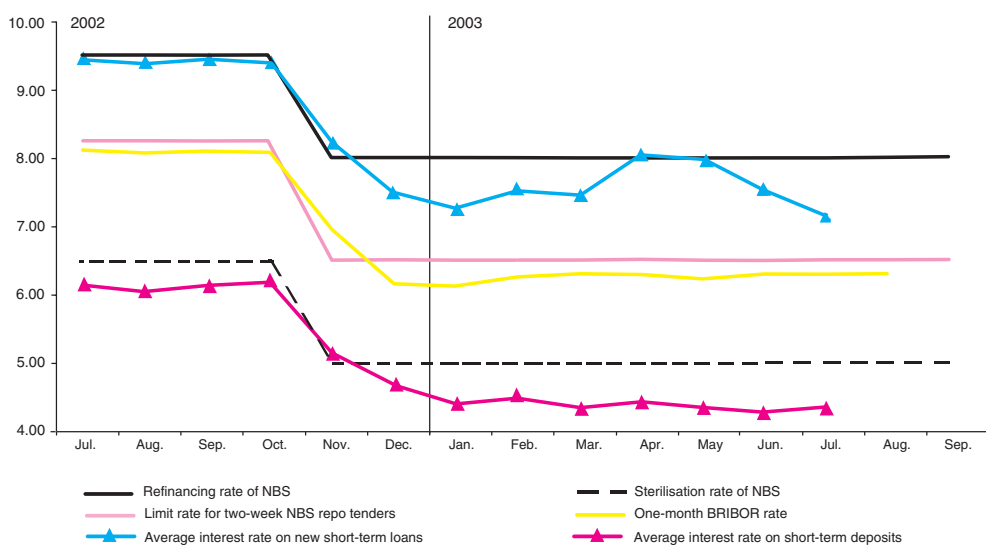
4.3. Customer interest rates in July 2003

Average interest rates on new loans and loans in total fell in July, while deposit rates recorded a moderate increase.

The average interest rate on new loans fell by 0.4 of a percentage point (to 7.3%), due to a fall in the price of short-term (0.4 of a percentage point, to 7.1%) and medium-term loans (0.2 of a percentage point, to 8.9%). The rate for new long-term loans rose by 0.3 of a percentage point, to 7.2%.

Interest rates on new loans

Development of selected interest rates^{1/} (%)



^{1/} With effect from 30 October 2002, the limit rate for standard two-week repo tenders was reduced. A further cut in key NBS interest rates was approved on 18 November 2002; both interest rate cuts are illustrated in the graph for November.

Interest rates on total loans The average interest rate on the total volume of loans fell month-on-month by 0.1 of a percentage point (to 8.0%), due to a fall in interest levels in all categories (0.1 of a percentage point). The average rate for short-term loans fell to 8.2%, that for medium-term loans to 8.9%, and the rate for long-term loans to 7.2%.

Interest rates on deposits The average interest rate on deposits rose by 0.1 of a percentage point in July (to 3.3%), due to an increase in the price of time deposits (0.1 of a percentage point, to 4.6%). The rates for demand and savings deposits remained unchanged, at 1.5% and 2.9% respectively.

Interest rates on short-term deposits rose in all categories (except deposits with a maturity of up to one year), with the steepest increase being recorded in the rate for seven-day deposits (0.2 of a percentage point), especially in the corporate sector. Interest rates on medium- and long-term deposits were at a standstill. Rates for savings deposits also remained unchanged, at the level of the previous month.

The real interest rate on one-year deposits fell month-on-month by 0.4 of a percentage point, to -4.0% (negative figure). This was due to a rise in the 12-month rate of inflation (by 0.3 of a percentage point) and a fall in the average rate for one-year deposits (0.1 of a percentage point).

(%)

Average interest rate on 1-year deposits in July 2003		4.7	Real interest rate
12-month rate of inflation in July 2003	ex post	8.7	-4.0

If we compare the average interest rate on one-year deposits in July 2002 (due in July 2003) with the 12-month rate of inflation in July 2003, the real interest rate on one-year deposits becomes -2.7% (negative figure).

(%)

Average interest rate on 1-year deposits in July 2002		6.0	Real interest rate
12-month rate of inflation in July 2003		8.7	-2.7

In August, the deposits of non-resident banks in Slovak koruna fell month-on-month by Sk 1.0 billion, while growing on a year-on-year basis by Sk 1.7 billion. The year-on-year rate of growth continued to fall, from 38.4% in July to 28.7% in August.

The koruna deposits of non-resident customers fell month-on-month by Sk 0.5 billion, while growing year-on-year by Sk 0.4 billion in August. The volume of deposits has been stable (at the level of Sk 3.7 to 4.6 billion) since the beginning of the year, but the rate of year-on-year growth has shown a tendency to fall, from 29.6% in July to 10.2%.

Based on data from the Securities Centre in Bratislava, the volume of government securities in the portfolios of non-residents (government bonds and Treasury bills in total) fell month-on-month by Sk 45.5 billion in August.

The volume of koruna deposits held by non-residents in total (banks and customers) fell by Sk 1.5 billion in August, while the interest differential remained unchanged in comparison with the previous period.

Sk in the portfolios of non-residents **(in billions of Sk)**

	2002		2003				
	31 Aug.	31 Dec.	31 Jan.	31 Mar.	30 June	30 Jul.	31 Aug.
Koruna liabilities	9.7	15.8	18.0	14.8	18.9	13.3	11.8
of which: banks	6.0	12.0	14.2	10.5	15.1	8.7	7.7
non-bank customers	3.7	3.8	3.9	4.3	3.8	4.6	4.1
Government securities	12.1	19.4	46.8	17.6	32.8	79.7	31.1
of which: government bonds	12.1	19.4	46.8	17.6	32.8	79.7	31.1
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	21.8	35.2	64.8	32.4	51.7	93.0	42.9

Annexes

1. Capital market

1.1. Primary market

Government bonds were not issued during the month of August.

Government bonds

In August 2003, yields on government bonds were paid in the total amount of Sk 0.6 billion, of which Sk 0.3 billion (48.8%) to foreign investors and Sk 0.3 billion (51.2%) to domestic investors. Bond creditors received yield-payments in the amount of Sk 0.02 billion. Government bonds were not repaid during the month.

Yield payments and bond repayments

During the month of August, 5 issues of publicly negotiable non-government bonds was floated (mortgage bonds, in the amount of Sk 3.3 billion).

Non-government bonds

1.2. Secondary market

In August (20 trading days), the volume of trading on the Bratislava Stock Exchange (BCPB) reached Sk 26.7 billion in 13,037 transactions, i.e. 88.3% less than in the previous month. Equity securities were traded in the amount of Sk 1.1 billion (4.3% of the total volume); within the scope of price-setting transactions, bids for purchase or sale were realised in the amount of Sk 1.6 billion (6.0% of the total volume). Foreign investors accounted for 36.1% of the total volume of trading, of which 30.6% took place in purchases and 41.5% in sales.

Debt securities were traded in August in the amount of Sk 25.6 billion in 185 transactions, of which 148 took place in government bonds in the amount of Sk 25.2 billion (98.7% of the total volume). On a month-on-month basis, the volume of transactions fell by 88.7%.

Bonds

The largest volume was traded in government bonds, mainly in Issue No. 133, in the amount of Sk 10.9 billion (in 34 transactions). Of non-government bonds, the best performers were B.O.F. 04 and CAC Leasing 01 bonds. In the market-maker system, no transaction was concluded in debt securities.

The market capitalisation of bonds reached Sk 340.7 billion (a month-on-month increase of 2.1%) on the last trading day of the month. The market capitalisation of quoted bonds also increased, by 2.4% month-on-month, to Sk 293.7 billion.

The component of SDX (Slovak Bond Index) for government bonds rose by 0.3%, to 215.4% of the nominal value, corresponding to a yield of 5.2% and a duration of 3.56 years. The component of SDX for bank and corporate bonds closed the month at 235.7% of the nominal value (a monthly increase of 0.7%), with an average yield of 4.72% and a duration of 0.85 of a year.

SDX index

Shares were traded in the amount of Sk 1.1 billion (4.2 million shares) in 12,852 transactions. In comparison with the previous month, the volume of transactions fell by 28%. Most trading took place in the first issue of VSŽ shares (Sk 0.28 billion in 11,803 transactions), Slovnaft shares (Sk 0.03 billion in 53 transactions), and in Slovakofarma shares (Sk 0.05 billion in 39 transactions). On the regulated open market, trading was dominated by the third issue of Slovenská Sporiteľňa shares (Sk 0.54 billion). Most transactions were concluded in the first issue of VSŽ shares, within the scope of obligatory bids for acceptance.

Shares

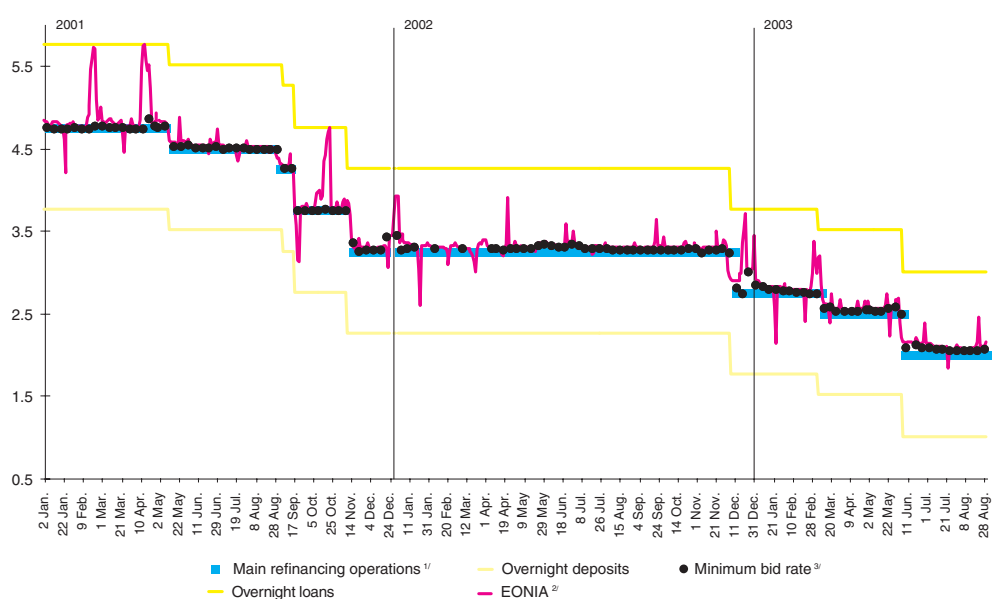
By the last trading day in August, the market capitalisation of equity securities had grown month-on-month by 1.3%, to Sk 108.4 billion. The market capitalisation of quoted shares had increased by 3.9%, to Sk 41.3 billion.

SAX index Over the last three months, the Slovak Share Index (SAX) has followed an upward trend. It opened the month of August at 163.75 points (a monthly minimum), representing a fall of 0.1% compared with the figure for the end of July, and closed the month at 174.39 points (a monthly maximum). The course of the index was affected, first and foremost, by the basic shares of Slovnaft, Nafta, VÚB, and Slovakofarma. During the month, each basic share was traded, at least once, within the system of price-setting transactions as well.

2. Monetary developments in the euro area

At its meeting on 31 July 2003, the Governing Council of the European Central Bank (ECB) left the key interest rates of the ECB unchanged. The rate for refinancing operations remained at the level of 2.00%, the rate for overnight loans at 3.00%, and that for overnight deposits at 1.00%.

Key ECB interest rates and the EONIA (%)



1/ Since 28 June 2000, main refinancing operations have been conducted by variable rate tenders (the rate for main refinancing operations determined by the ECB defines the minimum rate, at which commercial banks place their bids).
 2/ Euro OverNight Index Average (EONIA) - overnight reference rate of commercial banks operating in the euro area.
 3/ Minimum bid rate – the lowest rate accepted at a variable rate tender (the average value of minimum bid rates during the reserve-maintenance period is used as the rate of interest on reserves).

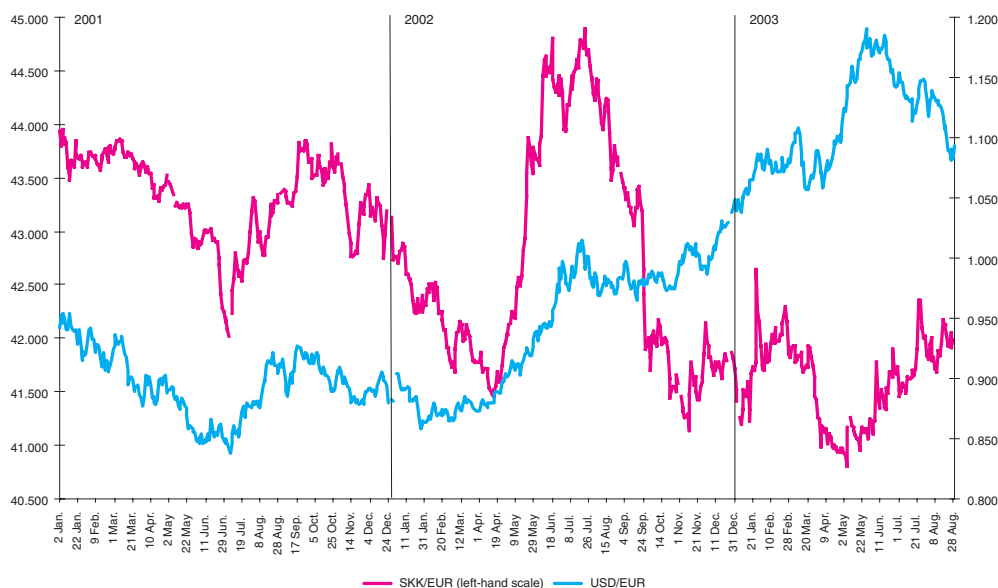
2.1. Exchange rate developments

At the beginning of August, the exchange rate of the single European currency to the US dollar fluctuated around the level of USD/EUR 1.130.

Foreign exchange markets were affected in August first and foremost by the different results of the US and euro area economies, and the development of macro-indicators. The US dollar appreciated vis-à-vis the euro throughout the month. America's GDP showed stronger quarterly growth dynamics than had been expected, unemployment fell to 6.2%, the indicator of industrial activity increased, retail sales grew, together with labour productivity, while the trade deficit diminished. The positive trend in the indicators of the US economy and the weak economic growth in the euro area (recession in Denmark, the Netherlands, Portugal, Germany, as well as France) were responsible for the continued depreciation of the euro, lasting until the end of the month.

During August, the euro depreciated in relation to the US dollar by 2.17% on a month-on-month basis. Since the first trading day of the year, the single European currency has appreciated vis-à-vis the dollar by 4.60%.

Exchange rates SKK/EUR and USD/EUR



2.2. Real economy

According to the first estimate of Eurostat, the euro area economy weakened in the second quarter of 2003 by 0.1%, compared with the first quarter of 2003. Final household consumption increased by 0.1% in the second quarter (compared with 0.5% in the first quarter of 2002), while investment declined by 0.4% (compared with 1.2% in the previous quarter). Exports recorded a fall of 0.5% in the second quarter (compared with 1.2% in the previous quarter), while imports remained unchanged (0.1% in the previous quarter). In the first quarter of 2003, euro area GDP grew on a year-on-year basis by 0.2%.

The 12-month rate of inflation in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), fell to 1.9% in July, from 2.0% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Ireland (3.9%), Greece (3.5%), Spain, Italy, and Portugal (2.9%); the lowest in Germany (0.8%), Finland, and Austria (1.0%). The steepest increases took place in the price of alcohol and tobacco (5.5%), prices in education (3.8%), and prices for hotel and restaurant services (2.9%). Price levels fell in telecommunications (by 0.6%), and in recreation and culture (0.4%). In the same period a year earlier, consumer prices in the euro area rose by 2.0%. Eurostat foresees a year-on-year inflation rate of 2.1% in August.

In June, the seasonally adjusted volume of industrial production fell year-on-year by 1.6% and month-on-month by 0.1%. The greatest year-on-year fall took place in the production of consumer durables (7.5%) and capital goods (4.6%). Year-on-year growth was recorded in power generation (3.4%) and the manufacture of consumer non-durables (0.2%). In the euro area, the strongest year-on-year growth in industrial production took place in Greece (2.7%) and Spain (2.2%), and the sharpest year-on-year decline in Belgium (5.9%), Luxembourg (3.8%), and Finland (3.4%).

Industrial producer prices increased year-on-year by 1.3% in July, but were at a standstill in comparison with the previous month.

Retail sales grew on a year-on-year basis by 0.7% in June, but remained unchanged in comparison with May.

The rate of unemployment (seasonally adjusted) remained unchanged in July, at the level of the previous month (8.9%). The lowest unemployment rates were recorded in Luxembourg (3.7% in June), Netherlands (4.2% in June), Austria (4.5%), and Ireland (4.7%). Spain remained the country with the highest rate of unemployment in the euro area (11.4%). In relative terms, the most significant increase in the year-on-year rate of unemployment has occurred in the Netherlands (from 2.8% to 4.1% in June), Portugal (from 5.0 to 6.9% in July), and Luxembourg (from 2.8 to 3.7% in June). In the same period a year earlier, the unemployment rate in the euro area stood at 8.4%.

According to the first estimate of Eurostat, foreign trade in the euro area resulted in a surplus of EUR 5.4 billion in June, compared with EUR 10.3 billion in the same period a year earlier. According to revised figures, the trade surplus amounted to EUR 4.5 billion in May (the previous estimate was a surplus of EUR 3.5 billion). On a year-on-year basis, euro area exports fell in June by 5.0%, while imports remained unchanged.

3. Tables

Selected indicators of economic and monetary development in the SR

	Unit	2002					2003							
		8	9	10	11	12	1	2	3	4	5	6	7	8
REAL ECONOMY														
Gross domestic product ^{1/2/}	Sk billion	-	551.4 ^{7/}	-	-	738.4 ^{7/}	-	-	178.1 ^{7/}	-	-	373.4 ^{7/}	-	-
Year-on-year change in GDP ^{3/}	%	-	4.1 ^{7/}	-	-	4.4 ^{7/}	-	-	4.1 ^{7/}	-	-	3.8 ^{7/}	-	-
Unemployment rate ^{4/}	%	17.2	16.6	16.4	16.8	17.5	17.7	17.1	16.5	15.4	14.8	14.6	14.5	.
Consumer prices ^{3/}	%	2.7	2.8	2.9	2.9	3.4	7.3	7.6	8.0	7.7	7.6	8.4	8.7	9.2
BALANCE OF TRADE ^{2/ 7/}														
Exports (fob)	Sk million	419,049	477,493	538,289	598,216	651,256	53,948	110,861	175,383	235,975	305,058	375,333	445,647	.
Imports (fob)	Sk million	471,730	538,220	611,847	681,628	747,883	54,841	115,066	182,340	249,521	315,802	385,035	459,151	.
Balance	Sk million	-52,681	-60,727	-73,558	-83,412	-96,627	-893	-4,205	-6,957	-13,546	-10,744	-9,702	-13,504	.
BALANCE OF PAYMENTS ^{2/}														
Current account	Sk million	-47,705.7	-56,297.1	-67,245.2	-74,000.5	-87,900.5	-1,804.8	-5,355.2	-4,914.6	3,677.5	-6,725.3	-7,421.2	.	.
Capital and financial account	Sk million	147,549.6	169,629.5	187,669.1	218,570.5	234,308.9	15,334.0	35,531.9	12,089.6	7,354.0	18,473.3	28,991.8	.	.
Overall balance	Sk million	108,161.7	124,484.7	129,590.0	157,263.7	160,596.0	14,022.8	32,876.9	12,414.7	4,172.9	12,002.0	20,725.7	.	.
FOREIGN EXCHANGE RESERVES ^{4/7/}														
Foreign exchange reserves in total	US\$ million	9,494.6	9,680.7	9,645.0	10,003.1	10,380.6	11,354.0	11,592.3	11,120.3	10,930.0	11,516.1	11,549.0	12,109.9	.
Foreign exchange reserves of NBS	US\$ million	7,544.4	7,907.9	8,058.6	8,790.9	9,195.5	9,797.6	10,315.8	9,758.3	9,703.0	10,419.8	10,487.5	10,842.5	10,266.9
GROSS EXTERNAL DEBT ^{4/}														
Total gross external debt	US\$ billion	12.0	11.9	12.2	12.2	13.2	14.5	14.3	13.9	14.2	15.4	15.3	.	.
External debt per capita	US\$	2,226	2,209	2,268	2,262	2,452	2,704	2,658	2,576	2,638	2,854	2,850	.	.
MONETARY INDICATORS														
Exchange rate ^{5/}	SKK/USD	45.011	43.841	42.615	41.454	41.137	39.252	38.953	38.663	37.885	35.586	35.491	36.729	37.490
Money supply [M2] ^{4/ 6/}	Sk billion	663.1	657.2	662.4	670.1	681.6	680.8	693.0	689.4	690.4	698.3	682.3	701.5	708.9 ^{7/}
Year-on-year change in M2 ^{3/ 6/}	%	8.2	7.5	9.5	8.0	4.7	6.4	7.3	8.1	9.0	9.3	5.3	6.4	6.9 ^{7/}
Loans to households and enterprises ^{4/ 6/}	Sk billion	314.8	318.2	321.1	326.6	330.0	332.4	336.1	338.0	339.6	341.0	344.1	349.8	350.6 ^{7/}
STATE BUDGET ^{2/ 4/}														
Revenue	Sk billion	140.5	160.9	182.8	202.4	220.3	22.3	31.8	46.4	67.8	79.1	100.9	127.7	147.1
Expenditure	Sk billion	176.2	193.1	222.7	238.9	272.0	24.0	44.8	64.2	91.6	109.6	128.5	158.8	180.2
Balance	Sk billion	-35.7	-32.2	-39.9	-36.5	-51.7	-1.7	-13.0	-17.8	-23.8	-30.6	-27.6	-31.2	-33.1
PRIMARY MARKET														
Average interest rate														
one-year deposits	%	5.88	5.99	5.89	4.34	4.13	5.44	5.35	5.23	5.12	4.97	4.78	4.65	.
short-term loans	%	10.16	10.08	9.97	8.23	8.94	9.03	8.49	8.55	8.51	8.28	8.33	8.22	.
short-term loans, drawn	%	9.39	9.44	9.41	8.23	7.50	7.27	7.53	7.46	8.05	8.00	7.53	7.15	.
MONEY MARKET														
Interest rates set by the Bank Board of NBS with effect from		23.8.2002	20.9.2002	29.10.2002	18.11.2002	20.12.2002	31.1.2003	28.2.2003	31.3.2003	30.4.2003	31.5.2003	30.6.2003	31.7.2003	31.8.2003
Overnight transactions														
- for sterilisation	%	6.50	6.50	6.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
- for refinancing	%	9.50	9.50	9.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Limit rate of NBS for standard 2-week repo tenders	%	8.25	8.25	8.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Bratislava Interbank Offered Rates (BRIBOR)														
overnight	%	7.37	7.77	8.10	6.13	5.44	6.10	6.04	5.65	6.61	6.70	5.92	5.48	5.94
1-week	%	8.10	8.14	8.19	7.03	6.26	6.26	6.43	6.32	6.52	6.47	6.39	6.30	6.38
2-week	%	8.17	8.19	8.20	7.12	6.35	6.31	6.46	6.40	6.48	6.44	6.44	6.38	6.42
1-month	%	8.20	8.21	8.19	7.05	6.33	6.27	6.40	6.42	6.42	6.36	6.42	6.43	6.43
2-month	%	8.24	8.20	8.09	6.90	6.21	6.12	6.31	6.39	6.31	6.16	6.34	6.40	6.39
3-month	%	8.24	8.16	8.03	6.77	5.99	5.99	6.24	6.38	6.25	6.04	6.26	6.39	6.37
6-month	%	8.20	8.05	7.84	6.57	5.78	5.69	5.90	6.05	5.94	5.56	5.93	6.16	6.26
9-month	%	8.17	7.96	7.74	6.48	5.66	5.55	5.79	5.93	5.79	5.42	5.70	6.03	6.04
12-month	%	8.16	7.95	7.68	6.44	5.55	5.44	5.66	5.83	5.72	5.34	5.63	5.95	5.96

1/ Constant prices, average for 1995

2/ Cumulative since the beginning of the year

3/ Change compared with the same period of the previous year

4/ Figure for the end of the period

5/ Exchange rate (mid), average for the period

6/ At fixed exchange rates from 1 January 1993

7/ Change in methodology with effect from 1 January 2002

*/ Preliminary data

Source: Statistical Office of the SR, Ministry of Finance of the SR, NBS

Monetary survey

(At fixed exchange rates from 1 January 1993)

(Sk billions)

	2002					2003								
	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8. ^{7/}
Fixed exchange rate SKK/USD	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899
Fixed exchange rate SKK/EUR	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912
ASSETS														
Net foreign assets	160.1	172.8	176.5	187.1	176.6	176.8	163.4	172.4	181.1	165.8	160.3	159.7	127.7	160.3
Foreign assets	314.6	320.2	319.7	329.1	331.2	339.1	365.9	370.9	357.9	345.3	346.5	354.1	372.2	361.8
Foreign liabilities	154.5	147.4	143.2	142.0	154.6	162.3	202.5	198.5	176.8	179.5	186.2	194.4	244.5	201.5
Net domestic assets	503.0	484.4	485.9	483.0	504.9	509.6	517.4	520.0	508.3	524.6	538.0	522.6	573.8	548.6
Domestic credit	564.7	546.3	554.9	554.0	572.4	573.9	568.6	580.1	584.4	591.6	602.7	602.5	609.6	616.5
Net credit to general government	245.5	236.5	237.6	233.6	245.3	246.3	245.6	255.0	257.5	263.0	271.9	265.5	267.4	273.3
Net credit to central government	324.7	319.0	324.2	319.1	331.2	331.1	332.6	343.9	349.1	357.4	365.9	362.5	365.4	369.1
Net credit to National Property Fund	4.4	-8.4	-3.8	-6.2	-3.1	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4
Credit to households and enterprises	314.8	318.2	321.1	326.6	330.2	331.2	332.4	336.1	338.0	339.6	341.0	344.1	349.8	350.6
Credit in Slovak koruna	273.2	276.9	278.9	282.6	286.6	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	300.5
- Credit to enterprises	216.7	219.3	220.5	223.2	225.3	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.9
- Credit to households	56.5	57.6	58.4	59.4	61.3	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	72.6
Credit in foreign currency	41.6	41.3	42.2	44.0	43.6	43.1	43.3	45.4	46.5	47.6	49.0	48.7	50.8	50.1
LIABILITIES														
Liquid liabilities [M2]	663.1	657.2	662.4	670.1	681.5	686.4	680.8	692.4	689.4	690.4	698.3	682.3	701.5	708.9
Money [M1]	222.5	221.1	222.8	227.0	246.1	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.9
Currency outside banks [M0]	80.4	80.7	81.4	83.1	84.2	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.6
Demand deposits	142.1	140.4	141.4	143.9	161.9	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	166.3
- Households	70.0	69.7	69.4	70.0	73.1	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	.
- Enterprises	70.6	69.4	71.1	72.6	85.5	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	.
- Insurance companies	1.5	1.3	0.9	1.3	3.3	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	.
Quasi-money [QM]	440.6	436.1	439.6	443.1	435.4	439.0	445.9	448.3	448.5	448.0	453.5	433.6	449.6	452.0
Fixed-term deposits	352.6	349.8	353.9	356.5	350.1	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.2
- Households	246.7	245.6	247.5	247.0	250.4	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	.
- Enterprises	85.6	84.5	90.3	94.3	82.0	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	.
- Insurance companies	20.3	19.7	16.1	15.2	17.7	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	.
Foreign-currency deposits	88.0	86.3	85.7	86.6	85.3	84.7	82.2	80.2	80.1	81.6	78.4	75.8	79.9	79.8
- Households	54.3	54.9	54.9	54.3	54.0	55.6	55.0	53.2	51.7	51.8	50.0	48.4	47.7	.
- Enterprises	33.7	31.4	30.8	32.3	31.3	29.1	27.2	27.0	28.4	29.8	28.4	27.4	32.2	.
Other items net	61.7	61.9	69.0	71.0	67.5	64.3	51.2	60.1	76.1	67.0	64.7	79.9	35.8	67.9

Selected items of the Monetary Survey – analytical time series (adjustment ex ante)^{1/2/}

Net foreign assets	162.8	175.6	179.4	190.0	179.6	179.8	166.5	175.5	-	-	-	-	-	-
Net credit to general government	245.3	239.9	243.8	239.8	252.7	253.7	253.0	262.4	-	-	-	-	-	-
Credit to households and enterprises	460.8	464.2	467.1	472.6	476.2	477.2	478.4	482.1	-	-	-	-	-	-

Selected items of the Monetary Survey – analytical time series (adjustment ex post)^{1/2/}

Net foreign assets	160.1	172.8	176.5	187.1	176.6	176.8	163.4	172.4	-	-	-	-	-	-
Net credit to general government	237.9	232.5	236.4	232.4	245.3	246.3	245.6	255.0	-	-	-	-	-	-
Credit to households and enterprises	314.8	318.2	321.1	326.6	330.2	331.2	332.4	336.1	-	-	-	-	-	-

1/ Time series adjusted for issues of restructuring bonds, balance-sheet items of banks that ceased to operate in 2000, 2001 and 2002, account adjustments in connection with the restructuring of specific banks in 2000, and the conversion of loans into bonds (such adjustments concern loans to households and enterprises).

2/ With effect from March 2003, analytical time series will not be published by the National Bank of Slovakia, since their use in the methodologies of ex-post and ex-ante adjustment is no longer justified.

^{*/} Preliminary data

Monetary survey

(At fixed exchange rates)

(Sk billions)

	2002					2003								
	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8. ^{1/}
Fixed exchange rate SKK/USD	48.467	48.467	48.467	48.467	48.467	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036
Fixed exchange rate SKK/EUR	42.760	42.760	42.760	42.760	42.760	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722
ASSETS														
Net foreign assets	229.9	248.9	248.6	262.0	249.5	227.1	218.1	228.4	237.1	221.7	220.1	221.4	190.3	218.0
Foreign assets	430.1	439.6	435.8	449.3	451.6	414.6	445.8	454.8	438.5	423.7	426.0	438.7	458.6	445.2
Foreign liabilities	200.2	190.7	187.2	187.3	202.1	187.5	227.7	226.4	201.4	202.0	205.9	217.3	268.3	227.2
Net domestic assets	466.4	440.8	446.1	440.8	464.2	481.3	484.1	484.8	473.2	490.0	498.6	480.6	532.0	511.8
Domestic credit	607.0	588.3	597.1	596.8	615.0	604.9	599.5	611.6	615.7	623.2	631.3	631.0	638.6	645.2
Net credit to general government	272.9	263.6	264.6	260.6	272.2	266.6	265.8	275.1	277.2	282.8	288.2	281.9	283.7	289.5
Net credit to central government	352.1	346.0	351.2	346.1	358.1	351.4	352.7	364.0	368.9	377.1	382.2	378.8	381.7	385.3
Net credit to National Property Fund	4.4	-8.4	-3.8	-6.2	-3.1	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4
Credit to households and enterprises	329.7	333.1	336.3	342.4	345.9	341.9	343.1	347.5	349.6	351.4	353.3	356.2	362.5	363.1
Credit in Slovak koruna	273.2	276.9	278.9	282.6	286.6	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	300.5
- Credit to enterprises	216.7	219.3	220.5	223.2	225.3	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.9
- Credit to households	56.5	57.6	58.4	59.4	61.3	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	72.6
Credit in foreign currency	56.5	56.2	57.4	59.8	59.3	53.8	54.0	56.8	58.1	59.4	61.3	60.8	63.5	62.6
LIABILITIES														
Liquid liabilities [M2]	696.3	689.7	694.7	702.8	713.7	708.4	702.2	713.2	710.3	711.7	718.7	702.0	722.3	729.8
Money [M1]	222.5	221.1	222.8	227.0	246.1	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.9
Currency outside banks [M0]	80.4	80.7	81.4	83.1	84.2	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.6
Demand deposits	142.1	140.4	141.4	143.9	161.9	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	166.3
- Households	70.0	69.7	69.4	70.0	73.1	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	.
- Enterprises	70.6	69.4	71.1	72.6	85.5	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	.
- Insurance companies	1.5	1.3	0.9	1.3	3.3	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	.
Quasi-money [QM]	473.8	468.6	471.9	475.8	467.6	461.0	467.3	469.1	469.4	469.3	473.9	453.3	470.4	472.9
Fixed-term deposits	352.6	349.8	353.9	356.5	350.1	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.2
- Households	246.7	245.6	247.5	247.0	250.4	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	.
- Enterprises	85.6	84.5	90.3	94.3	82.0	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	.
- Insurance companies	20.3	19.7	16.1	15.2	17.7	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	.
Foreign-currency deposits	121.2	118.8	118.0	119.3	117.5	106.7	103.6	101.0	101.0	102.9	98.8	95.5	100.7	100.7
- Households	74.7	75.6	75.6	74.8	74.3	70.0	69.3	67.0	65.2	65.3	63.1	60.9	60.1	.
- Enterprises	46.5	43.2	42.4	44.5	43.2	36.7	34.3	34.0	35.8	37.6	35.7	34.6	40.6	.
Other items net	140.6	147.5	151.0	156.0	150.8	123.6	115.4	126.8	142.5	133.2	132.7	150.4	106.6	133.4

Selected items of the Monetary Survey – analytical time series (adjustment ex ante) ^{1/2/}

Net foreign assets	234.5	253.6	253.4	266.8	254.6	232.2	223.3	233.7	-	-	-	-	-	-
Net credit to general government	272.7	267.0	270.8	266.8	279.6	274.0	273.2	282.5	-	-	-	-	-	-
Credit to households and enterprises	475.7	479.1	482.3	488.4	491.9	487.9	489.1	493.5	-	-	-	-	-	-

Selected items of the Monetary Survey – analytical time series (adjustment ex post) ^{1/2/}

Net foreign assets	229.9	248.9	248.6	262.0	249.5	227.1	218.1	228.4	-	-	-	-	-	-
Net credit to general government	265.3	259.6	263.4	259.4	272.2	266.6	265.8	275.1	-	-	-	-	-	-
Credit to households and enterprises	329.7	333.1	336.3	342.4	345.9	341.9	343.1	347.5	-	-	-	-	-	-

1/ Time series adjusted for issues of restructuring bonds, balance-sheet items of banks that ceased to operate in 2000, 2001 and 2002, account adjustments in connection with the restructuring of specific banks in 2000, and the conversion of loans into bonds (such adjustments concern loans to households and enterprises).
 2/ With effect from March 2003, analytical time series will not be published by the National Bank of Slovakia, since their use in the methodologies of ex-post and ex-ante adjustment is no longer justified.

^{*}/ Preliminary data

Monetary survey

(At current exchange rates)

(Sk billions)

	2002					2003								
	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8. ^{1/}
Current exchange rate SKK/USD	44.399	42.963	42.292	42.423	40.036	40.036	38.856	38.770	38.627	37.317	35.212	36.509	36.571	38.550
ASSETS														
Net foreign assets	223.9	233.8	231.5	246.8	228.5	227.1	216.3	225.4	231.8	211.0	204.5	209.6	179.4	218.6
Foreign assets	422.7	417.0	409.0	425.5	417.4	414.6	442.9	451.1	431.2	409.4	407.2	424.1	445.5	442.2
Foreign liabilities	198.8	183.2	177.5	178.7	188.9	187.5	226.6	225.7	199.4	198.4	202.7	214.5	266.1	223.6
Net domestic assets	469.1	448.9	454.8	448.5	474.4	481.4	484.8	486.8	476.7	496.8	508.8	489.1	539.6	510.1
Domestic credit	605.3	580.7	587.6	588.8	603.4	605.0	598.4	610.7	613.5	618.2	626.2	628.3	636.3	644.9
Net credit to general government	272.4	259.1	258.9	256.1	265.6	266.6	265.2	274.7	275.9	279.8	286.1	281.0	283.1	289.7
Net credit to central government	351.6	341.5	345.4	341.6	351.4	351.4	352.1	363.5	367.5	374.1	380.1	378.0	381.1	385.5
Net credit to National Property Fund	4.4	-8.4	-3.8	-6.2	-3.1	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4
Credit to households and enterprises	328.5	330.0	332.5	338.9	340.9	342.0	342.6	347.0	348.7	349.4	350.3	354.4	360.8	362.6
Credit in Slovak koruna	273.2	276.9	278.9	282.6	286.6	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	300.5
- Credit to enterprises	216.7	219.3	220.5	223.2	225.3	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.9
- Credit to households	56.5	57.6	58.4	59.4	61.3	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	72.6
Credit in foreign currency	55.3	53.1	53.6	56.3	54.3	53.9	53.5	56.3	57.2	57.4	58.3	59.0	61.8	62.1
LIABILITIES														
Liquid liabilities [M2]	693.0	682.7	686.3	695.3	702.9	708.5	701.1	712.2	708.5	707.8	713.3	698.7	719.0	728.7
Money [M1]	222.5	221.1	222.8	227.0	246.1	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.9
Currency outside banks [M0]	80.4	80.7	81.4	83.1	84.2	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.6
Demand deposits	142.1	140.4	141.4	143.9	161.9	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	166.3
- Households	70.0	69.7	69.4	70.0	73.1	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	.
- Enterprises	70.6	69.4	71.1	72.6	85.5	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	.
- Insurance companies	1.5	1.3	0.9	1.3	3.3	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	.
Quasi-money [QM]	470.5	461.6	463.5	468.3	456.8	461.1	466.2	468.1	467.6	465.4	468.5	450.0	467.1	471.8
Fixed-term deposits	352.6	349.8	353.9	356.5	350.1	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.2
- Households	246.7	245.6	247.5	247.0	250.4	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	.
- Enterprises	85.6	84.5	90.3	94.3	82.0	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	.
- Insurance companies	20.3	19.7	16.1	15.2	17.7	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	.
Foreign-currency deposits	117.9	111.8	109.6	111.8	106.7	106.8	102.5	100.0	99.2	99.0	93.4	92.2	97.4	99.6
- Households	72.7	71.1	70.2	70.1	67.5	70.1	68.5	66.3	64.0	62.8	59.6	58.8	58.1	.
- Enterprises	45.2	40.7	39.4	41.7	39.2	36.7	34.0	33.7	35.2	36.2	33.8	33.4	39.3	.
Other items net	136.2	131.8	132.8	140.3	129.0	123.6	113.6	123.9	136.8	121.4	117.4	139.2	96.7	134.8

Selected items of the Monetary Survey – analytical time series (adjustment ex ante)^{1/2/}

Net foreign assets	228.1	238.0	235.7	251.0	232.7	231.3	220.5	229.6	-	-	-	-	-	-
Net credit to general government	272.2	262.5	265.1	262.3	273.0	274.0	272.6	282.1	-	-	-	-	-	-
Credit to households and enterprises	474.5	476.0	478.5	484.9	486.9	488.0	488.6	493.0	-	-	-	-	-	-

Selected items of the Monetary Survey – analytical time series (adjustment ex post)^{1/2/}

Net foreign assets	223.9	233.8	231.5	246.8	228.5	227.1	216.3	225.4	-	-	-	-	-	-
Net credit to general government	264.8	255.1	257.7	254.9	265.6	266.6	265.2	274.7	-	-	-	-	-	-
Credit to households and enterprises	328.5	330.0	332.5	338.9	340.9	342.0	342.6	347.0	-	-	-	-	-	-

1/ Time series adjusted for issues of restructuring bonds, balance-sheet items of banks that ceased to operate in 2000, 2001 and 2002, account adjustments in connection with the restructuring of specific banks in 2000, and the conversion of loans into bonds (such adjustments concern loans to households and enterprises).

2/ With effect from March 2003, analytical time series will not be published by the National Bank of Slovakia, since their use in the methodologies of ex-post and ex-ante adjustment is no longer justified.

^{*}/ Preliminary data

Money supply (M2)

(At fixed exchange rates from 1 January 1993)

(Sk billions)

	1. 1. 2003	31. 7. 2003	31. 8. 2003 ^{*)}	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	31. 8. 2002	Year-on-year change	Year-on-year change (in %)
Money supply [M2]	686.4	701.5	708.9	7.4	1.1	22.5	3.3	663.1	45.8	6.9
Money [M1]	247.4	251.9	256.9	5.0	2.0	9.5	3.8	222.5	34.4	15.5
Currency outside banks [M0]	84.2	87.7	90.6	2.9	3.3	6.4	7.6	80.4	10.2	12.7
Demand deposits	163.2	164.2	166.3	2.1	1.3	3.1	1.9	142.1	24.2	17.0
Quasi-money [QM]	439.0	449.6	452.0	2.4	0.5	13.0	3.0	440.6	11.4	2.6
Time deposits	354.3	369.7	372.2	2.5	0.7	17.9	5.1	352.6	19.6	5.6
Foreign-currency deposits	84.7	79.9	79.8	-0.1	-0.1	-4.9	-5.8	88.0	-8.2	-9.3
Slovak-crown deposits	517.5	533.9	538.5	4.6	0.9	21.0	4.1	494.7	43.8	8.9
- Households	325.1	325.9	326.5	0.6	0.2	1.4	0.4	316.7	9.8	3.1
- Enterprises (incl. insurance co.)	192.4	208.0	212.0	4.0	1.9	19.6	10.2	178.0	34.0	19.1

*) Preliminary data

Developments in loans

(Sk billions)

	31. 7. 2003	31. 8. 2003 ^{1/}	Change
Loans in total (in Sk and foreign currency)	368.2	374.9	6.7
- Loans in Slovak koruna	300.8	302.7	1.9
of which			
- Entrepreneurial sector	209.9	211.3	1.4
- Public administration	16.8	17.1	0.3
- Households	71.3	72.6	1.4
- Other ^{1/}	2.9	1.7	-1.2
- Loans in foreign currency ^{2/}	67.4	72.2	4.8

1/ Non-profit organisations and entities not included in sectors

2/ In convertible currencies (residents and non-residents)

*/ Preliminary data

Developments in deposits

(Sk billions)

	31. 7. 2003	31. 8. 2003 ^{1/}	Change
Deposits in total (in Sk and foreign currency)	779.7	786.7	7.1
- Deposits in Slovak koruna	676.4	680.7	4.3
of which			
- Entrepreneurial sector	192.3	198.5	6.2
- Public administration	142.6	142.2	-0.4
- Households	325.9	326.5	0.6
- Other ^{1/}	15.7	13.5	-2.2
- Deposits in foreign currency ^{2/}	103.2	106.0	2.8

1/ Non-profit organisations and entities not included in sectors

2/ In convertible currencies (residents and non-residents)

*/ Preliminary data

Balance of payments of the SR from January to June 2003

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	Sk million	US\$ million	Sk million	US\$ million	Sk million	US\$ million
Goods	375,333.0	9,971.1	385,035.0	10,228.9	-9,702.0	-257.7
Services	56,950.2	1,512.9	54,620.9	1,451.1	2,329.3	61.9
Transport	24,519.1	651.4	15,998.3	425.0	8,520.8	226.4
Tourism	14,936.2	396.8	10,701.1	284.3	4,235.1	112.5
Other services	17,494.9	464.8	27,921.5	741.8	-10,426.6	-277.0
Income	19,042.6	505.9	24,310.8	645.8	-5,268.2	-140.0
Compensation of employees	8,459.8	224.7	262.9	7.0	8,196.9	217.8
Income from investment	10,582.8	281.1	24,047.9	638.9	-13,465.1	-357.7
Current transfers	9,604.7	255.2	4,385.0	116.5	5,219.7	138.7
CURRENT ACCOUNT	460,930.5	12,245.1	468,351.7	12,442.3	-7,421.2	-197.2
Capital account	1,900.0	50.5	1,389.2	36.9	510.8	13.6
Financial account	1,018,849.5	27,105.5	-990,368.5	-26,369.9	28,481.0	735.5
Direct investment	216,971.1	5,764.1	-196,756.0	-5,227.0	20,215.1	537.0
<i>Abroad (direct investor = resident)</i>	8,032.0	213.4	-7,358.6	-195.5	673.4	17.9
Equity capital and reinvested earnings	543.0	14.4	-188.6	-5.0	354.4	9.4
Other capital	7,489.0	199.0	-7,170.0	-190.5	319.0	8.5
<i>In the SR (recipient of dir. investment = resident)</i>	208,939.1	5,550.7	-189,397.4	-5,031.5	19,541.7	519.1
Equity capital and reinvested earnings	23,231.1	617.2	-2,393.4	-63.6	20,837.7	553.6
Other capital	185,708.0	4,933.5	-187,004.0	-4,968.0	-1,296.0	-34.4
Portfolio investment	181,991.4	4,884.1	-199,595.6	-5,378.8	-17,604.2	-494.7
Assets	36,556.3	971.2	-50,805.5	-1,349.7	-14,249.2	-378.5
Liabilities	145,435.1	3,912.9	-148,790.1	-4,029.1	-3,355.0	-116.1
Financial derivatives	17,634.0	468.5	-18,253.8	-484.9	-619.8	-16.5
Assets	16,043.1	426.2	-18,045.8	-479.4	-2,002.7	-53.2
Liabilities	1,590.9	42.3	-208.0	-5.5	1,382.9	36.7
Other investment	602,253.0	15,988.8	-575,763.1	-15,279.2	26,489.9	709.6
<i>Long-term</i>	64,372.0	1,711.1	-68,796.5	-1,827.8	-4,424.5	-116.7
Assets	12,983.8	344.9	-4,311.2	-114.5	8,672.6	230.4
Liabilities	51,388.2	1,366.2	-64,485.3	-1,713.2	-13,097.1	-347.1
<i>Short-term</i>	537,881.0	14,277.7	-506,966.6	-13,451.4	30,914.4	826.3
Assets	214,175.3	5,689.8	-221,297.8	-5,879.0	-7,122.5	-189.2
Liabilities	323,705.7	8,588.0	-285,668.8	-7,572.4	38,036.9	1,015.5
CAPITAL AND FINANCIAL ACCOUNT	1,020,749.5	27,156.0	-991,757.7	-26,406.8	28,991.8	749.1
ERRORS AND OMISSIONS	x	x	x	x	-844.9	-16.1
TOTAL BALANCE	-90,566.8	-2,369.4	111,292.5	2,905.3	20,725.7	535.9
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	-0.2	0.0	0.0	0.0	-0.2	0.0
Foreign exchange assets	90,567.0	2,369.4	-111,292.5	-2,905.3	-20,725.5	-535.9
<i>Deposits</i>	0.0	0.0	-22,627.1	-590.8	-22,627.1	-590.8
<i>Securities</i>	90,567.0	2,369.4	-88,665.4	-2,314.5	1,901.6	54.9
Bonds and bills of exchange	0.0	0.0	-88,665.4	-2,314.5	-88,665.4	-2,314.5
Money market instruments and financial derivatives	90,567.0	2,369.4	0.0	0.0	90,567.0	2,369.4
RESERVE ASSETS	90,566.8	2,369.4	-111,292.5	-2,905.3	-20,725.7	-535.9

Note: Preliminary data

Applied rate of exchange: US\$ 1 = Sk 37.642

Inflow of foreign direct investment ^{1/} into the SR in 1997 – 2003

(flows and stocks)

Corporate sector

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997	39,771	6,986	-258	46,499	1,246.94	207.82	-117.88	1,336.88
1998	46,499	17,248	1,890	65,637	1,336.88	489.42	-48.13	1,778.17
1999	65,637	16,729	695	83,061	1,778.17	403.92	-216.87	1,965.22
2000	83,061	97,454	-18,527	161,988	1,965.22	2,109.39	-656.33	3,418.28
2001	161,988	24,353	-6,212	180,129	3,418.28	503.71	-205.45	3,716.54
2002	180,129	171,742	-102,959	248,912	3,716.54	3,788.29	-1,287.61	6,217.22
2003 ^{3/}	248,912	19,801	-9,799	258,914 ^{3/}	6,217.22	526.03	348.55	7,091.80 ^{4/}

Banking sector

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997 ^{2/}	11,388	234	-14	11,608	357.05	6.96	-30.27	333.74
1998	11,608	1,334	-11	12,931	333.74	37.85	-21.28	350.31
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 ^{3/}	59,980	1,037	869	61,886 ^{3/}	1,498.15	27.55	169.39	1,695.09 ^{4/}

Total

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997 ^{2/}	51,159	7,220	-272	58,107	1,603.99	214.78	-148.15	1,670.62
1998	58,107	18,582	1,879	78,568	1,670.62	527.27	-69.41	2,128.48
1999	78,568	16,689	781	96,038	2,128.48	402.95	-259.18	2,272.25
2000	96,038	99,561	-18,458	177,141	2,272.25	2,155.00	-689.21	3,738.04
2001	177,141	61,448	-6,215	232,374	3,738.04	1,270.98	-214.52	4,794.50
2002	232,374	183,156	-106,889	308,641	4,794.50	4,040.06	-1,125.45	7,709.11
2003 ^{3/}	308,892	20,838	-8,930	320,800 ^{3/}	7,715.37	553.58	517.94	8,786.89 ^{4/}

Note: The data for 2001 – 2003 are preliminary.

1/ Equity capital + reinvested earnings

2/ Change in methodology - inclusion of capital in Sk

3/ New accounting standards for banks

4/ Data at 30 June

Inflow of foreign direct investment ^{1/} in Slovakia during January to June 2003

	Corporate sector		Banking sector		Total	
	Sk million	%	Sk million	%	Sk million	%
Inflow of foreign capital in total	19,801	100.0	1,037	100.0	20,838	100.0
Structure of investors by country						
Germany	9,260	46.8	37	3.6	9,297	44.6
Hungary	7,096	35.8	933	90.0	8,029	38.5
The Netherlands	1,459	7.4	-3	-0.3	1,456	7.0
Italy	200	1.0	681	65.7	881	4.2
Czech Republic Austria	618	3.1	-25	-2.4	593	2.9
United Kingdom	226	1.1	321	31.0	547	2.6
Switzerland	426	2.2	0	0.0	426	2.0
Belgium	273	1.4	0	0.0	273	1.3
USA	155	0.8	-1	-0.1	154	0.7
Denmark	58	0.3	0	0.0	58	0.3
Other countries	30	0.1	-906	-87.3	-876	-4.1
Structure of investment by sector						
Agriculture, hunting, and forestry	4	0.0	0	0.0	4	0.0
Mineral raw materials	83	0.4	0	0.0	83	0.4
Manufacturing	8,188	41.3	0	0.0	8,188	39.3
Electricity, gas, and water supply	9,360	47.3	0	0.0	9,360	44.9
Construction	120	0.6	0	0.0	120	0.6
Wholesale and retail trade, repairs of motor vehicles	1,613	8.2	0	0.0	1,613	7.8
Hotels and restaurants	0	0.0	0	0.0	0	0.0
Transport, storage, and telecommunications	200	1.0	0	0.0	200	1.0
Financial intermediation	270	1.4	1,037	100.0	1,307	6.3
Real estate, leasing, and business activities	-97	-0.5	0	0.0	-97	-0.5
Health and social care	9	0.0	0	0.0	9	0.0
Other community, social, and individual services	50	0.3	0	0.0	50	0.2
Private households with employees	1	0.0	0	0.0	1	0.0
Extra-territorial organizations and associations	0	0.0	0	0.0	0	0.0
Structure of investment by region						
Bratislava region	13,353	67.4	1,037	100.0	14,390	69.1
Trnava region	445	2.3	0	0.0	445	2.1
Trenčín region	135	0.7	0	0.0	135	0.6
Nitra region	286	1.4	0	0.0	286	1.4
Žilina region	330	1.7	0	0.0	330	1.6
Banská Bystrica region	15	0.1	0	0.0	15	0.1
Prešov region	102	0.5	0	0.0	102	0.5
Košice region	5,135	25.9	0	0.0	5,135	24.6

Note: Preliminary data

1/ Equity capital + reinvested earnings

