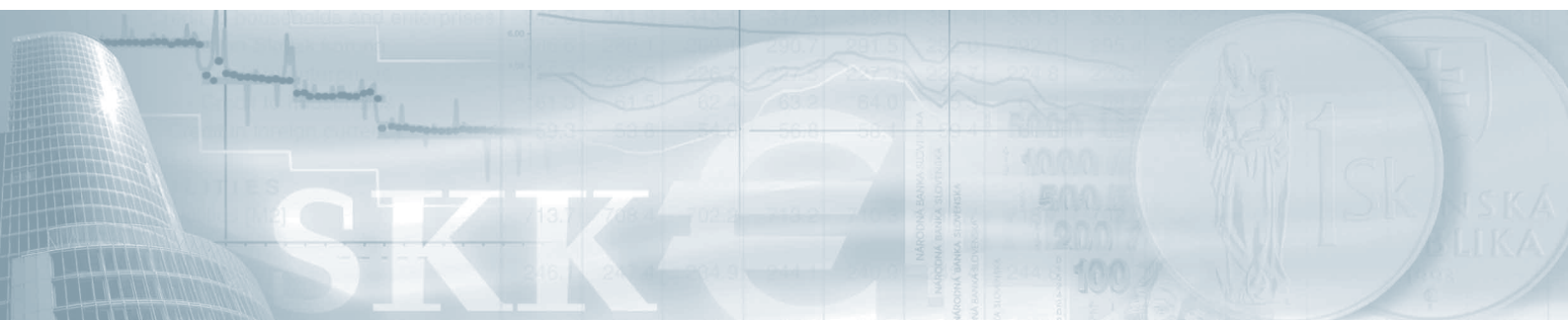




NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

August 2004



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**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
CDCP	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
FNM	Fond národného majetku – National Property Fund
IMF	International Monetary Fund
BRIBOR	Bratislava Interbank Offered Rate
CPI	Consumer Price Index
EFSAL	Enterprise and Financial Sector Adjustment Loan
FDI	Foreign Direct Investment
FRA	Forward Rate Agreement
GDP	Gross Domestic Product
HICP	Harmonised Index of Consumer Prices
HZL	hypotekárne záložné listy – mortgage bonds
IIP	Index of Industrial Production
IRS	Interest Rate Swap
NBS	Národná banka Slovenska – National Bank of Slovakia
NEER	Nominal Effective Exchange Rate
OIF	Open-end Investment Funds
p.a.	per annum
p.p.	percentage points
PPI	Producer Price Index
REER	Real Effective Exchange Rate
repo	repurchase operation
SAX	slovenský akciový index – Slovak Share Index
SDX	slovenský dlhopisový index – Slovak Bond Index
Sk, SKK	Slovak koruna
SR	Slovenská republika – Slovak Republic
SRT	Sterilisation Repo Tender

Prepared on the basis of the Situation Report on the Monetary Development in July 2004, approved by the NBS Bank Board on 24 September 2004



1. Introduction

The level of consumer prices fell by 0.1 of a percentage point in August, while the prices of core inflation components dropped month-on-month by 0.2%. The 12-month inflation rate slowed to 7.2%, from 8.5% in the previous month, as a result of the diminishing effect of the increase in excise duties from last year. The rate of core inflation reached 3.2% on a year-on-year basis, exceeding the figure for July (2.7%) owing to the base effect. The year-on-year inflation rate, expressed in terms of the Harmonised Index of Consumer Prices (HICP), reached 7.0% in August.

Real gross domestic product increased by 5.4% over the first half of 2004.

The M2 money supply (at fixed 1993 exchange rates) grew in July by Sk 5.8 billion, corresponding to a year-on-year increase of 5.0%. Slovak-koruna deposits, as a component of the M2 monetary aggregate, grew month-on-month by Sk 10.6 billion and year-on-year by 5.9%. At current exchange rates, the money supply increased year-on-year by 4.1%.

The volume of loans to enterprises and households (at fixed exchange rates from 1 January 1993) fell in July by Sk 3.3 billion, representing a slowdown in year-on-year dynamics to 11.7%. At current exchange rates, loans to enterprises and households grew year-on-year by 11.6%.

The average interest rate on new loans (excluding current account overdrafts) dropped in July by 0.2 of a percentage point, to 5.7%. The average interest rate on deposits fell by 0.3 of a percentage point, to 2.2%.

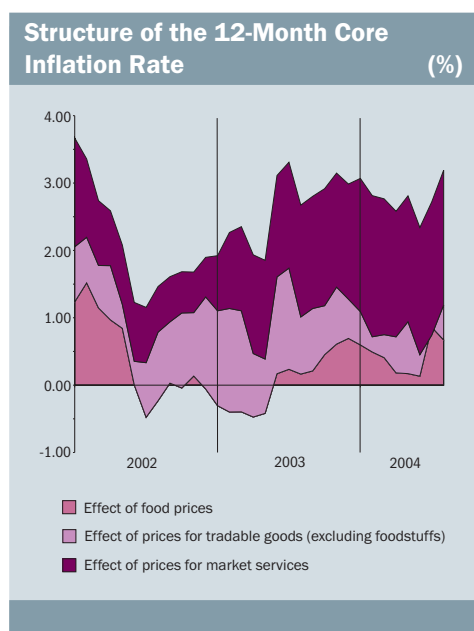
On 31 August 2004, the State Budget of the SR recorded a deficit of Sk 24.8 billion.

The foreign exchange reserves of the NBS (at current exchange rates) fell by USD 91.9 million in August. At the end of the month, the volume of foreign exchange reserves was 5.2 times greater than the volume of average monthly imports of goods and services to Slovakia during the first seven months of 2004.

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

Over the first six months, the balance of payments on current account resulted in a deficit of Sk 16.8 billion. In the same period the capital and financial account generated a surplus of Sk 28.3 billion. From January to July, the current account produced a deficit of Sk 22.7 billion, while trade resulted in a shortfall of Sk 15.7 billion.

In August, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 255.7 billion, representing an increase of Sk 23.3 billion compared with the figure for July.



On 30 August 2004, the Board of the National Bank of Slovakia (NBS) decided to leave the key interest rates of the NBS unchanged, i.e. 4.5% for two-week repo tenders, 3.0% for overnight sterilisation operations, and 6.0% for overnight refinancing transactions.

2. Inflation

2.1. Consumer Price Index

Consumer price developments in August were affected first and foremost by a seasonal fall in food prices and continued reductions in the prices of tradable goods, excluding fuels. In August, there was a somewhat more favourable trend in consumer prices than had been expected by the NBS.

Consumer prices were affected by a seasonal fall in fruit and vegetable prices

Consumer prices dropped on a month-on-month basis by 0.1%, with the prices of core inflation components falling by 0.2% and regulated prices increasing by 0.1%. The 12-month rate of overall inflation reached 7.2% (in July 8.5%) and that of core inflation 3.2% (in June 2.3%).



The marked slowdown in the 12-month overall inflation rate, and/or acceleration in core inflation, was caused by the base effect, resulting from the increase in excise duties in August 2003. The level of consumer prices rose by 8.1% during the eight months of the year.

Conflicting trends in core inflation components

Within the structure of core inflation, food prices recorded a month-on-month drop, tradable goods prices remained unchanged (while fuel prices increased and tradable goods prices fell), and prices for market services increased.

Month-on-month drop in food prices

Food prices dropped by 1.0% in August, due to a fall in the price of non-processed food and a slight increase in processed food prices. Processed food prices rose by 0.1%, due mainly to continued increases in the prices of butter, sugar, and sugar products. Among processed food prices, continued decreases was recorded in the prices of milk and dairy products. Non-processed food prices dropped by 2.8%, due to a seasonal fall in fruit and vegetable prices. Meat prices increased, as in the previous month, but at a much slower rate. On a year-on-year basis, food prices rose by 2.6% (in July by 3.4%).

Consumer Prices in August 2004

Structure of the consumer basket	Constant weigh	Comparative change	
		July 2004	August 2003
Total in %	100.0	-0.1	7.2
Regulated prices in %	19.9	0.1	15.4
Share of total, in p.p.		0.03	3.76
Impact of changes in indirect taxes on non-regulated prices			
Share of total, in p.p.		0.00	1.14
Core inflation in %	80.1	-0.2	3.2
Share of total, in p.p.		-1.16	2.33
of which: food prices in %	21.4	-1.0	2.6
Share of total, in p.p.		-0.19	0.49
Net inflation (excluding the impact of changes in indirect taxes) in %	58.7	0.1	3.4
Share of total, in p.p.		0.03	1.84

Source: Statistical Office of the SR

Tradable goods prices were stagnant

On a month-on-month basis, tradable goods prices remained unchanged, with fuel prices increasing and tradable goods prices falling (excluding fuel prices). The prices of tradable goods (excluding fuels) fell month-on-month for the fourth consecutive month, when all categories of tradable goods recorded a drop. The sharpest fall in August took place in the price of furniture. On a year-on-year basis, tradable goods prices rose by 1.1% (after falling in July by 0.2%), owing to the base effect caused by the increase in excise duties in August 2003.

Market services prices were affected by cost and seasonal factors

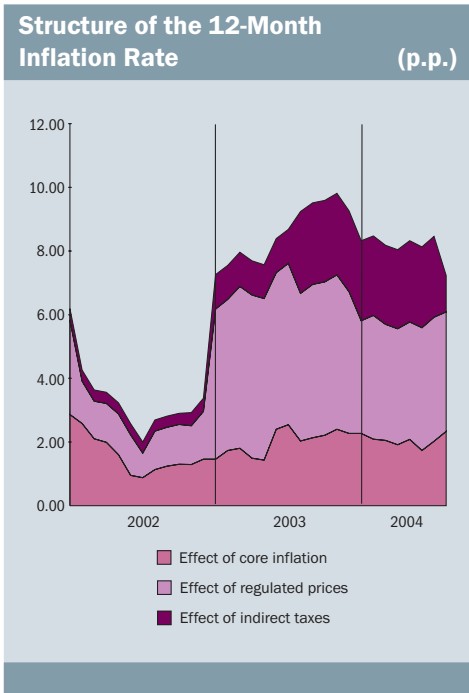
Prices for market services increased month-on-month by 0.3%, due mostly to a rise in the prices of services connected with the summer tourist season and housing-related services. On a year-on-year basis, market services prices showed the same dynamics as in July (7.6%).

Acceleration in the 12-month net inflation rate, excluding fuel prices

On a month-on-month basis, the prices of net inflation components (market services and tradable goods, excluding fuel prices) remained unchanged. The 12-month rate of net inflation, excluding fuel prices, accelerated in August to 3.2% (as a result of the base effect), from 2.2% in July.

Continued increase in regulated prices in health services

Regulated prices increased by an average of 0.1% in August. The increase took place mostly in prices for health services (as in the previous month), but transport prices also rose slightly. On a year-on-year basis, regulated prices increased by 15.4% (in July by 15.9%).





The month-on-month inflation rate, expressed in terms of the Harmonised Index of Consumer Prices (HICP), reached -0.2% in August. This corresponded to 7.0% on a year-on-year basis.

Harmonised Index of Consumer Prices

Harmonised Index of Consumer Prices	(year-on-year changes in %)					
	2004					
	Mar.	Apr.	May	June	July	Aug.
Total	7.9	7.8	8.2	8.1	8.3	7.0
Goods	7.1	7.1	7.5	7.0	7.3	5.8
Industrial goods	6.7	7.1	7.5	7.6	7.0	5.8
Industrial goods (excluding energy)	1.7	1.6	1.4	1.3	0.9	0.7
Energy	14.2	15.3	16.6	16.9	16.1	13.1
Foodstuffs	7.6	7.2	7.5	6.2	7.8	5.7
Food - processed (including alcohol and tobacco)	10.0	9.6	10.1	8.4	8.5	6.4
Food - non-processed	1.7	1.3	1.0	1.0	6.0	4.0
Services	10.0	9.6	9.7	10.7	10.5	9.7
Total, excluding energy and non-processed food	7.2	6.9	7.0	6.9	6.7	5.8
Total, excluding energy	6.6	6.3	6.4	6.3	6.7	5.6

Note: Estimate of the NBS.

In answer to questions about the previous course of inflation, the respondents gave an average value of 16.40% (16.67% in the previous month). When asked about the expected rate of inflation, the respondents gave an average value of 15.80% (16.51% in the previous month).

Expectations of consumers in respect of inflation

Although the inflation values expected by consumers are still high, they have shown a tendency to fall in the last few months, which roughly corresponds to the expectations of the NBS in respect of price developments in the next 12 months.

Consumer prices are expected to record another decrease in year-on-year dynamics in September. In food prices, further drops are expected in the prices of vegetables (including potatoes), fruit, and meat on a month-on-month basis. Price levels are also likely to be affected by fuel prices, which will be determined by the situation on the world oil market. In connection with the beginning of the school year, the prices of services related to education are expected to increase in September.

Forecasts of the NBS for the next month

2.2. Producer Prices in July 2004

Industrial producer prices for the domestic market rose month-on-month by an average of 0.1% in July, due to increases in the prices of industrial products (0.5%) and mineral raw materials (0.9%). The price of electricity, gas, steam, and hot water dropped by 0.4% (due to a fall of 0.7% in the price of electricity).

Month-on-month increase in industrial producer prices for the domestic market ...

Producer Price Indices in July 2004	Previous period = 100		Same period a year earlier = 100			
	June 2004	July 2004	June 2004	July 2004	Jan. - July 2004	July 2003
	Industrial producer prices (for the domestic market)	100.2	100.1	103.1	103.0	102.9
- Prices of industrial products	100.5	100.5	103.5	103.8	102.2	102.1
- Prices of mineral raw materials	96.0	100.9	106.7	105.9	107.6	102.4
- Prices of electricity, gas, steam, and hot water	100.1	99.6	102.5	102.0	103.5	118.3
Industrial producer prices (for export)	99.6	100.6	101.0	101.8	98.6	95.3
- Prices of industrial products	99.6	100.6	101.1	101.8	98.6	95.3
Construction prices	101.0	100.7	106.5	106.9	105.9	105.2
Building materials prices	101.3	101.4	105.0	106.5	104.1	103.1
Agricultural prices	-	-	103.6	105.3	102.6	96.9
- Prices of plant products	-	-	117.4	108.6	112.3	101.4
- Price of animal products	-	-	102.2	103.3	100.5	94.4

-- Not monitored by the Statistical Office of the SR.



The increase in the price of industrial products took place, as in the previous month, in the price of metals and finished metal products in particular (1.5%), due to increased demand for steel, and in food prices (0.5%). The steepest price increases were recorded in meat and meat products (3.6%) and industrially prepared animal fodder (0.4%), while the prices of other foodstuffs fell on a month-on-month basis. The prices of refined oil products were 0.7% higher, which was due partly to the rise in oil prices as a result of persistent tension on the world market and partly to the moderate depreciation of the US dollar against the Slovak koruna.

... accompanied by a fall in year-on-year dynamics

The year-on-year rate of increase in industrial producer prices for the domestic market slowed, from 3.1% in June to 3.0% in July. This was due primarily to smaller increases in the prices of electricity, gas, steam, and hot water (2.0%, compared with 2.5% in June) and mineral raw materials (5.9%, in June 6.7%). On a year-on-year basis, industrial products prices rose by 3.8% (in June by 3.5%).

The increase in the dynamics of industrial products prices took place mostly in the prices of metals, finished metal products, and foodstuffs. Among food prices, the said development was supported mainly by a rise in the price of meat and meat products (the last year-on-year increase was recorded in December 2001).

Prices of industrial products for export

Compared with June, the prices of industrial products for export rose by an average of 0.6% in July, due to increases in the prices of metals, including metal products (3.1%) and refined oil products (0.4%) as in the case of producer prices for the domestic market. The prices of machines, electrical and optical equipment were lower than in June.

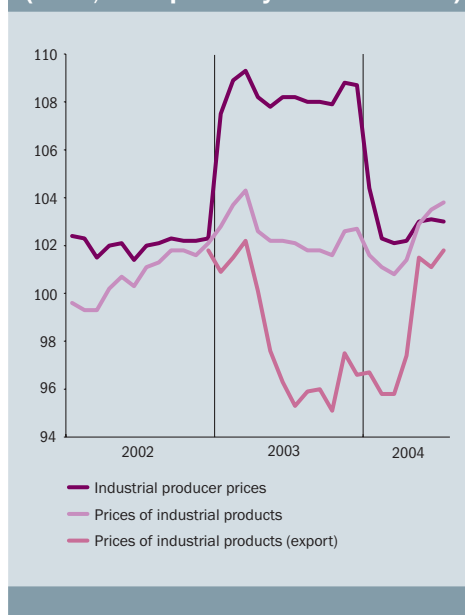
On a year-on-year basis, the prices of industrial products for export rose by 1.8%, representing an increase in dynamics compared with June, due mainly to an acceleration in the rate of increase in the prices of metals and finished metal products.

Prices in agriculture

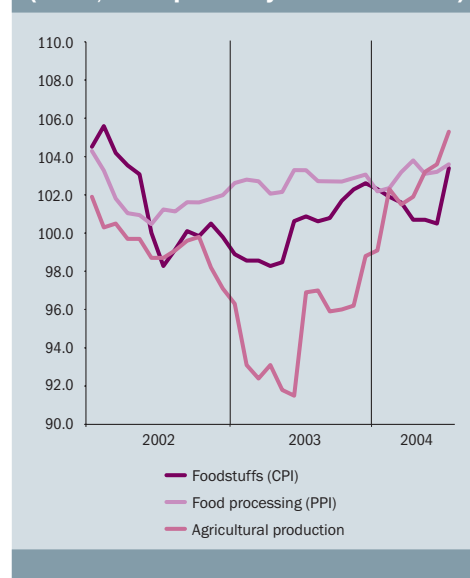
Agricultural prices continued to increase on a year-on-year basis in July. Compared with the same period of 2003, agricultural prices rose by an average of 5.3%, with the prices of plant products increasing by 8.6% and animal products prices by 3.3%.

Among plant products, most categories recorded a price increase. The steepest increases took place in the prices of cereals (an average of 18.4%) and potatoes (7.8%, i.e. 15.9% for late potatoes and 7.4% for early potatoes). The level of fruit and vegetable prices rose by 4.1%. In animal production, the steepest increases were again recorded in the prices of sheep farming products (23.7% on average, mainly as a result of a 27.9% rise in the price of milk) and pork (9.6%, owing to growth in foreign demand). The price of fish and poultry dropped by 1.8% and 0.1% respectively.

Developments in Industrial Producer Prices and Industrial Products Prices (index, same period a year earlier = 100)



Developments in Food Prices in Primary Production, Processing, and Consumption (index, same period a year earlier = 100)



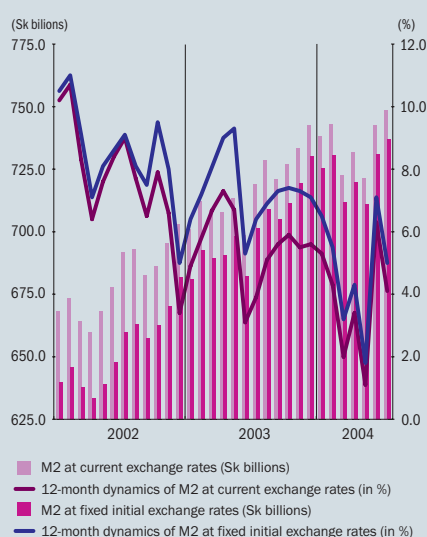


From the point of view of external factors, price developments in industry are expected to be affected in the coming month by a further rise in the world market price of oil in August and continued increases in the prices of steel and raw materials used in steel production. This development will in all probability lead to a rise in the prices of refined oil products, metals and finished metal goods.

Food prices will probably stabilise or fall slightly, depending on the level of meat prices. On the basis of this, we assume that the prices of industrial products will rise in August on a month-on-month basis, which will probably lead to an increase in year-on-year dynamics.

Agricultural prices are expected to be affected by a slowdown in the rate of increase in the price of plant products and an increase in the price of animal products at a stable rate. This means that, since animal products have greater weight, the dynamics of agricultural prices should remain at the level of the previous month.

Development of the M2 Money Supply



3. Factors Affecting the Course of Inflation

3.1. Monetary Aggregates

The money supply recorded a modest increase in July. The volume of loans to enterprises and households fell month-on-month as a result of loan repayments by corporate clients in large amounts, while lending to households continued to grow.

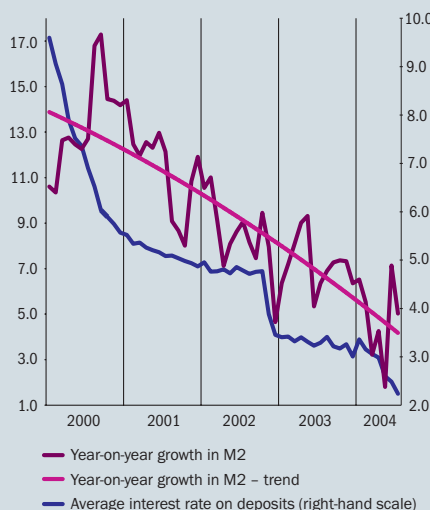
Money Supply (M2)

The M2 money supply (at fixed 1993 exchange rates) grew month-on-month by Sk 5.8 billion in July, to Sk 736.8 billion. The year-on-year rate of growth slowed in comparison with the previous month by 2.1 percentage points, to 5.0%.

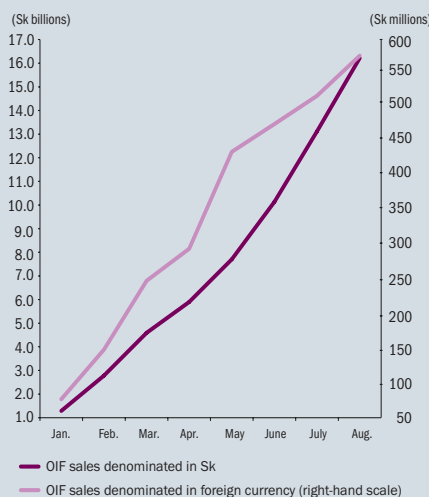
Fall in the 12-month dynamics of the M2 monetary aggregates

At current exchange rates, the M2 money supply reached Sk 748.6 billion at the end of July, corresponding to a month-on-month increase of Sk 5.9 billion and a slowdown in year-on-year dynamics of 2.2 percentage points, to 4.1%.

Year-on-year Growth in M2 and Developments in Average Deposit Rates (%)



Cumulative Net Sales of OIFs in Slovakia in 2004





The slowdown in the 12-month growth dynamics of the money supply in comparison with the previous month was caused by the base effect, when the M2 aggregate grew month-on-month by more than Sk 19 billion in the same period a year earlier. A different trend was recorded in corporate deposits in foreign currency, which suffered a relatively sharp decline in comparison with the rate of growth in July 2003. In the long term, however, corporate deposits in foreign currency are characterised by considerable volatility. The year-on-year decline in household deposits in Slovak koruna continued to deepen in July.

Money Supply (M2)						
	Month-on-month change (Sk billions)			Year-on-year change (%)		Change since the beginning of the year (Sk billions) July 2004
	June 2004	July 2004	July 2003	June 2004	July 2004	
At fixed 1993 exchange rates:						
Money Supply [M2]	20.1	5.8	19.2	7.1	5.0	11.3
Money [M1]	11.2	0.5	3.2	12.3	11.0	4.3
Currency outside banks [M0]	1.3	0.6	1.1	7.6	7.0	2.0
Demand deposits	9.9	-0.1	2.1	14.7	13.2	2.3
- households	2.2	1.4	1.5	9.5	9.2	7.9
- enterprises (inc. insurance cos.)	7.7	-1.5	0.6	19.9	17.2	-5.6
Quasi-money [QM]	8.9	5.3	16.0	4.2	1.7	7.0
Time deposits	0.1	10.7	11.9	3.1	2.7	8.1
- households	-2.6	-2.2	-1.0	-6.1	-6.6	-9.3
- enterprises (inc. insurance cos.)	2.7	12.9	12.9	23.0	20.6	17.4
Foreign-currency deposits	8.8	-5.4	4.1	9.5	-2.9	-1.1
- households	-0.2	-0.5	-0.7	-10.5	-10.3	-3.4
- enterprises (inc. insurance cos.)	9.0	-4.9	4.8	44.9	8.1	2.3
Koruna deposits	10.0	10.6	14.0	6.7	5.9	10.4
- households	-0.4	-0.8	0.5	-2.2	-2.6	-1.4
- enterprises (inc. insurance cos.)	10.4	11.4	13.5	21.7	19.3	11.8
At current exchange rates:						
Money Supply [M2]	21.2	5.9	20.3	6.3	4.1	10.0
Foreign-currency deposits	9.9	-5.3	5.2	2.7	-8.2	-2.4
- households	-0.3	-0.1	-0.7	-16.0	-15.1	-4.6
- enterprises (inc. insurance cos.)	10.2	-5.2	5.9	35.6	2.0	2.2
At fixed 1993 exchange rates:						
Net foreign assets	-0.1	3.0	-32.1	0.8	28.5	9.0
Net domestic assets	20.2	2.8	51.3	9.1	-0.2	2.3
Domestic credits	19.8	-0.9	7.1	14.4	12.9	9.6
Net credit to general government	13.5	2.4	1.4	14.1	14.4	0.1
Loans to enterprises and households	6.3	-3.3	5.7	14.6	11.8	9.5
Loans in Slovak koruna	1.7	-2.6	3.6	8.0	5.9	-6.6
- households	3.4	2.7	2.7	44.3	42.6	16.6
- enterprises (inc. insurance cos.)	-1.7	-5.3	0.9	-3.0	-5.7	-23.2
Loans in foreign currency	4.6	-0.7	2.1	54.8	47.0	16.1
Money supply [M2]	20.1	5.8	19.2	7.1	5.0	11.3

Net Sales of Open-End Investment Funds								
	(Sk billions)							
				2004				
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Net sales of OIF assets denominated in Slovak koruna	1.29	1.49	1.81	1.31	1.80	2.43	2.99	3.08
Net sales of OIF assets denominated in foreign currency	0.08	0.07	0.10	0.05	0.14	0.04	0.04	0.06



The development of the M2 money supply confirms the persistence of a long-term slowdown in year-on-year dynamics, which is probably determined by a fall in own yields (average interest rate on deposits) and the resulting growth in interest in investment in mutual funds.

The marked fall in the price of deposits products since the beginning of the year, caused by multiple cuts in the key interest rates of the NBS, may lead in future to continued slowdown in the rate of growth in the M2 aggregate and increased use of alternative forms of investment.

The net value of Sk-denominated assets held by open-end investment funds (OIFs) reached Sk 61.3 billion at the end of August. The net sales of Sk-denominated OIF assets reached Sk 3.1 billion and the net sales in the SR of OIF assets denominated in foreign currency Sk 58.4 million.

Open-end investment funds

Loans to Enterprises and Households

The volume of loans to enterprises and households (at fixed 1993 exchange rates) deviated from the trend of growth in July: it recorded a month-on-month decline of Sk 3.3 billion, to Sk 391.2 billion. Thus the year-on-year dynamics of bank lending weakened in comparison with the previous month by 2.8 percentage point, to 11.8% at the end of July.

Decline in bank lending

At current exchange rates, the volume of loans to enterprises and households totalled Sk 402.5 billion, representing a month-on-month fall of Sk 2.7 billion and a slowdown of 2.8 percentage points in year-on-year dynamics (to 11.6%).

The July decline in the volume of loans to enterprises and households (at fixed 1993 exchange rates) took place predominantly in loans to enterprises (Sk 5.3 billion) and foreign-currency loans (Sk 0.7 billion), while koruna loans to households recorded a month-on-month increase (Sk 2.7 billion).

Koruna loans to households continued to grow in July: they increased in comparison with the beginning of the year by a total of Sk 16.6 billion. The structure of the month-on-month increase was dominated by mortgage loans with a maturity of over 5 years (an increase of Sk 1.2 billion), whose total volume grew in comparison with the beginning of the year by Sk 7.5 billion. The remaining part of the increase took place in consumer loans and loans for housing purposes (excluding mortgage loans), which increased month-on-month by Sk 0.7 billion and in total since the beginning of the year by Sk 5.7 billion, and in current account overdrafts (an increase of Sk 0.6 billion).

Fiscal Developments, Net Credit to the Government

At the end of July, the volume of net credit to the government (excluding the FNM) stood at Sk 303.6 billion (at fixed 1993 exchange rates), representing a month-on-month fall of Sk 5.3 billion. This favourable development was to a considerable extent affected by the transfer of funds in the amount of Sk 8.3 billion from a special FNM account at the NBS to the account of financial assets at the SR Treasury (part of the FNM income from dividends, earmarked for the replenishment of state financial assets on the basis of a government decision). Net credit to the government was also reduced in part by an increase in the deposits of non-budgetary funds of state authorities (Sk 5.9 billion).

Net credit to the government

Net credit to the government was increased by a month-on-month deterioration in the current budgetary performance of the central government (by Sk 6.2 billion), decreases in the resources of state funds (Sk 1.3 billion) and the deposits of regional self-governments (Sk 0.9 billion).

At the end of July, the volume of net credit to the general government (including the FNM) reached Sk 297.3 billion (at fixed 1993 exchange rates), representing a month-on-month increase of Sk 2.4 billion. Since the methodology of net credit to the general government includes the position of the FNM, which fell by Sk 7.8 billion as a result of the aforementioned transfer of FNM funds in favour of state financial assets, the volume of net credit to the general government recorded an increase.

Net credit to the general government

With budget revenues totalling Sk 153.7 billion and expenditures Sk 178.5 billion, the current budget of the central government recorded a deficit of Sk 24.8 billion on August 31, accounting for 31.6% of the figure projected in the State Budget Act for 2004.

In line with the Issuing Schedule for 2004, the Agency for Debt and Liquidity Management (ARDAL) announced two issues of SR Treasury bills for August. Both issues were placed on the market through a Dutch auction, with an unlimited issue-amount and unset issue-price.

Primary market for Treasury bills



In August, ARDAL placed Treasury bills on the market in the amount of Sk 2.1 billion, representing 29.9% of the total demand of investors. The average yield accepted reached 3.6%, i.e. 16 basis points less than the BRIBOR rate for the corresponding maturity in the case of a comparable tax burden. The yield, however, showed a tendency to grow during the month, and followed the course of money market rates.

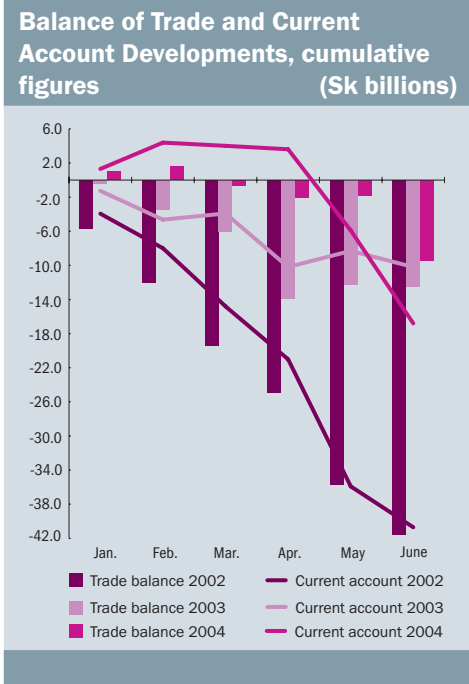
3.2. Foreign Trade

Balance of Payments for January to June 2004

Current account In the balance of payments on current account, the deficit continued to grow, due primarily to an increase in the income balance deficit (growth in yields paid to direct investors) and a decrease in the surplus in current transfers (transfers to the EU budget). On the other hand, the trade and services balances recorded an improvement in comparison with the first half of 2003.

Balance of trade The year-on-year improvement in the trade balance was due to the higher growth in exports (16.4%; corresponding to 33.3% in USD and 19.8% in EUR) over growth in imports (15.0%; 31.9% in USD and 18.4% in EUR).

Exports The increase in exports took place mostly in machines and transport equipment. In contrast with the previous year, when the growth in exports in this category took place predominantly in transport vehicles, the weight of machines and instruments increased in the first half of 2004. The year-on-year growth in exports in the 'machines and equipment' sub-category took place in automatic data processing machines, machines for the individual sectors of industry, white goods, television sets, electrical transformers, engines, cables, etc. In transport vehicles, the most significant increases in exports took place in automobiles, motor vehicle components and accessories, and car bodies. Certain chemicals and semi-finished goods (iron and



Balance of Payments on Current Account

(Sk billions)

	January - June 2004	January - June 2003
Balance of trade	-9.4	-12.5
Exports	436.7	375.3
Imports	446.1	387.8
Balance of services	4.3	2.3
Income balance	-12.7	-5.3
of which: income from investment	-19.8	-12.8
Current transfers	1.0	5.2
Current account in total	-16.8	-10.3

Exports from January to June, Year-on-year Changes

	Year-on-year change in billions of Sk January - June		Proportion of the change in p.p. January - June	
	2004	2003	2004	2003
Raw materials	4.4	2.5	1.2	0.8
Chemicals and semi-finished goods	9.7	11.7	2.6	3.8
Machines and transport equipment	44.3	48.0	11.8	15.6
of which: machines	18.8	11.7	5.0	3.8
transport equipment	25.5	36.3	6.8	11.8
Finished products (agricultural+industrial)	3.1	6.2	0.8	2.0
Exports in total	61.5	68.4	16.4	22.2



steel, iron and steel products, rubber, plastics, and aluminium) and finished products (furniture, toys, footwear, clothes, and certain foodstuffs) were also exported to the world markets.

Imports were concentrated in the automobile industry, which led to growth in the imports of vehicle components and selected machine engineering products, such as engines, etc. In the 'machines and equipment' sub-category, marked increases were recorded in the imports of technological equipment for the individual sectors of the national economy, with an impact on the future growth of exports. These increases took place mostly in the imports of machines for the metallurgical, machine engineering, chemical, and glass industries, and automatic data processing machines. In finished products, increases were recorded mainly in the imports of industrial products (pharmaceuticals, footwear, clothes, toys, and sporting goods) and, in smaller amounts, in certain foodstuffs (meat, milk, fruit, sugar, and vegetables).

Imports

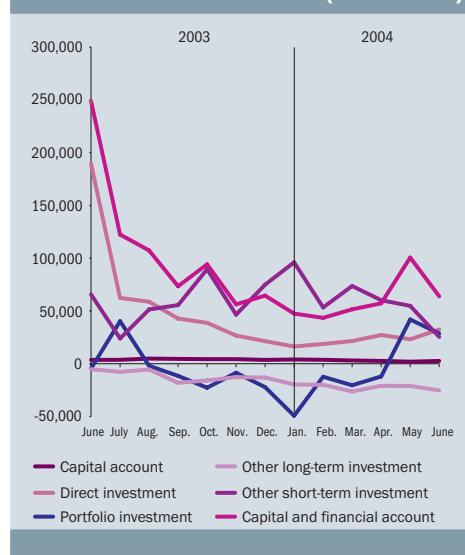
Imports from January to June, Year-on-year Changes				
	Year-on-year change in billions of Sk January – June		Proportion of the change in p.p. January – June	
	2004	2003	2004	2003
Raw materials	3.1	2.7	0.8	0.8
Chemicals and semi-finished goods	16.0	11.9	4.1	3.4
Machines and transport equipment	29.4	16.5	7.6	4.7
of which: machines	19.9	6.6	5.2	1.9
transport equipment	9.5	9.9	2.4	2.8
Finished products	9.8	7.9	2.5	2.2
of which: Agricultural and industrial goods	6.0	2.6	1.5	0.7
Automobiles	1.0	1.1	0.3	0.3
Machines and electrical consumer goods	2.8	4.2	0.7	1.2
Imports in total	58.3	39.0	15.0	11.1

The increase in the positive balance of services took place in 'other services in total' and 'transport services', while services related to tourism recorded a decrease in surplus.

Services balance

The growth in receipts, from freight transport in particular, which was accompanied by a drop in expenses, generated an increase of Sk 0.9 billion in net income from transport. Although 'other services in total' recorded, as in the previous years, a negative balance, the deficit diminished year-on-year by Sk 3.7 billion. In the first half of 2004, the best results among 'other services in total' were achieved in financial, legal, and accounting services, where the growth in exports was accompanied by a decline in imports.

Development of the Capital and Financial Account and its Components (moving cumulative figures) (Sk millions)



The fall in receipts from foreign tourists led to a year-on-year decrease of Sk 2.5 billion in the positive balance of foreign trade (according to NBS estimates, the appreciation of the Sk was directly responsible for roughly one third of the fall in receipts and the remaining two thirds resulted from a change in the structure of foreign visitors and the number of days they spent in Slovakia).

In the first half of 2004, the most significant increase within the income balance took place in dividends paid to direct investors. Dividends to companies with foreign capital participation were paid in the amount of Sk 13.8 billion, representing a year-on-year increase of Sk 10.2 billion. The balance of current transfers recorded a year-on-year decrease, mainly as a result of a deficit in government transfers, which were negatively affected by transfers to the EU budget, while funds from the EU were received only in very small amounts.

Income and current transfers balances

The inflow of funds in the capital and financial account took the form of direct and portfolio investments.

Capital and financial account



Balance of Payments on Capital and Financial Account		(Sk billions)	
	January - June 2004	January - June 2003	
Capital account	-0.5	0.5	
Direct investment	31.3	20.2	
of which: investment in the SR	19.9	20.8	
of which: other than privatisation	17.0	11.4	
Portfolio investment and financial derivatives	32.7	-18.2	
SR abroad	-12.2	-16.2	
In the SR	44.9	-2.0	
Other long-term investment	-16.7	-4.4	
Assets	-3.5	8.7	
Liabilities	-8.2	-11.3	
Short-term investment	-18.5	30.9	
Assets	0.2	-7.1	
Liabilities	-18.7	38.0	
Capital and financial account	28.3	29.0	

Foreign direct investment The inflow of foreign capital to the SR reached Sk 19.9 billion and remained slightly below the level of the same period a year earlier. The structure of capital inflow in a breakdown by purpose (privatisation and other means) was different. The volume of state property sold in 2004 was much smaller than in previous years, since only a 10% stake in Slovenská sporiteľňa was sold in the first half of the year, in the amount of Sk 2.9 billion. Increased foreign direct investment (excluding privatisation) in comparison with the same period a year earlier was recorded in the form of increases in the ownership interests of foreign investors in the SR. Of the individual sectors, the largest capital inflow took place in industrial production (the production of coke and refined oil products and in motor vehicle production) and in trade and business services.

Portfolio investment The inflow of funds in the area of portfolio investment was stimulated by the activities of the government. In addition to the purchase of government bonds and Treasury bills on the part of non-residents, the first half of 2004 saw an issue of bonds on foreign markets, which stimulated a net capital inflow of Sk 20.1 billion (after the repayment of liabilities from 1999). On the assets side, domestic entities invested their free funds in the purchase of foreign bonds.

Other investment The outflow of funds within the scope of other investments took place in long- and short-term capital. The outflow of long-term liabilities resulted mainly from the excess of repayments over drawings of financial credits in the corporate sector. The assets side was affected by the lending of long-term funds abroad by the banking sector.

The decline in short-term investment was substantially affected by short-term liabilities, which were determined by the activities of the NBS. The conduct of repo operations within the scope of foreign exchange reserve control by the NBS led to an outflow of funds in the amount of Sk 19.7 billion (this

Balance of Payments Adjusted for the Activities of the Government and the NBS (Sk billions)		
	January - June 2004	
	Actual ^{1/}	Adjusted ^{2/}
Current account	-16.8	-13.8
Capital and financial account	28.3	24.5
of which: FDI in Slovakia - capital participation	19.9	17.0
Items not included elsewhere	1.8	1.8
Interventions by the NBS ^{3/}	x	-14.7
Change in the net foreign assets of commercial banks (- increase)	x	2.2
Change in NBS reserves (- increase)	-13.3	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.
3/ In the original structure of the balance of payments, interventions were included in the foreign exchange reserves of the NBS.*



transaction had no effect on the net inflow and/or outflow of capital, because it led to a drop in both the foreign exchange reserves of the NBS and the external debt of the SR). The moderate outflow of capital from commercial banks resulted from developments in other short-term liabilities, whose decrease was in large part offset by an increase in new loans and non-resident deposits at Slovak banks.

The foreign exchange reserves of the NBS increased by Sk 13.3 billion, i.e. USD 0.4 billion (excluding exchange rate differentials).

**Foreign
exchange reserves**

Although the deficit in the balance of payments on current account was offset by an inflow of funds in the corporate sector, the net foreign assets of the banking sector again decreased, due mainly to the sale of foreign exchange to the central bank.

External Debt of Slovakia at 30 June 2004

At the end of June 2004, the total external debt of the SR stood at USD 18.7 billion (EUR 15.4 billion), representing a fall of USD 687.6 million (EUR 565.3 million) compared with the previous month. Total long-term and short-term foreign debt dropped by USD 310.3 million and USD 377.3 million respectively.

**Gross foreign
debt**

External Debt of the SR						
	mil. USD			mil. EUR		
	1.1.2004	31.5.2004	30.6.2004	1.1.2004	31.5.2004	30.6.2004
Total external debt of the SR	18,090.2	19,398.3	18,710.8	14,468.3	15,828.3	15,384.2
Long-term external debt	10,308.2	11,703.3	11,393.0	8,244.4	9,549.5	9,367.5
Government and the NBS ^{1/}	4,347.7	6,281.6	5,900.2	3,477.2	5,125.6	4,851.2
Commercial banks	323.1	340.8	340.4	258.4	278.1	279.9
Entrepreneurial entities	5,637.4	5,080.9	5,152.4	4,508.7	4,145.8	4,236.4
Short-term external debt	7,782.0	7,695.0	7,317.7	6,223.9	6,278.8	6,016.7
Government and the NBS	915.5	1,003.9	390.4	732.2	819.1	321.0
Commercial banks	2,738.6	2,545.9	2,604.3	2,190.3	2,077.4	2,141.3
Entrepreneurial entities	4,127.9	4,145.2	4,323.0	3,301.4	3,382.3	3,554.4
Foreign assets	18,907.5	20,468.3	19,587.8	15,122.0	16,701.5	16,105.3
Net external debt	-817.3	-1,070.0	-877.1	-653.7	-873.2	-721.1
SKK/USD and SKK/EUR rates:	32.920	32.695	32.844	41.161	40.069	39.946
USD/EUR cross exchange rate:	1.250	1.226	1.216	x	x	x

^{1/} Including government agencies and municipalities.

The decline in gross external debt was primarily caused by the repayment of 5-year bonds to the Ministry of Finance in the amount of EUR 500 million (USD 608 million) and by the smaller monthly volume of repo operations conducted by the central bank. In June, liabilities from the purchase of government bonds denominated in Sk increased by USD 268 million, together with the indebtedness of companies vis-à-vis abroad.

At the end of June, Slovakia's per-capita gross foreign debt stood at USD 3,478. The share of short-term debt in the country's total gross external debt reached 39.1%.

The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. USD 18.7 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector - except for capital participation), and foreign assets, i.e. USD 19.6 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - except for capital participation), reached USD 0.9 billion (creditor position) at the end of June 2004.

Net external debt

Current Developments

In July, foreign trade resulted in a deficit of Sk 6.3 billion, representing a deterioration of Sk 2.5 billion compared with the figure for July 2003. The increased trade deficit, together with further payments of dividends to foreign investors and transfers to the EU budget, caused the current account deficit in July to increase year-on-year by almost Sk 5.0 billion.

In comparison with the same period in 2003, exports grew over the first seven months by 13.1% (29.3% in USD and 16.8% in EUR) and imports by 12.5% (28.6% in USD and 16.1% in EUR).

**Balance
of trade**



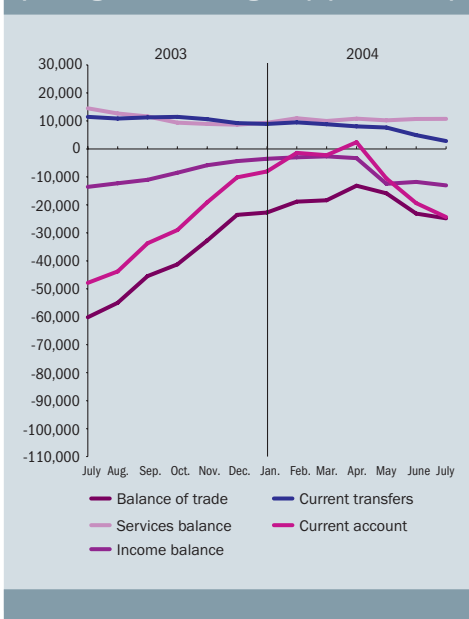
Balance of Payments on Current Account		(Sk billions)	
	January – July 2004	January – July 2003	
Balance of trade	-15.7	-16.4	
Exports	503.3	444.8	
Imports	519.0	461.2	
Services balance	5.8	3.8	
Income balance	-13.3	-4.7	
of which: income from investment	-21.5	-13.9	
Current transfers	0.5	6.8	
Current account in total	-22.7	-10.5	

Monthly Data on the Current Account by Component		(Sk billions)						
	Jan.	Feb.	Mar.	Apr.	May	June	July	
Balance of trade	1.0	0.6	-2.3	-1.4	0.2	-7.5	-6.3	
Services balance	0.1	0.8	1.1	1.7	-0.3	0.9	1.5	
Income balance	-0.3	0.7	0.1	-1.1	-10.0	-2.1	-0.6	
Current transfers	0.5	1.0	0.7	0.4	0.5	-2.1	-0.5	
Current account	1.3	3.1	-0.4	-0.4	-9.6	-10.8	-5.9	

In August, foreign trade is expected to follow the increasing trend in the size of the deficit on a year-on-year basis. Owing to a slight increase in exports in comparison with July, the taking of holidays will probably have a smaller impact on the size of the deficit. In contrast with exports, imports are expected to decline somewhat, which will create room for a decrease in the August deficit in foreign trade in comparison with July.

When the effect of holidays wear off, both exports and imports are expected to grow again in September and October, while the expected stronger growth in imports than exports will generate a further increase in the 12-month moving cumulative negative balance of trade.

Development of the Current Account and its Components (moving cumulative figures) (Sk millions)



Total foreign exchange reserves of the NBS

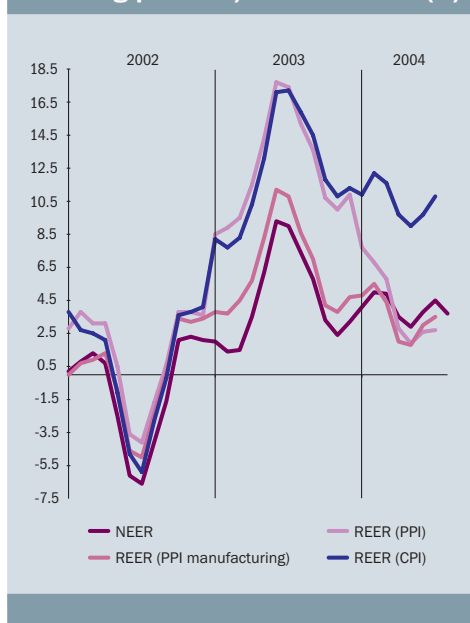
At the end of August, the total foreign exchange reserves of the NBS stood at USD 13,128.4 million, representing a month-on-month fall of USD 91.9 million. The month-on-month fall in foreign exchange reserves was primarily due to a shortfall in the balance of receipts and expenses (USD-152.9 million), caused by an outflow of funds as a result of debt service payments by the government and repo operations conducted by the NBS. The said surplus was partly offset by positive exchange rate differentials (USD 61.0 million) resulting from changes in the USD/EUR cross rate in the period under review. At the end of the month, the volume of foreign exchange reserves was 5.2 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first seven months of the year.

Nominal effective exchange rate of the Slovak koruna (NEER)

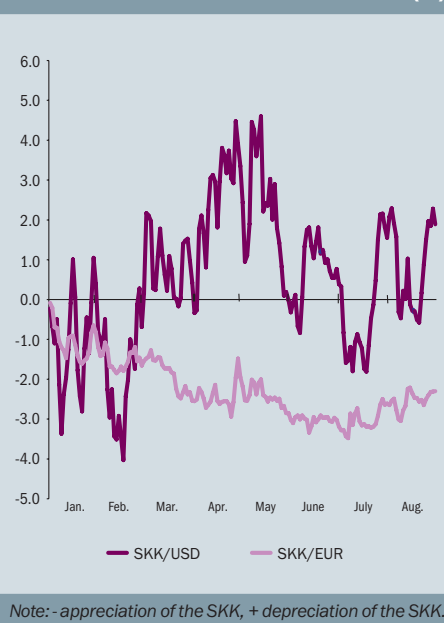
In August, the average monthly exchange rate of the koruna weakened on a month-on-month basis, in relation to both the euro and the US dollar (by 0.5% and 1.3% respectively), which was the second concurrent depreciation of the Sk against the two leading currencies in 2004 (the first occurred in May). The year-on-year appreciation in the average monthly SKK/EUR rate slowed to 4.3%, whereas the figure for the SKK/USD rate increased to 12.1%. The 12-month dynamics of the nominal effective exchange rate (NEER) diminished to 3.7% in August.



Year-on-year Dynamics of the NEER and REER Indices (Based on CPI, PPI, and PPI manufacturing, for 9 trading partners) (%)



Changes in the Exchange Rate of the Slovak Koruna in 2004 (Compared with 31/12/03) (%)



In July, the 12-month dynamics of the real effective exchange rate (REER)¹ continued to increase for the second consecutive month, in all variants of calculation under consideration. The rate of appreciation in the REER based on the CPI increased to 10.8% in July (from 9.7% in June), based on the PPI to 2.7% (from 2.6%), and based on industrial products prices to 3.5% (from 3.0%).

Real effective exchange rate of the Slovak koruna (REER)

Year-on-Year and/or Cumulative NEER and REER Dynamics since the Beginning of the Year (%)				
For 9 partners, based on the deflator:	NEER	REER CPI	REER PPI	REER PPI manuf.
2002	2.1	4.1	3.6	3.4
2003	3.2	11.3	10.8	4.7
2004 ^{1/} July	2.7	7.0	2.4	3.4

1/ Cumulative change since the beginning of 2004.

3.3. Real Economy

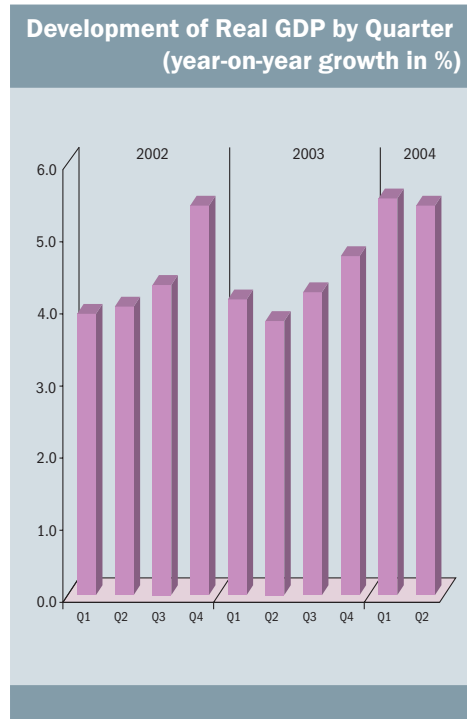
Development of the Real Economy in the First Half of 2004

Gross Domestic Product

In the first half of 2004, gross domestic product increased year-on-year by 5.4% at constant prices (according to preliminary data from the Statistical Office of the SR), and thus the rate of real economic growth accelerated in comparison with the first half of 2003 by 1.5 percentage points. The dynamic and balanced growth in the economy over the first six months (5.5% in the first quarter and 5.4% in the second quarter) was supported by both domestic and foreign demand. Domestic supply reacted to the

Real economic growth by 5.4%

¹ The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the industrial products price index, excluding the price of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



growth in aggregate demand with increased added-value creation. The volume of GDP created over the period under review amounted to Sk 636.6 billion (at current prices), which was 11.4% more than a year earlier.

Demand

In a breakdown by use, GDP growth was affected by both domestic and foreign demand, while the first quarter was dominated by the pro-growth effect of foreign demand, which moderated in the second quarter and was replaced by the stronger impact of domestic demand. In addition to a revival in domestic demand (a growth of 4.2% at constant prices), foreign demand also maintained relatively strong dynamics, when the exports of goods and services increased year-on-year by 16.1% in the first half of 2004.

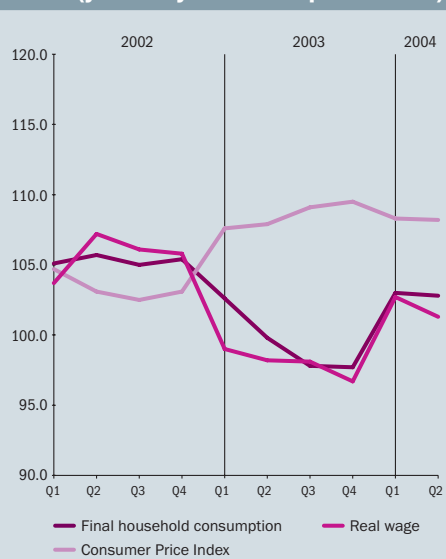
	Q1-2 03 Q1-2 02	2003 2002	Q1 04 Q1 03	Q2 04 Q2 03	Q1-2 04 Q1-2 03
Gross domestic product	103.9	104.2	105.5	105.4	105.4
Domestic demand	98.3	97.7	102.5	105.8	104.2
Final consumption	100.8	100.5	101.8	102.8	102.3
Households	101.2	99.4	103.0	102.8	102.9
Public administration ^{1/}	99.1	102.9	97.7	102.4	100.2
Non-profit institutions serving households	110.4	111.9	104.2	105.8	105.0
Gross capital formation	92.2	90.3	104.4	113.8	109.4
Gross fixed capital formation	98.9	98.8	100.9	103.5	102.4
Exports of goods and services	121.2	122.6	115.8	116.4	116.1
Imports of goods and services	114.7	113.8	112.0	117.0	114.6

^{1/} Preliminary data, estimated by the Statistical Office of the SR.

Revival in domestic demand After a temporary decline in 2003, domestic demand underwent a revival in the first half of 2004, due primarily to an increase in gross capital formation and final household consumption. While the first quarter saw a marked increase only in private consumption, the second quarter was marked by an acceleration in the rate of growth in domestic demand as a result of investments.

Final consumption Final consumption at constant prices grew year-on-year by 2.3%, due to increased consumption in households and non-profit institutions serving households, while final consumption in the general government (public administration) remained at the level of last year. In the first half of 2004, final consumption in public administration was probably affected by fiscal discipline at institutions financed

Final Household Consumption, Inflation, and Real Wages (year-on-year development in %)



through the State Budget. The year-on-year growth in consumption in non-profit institutions serving households (5.0% at constant prices) and the unchanged level of public consumption are probably connected with the transformation of selected public sector entities into non-profit organisations, which render services for households.

In the first half of 2004, final consumption in the household sector grew year-on-year by 2.9% at constant prices, representing an increase of 1.7 percentage points in dynamics in comparison with the same period a year earlier. The relatively balanced growth in private consumption over the first two quarters was connected with the growth in real wages, where the stronger effective demand was also supported by the tendency of some households to satisfy their needs from the period of decline in real wages. The changes in the taxation of income and the year-on-year drop in interest rates also contributed, in all probability, to the growth in private consumption. Households were offered a wide range of consumer loans and various forms of instalment sales. Within the structure of private consumption, spending on housing, water, electricity, gas, and other fuels increased (at constant prices), together with expenses on foodstuffs and non-alcoholic beverages,

Growth in private consumption

and accounted for half of the level of final household consumption. The strongest growth (36.4% at constant prices) was recorded in spending on health care, accounting for approximately 2% of the total household expenditure on consumption.

Gross capital formation (including changes in the volume of inventory) increased year-on-year by 9.4% at constant prices. This was mainly due to an increase in the volume of supplies in the economy (by Sk 11.6 billion), and the higher level of fixed investments (by 2.4%), which grew for the first time since 2001.

Revival in investment demand

In a breakdown by sector, gross fixed capital formation grew in proportional measure in all sectors, except in non-profit institutions and households, whose investment activity during the first half of 2004 remained below the level of the previous year. The largest investments were made by non-financial corporations, mainly through the creation of new fixed assets.

Structure of Gross Fixed Capital Formation in the First Half of 2004^{1/}

	Gross fixed capital formation (Sk millions)	Share (%)		Index
		Q1-2 2003	Q1-2 2004	$\frac{Q1-2 2004}{Q1-2 2003}$
Economy of the SR in total:	153,999	100.0	100.0	102.4
of which (by production):				
Construction	49,297	34.4	32.0	95.6
of which: residential buildings	8,653	5.7	5.6	98.3
other structures	40,644	28.7	26.4	95.0
Machines	95,045	59.4	61.7	105.4
of which: metal goods and machines	72,460	45.0	47.1	107.2
transport equipment	22,585	14.4	14.7	100.1
of which (by sector):				
Non-financial corporations	98,746	63.6	64.1	103.2
Financial corporations	20,743	13.6	13.5	101.6
General government	11,376	7.3	7.4	103.6
Households	22,914	15.4	14.9	98.8
Non-profit institutions	220	0.1	0.1	99.3

1/ Volumes and proportions are at current prices, indices at constant prices.



The overall increase in gross fixed capital formation was also supported by investment in machines, which grew year-on-year by 5.4%, while investment in construction declined by 4.4% as a result of reduced investment in 'other structures' (mainly infrastructure-related projects). The increase in the volume of inventory in the first half of 2004 is probably connected with the larger volume of work in progress on bigger investment units in construction. Within the scope of gross fixed capital formation in the 'machines' category, the most significant increase (7.2%) was recorded in investment in metal products and machines, while investment in transport vehicles remained at the level of the first half of 2003 (at constant prices).

In the financing of investment demand, the share of domestic funds in financing increased over the first half of 2004. The gap between gross domestic savings (the unused part of GDP) and gross investments narrowed, when the coverage of investments by savings reached 97.4% as a result of the higher ratio of savings in the national economy in comparison with last year. This creates room for an upturn in investment activity from domestic resources in the future.

Investments and Savings				(%)
	1st Half	2003 Year	2004 1st Half	
Constant 1995 prices				
Rate of savings ^{1/}	29.4	27.3	31.5	
Rate of gross investments ^{2/}	25.9	24.6	26.9	
Rate of fixed investments ^{3/}	24.7	25.4	23.9	
Coverage of investments by savings ^{4/}	113.6	111.1	117.4	
Current prices				
Rate of savings ^{1/}	24.6	23.3	26.0	
Rate of gross investments ^{2/}	26.8	25.3	26.7	
Rate of fixed investments ^{3/}	25.5	25.8	24.2	
Coverage of investments by savings ^{4/}	91.8	92.1	97.4	

1/ Share of gross domestic savings (GDP less final consumption in total) in GDP.
 2/ Share of gross capital formation in GDP.
 3/ Share of gross fixed capital formation in GDP.
 4/ Share of gross domestic savings in gross investments.

Net Exports

Both exports and imports showed strong dynamics

In the first half of 2004, the exports and imports of goods and services reached two-digit growth rates, and the stronger dynamics of exports over imports led to a year-on-year improvement in the balance of foreign trade. The deficit in net exports at current prices reached Sk 5.5 billion, representing an improvement of ca. Sk 4.5 billion compared with the previous year. Including the negative year-on-year increases in the deflators of foreign trade (caused mainly by exchange rate developments), net exports at constant prices resulted in a surplus of Sk 15.8 billion (compared with a surplus of Sk 9.4 billion in the first half of 2003).

The improvement in the balance of trade in goods and services, including a statistical estimate of the non-registered economy, was due to faster growth in exports (16.1%) than imports (14.6%) at constant prices. The individual quarters saw different trends of development. While the difference in year-on-year dynamics between exports and imports in the first quarter was approximately 4 percentage points, the volume of goods and services imported in the second quarter increased, and thus the dynamics of imports exceeded the growth rate of exports.

The Slovak economy maintained its relatively high export performance, despite a high basis of comparison from the previous year, when the volume of exports of goods and services reached 77.9% of GDP at current prices. Owing to the dependence of export-oriented in-





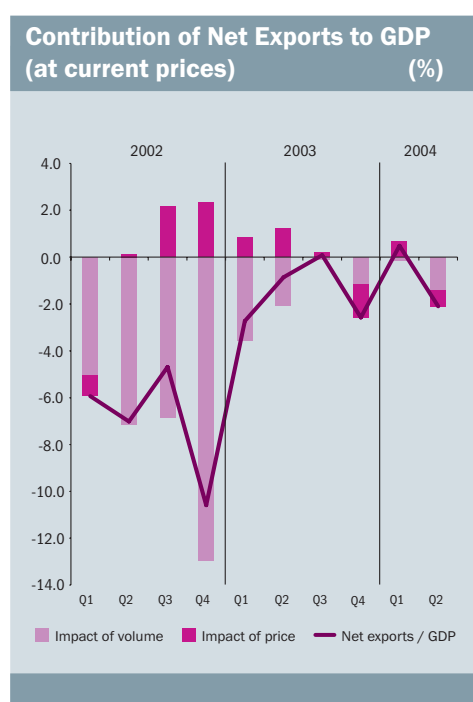
dustries on imports, the higher level of export performance in Slovakia gave rise to growth in import intensity, which reached 78.8%. The openness of the Slovak economy (expressed in terms of the ratio of exports / imports of goods and services to GDP) increased slightly during the first half of 2004, to 156.7% (from 154.2% in the same period a year earlier).

In addition to the volume of goods and services exported and imported, the net exports of goods and services at current prices may also be affected by price developments (import and export prices), which reflect the changes in exchange rates as well. While price developments a year earlier tended to reduce the deficit in net exports resulting from the balance of exports and imports of goods and services, changes in export and import prices in the first half of 2004 offset each other and left the shortfall in net exports at current prices unaffected.

	2003		2004		
	Q1-2	Year	Q1	Q2	Q1-2
Exports of goods and services					
(year-on-year growth in %, at current prices)	18.1	18.5	12.4	15.2	13.9
Impact of volume	21.2	22.6	15.8	16.4	16.1
Impact of price	-3.1	-4.1	-3.4	-1.2	-2.2
Imports of goods and services					
(year-on-year growth in %, at current prices)	10.6	9.9	7.8	16.9	12.6
Impact of volume	14.7	13.8	12.0	17.0	14.6
Impact of price	-4.1	-3.9	-4.2	0.0	-2.1
Net exports as a share of GDP					
(share in %, at current prices)	-1.7	-1.5	0.5	-2.1	-0.9
Impact of volume	-2.8	-1.7	-0.2	-1.4	-0.8
Impact of price	1.0	0.2	0.7	-0.7	0.0

Note: The differences in the subtotals are due to rounding.

Within the structure of GDP, both foreign demand and net exports had a pro-growth effect. The positive balance of trade in goods and services (at constant prices) contributed 1.7 percentage points to GDP creation. Domestic demand contributed 4.1 percentage points and thus increased the year-on-year dynamics of real GDP to 5.4%. Within the scope of domestic demand, a positive contribution was made by gross capital formation coupled with private consumption.



Supply

From the point of view of production, the GDP growth was connected with an increase in added value in financial mediation (19.5% at constant prices), other community services (7.9%), and in industry (6.7%). The creation of added value declined most significantly in non-market services, which are in the process of restructuring (health care, education, public administration, and defence). Decline was also recorded in some of the market services sectors (hotels and restaurants, transport and storage, post and telecommunications).

The increase in GDP was generated mostly in industry, construction, and agriculture, where the growth in added value exceeded the overall performance of the economy. The dynamic growth in industry was supported by a rapid increase in added value in the production and distribution of electricity, gas, and water (during the first quarter). This development was mainly connected with the supply of energy for the accelerating growth in production, including export-oriented production, and with the extended offer of services by economic entities in the post-privatisation period. Significant growth

GDP creation



Contributions to GDP Creation	(percentage points, constant 1995 prices)				
	Q1-2 03 Q1-2 02	2003 2002	Q1 04 Q1 03	Q2 04 Q2 03	Q1-2 04 Q1-2 03
Gross domestic product (GDP)	3.9	4.2	5.5	5.4	5.4
Domestic demand	-1.7	-2.4	2.4	5.6	4.1
Final consumption	0.5	0.4	1.3	1.9	1.6
Households	0.6	-0.3	1.6	1.4	1.5
General government	-0.2	0.6	-0.4	0.4	0.0
Non-profit institutions serving households	0.1	0.1	0.0	0.1	0.0
Gross capital formation	-2.3	-2.7	1.1	3.6	2.4
Gross fixed capital formation	-0.3	-0.3	0.2	0.9	0.6
Change in inventories	-2.0	-2.4	0.9	2.7	1.9
Net exports	4.7	6.4	3.6	0.0	1.7
Exports of goods and services	16.3	17.8	13.9	14.9	14.4
Imports of goods and services	11.6	11.4	10.3	14.9	12.7
Statistical discrepancy	1.0	0.2	-0.5	-0.1	-0.3

Note: Calculated from GDP figures (in millions of Sk), the values of net exports and GDP are reduced by the imports of goods and services; the differences in the subtotals are due to rounding.

GDP Development by Sector	(index, same period a year earlier = 100, const. 1995 prices)				
	Q1-2 03 Q1-2 02	2003 2002	Q1 04 Q1 03	Q2 04 Q2 03	Q1-2 04 Q1-2 03
Gross domestic product (GDP)	103.9	104.2	105.5	105.4	105.4
of which:					
Agriculture, forestry, and fishing	109.2	104.4	99.8	111.4	105.7
Industry in total	110.5	109.5	106.0	107.4	106.7
Raw materials extraction	80.6	85.7	90.6	103.3	96.8
Manufacturing	107.5	106.6	101.9	108.3	105.2
Electricity, gas, and water supply	149.8	150.7	132.6	100.5	118.9
Construction	106.3	106.9	108.4	103.4	105.8
Services in total	104.6	103.2	98.8	101.9	100.4
Wholesale and retail trade, repairs	101.3	100.1	105.4	105.8	105.6
Hotels and restaurants	73.8	78.7	91.1	105.9	99.2
Transport, storage, post and telecom.	104.7	96.2	92.9	99.4	96.1
Financial mediation	115.8	129.4	130.0	109.5	119.5
Real estate, leasing, and business activities	102.1	99.8	96.8	105.2	101.0
Public administration, defence, social security	113.8	104.2	94.2	92.6	93.3
Education	116.0	117.3	92.0	92.1	92.0
Health and social services	100.5	101.7	76.9	83.8	80.3
Other community, social, and personal services	94.9	101.9	92.8	126.0	107.9
Other ^{1/}	77.6	93.3	171.5	121.1	141.1

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

was recorded in the production of chemicals, rubber and refined oil products, machines, electrical appliances, and transport vehicles, mainly as a result of increased foreign demand. The production of foodstuffs, beverages, and tobacco fell by almost 50%, mainly in connection with the ongoing process of adapting to European standards in the area of agriculture and food processing. Domestic production in food processing was in part saturated with imported products.

The relatively stable position of the construction sector in the Slovak economy was slightly disturbed by a slowdown in the rate of growth in added value in the second quarter. In this period, part of production in the construction sector led to growth in the volume of unfinished production within the scope of inventories.

Of service-provider sectors, financial mediation and other community services (waste disposal, member organisations, recreational, cultural, and sporting activities) made the most significant contribution to GDP creation. The growth in added value in financial mediation is connected with the improve-



ment in the banking sector's effectiveness subsequent to restructuring. Within the scope of services, added value also increased in the wholesale trade, retail trade, and consumer goods and vehicle repairs. The renewed growth in added value in this sector was a reaction to the revival in consumer demand in the household sector. Other market and non-market services sectors remained below the level of the same period a year earlier.

In addition to the creation of added value in individual sectors, GDP growth was positively affected by increased tax receipts on products (41.1%). The share of taxes (value added tax, excise tax, import tax, excluding subsidies and imputed production of banking services) in GDP increased from 6.9% in the first half of 2003 to 9.3% in the first half of 2004, as a result of tax adjustments.

Wages

In the first half of 2004, the average monthly nominal wage in the Slovak economy showed relatively dynamic growth (10.3%), and reached Sk 15,008. The wage growth was 4.1 percentage points faster than a year earlier. Over the six months under review, the rate of growth in nominal wages slowed, from 11.2% in the first quarter to 9.6% in the second quarter.

Dynamic growth in nominal wages

Nominal wages were higher than in the first half of 2003 in all sectors of the economy (except fishing and fish breeding, where only 75 persons were employed). The strongest year-on-year growth in nominal wages was achieved in financial mediation (15.5%); transport, post and telecommunications (14.6%); and real estate, leasing, and other business activities (14.3%). On the other hand, the slowest growth was recorded in wages in health and social services (2.6%).

According to the form of ownership, the steepest year-on-year increases in average monthly nominal wages were recorded in the entrepreneurial sector, in companies with 20 or more employees (12.9%), while wages in budgetary and subsidised organisations grew by 8.3% and 4.6% respectively.

Real wages grew year-on-year by 1.9%, after falling in the same period a year earlier by 1.4%. Real wages increased as a result of growth in nominal wages, while the rise in average consumer prices (to 8.2%) was 0.5 of a percentage point steeper than in the first half of 2003 and had a dampening effect on the development of real wages.

Growth in real wages

Increases in real wages were recorded in the vast majority of sectors. Year-on-year decreases were recorded only in health and social services (5.2%); hotels and restaurants (2.0%); and in education (1.7%).

Despite the relatively dynamic growth in nominal wages, the rate of growth in labour productivity at current prices exceeded the dynamics of nominal wages by 1.5 percentage points, when labour productivity (GDP per employee, based on data from statistical records) increased in nominal terms by 11.8%. At constant prices, labour productivity increased by 5.8% and exceeded the growth in real wages by 3.9 percentage points. This indicates that the wage increase was covered by growth in labour productivity.

Excess of growth in labour productivity over growth in wages

Average Monthly Wages and Labour Productivity in the Slovak Economy (index, same period a year earlier = 100)					
	2003		2004		
	1st Half	Year	Q1	Q2	1st Half
Nominal wage (Sk)	13,602	14,365	14,541	15,472	15,008
Nominal wage (index)	106.2	106.3	111.2	109.6	110.3
Real wage	98.6	98.0	102.7	101.3	101.9
Labour productivity (current prices)	107.0	108.2	113.2	110.5	111.8
Labour productivity (constant prices)	102.8	103.4	105.5	106.1	105.8
Real labour productivity minus real wages (% points)	4.2	5.4	2.8	4.8	3.9
Consumer prices (average for the period)	107.7	108.5	108.3	108.2	108.2

Labour productivity also followed a favourable trend at the sectors level: it increased in nominal terms in all sectors on a year-on-year basis, while only falling in real terms in transport, post and telecommunications, and in real estate, leasing, and business activities.

Development of labour productivity by sector



Labour Productivity and Wages in Selected Sectors in the First Half of 2004 (index, same period a year earlier = 100)				
	Nominal		Real	
	labour productivity	wage	labour productivity	wage
Economy of the SR in total:	111.8	110.3	105.8	101.9
of which:				
Agriculture, forestry, and fishing	120.0	110.7	118.9	102.3
Industry	106.7	109.5	107.3	101.2
Raw materials extraction	116.2	107.4	107.4	99.3
Manufacturing	103.4	109.4	105.1	101.1
Electricity, gas, and water supply	123.8	112.6	126.1	104.1
Construction	108.5	108.4	102.6	100.2
Trade and repair activity	109.8	110.5	106.1	102.1
Transport, post and telecommunications	110.1	114.6	98.4	105.9
Financial mediation	121.5	115.5	116.8	106.7
Real estate, leasing, and business activities	107.9	114.3	98.2	105.6

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

The comparison of year-on-year developments in real labour productivity and real wages in the first half of 2004 indicates that the growth of productivity exceeded the growth of wages in all production and market services sectors in trade, repairs, and financial mediation, while real wages showed relatively dynamic growth in transport, storage, post & telecommunications, and in real estate, leasing, and business activities, despite a fall in labour productivity. The marked excess of growth in real labour productivity over growth in real wages in electricity, gas, and water supply (22 percentage points) and financial mediation (10.1 percentage points) was affected mainly by the strong year-on-year growth of GDP in these sectors.

Income and Expenditure of Households

According to preliminary data from the Statistical Office of the SR, the current income of households reached Sk 489 billion over the first half of 2004, i.e. a year-on-year increase of 7.4% in nominal terms (a fall of 0.7% in real terms). The rate of growth remained at the level of the first half of 2003. Current households expenditure (paid to other sectors and not used for direct consumption) totalled Sk 119.4 billion, representing a year-on-year increase of 1.4% (in real terms a fall of 6.3%). The rate of growth slowed in comparison with the first half of 2003 by 5.4 percentage points.

Current income showed the same dynamics as a year earlier, ...

The growth in current income was positively affected by an increase in the compensation of employees (8.3%) and gross mixed income (8.8%), while the growth in social income and current received transfers slowed and income from received property declined (as in previous months). Income from property comes from the ownership of financial assets, i.e. deposits, bonds, etc. or the ownership of land, underground resources, etc., which are given by the owner at the disposal of another institutional unit.

... while current expenditure grew at a slower rate

The year-on-year slowdown in the growth of current expenditure was caused mainly by a drop in current taxes on income and property (7.2%, compared with an increase of almost 6% a year earlier) and a slowdown in the growth of social contributions (by 1.1%, compared with 8.3% a year earlier). The development of these items was probably affected by the new tax and social laws, as well as by a fall in employment.

Development and Distribution of Gross Disposable Household Income (index, same period a year earlier = 100, current prices)					
	2003		Q1	2004	
	1st Half	Year		Q2	1st Half
Gross disposable income	107.5	106.2	109.1	109.9	109.5
Final household consumption	108.7	107.1	110.5	110.1	110.3
Gross savings of households	90.8	96.1	94.2	101.2	90.1
Share of gross savings in gross disposable income (in %)	7.5	6.7	3.7	4.0	3.8



Consumption and Saving Tendencies, at the First Half of the Year (%)



With current expenditure being deducted from current income, the gross disposable income of households amounted to Sk 369.7 billion, representing a year-on-year increase of 9.5% (compared with 7.5% a year earlier). Of the gross disposable income of households, 96.5% was used for final consumption (0.6% more than in the first half of 2003), the remainder went to gross savings, which include the investment activities of citizens and small entrepreneurs (tangible and intangible investments, plus additional retirement insurance) in addition to bank deposits. The faster growth in final household consumption over growth in current income led to a year-on-year decline in gross household savings (by almost 10%) and a subsequent decrease in the ratio of gross savings, from 4.6% in the first half of 2003 to 3.8% in the first half of 2004. The tendency of households to save continued to weaken this year.

The tendency to save continued to weaken

Employment and Unemployment

The declining trend in employment, recorded in the first quarter of 2004, continued in the second quarter, which affected the course of development over the first half of 2004 as a whole. According to a random survey of the

Fall in employment ...

workforce, there were 2,140,400 workers in the Slovak economy in the first half of 2004 (on average), which represented a drop of 0.5% compared with the same period a year earlier. This trend was also confirmed by data from statistical records, according to which the level of employment fell year-on-year by 0.4%.

	2003		2004		
	1st Half	Year	Q1	Q2	1st Half
Employees in the Slovak economy (according to statistical records)					
in thousands	2,016.5	2,025.0	1,996.6	2,022.1	2,009.4
index (same period a year earlier = 100)	101.2	100.8	100.0	99.3	99.6
Workers according to a random survey					
in thousands	2,150.5	2,164.6	2,128.8	2,151.9	2,140.4
index (same period a year earlier = 100)	101.9	101.8	99.9	99.2	99.5
Unemployment according to a random survey					
in thousands	464.8	459.2	511.5	489.4	500.5
index (same period a year earlier = 100)	93.4	94.3	106.0	109.5	107.7
Unemployment rate according to a random survey					
in %	17.7	17.4	19.3	18.5	18.9

The trend of development in employment is confirmed by the fact that the dynamic economic growth is not accompanied by an adequate supply of new jobs on the labour market. In a breakdown by sector, employment continued to fall over the first half of the year, mainly in agriculture, transport, storage, post and telecommunications, and in education. Employment remained below the level of the previous year in health care, industry, and trade. On the other hand, employment followed a favourable trend in other community, social, and personal services; construction; real estate, leasing, and business activities; and in financial mediation.

The fall in employment was accompanied by an increase in the number of unemployed. According to a random survey of the workforce, the number of jobless increased year-on-year by 7.7% over the first half of 2004. The average rate of unemployment reached 18.9%, representing a rise of 1.2 percentage points on a year-on-year basis.

... accompanied by a rise in unemployment



Developments in Employment by Sector ^{1/}		(index, same period a year earlier =100)			
	2003		2004		
	1st Half	Year	Q1	Q2	1st Half
Total	101.2	100.8	100.0	99.3	99.6
Agriculture, hunting, and forestry	95.4	96.2	91.5	86.6	88.9
Industry	100.5	100.5	99.1	99.8	99.4
Raw materials extraction	89.5	90.8	90.4	89.8	90.1
Manufacturing	100.5	101.2	99.7	100.5	100.1
Electricity, gas, and water supply	97.7	96.3	94.5	94.1	94.3
Construction	102.1	104.0	103.8	102.5	103.1
Wholesale and retail trade; repair of motor vehicles, motorcycles, and consumer goods	100.6	99.9	99.8	99.2	99.5
Hotels and restaurants	101.9	102.6	102.3	101.6	101.9
Transport, storage, post and telecom.	99.3	98.6	97.3	98.2	97.7
Financial mediation	105.5	105.5	103.4	101.1	102.3
Real estate, leasing, and business activities	103.0	103.2	102.4	103.3	102.9
Public administration and defence; compulsory social insurance	103.2	103.9	102.1	100.5	101.3
Education	99.3	99.7	99.7	98.9	99.3
Health and social services	105.2	102.7	99.3	98.2	98.7
Other community, social, and personal services	105.8	99.5	105.7	101.5	103.6

1/ According to statistical records.

According to the registers of labour offices, the average unemployment rate in the first half of 2004 was 15.5% (compared with 16.0% in the first half of 2003). This figure was below the level determined by a random survey, which is connected with the difference in the methodology applied and in the definition of unemployment. Despite the growing difference, however, the long-term trends in unemployment according to the two sources of data virtually agree.

A major factor explaining the difference between the rates of unemployment according to the registers of labour offices and the Statistical Office (determined on the basis of a random survey) was the adoption of administrative measures tightening the conditions for the registration of unemployed at labour offices. Persons who fail to meet these conditions are removed from the registers of labour offices; on the other hand, they still qualify as job seekers (unemployed) in random surveys. In addition, according to a random survey, the unemployed may also include pensioners and students who are active job seekers.



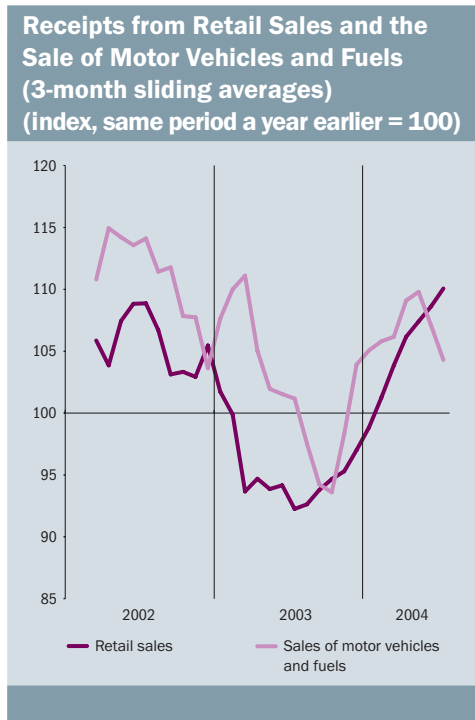
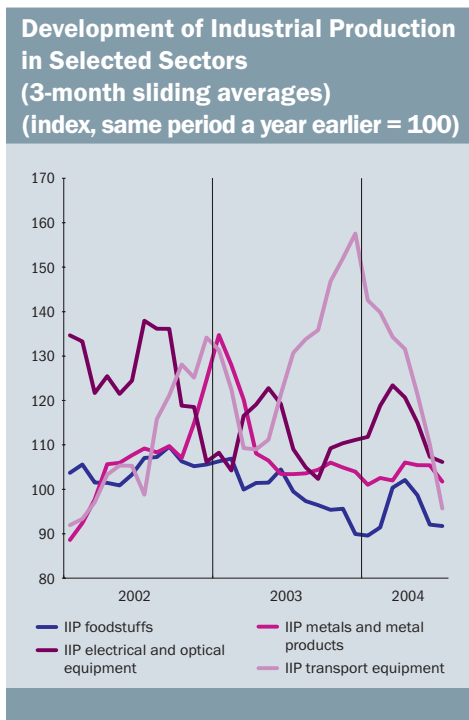
Current Developments

Production and Receipts

Slowdown in industrial production

In July, the dynamics of industrial production weakened in comparison with June, as a result of the continuing decline in raw materials extraction and, after a long period, a downturn in manufacturing production. The level of overall production was positively affected by accelerated growth in electricity, gas, and water supply.

The development in manufacturing production was connected with a fall in output in numerous sectors, mainly a sharp decline in the production of transport vehicles (caused by factory holidays in the central plant). Output also fell on a year-on-year basis in the production of foodstuffs, beverages, and tobacco products, chemicals and chemical goods, metals and metal products. On the



other hand, a pro-growth effect on manufacturing production was exerted by the production of pulp, paper, and paper goods; wood processing and the manufacture of wood products; and in the production of machines and equipment not included in other categories.

Compared with June, production in the construction sector recorded a certain slowdown in July, due primarily to weaker growth in new construction, reconstruction, and modernisation projects, and a persistent decline in production in construction repair and maintenance work and in construction abroad.

Except for real estate, leasing, and other business services, receipts continued to grow in all service sectors in July. Compared with June, accelerated year-on-year growth was recorded in retail sales receipts as a result of growth in the receipts of non-specialised retail shops (super- and hypermarkets).

The rate of growth in receipts from the sale and maintenance of motor vehicles and the sale of fuels continued to slow in July; this was mainly due to slower growth in receipts from the sale of motor vehicles and continued decline in receipts from the sale of fuels.

Slower growth in construction

Receipts from selected services

After growing for five months, the receipts of organisations specialising in transport and related services again fell in July. This was due to a sharp fall in receipts in railway transport, which could not be offset by the growth of receipts in other transport sectors.

The July receipts of real estate agencies, leasing companies, and other business service organisations were, as in previous three months, lower than a year earlier. The persistent decline in receipts was caused by a fall in receipts from other business services, which represent a substantial part of the services sector.



Production and Receipts						
	Sk millions, current prices		Index			
	July 2004	cumulative since the beginning of the year	June 2004 June 2003	July 2004 July 2003	July 2003 July 2002	Jan. - July 2004 Jan. - July 2003
Production:						
Index of industrial production ^{1/ 2/}	.	.	102.7	100.7	101.4	105.0
of which:						
Mineral raw materials extraction	.	.	92.4	86.0	92.6	88.1
Manufacturing	.	.	102.0	99.1	104.1	106.0
Electricity, gas, and water supply	.	.	109.8	117.1	87.1	103.2
Construction ^{2/}	9,009	49,830	102.4	100.1	105.8	101.8
of which:						
Construction in Slovakia	8,582	47,441	103.6	101.0	102.8	102.4
Construction abroad	427	2,389	81.2	86.1	209.1	91.5
Receipts from own-output and goods:						
Industry in total ^{3/}	113,207	826,271	111.9	98.6	116.2	109.7
Construction ^{2/}	13,480	75,603	101.8	100.3	108.1	106.1
Retail trade ^{3/}	30,857	197,536	110.5	111.9	92.4	107.1
Sale and maintenance of vehicles, retail sale of fuels ^{3/}	13,199	84,980	102.4	101.0	99.2	106.0
Transport, storage ^{3/}	9,107	57,267	111.7	98.5	98.5	109.9
Real estate, leasing, and business services ^{3/}	14,248	98,088	96.9	96.1	97.5	98.7

1/ Adjusted for the effect of the number of working days (the data in the time series are revised on a continuous basis).
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).

Indicator of Consumer Confidence

Modest increase in consumer confidence

The August value of the consumer confidence indicator (-20.5) was only slightly above the figure for July, with a difference of less than one point (0.3 of a point). In comparison with the previous month, a slight deterioration was recorded in answers to questions about the expected rate of unemployment and economic development in Slovakia. At the same time, expectations concerning the financial situation of households and household savings improved. Compared with the same period a year earlier, the consumer confidence indicator improved by 14.6 points in August.

Wages and Unemployment

Nominal wages

In July, the year-on-year growth in nominal wages accelerated on a month-on-month basis in industry, construction, retail trade, wholesale trade, and in hotels and restaurants. Nominal wages recorded a marked slowdown in dynamics in real estate, leasing, business, and other services; a slight slowdown in transport and the sale & maintenance of motor vehicles; and a decline in post and telecommunications. The fall in nominal wages in post and telecommunications was affected by the high basis of comparison from July 2003.

In the first seven months of 2004, the average rate of year-on-year growth in nominal wages in most sectors under review reached higher values than in the corresponding period of the previous year. Slower growth in nominal wages was recorded only in real estate, leasing, business, and other services.

Real wages

The average real monthly wage for January to July exceeded the level of the previous year in most sectors un-





der review, with declines being recorded only in construction and in real estate, leasing, business, and other services. Dynamic wage growth was achieved in telecommunications, where real wages increased over the first seven months of the year by 19.2%.

Real wages increased solely as a result of growth in nominal wages, since the rise in average consumer prices (exceeding the figure for the same period a year earlier by 0.4 of a percentage point) had a dampening effect on the development of real wages.

Wage Developments by Sector		(index, same period a year earlier = 100)							
		Average monthly nominal wage				Average monthly real wage			
		July		January – July		July		January – July	
		2003	2004	2003	2004	2003	2004	2003	2004
Industry		105.0	109.3	106.7	109.5	96.6	100.7	98.9	101.1
Construction		105.1	107.2	105.2	108.2	96.7	98.8	97.5	99.9
Retail trade		100.4	112.9	103.0	112.1	92.4	104.1	95.5	103.5
Wholesale trade		105.4	111.9	107.7	111.3	97.0	103.1	99.8	102.8
Real estate, leasing, business, and other services		108.5	103.0	109.5	107.9	99.8	94.9	101.5	99.6
Transport		109.3	106.6	106.3	109.1	100.6	98.2	98.5	100.7
Post and telecommunications		129.0	99.3	107.1	119.4	118.7	91.5	99.3	110.2
Consumer prices		108.7	108.5	107.9	108.3	x	x	x	x

Notes: The above sectors accounted for 57.2% of total employment in 2003 (on average).
 Real wage index = nominal wage index / consumer price index.
 The data on wage developments from April to June were updated by the Statistical Office of the SR in September 2004.

In the first seven months, the relationship between wages and labour productivity followed a different course of development in the individual sectors. In sectors, where labour productivity (based on receipts from own-output and goods) is monitored at current prices, productivity only grew at a faster rate than nominal wages in transport, while in post & telecommunications and the wholesale trade, the growth in labour productivity lagged behind the dynamics of nominal wages. Among sectors, where productivity is monitored in real terms, the growth in labour productivity only exceeded the rate of real wage growth in industry. In the retail trade, the growth in labour productivity lagged behind the growth in real wages, while in real estate, leasing, business, and other services, and in construction, labour productivity declined to a greater extent than wages.

Labour productivity and wages

Wages, Labour Productivity, and Employment from January to July 2004		(index, same period a year earlier = 100)						
	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and a telecom.	
Wages								
- nominal	109.5	108.2	111.3	112.1	107.9	109.1	119.4	
- real	101.1	99.9	102.8	103.5	99.6	100.7	110.2	
Labour productivity								
- nominal	.	.	104.8	.	.	114.0	114.8	
- real	110.2	98.9	.	102.4	96.0	.	.	
Productivity minus wages (percentage points)								
- nominal	.	.	-6.5	.	.	4.9	-4.6	
- real	9.1	-1.0	.	-1.1	-3.6	.	.	
Number of employees	99.6	102.9	100.4	102.1	102.8	96.4	96.6	

Note: Labour productivity is based on receipts from own-output and goods (in the construction sector, on the volume of production).

Unemployment continued to fall in July, in line with the trend persisting since March 2004. The total number of registered unemployed dropped, for the second successive month, below the level of 400 thousand, to 392,100 (from 399,500 in June). Of this figure, the number of disposable unemployed,

Unemployment



who may start work immediately, accounted for 357,500, which was 6,700 less than in June. A favourable trend was also recorded in the rate of registered unemployment, which fell to 13.65% in July (which was 0.26 of a percentage point less than in June). This represented a drop of 0.84 of a percentage point in comparison with the same period a year earlier.

In July, 27,900 new job applicants signed on at offices for labour, social, and family matters (753 more than in June). On the other hand, 35,300 persons were removed from the registers (in June 38,500). Approximately 23% of these persons were removed from the registers for unwillingness to co-operate, and more than 53% of them found employment.

The average length of registration remained at the level of the previous month (12.5 months) in July. This represented a decrease of 0.2 of a month in comparison with July 2003. The proportion of long-term unemployed (out of work for more than 12 months) has been on the increase since March 2004 (it reached 49.1% of the total number of job applicants in July).

4. Monetary Developments

4.1. Foreign Exchange Market

Operations on the foreign exchange market

By the end of August, the exchange rate of the Slovak koruna against the euro had weakened by 0.2% (from SKK 40.138/EUR to SKK 40.218/EUR) in comparison with the beginning of the month, while the average monthly rate had depreciated by 0.53%. In relation to the US dollar, the koruna weakened by 0.1% (from SKK 33.370/USD to SKK 33.408/USD), while depreciating in average terms by 1.3%.

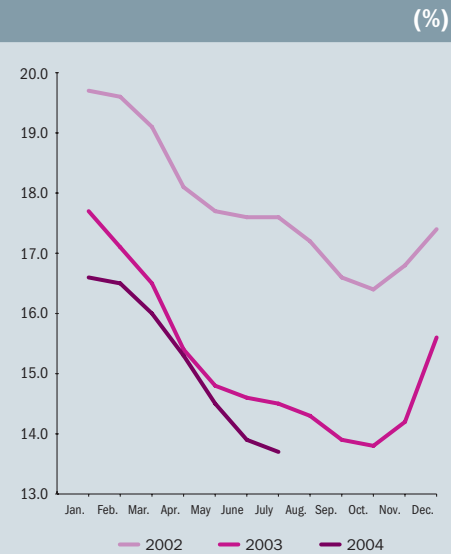
Spot transactions between foreign and domestic banks resulted in a positive balance (USD 170.28 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

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

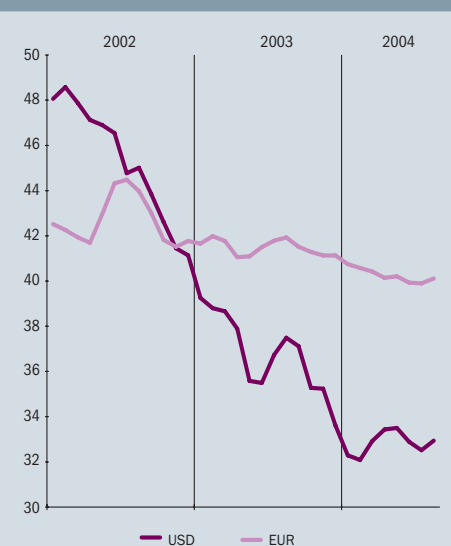
Interbank foreign exchange market

The total volume traded on the interbank foreign exchange market reached USD 32,618.3 million, representing a decline of 13.7% compared with the figure for July (USD 37,816.2 million). Of the total volume of trading, 89.7% took place in swap transactions, which were conducted mostly in USD (89.6%). Spot transactions accounted for 10.2% of the total turnover (98.5% of the deals were in EUR). The average daily turnover on the spot market reached USD 151.5 million and the average volume per transaction amounted to USD 1.86 million.

Rate of Registered Unemployment (%)



Average Monthly Exchange Rates of the Slovak Koruna



Changes in the Exchange Rates of the SKK to EUR and USD (%)

	Month-on-month change	Ø August 2004 Ø August 2003	Ø (Jan. - Aug.) 2004 Ø (Jan. - Aug.) 2003
SKK/EUR	0.2	-4.3	-3.2
SKK/USD	0.1	-12.1	-12.5

+ Depreciation of the SKK
- Appreciation of the SKK.
Ø Average



The volume of transactions between domestic commercial banks fell, from USD 5,958.4 million in July to USD 5,239.5 million in August. Most trading took place in USD (77.9%, compared with 80.8% in July), followed by EUR (21.6%, compared with 28.8% in July) and other currencies (0.3% of the total turnover between domestic banks).

Transactions between domestic banks accounted for 16.1% of the total volume of trading on the inter-bank foreign exchange market (compared with 16.2% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 86.4% (90.8% in July) and spot transactions accounted for 13.6% (9.2% in July).

The volume of trading between domestic and foreign banks decreased by 11.4%, from USD 30,917.3 million to USD 27,378.8 million. Most trading was again conducted in USD (81.0%, compared with 80.6% in July), followed by EUR (17.2%, compared with 18.1% in July), and other currencies (1.8%). Trading between domestic and foreign banks still accounted for 83.9% of the country's foreign exchange market.

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (90.4%, compared with 90.0% in July), while spot transactions accounted for 9.6% (9.8% in July). The share of forward dealings on the forex market was negligible.

The koruna investments of non-resident banks on the domestic money market are concentrated in government securities, particularly in government bonds, though their volume has been on the decline since June. The volume of Treasury bills in the holdings of non-residents is much smaller and is also on the decline and/or at a standstill. From the end of last December to the end of July, the koruna deposits of non-resident banks grew in volume by Sk 21.6 billion.

Koruna investments of non-resident banks

The volume of government securities held by non-residents (government bonds and Treasury bills in total) decreased month-on-month by Sk 1.8 billion in August, of which government bonds accounted for Sk 2.1 billion. This was due to a fall in 5-year government bonds, namely Issue Nos. 132 and 191 (Sk 1.9 billion and Sk 3.7 billion respectively) and 3-year government bonds, i.e. Issue No. 200 (Sk 3.6 billion), offset partly by an increase in 5-year restructuring government bonds, Issue No. 142, and 10-year government bonds, Issue No. 188 (Sk 3.5 billion and Sk 3.1 billion respectively).

Government securities held by non-residents

Koruna Assets in the Holdings of Non-Residents												(Sk billions)	
	2003				2004								
	31.1.	31.7.	31.8.	31.12.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	
Total assets	54.3	71.7	32.4	28.8	38.5	28.6	24.1	29.6	30.7	26.3	26.4	.	
Koruna liabilities	15.8	13.4	11.9	18.2	22.6	24.9	26.2	29.0	32.5	38.1	39.8	.	
of which: banks	11.9	8.8	7.8	14.0	18.4	21.3	22.1	24.5	28.2	33.7	35.6	.	
non-bank customers	3.9	4.6	4.1	4.2	4.2	3.6	4.1	4.5	4.3	4.4	4.2	.	
Government securities	46.8	79.7	31.2	34.3	36.9	44.8	45.4	48.1	53.5	61.7	56.8	55.0	
of which: Government bonds	46.8	79.7	31.2	33.8	36.4	43.3	41.9	42.5	49.0	58.1	53.5	51.3	
SR Treasury bills	0	0	0	0.5	0.5	1.5	3.5	5.6	4.5	3.6	3.3	3.7	
Total	62.6	93.1	43.1	52.5	59.5	69.7	71.5	77.1	86.0	99.8	96.7	.	
Total liabilities	53.2	54.4	50.8	61.2	65.1	67.6	69.1	76.3	79.1	83.7	86.3	.	

Note: Based on data from the reports Bil (NBS) 1–12 'Monthly Balance of Assets and Liabilities' and from the Central Securities Depository of the SR.

4.2. Money Market and Monetary Policy Implementation

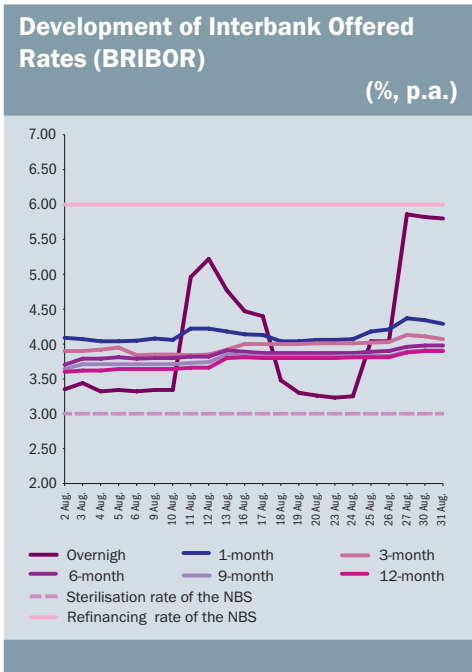
At its meeting on 30 August 2004, the Bank Board of the NBS decided to leave its key interest rates unchanged.

Average money market rates were characterised in August by different trends in the individual maturities: the rates for maturities of one day to one week and six to twelve months increased, those for two weeks to one month fell, and the rates for two to three months were stagnant. After stable development at the beginning of the month, overnight rates exceeded the level of 5% for a short time in the second third of the month as a result of increased demand at the tenders, which led to a shortage of daily liquidity. As a result of an increase in interbank liquidity in the middle of August, overnight rates dropped below 3.5%. This was followed by a sharp fall in liquidity at the end of the month (after the second auction in NBS bills),

Interbank market rates



accompanied by a rise in overnight rates above the level of 5.5%. The first marked reaction on the part of longer-term rates occurred after the results of NBS-bill auctions were announced at the beginning of August, when three-month BRIBOR rates dropped as a result of a fall in the level of the yields achieved. Foreign banks responded to the announcement of foreign trade results in the first half of the month by closing their positions. The consequent growth in demand for longer-term deposits caused their price to rise by more than 5 basis points. The increase in key interest rates in Poland and the Czech Republic at the end of the month stimulated growth in demand for longer-term funds on the Slovak money market as well, which led to a rise in the price of funds with a maturity of one to twelve months. This trend was also supported by an increase in yields at NBS-bill auctions at the end of the month, which exceeded the level of three-month BRIBOR rates quoted at that time.



Interbank transactions

The volume of trading on the interbank money market reached Sk 1,236 billion in August (compared with Sk 1,283 billion in July). Reference banks accounted for 81.2% of the total turnover (a decrease of 2.2 percentage points). Non-resident and resident bank transactions accounted for 64.7% and 35.3% of the total trading volume respectively. Within the structure of interbank transactions by type, domestic banks achieved the largest share in forward rate agreements (81.8%) and foreign banks in swaps (73.9%).

Interbank Transactions		(Sk billions)				
	Deposits	Repos	Swaps	FRA	IRS	
July 2004	643	0	633	2	5	
August 2004	650	0	572	11	3	

Average sterilisation position

The dominance of liquidity-providing factors in August created an increased need for liquidity sterilisation, which led to a month-on-month increase in the sterilisation position of the NBS vis-à-vis the banking sector, from Sk 232.4 billion in July to Sk 255.7 billion in August, i.e. by Sk 23.3 billion. The increase in daily liquidity was affected by the transfer of funds from accounts kept at the NBS to the account of the SR Treasury and their placement in the banking sector via ARDAL. Of the total volume of sterilisation, repo tenders accounted for 82.8%, NBS treasury bills 16.9%, and overnight transactions 0.3%.

Liquidity

The implementation of monetary policy in August took place in an environment dominated by liquidity-providing factors. The level of reserves in the banking sector rose mainly as a result of a release of funds from a one-week time deposit of the Ministry of Finance at the NBS (a cumulative inflow of liquidity in the amount of Sk 10 billion) and a reduction in the demand deposits of the Treasury at the NBS, including the daily deposits of the Agency for Debt and Liquidity Management at the NBS, and their subsequent placement in the banking sector (a liquidity inflow of approximately Sk 12 billion). The inflow of liquidity from the above sources was only in part offset by a liquidity outflow via growth in the volume of currency in circulation (Sk 1.9 billion in cumulative terms).

On 31 August 2004, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 277.0 billion. The overall sterilisation position of the NBS (including the deposits of the Ministry of Finance, SR Treasury, and the FNM at the NBS) amounted to Sk 360.1 billion at the end of August.

Average Daily Effect of NBS Transactions on the Level of Banking Sector Liquidity				
	O/N repos	O/N deposits	NBS bills	Repo tenders
July 2004	50	-2,916	-40,000	-189,555
August 2004	888	-1,546	-43,226	-211,815

+ inflow of liquidity, - outflow of liquidity



The NBS announced four repo tenders for August, and accepted the bids of banks in full at each tender. The continuing stabilisation of the money market led to a gradual increase in the minimum and average yields achieved at the auctions, towards the repo rate limit. At the first tender, banks slightly reduced their bids in order to reserve part of their surplus funds for NBS-bill auctions. The transfer of free funds from accounts at the NBS to the SR Treasury, and the subsequent attempt to deposit them in banks, created room for an increase in demand at the second tender (by Sk 22.8 billion). To eliminate the temporary shortage of liquidity, banks again reduced their bids at the third tender (by Sk 3.7 billion). The repeated transfer of funds from the State Budget to the Treasury made it possible for banks to increase their bids at the last tender (by Sk 9.6 billion). The share of sterilisation repo tenders (SRTs) in the total volume of sterilisation increased by 1.3% in August.

Repo tenders

Tenders in August 2004						
Date	Type of tender ^{1/}	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
4.8.2004	SRT	14	88,514	4.42	4.48	4.50
11.8.2004	SRT	14	129,947	4.35	4.48	4.50
18.8.2004	SRT	15	84,773	4.45	4.49	4.50
25.8.2004	SRT	14	139,569	4.45	4.49	4.50

1/ SRT - sterilisation repo tender

The NBS floated two issues of NBS treasury bills in August, with a maturity of 84 days. Demand at the first auction reached Sk 50.5 billion, but the NBS accepted only Sk 20 billion. The high demand in comparison with the usually accepted volume, led to a fall of 6 basis points in the average yield achieved in comparison with the last auction. The second auction in NBS bills was announced at the end of August, despite the fact that no issue was due. This can be explained by the attempt of the NBS to observe the issuing schedule for the year, according to which the auction announced in June, at which was the NBS accepted none of the bids, was to end in this period. Demand at the auction reached Sk 26.0 billion, of which the NBS accepted Sk 20 billion. Owing to the smaller volume of demand, the average yield achieved increased by 23 basis points.

NBS treasury bills

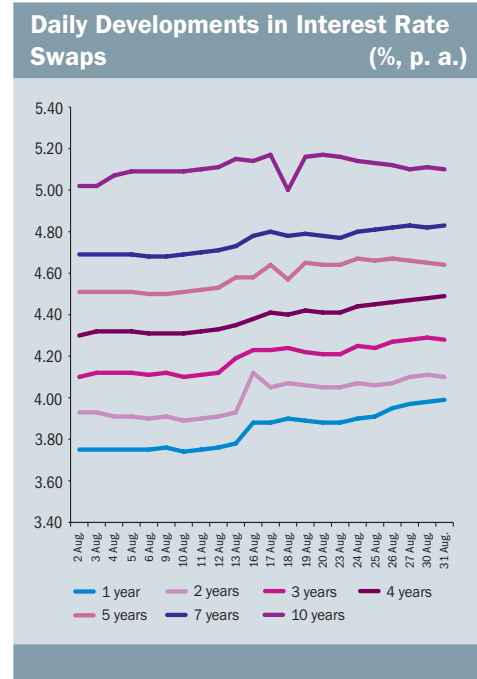
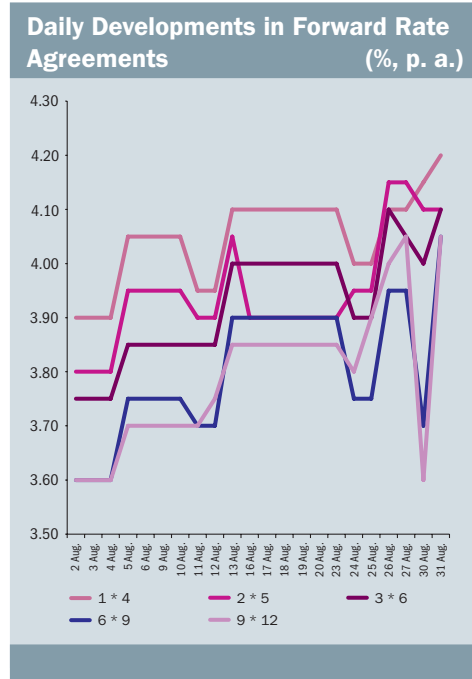
The surplus of interbank liquidity in the first third of the month made it possible for banks to deposit their surplus funds in the NBS on a regular basis. As a result of a fall in daily liquidity in the second third of the month, overnight deposits were suspended. They were renewed at the beginning of the last third, when the largest deposit was recorded (Sk 8.0 billion). Since banks gave preference to investment in a re-opened NBS-bill issue at the end of August (over the shortage of liquidity at the end of the month), they had to apply for central bank refinancing on the last three working days. In refinancing repo transactions, the largest volume was achieved on the last day of the period (Sk 11.0 billion).

Overnight transactions**Developments in Money Market Interest Rate Derivatives**

The results of foreign trade published in the first half of August, which led to the closing of koruna positions on the money market, stimulated increased interest in the purchase of forward rate agreements (FRAs), mainly in contracts with a maturity of one or two months. The continuing depreciation of the Slovak koruna caused a further rise in the price of FRAs. The changes in the quotations of FRAs, which took place at the end of August, were connected with the graphic recording of changes in FRA prices at banks where these prices are published without the background of the transactions conducted. This is due to the fact that there are no large turnovers in trading in FRAs and, after a long period of stagnancy, any change in the quoting bank's views on the new price is promptly recorded, which is not necessarily in line with the balance between demand and supply.

The weekly averages of FRAs showed a gradual increase in price for all maturities (19 to 36 basis points). In the second half of the month, the increase in the price of deposits on the money market and the yields achieved at an auction in a re-opened government-bond issue (including the effect of the last cut in key NBS interest rates) affected the price of interest rate swaps (IRSs), which rose mainly in the case of one-year and three-year maturities. The evaluation of weekly averages of IRSs indicates that their prices at the end of August were 5 to 24 basis points higher.

The comparison of implicated FRAs derived from BRIBOR rates quoted for the 2nd, 16th, and 31st days of the current month indicates that one-, two-, and three-month maturities rose to a higher level in the middle of August. At the same time, the expected length of time until a reduction of 50 basis points in the key rates changed, from four months at the beginning of the month to nine months in the middle of the month. Despite the decision of the NBS to leave its key interest rates unchanged, the implicated



rates recorded a steeper increase at the end of the month as a result of a rise in the price of deposits on the money market, which was affected by the persistent depreciation of the Slovak koruna. For this reason, the expected time until a 50 basis point reduction in the key NBS rates was shortened, to six to eight months.

Reserve requirements For August 2004, the amount of required minimum reserves in the banking sector was set at Sk 16.11 billion. By the end of the month, the reserve requirement had been fulfilled to 100.13%.

4.3. Customer Interest Rates In July 2004²

Average interest rates Customer interest rates fell month-on-month in July and were still affected by the reduction in the key NBS interest rates (with effect from 1 July 2004, the key rates were lowered by 0.5 of a percentage point; since the beginning of the year, the rates have been reduced by a total of 1.5 points).

Average interest rates on new loans The average interest rate on new loans fell slightly in July, by 0.2 of a percentage point, due to drops in rates for short-term loans (0.17 of a percentage point, with a share of 85.2%) and medium-term loans (0.32 of a percentage point). The average price of new long-term loans rose by 0.2 of a percentage point, due to an increase in rates for housing loans (0.3 of a percentage point).

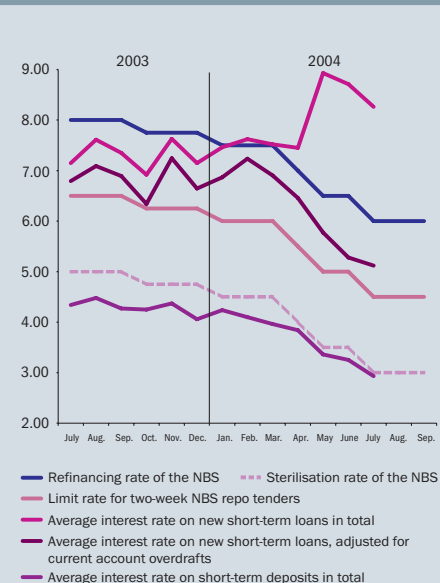
Fulfilment of Reserve Requirements in August 2004 (Sk billions)



Interest rates on new loans to enterprises fell by 0.20 of a percentage point, to 5.17%, with drops in rates for all maturities. The most significant fall occurred in rates for medium-term loans (0.43 of a percentage point). Interest rates on new short-term loans dropped by 0.16 of a percentage point, while the price of new long-

² With effect from 2004, the average interest rate on current account overdrafts is calculated according to the method of cumulative debit turnovers, which has caused a marked increase in the share of current account overdrafts in the total volume of new loans, with a consequent impact on the average interest level. At the same time, this method increases the volatility of interest rates in the individual months, mainly as a result of fluctuation in the volume of unauthorised overdrafts of debit balances on current accounts. With regard to the above, developments in customer interest rates on new loans will be evaluated with current account overdrafts left out of consideration.

Developments in Selected Interest Rates (%)



term loans recorded only a negligible fall (0.04 of a point). The reduction in the key interest rates (by 1.5 points in cumulative terms since the beginning of the year) is reflected in the level of interest rates on new loans to enterprises, which has been falling since February.

New loans to households recorded a drop in interest rates in July (0.31 of a percentage point), which took place predominantly in short-term and medium-term loans. The most significant drop occurred in the price of new short-term loans (1.88 percentage points). This was caused by a fall in the price of consumer loans (4.5 percentage points) and other loans (3.17 points). The average monthly volume of these loans in the period from the beginning of the year amounted to Sk 22 million and Sk 134 million respectively, representing 55% of the total volume of new short-term loans to households. Interest rates on new short-term loans are volatile and a big change may be caused even by a relatively small volume of loans provided at a significantly higher or lower interest rate.

Within the scope of new medium-term loans, interest rate developments were determined first and foremost by drops in the prices of consumer loans (0.58 of a percentage point) and housing loans, mainly mortgage loans with government support (0.75 of a percentage point).

Average Interest Rates on New Loans, Excluding Current Account Overdrafts

	Interest rate in %				Change in p.p.		
	July 2003	December 2003	June 2004	July 2004	year-on-year	compared with the end of year	month-on-month
New short-term loans	6.79	6.65	5.30	5.12	-1.67	-1.53	-0.17
New medium-term loans	8.92	8.58	8.18	7.86	-1.06	-0.72	-0.32
New long-term loans	7.15	6.96	6.89	7.07	-0.08	0.12	0.18
Total	6.99	6.85	5.89	5.74	-1.25	-1.10	-0.15

On the other hand, the average interest rate on new long-term loans for households rose month-on-month by 0.31 of a percentage point. This is primarily connected with lending for housing purposes, where the rate for housing loans increased (in contrast with the rate for medium term loans), with the price of mortgage loans without government support rising by 0.18 of a percentage point and that of construction loans by 0.19 of a point.

In July, interest rates on deposits continued to follow the downward trend ongoing since the beginning of the year, with interest rates falling month-on-month on total deposits, demand deposits, time deposits, as well as savings deposits. Interest rates on medium- and long-term deposits were stagnant in July.

Average interest rates on deposits

The average interest rate on corporate deposits fell month-on-month by 0.36 of a percentage point in July (to 2.47%), mainly due to a drop in rates for short-term deposits (0.49 of a percentage point). The most significant fall occurred in the price of one-day deposits (2.36 percentage points, to 2.56%), with a share of 7.6%. These rates are characterised by relatively high volatility persisting since the beginning of the year. Demand deposits also recorded a fall in interest rates (0.38 of a percentage point).

The average interest rate for household deposits fell month-on-month by 0.16 of a percentage point in July, due to a drop in interest rates on both demand and short-term time deposits (0.14 and 0.22 of a percentage point respectively).

In July, the real interest rate on one-year deposits reached a negative figure (-5.04%), which had dropped in comparison with the previous month by 0.54 of a percentage point. This was due to a rise in the 12-month inflation rate (0.4 of a percentage point) and a persistent fall in interest rates on one-year deposits (0.16 of a percentage point).

Real interest rates



Average Interest Rates on New Loans to Enterprises and Households

	Interest rate in %				Change in p.p.		
	July 2003	December 2003	June 2004	July 2004	year-on-year	compared with the end of year	month-on-month
Enterprises							
New short-term loans	6.76	6.62	5.27	5.10	-1.66	-1.52	-0.16
New medium-term loans	8.30	7.59	5.82	5.39	-2.91	-2.20	-0.43
New long-term loans	8.66	7.49	6.30	6.26	-2.40	-1.24	-0.04
Total	6.89	6.73	5.38	5.17	-1.71	-1.56	-0.20
Households							
New short-term loans	11.50	10.52	9.60	7.72	-3.77	-2.79	-1.88
New medium-term loans	10.71	11.77	12.44	11.37	0.66	-0.39	-1.07
New long-term loans	5.62	6.22	7.07	7.38	1.76	1.16	0.31
of which: new mortgage loans with a government bonus (clients)	5.11	5.23	6.03	6.07	0.96	0.84	0.04
Total	8.32	8.61	9.54	9.23	0.91	0.62	-0.31

Average Interest Rates on Deposits (Demand, Time, and Savings Deposits)

	Interest rate in %				Change in p.p.		
	July 2003	December 2003	June 2004	July 2004	year-on-year	compared with the end of year	month-on-month
Demand deposits	1.53	1.49	1.10	0.78	-0.75	-0.71	-0.32
Short-term deposits	4.34	4.06	3.25	2.93	-1.41	-1.14	-0.33
Medium-term deposits	3.35	3.10	3.06	3.06	-0.29	-0.04	0.00
Long-term deposits	2.98	3.06	2.96	2.96	-0.02	-0.10	0.00
Total	3.29	3.01	2.49	2.24	-1.05	-0.77	-0.25

Average Interest Rates on Corporate and Household Deposits

	Interest rate in %				Change in p.p.		
	July 2003	December 2003	June 2004	July 2004	year-on-year	compared with the end of year	month-on-month
Enterprises							
Demand deposits	1.52	1.33	1.10	0.72	-0.80	-0.62	-0.38
Short-term deposits	5.36	5.10	4.08	3.59	-1.77	-1.51	-0.49
Medium-term deposits	5.00	4.42	3.58	3.53	-1.47	-0.90	-0.05
Long-term deposits	3.15	3.09	3.04	3.04	-0.11	-0.05	0.00
Total	3.83	3.46	2.83	2.47	-1.36	-0.99	-0.36
Households							
Demand deposits	1.35	1.13	0.87	0.73	-0.63	-0.40	-0.14
Short-term deposits	3.50	3.24	2.41	2.20	-1.30	-1.05	-0.22
Medium-term deposits	3.19	2.95	2.00	1.98	-1.21	-0.97	-0.02
Long-term deposits	2.98	3.06	2.96	2.96	-0.02	-0.10	0.00
Total	2.87	2.65	2.03	1.87	-1.00	-0.78	-0.16



Real Interest Rate on Deposits with a Maturity of up to One Year		(%)
Year-on-year inflation rate in July 2004	8.50	Real interest rate
Average interest rate on short-term deposits of up to 1 year in July 2004	3.46	-5.04
Average interest rate on short-term deposits of up to 1 year in July 2003	4.65	-3.85



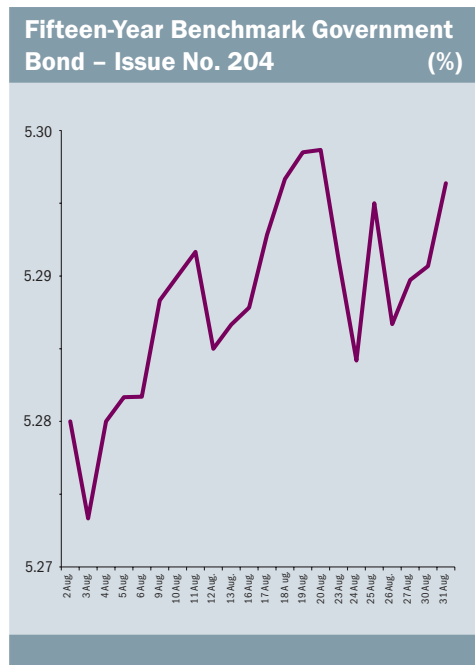
If we compare the average interest rate on deposits with a maturity of up to one year in July 2003 (due in July 2004) with the 12-month inflation rate in July 2004, the real interest rate on one-year deposits becomes -3.85% (negative figure).

If the rate of interest on deposits with a maturity of up to one year is deflated by core and/or net inflation, the value of the real interest rate for July becomes positive (0.76% and/or 0.96%), representing a fall of 0.56 and/or a rise of 0.34 of a percentage point on a month-on-month basis.

ANNEXES

1. Capital Market

1.1. Primary Market

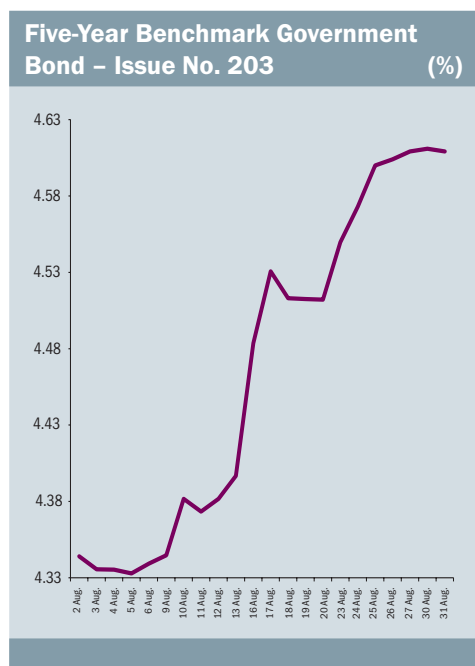


Two government-bond auctions were planned for August, in line with the Issuing Schedule for 2004. However, the Agency for Debt and Liquidity Management (ARDAL) announced an additional issue at the request of investors. This was a substitute for an issue which was cancelled in March 2004, owing to the inability of the Central Securities Depository of the Slovak Republic (CDCP) to function effectively.

Government bonds

At the first auction, Issue No. 204 was increased for the third time (15-year government bonds with a fixed coupon). Of the planned issue-amount (Sk 40.0 billion), 35% had been sold by the end of August. Total demand amounted to Sk 6.8 billion, 97.8% of which was accepted. The yields achieved at the auctions ranged from 5.11% to 5.30%. Yields on a comparable 15-year benchmark government bond fluctuated between 5.27% and 5.29% in August.

At the second auction, an open issue of government bonds (Issue No. 203) was re-opened for the third time, with a flexible coupon of 4.80% and a maturity of 5 years. Demand reached Sk 4.7 billion and was accepted in full. The yields achieved at the auction ranged from 4.35% to 4.68%. The yields of a similar 5-year benchmark government bond fluctuated between 4.33% and 4.61% in August. Of the planned amount of Issue No. 203 (Sk 40.0 billion), 30.77% had been sold by the end of August.



At the third auction, Issue No. 201 was re-opened for the fourth time, with a flexible coupon corresponding to the 12M BRIBOR rate. Demand at the auction reached Sk 4.9 billion. Of this amount, Sk 3.9 billion was accepted, with yields ranging from 5.28% to 5.35%. Of the planned amount of Issue No. 201 (Sk 40.0 billion), 15.38% had been sold by the end of August.

In August 2004, yields were only paid on one government-bond issue, in the amount of almost Sk 0.61 billion. This represents a marked decline in comparison with the previous month, when yields were paid on 6 issues, in the total amount of Sk 3.88 billion, Foreign investors received Sk 0.09 billion (16.36% of the total volume) and domestic investors Sk 0.5 billion (83.64%). Bond creditors accounted for 0.25% of the total volume of yields. No issue fell due in the month of August.

Yield payment and bond repayments

One issue of publicly negotiable non-government bonds was floated in August. They were mortgage bonds issued by Všeobecná úverová banka (VÚB).

Non-government bonds

1.2. Secondary Market

The Bratislava Stock Exchange (BCPB) was open for 22 days in August. During that period, Sk 45.4 billion was traded in 1,330 transactions. Equity securities were traded in August in the amount of only Sk 282.2 million, which was an extremely low figure. Such a low figure was last recorded in December 1994, when the volume of trading reached only Sk 275.3 million. The financial volume of



transactions in shares, adjusted for transactions concluded within the scope of compulsory bids for acceptance, amounted to Sk 147.5 million; a smaller figure was last recorded exactly ten years ago. The total volume increased on a month-on-month basis by 6.8%. Non-resident investors accounted for 48.6% of the total volume traded in August, of which 43.25% were composed of purchases and 53.9% of sales.

Bonds Debt securities recorded 243 transactions totalling Sk 45.1 billion in August. Government bonds were traded in the amount of Sk 45.0 billion (in 187 transactions) and accounted for 99.8% of the total volume of bond transactions. The volume of trading increased by 8.7% compared with the previous month.

The largest volumes were traded in government bonds, i.e. Issue No. 142 (Sk 20.3 billion in 12 transactions), Issue No. 200 (Sk 9.6 billion in 51 transactions), and Issue No. 191 (Sk 4.9 billion in 25 transactions). The volume traded in the private sector was dominated by B.O.F. 04 (Sk 44.1 million in 1 transaction) and HZL Istrobanka II bonds (Sk 20.5 million in 2 transactions). In the market-maker system, 8 transactions were concluded in August in government bonds, i.e. Issue No. 200 (Sk 77.1 million in 6 transactions) and mortgage bonds, i.e. HZL VÚB II (Sk 1.0 million in 1 transaction) and HZL Istrobanka II (Sk 10.3 million in 1 transaction), in the amount of Sk 65.8 million.

The yield curve of reference bonds fell in comparison with July, except for 3.5 and 7.5-year deposits. The sharpest fall again occurred in the curve for shorter maturities, i.e. 2.4 years. The price of three-year money was quoted at 3.83% to 4.09%; five-year money at 4.34% to 4.58%; seven-year money at 4.67% to 4.78%; and nine-year money at 4.97% to 5.03%.

The market capitalisation of bonds amounted to Sk 356.4 billion (a month-on-month increase of 4.5%) on the last trading day of the month. The capitalisation of quoted bonds grew month-on-month by 4.6%, to Sk 332.9 billion.

SDX index The component of the SDX (Slovak Bond Index) for corporate and bank bonds closed the month at 252.919% of the nominal value (a monthly increase of 0.8%), with an average yield of 4.93% to maturity and a duration of 1.83 years. The component of SDX for government bonds increased by 0.1%, to 229.657% of the nominal value, corresponding to a yield of 4.363% and a duration of 3.90 years.

Shares In August, equity securities were traded in the total amount of Sk 0.28 billion (356,100 shares), in 1,087 transactions. On a month-on-month basis, the volume of transactions dropped by 71.2%. By the last trading day of August, the market capitalisation of equity securities had decreased by 1.8% month-on-month, to Sk 107.9 billion.

SAX index The Slovak Share Index (SAX) opened the month at 194.7 points, representing an appreciation of 1.0% compared with the figure for end-July, and closed the month at 203.63 points with a month-on-month change of 5.6%.

2. Monetary Developments in the Euro Area

At its August meeting (05/08/04), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at the level of 2.00%, the rate for one-day loans at 3.00%, and that for overnight deposits at 1.00%.

2.1. Exchange Rate Developments

At the beginning of August, the exchange rate of the single European currency against the US dollar hovered around the level of USD 1.20/EUR.

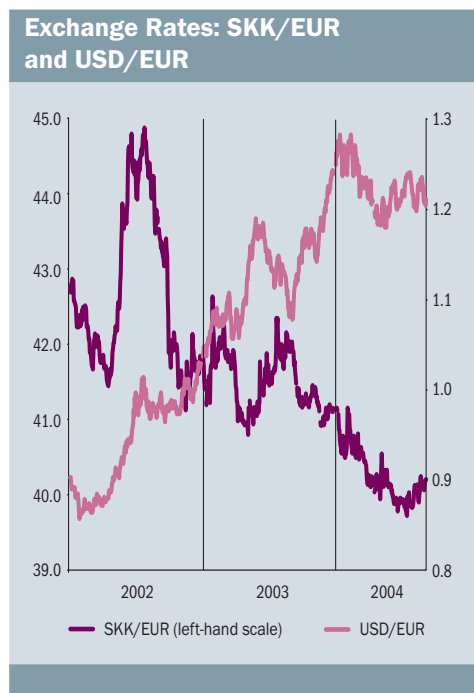
At the beginning of August, the exchange rate of the dollar against the euro was exposed to pressure for depreciation in the US currency, mainly as a result of

Key ECB Interest Rates and the EONIA (%)



1/ Euro OverNight Index Average (EONIA) – overnight reference rate of commercial banks operating in the euro area.

2/ 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).



unfavourable news about the number of new jobs created in the US economy and the deepening deficit in the trade balance. The meeting of the Fed's Open Market Committee and the subsequent increase in the key rates (by 0.25 of a percentage point) had no marked effect on the USD/EUR exchange rate. Marked pressure for appreciation in the US dollar was exerted in the second half of the month by news about an increase in the supply of oil from Iraq and an upturn in portfolio investment in the US economy. At the end of the month, the exchange rate hovered around the level of USD 1.20/EUR.

During August, the euro appreciated in relation to the US dollar by 0.46% on a month-on-month basis. Since the first trading day of the year, the European currency has depreciated vis-à-vis the dollar by 3.82%.

2.2. Real Economy

According to the first Eurostat estimate, the euro area economy grew in the second quarter of 2004 by 0.5% compared with the previous quarter, while increasing in comparison with the second quarter of 2003 by 2.0%. Final household consumption increased in the second quarter of 2004 by 0.3% (in the first quarter of 2004

by 0.6%), while investment grew by 0.1% (after declining in the previous quarter by 0.2%). Exports grew by 3.7% (compared with 1.4% in the first quarter of 2004) and imports increased by 2.9% (in the previous quarter by 0.3%). In the first quarter of 2004, euro area GDP grew by 0.6%.

The 12-month rate of inflation in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), fell to 2.3% in July, from 2.4% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Luxembourg (3.8%), Spain (3.3%), and Greece (3.1%). The slowest rate of increase in consumer prices was reported from Finland (0.2%). On a year-on-year basis, the steepest increases took place in the prices of alcohol and tobacco (8.3%) and health services (8.2%). Price levels fell in telecommunications (by 2.3%), recreation and culture (by 0.1%). In the same period a year earlier, consumer prices in the euro area rose by 1.9%. Eurostat foresees a year-on-year inflation rate of 2.3% in August.

In July, industrial producer prices increased year-on-year by 2.8% and month-on-month by 0.4%.

On a year-on-year basis, retail sales grew by 1.1% and in comparison with the previous month by 0.4% in July.

The rate of unemployment (seasonally adjusted) remained unchanged in July, at the level of the previous month (9.0%). The lowest unemployment rates were recorded in Austria (4.2%), Luxembourg (4.3%), and Ireland (4.5%). Spain remained the country with the highest rate of unemployment in the euro area (11.0%). In relative terms, the most significant increase in the year-on-year rate of unemployment has occurred in the Netherlands (from 3.8% to 4.8% in June) and Luxembourg (from 3.8% to 4.3%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.9%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 8.7 billion in June, compared with EUR 7.1 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) grew in June by 1.2% and imports by 3.8%.



3. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2003					2004							
		8	9	10	11	12	1	2	3	4	5	6	7	8
REAL ECONOMY														
Gross domestic product ^{1/2/}	SKK billions	-	581.3 ^{1/}	-	-	779.9 ^{1/}	-	-	190.6 ^{1/}	-	-	399.4 ^{1/}	-	-
Year-on-year change in GDP ^{3/}	%	-	4.0 ^{1/}	-	-	4.2 ^{1/}	-	-	5.5 ^{1/}	-	-	5.4 ^{1/}	-	-
Unemployment rate ^{4/}	%	14.3	13.9	13.8	14.2	15.6	16.6	16.5	16.0	15.3	14.5	13.9	13.7	.
Consumer prices ^{3/}	%	9.2	9.5	9.6	9.8	9.3	8.3	8.5	8.2	8.0	8.3	8.1	8.5	7.2
BALANCE OF TRADE ^{2/ 1/}														
Exports (fob)	SKK millions	509,948	581,516	657,409	732,330	803,037	60,556	127,259	202,231	283,444	363,868	436,675	503,277	.
Imports (fob)	SKK millions	523,827	596,315	674,587	750,811	826,625	58,899	125,939	202,554	285,162	368,094	445,365	518,979	.
Balance	SKK millions	-13,879	-14,799	-17,178	-18,481	-23,588	1,657	1,320	-323	-1,718	-4,226	-8,690	-15,702	.
BALANCE OF PAYMENTS ^{2/ 1/}														
Current account	SKK millions	-6,421.3	-7,335.5	-7,308.0	-7,140.6	-10,198.5	2,249.3	4,189.9	5,330.9	3,980.5	-6,197.7	-16,750.6	.	.
Capital and financial account	SKK millions	20,673.7	8,653.5	47,531.6	40,564.1	64,541.5	-1,704.5	14,449.2	-1,030.9	86.6	54,604.9	28,293.2	.	.
Overall balance	SKK millions	23,517.8	12,160.4	46,323.8	36,798.0	52,446.2	3,370.5	22,742.0	8,501.6	7,682.1	50,445.4	13,358.1	.	.
FOREIGN EXCHANGE RESERVES ^{4/}														
Total gross external debt	USD millions	11,383.9	11,282.8	12,899.2	12,698.2	13,406.1	13,493.8	13,939.2	13,275.2	13,016.5	14,597.0	13,750.6	14,302.7	.
NBS foreign exchange reserves	USD millions	10,266.9	10,271.9	11,409.2	11,311.9	12,149.0	12,242.2	12,755.6	12,214.2	11,920.8	13,556.8	12,362.4	13,220.3	.
GROSS EXTERNAL DEBT ^{4/}														
Total gross external debt	USD billions	14.6	15.4	16.7	17.0	18.3	17.9	18.2	17.5	17.0	19.4	18.7	.	.
External debt per capita	USD	2,717	2,860	3,111	3,157	3,406	3,329	3,389	3,245	3,156	3,606	3,478	.	.
MONETARY INDICATORS														
Exchange rate ^{5/}	SKK/USD	37.490	37.116	35.273	35.234	33.604	32.292	32.083	32.927	33.433	33.498	32.888	32.512	32.939
Money supply [M2] ^{4/ 6/}	SKK billions	708.8	705.0	711.2	719.2	730.1	725.5	730.7	711.6	719.8	710.9	731.0	736.8	.
Year-on-year change in M2 ^{3/ 6/}	%	6.9	7.3	7.4	7.3	7.1	6.5	5.5	3.2	4.3	1.8	7.1	5.0	.
Loans to enterprises and households ^{4/ 6/}	SKK billions	353.4	357.7	362.1	369.3	378.1	374.9	378.8	384.2	383.9	388.2	394.5	391.2	.
STATE BUDGET ^{2/ 4/}														
Revenue	SKK billions	147.1	163.4	186.8	203.6	233.1	21.0	36.4	67.0	98.1	109.2	120.7	139.1	153.7
Expenditure	SKK billions	180.2	201.1	227.2	246.4	289.0	23.7	40.8	65.8	92.4	111.5	133.2	157.7	178.5
Balance	SKK billions	-33.1	-37.7	-40.4	-42.8	-55.9	-2.7	-4.4	1.2	5.7	-2.3	-12.5	-18.6	-24.8
CONSUMER RATES														
Average interest rate on:														
one-year deposits	%	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81	3.62	3.46	.
short-term loans ^{7/}	%	8.27	8.13	8.01	8.01	7.75	7.82	7.72	7.57	7.49	7.31	7.08	6.51	.
new short-term loans	%	7.62	7.36	6.93	7.60	7.15	7.50	7.62	7.52	7.45	8.93	8.71	8.26	.
MONEY MARKET														
Interest rates set by the Bank Board of the NBS with effect to														
		31.8.2003	30.9.2003	31.10.2003	30.11.2003	31.12.2003	31.1.2004	29.2.2004	31.3.2004	30.4.2004	31.5.2004	30.6.2004	31.7.2004	31.8.2004
Basic interest rate of the NBS (until 31 Dec. 2002: discount rate)	%	6.50	6.25	6.25	6.25	6.00	6.00	6.00	5.50	5.00	5.00	5.00	4.50	4.50
Overnight transactions														
- for sterilisation	%	5.00	4.75	4.75	4.75	4.50	4.50	4.50	4.00	3.50	3.50	3.50	3.00	3.00
- for refinancing	%	8.00	7.75	7.75	7.75	7.50	7.50	7.50	7.00	6.50	6.50	6.50	6.00	6.00
Limit rate of the NBS for standard 2-week repo tenders	%	6.50	6.25	6.25	6.25	6.00	6.00	6.00	5.50	5.00	5.00	5.00	4.50	4.50
Bratislava Interbank Offered Rates (BRIBOR)														
overnight	%	5.94	5.97	5.27	6.40	5.32	5.66	5.93	5.67	4.95	4.22	3.98	3.92	4.06
1-week	%	6.38	6.35	5.93	6.25	5.99	5.98	6.02	5.82	5.31	4.82	4.29	4.20	4.25
2-week	%	6.42	6.38	6.03	6.23	6.06	5.96	6.01	5.86	5.36	4.89	4.36	4.26	4.25
1-month	%	6.43	6.38	6.09	6.14	6.08	5.92	5.96	5.85	5.37	4.94	4.37	4.15	4.14
2-month	%	6.39	6.33	6.04	6.06	6.04	5.86	5.87	5.78	5.36	4.93	4.35	4.05	4.05
3-month	%	6.37	6.28	5.98	6.00	5.98	5.78	5.79	5.71	5.35	4.91	4.33	3.96	3.96
6-month	%	6.26	6.16	5.84	5.80	5.81	5.61	5.58	5.53	5.29	4.85	4.27	3.85	3.86
9-month	%	6.04	6.01	5.74	5.68	5.68	5.48	5.43	5.39	5.17	4.79	4.22	3.77	3.79
12-month	%	5.96	5.93	5.65	5.63	5.65	5.44	5.34	5.31	5.13	4.73	4.18	3.71	3.75

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/ Excluding loans at zero interest rate.

*/ 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)

(SKK billions)

	2003						2004							
	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.
Fixed SKK/USD exchange rate	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 SKK/EUR exchange rate	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	127.7	159.7	144.9	168.8	163.4	151.2	155.0	154.4	164.3	164.5	174.3	161.1	161.0	164.0
Foreign assets	372.2	360.6	345.6	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9	424.8	404.2	422.1
Foreign liabilities	244.5	200.9	200.7	222.6	215.6	237.7	230.8	233.8	237.8	222.6	216.6	263.7	243.2	258.1
Net domestic assets	573.8	549.1	560.1	542.4	555.8	578.8	570.5	570.8	566.4	547.1	545.5	549.8	570.0	572.8
Domestic credits	609.6	620.3	628.5	634.3	641.9	669.1	678.9	678.6	686.9	679.4	670.6	669.6	689.4	688.5
Net credit to general government	259.8	266.9	270.8	272.2	272.6	291.1	297.2	303.7	308.1	295.2	286.7	281.4	294.9	297.3
- Net credit to government (excluding NPF)	267.4	274.3	276.9	278.7	279.9	294.2	300.3	306.8	311.0	298.9	293.5	295.7	308.9	303.6
- Net credit to National Property Fund	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3	-14.0	-6.3
Credits to enterprises and households	349.8	353.4	357.7	362.1	369.3	378.0	381.7	374.9	378.8	384.2	383.9	388.2	394.5	391.2
Credits in Slovak koruna	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4	319.1	316.5
- Credits to enterprises	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8	220.1	214.8
- Credits to households	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6	99.0	101.7
Credits in foreign currency	50.8	52.2	54.1	55.8	57.4	59.1	58.6	60.4	61.1	63.3	65.9	70.8	75.4	74.7
LIABILITIES														
Liquid liabilities [M2]	701.5	708.8	705.0	711.2	719.2	730.0	725.5	725.2	730.7	711.6	719.8	710.9	731.0	736.8
Money [M1]	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0	279.2	279.7
Currency outside banks [M0]	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9	93.2	93.8
Demand deposits	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1	186.0	185.9
- Households	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6	87.8	89.2
- Enterprises	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0	96.3	94.2
- Insurance companies	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5	1.9	2.5
Quasi-money [QM]	449.6	452.6	448.1	452.5	454.8	453.1	450.1	464.0	465.2	452.7	459.0	442.9	451.8	457.1
Time and savings deposits	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7	368.8	379.5
- Households	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9	230.3	228.1
- Enterprises	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1	122.2	129.3
- Insurance companies	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7	16.3	22.1
Foreign-currency deposits	79.9	79.9	79.6	80.7	82.3	79.5	78.7	83.1	81.5	74.8	73.4	74.2	83.0	77.6
- Households	47.7	47.7	48.1	48.3	47.7	46.8	46.2	45.8	45.7	44.7	43.6	43.5	43.3	42.8
- Enterprises	32.2	32.2	31.5	32.4	34.6	32.7	32.5	37.3	35.8	30.1	29.8	30.7	39.7	34.8
Other items net	35.8	71.2	68.4	91.9	86.1	90.3	108.4	107.8	120.5	132.3	125.1	119.8	119.4	115.7

Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	285.4	266.7	262.0	275.1	281.2	270.4	274.3	277.2	294.5	294.2	309.7	337.0	335.2	333.0
- of which: foreign assets	372.2	360.6	345.6	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9	424.8	404.2	422.1
- of which: foreign liabilities	86.8	93.9	83.6	116.3	97.8	118.5	111.5	111.0	107.6	92.9	81.2	87.8	69.0	89.1
Net credit to central government	365.4	369.1	373.6	377.2	377.9	390.2	390.2	395.7	398.0	392.7	389.0	393.3	411.4	409.8
Net credit to general government (excluding foreign liabilities of government)	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	158.9	182.4	185.2
- of which: liabilities of government and NPF (gross)	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5	417.8	417.0
- of which: claims of government and NPF (gross)	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	259.6	235.4	231.8
Foreign liabilities of government	76.5	75.8	74.8	75.0	86.0	85.9	85.9	86.0	85.5	84.5	87.7	122.5	112.5	112.1
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	16.1	15.2	15.2	16.6	15.0	19.7	-	16.4	15.2	11.4	14.0	13.3	9.2	11.4
Money market funds' shares/units	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0	18.3	20.2	22.3



Monetary Survey

(At fixed exchange rates)

(SKK billions)

	2003						2004							
	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.
Fixed SKK/USD exchange rate	40.036	40.036	40.036	40.036	40.036	40.036	32.920	32.920	32.920	32.920	32.920	32.920	32.920	32.920
Fixed SKK/EUR exchange rate	41.722	41.722	41.722	41.722	41.722	41.722	41.161	41.161	41.161	41.161	41.161	41.161	41.161	41.161
ASSETS														
Net foreign assets	190.3	222.2	207.2	231.2	226.2	216.3	194.1	193.8	204.7	205.6	215.2	202.0	200.9	209.2
Foreign assets	458.6	445.8	427.4	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5	492.5	466.1	489.1
Foreign liabilities	268.3	223.6	220.2	247.8	238.2	263.4	251.4	254.6	260.6	242.0	236.3	290.5	265.2	279.9
Net domestic assets	532.0	507.4	518.5	501.0	514.3	534.4	544.5	545.2	539.4	518.4	516.7	521.2	543.8	540.5
Domestic credits	638.6	649.4	657.9	664.1	674.2	701.9	704.3	704.3	712.6	705.3	697.5	700.2	722.4	721.3
Net credit to general government	276.1	283.0	286.7	288.1	290.6	309.1	312.6	319.1	323.4	310.3	302.4	299.9	315.1	317.4
- Net credit to government (excluding NPF)	283.7	290.4	292.8	294.6	297.9	312.2	315.7	322.2	326.3	314.0	309.2	314.2	329.1	323.7
- Net credit to National Property Fund	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3	-14.0	-6.3
Credits to enterprises and households	362.5	366.4	371.2	376.0	383.6	392.8	391.7	385.2	389.2	395.0	395.1	400.3	407.3	403.9
Credits in Slovak koruna	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4	319.1	316.5
- Credits to enterprises	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8	220.1	214.8
- Credits to households	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6	99.0	101.7
Credits in foreign currency	63.5	65.2	67.6	69.7	71.7	73.9	68.6	70.7	71.5	74.1	77.1	82.9	88.2	87.4
LIABILITIES														
Liquid liabilities [M2]	722.3	729.6	725.7	732.2	740.5	750.7	738.6	739.0	744.1	724.0	731.9	723.2	744.7	749.7
Money [M1]	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0	279.2	279.7
Currency outside banks [M0]	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9	93.2	93.8
Demand deposits	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1	186.0	185.9
- Households	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6	87.8	89.2
- Enterprises	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0	96.3	94.2
- Insurance companies	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5	1.9	2.5
Quasi-money [QM]	470.4	473.4	468.8	473.5	476.1	473.8	463.2	477.8	478.6	465.1	471.1	455.2	465.5	470.0
Time and savings deposits	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7	368.8	379.5
- Households	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9	230.3	228.1
- Enterprises	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1	122.2	129.3
- Insurance companies	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7	16.3	22.1
Foreign-currency deposits	100.7	100.7	100.3	101.7	103.6	100.2	91.8	96.9	94.9	87.2	85.5	86.5	96.7	90.5
- Households	60.1	60.1	60.6	60.9	60.1	58.9	53.9	53.4	53.2	52.1	50.8	50.7	50.4	49.9
- Enterprises	40.6	40.6	39.7	40.8	43.5	41.3	37.9	43.5	41.7	35.1	34.7	35.8	46.3	40.6
Other items net	106.6	142.0	139.4	163.1	159.9	167.5	159.8	159.1	173.2	186.9	180.8	179.0	178.6	180.8

Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	364.4	345.3	340.2	353.4	362.0	353.6	328.7	332.0	350.2	350.3	366.4	399.9	395.2	398.2
- of which: foreign assets	458.6	445.8	427.4	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5	492.5	466.1	489.1
- of which: foreign liabilities	94.2	100.5	87.2	125.6	102.4	126.1	116.8	116.4	115.1	97.3	85.1	92.6	70.9	90.9
Net credit to central government	381.7	385.3	389.4	393.1	396.0	408.2	405.5	411.0	413.3	407.8	404.7	411.8	431.5	429.9
Net credit to general government (excluding foreign liabilities of government)	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	155.5	182.4	185.2
- of which: liabilities of government and NPF (gross)	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5	417.8	417.0
- of which: claims of government and NPF (gross)	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	263.0	235.4	231.8
Foreign liabilities of government	92.8	91.9	90.7	90.9	104.0	103.9	101.3	101.4	100.8	99.6	103.4	144.4	132.7	132.2
Deposits of higher territorial units. deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	16.5	15.6	15.6	17.1	15.4	20.1	-	16.8	15.6	11.7	14.5	13.7	9.6	12.1
Money market funds' shares/units	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0	18.3	20.2	22.3



Monetary Survey

(At current exchange rates)

(SKK billions)

	2003						2004							
	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.
Current SKK/USD exchange rate	36.571	38.550	36.055	35.368	34.383	32.920	32.920	32.637	32.621	32.982	34.126	32.695	32.844	33.370
Current SKK/EUR exchange rate	41.845	41.996	41.173	41.359	40.969	41.161	41.161	40.822	40.528	40.207	40.359	40.069	39.946	40.138
ASSETS														
Net foreign assets	179.4	219.3	193.2	215.4	205.4	189.5	194.1	190.9	200.2	202.1	215.1	196.1	195.2	205.0
Foreign assets	445.5	442.3	410.4	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2	482.2	456.6	481.9
Foreign liabilities	266.1	223.0	217.2	244.5	234.9	258.4	251.4	253.5	258.4	239.8	235.1	286.1	261.4	276.9
Net domestic assets	539.6	509.2	527.7	511.5	528.1	553.1	544.5	547.2	542.6	520.6	516.6	525.4	547.5	543.6
Domestic credits	636.3	649.1	653.2	659.4	667.6	694.0	704.3	702.9	710.0	701.8	695.1	695.1	716.5	716.7
Net credit to general government	275.5	283.2	284.8	286.5	288.3	306.5	312.6	318.3	321.8	308.2	300.7	296.7	311.3	314.2
- Net credit to government (excluding NPF)	283.1	290.6	290.9	293.0	295.6	309.6	315.7	321.4	324.7	311.9	307.5	311.0	325.3	320.5
- Net credit to National Property Fund	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3	-14.0	-6.3
Credits to enterprises and households	360.8	365.9	368.4	372.9	379.3	387.5	391.7	384.6	388.2	393.6	394.4	398.4	405.2	402.5
Credits in Slovak koruna	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4	319.1	316.5
- Credits to enterprises	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8	220.1	214.8
- Credits to households	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6	99.0	101.7
Credits in foreign currency	61.8	64.7	64.8	66.6	67.4	68.6	68.6	70.1	70.5	72.7	76.4	81.0	86.1	86.0
LIABILITIES														
Liquid liabilities [M2]	719.0	728.5	720.9	726.9	733.5	742.6	738.6	738.1	742.8	722.7	731.7	721.5	742.7	748.6
Money [M1]	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0	279.2	279.7
Currency outside banks [M0]	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9	93.2	93.8
Demand deposits	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1	186.0	185.9
- Households	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6	87.8	89.2
- Enterprises	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0	96.3	94.2
- Insurance companies	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5	1.9	2.5
Quasi-money [QM]	467.1	472.3	464.0	468.2	469.1	465.7	463.2	476.9	477.3	463.8	470.9	453.5	463.5	468.9
Time and savings deposits	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7	368.8	379.5
- Households	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9	230.3	228.1
- Enterprises	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1	122.2	129.3
- Insurance companies	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7	16.3	22.1
Foreign-currency deposits	97.4	99.6	95.5	96.4	96.6	92.1	91.8	96.0	93.6	85.9	85.3	84.8	94.7	89.4
- Households	58.1	59.5	57.7	57.7	56.0	54.2	53.9	52.9	52.5	51.3	50.7	49.7	49.4	49.3
- Enterprises	39.3	40.1	37.8	38.7	40.6	37.9	37.9	43.1	41.1	34.6	34.6	35.1	45.3	40.1
Other items net	96.7	139.9	125.5	147.9	139.5	140.9	159.8	155.7	167.4	181.2	178.5	169.7	169.0	173.1

Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	352.8	342.7	324.3	336.0	338.9	324.2	328.7	328.3	344.3	344.7	364.5	390.2	385.8	390.9
- of which: foreign assets	445.5	442.3	410.4	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2	482.2	456.6	481.9
- of which: foreign liabilities	92.7	99.6	86.1	123.9	101.4	123.7	116.8	116.1	114.3	97.2	85.7	92.0	70.8	91.0
Net credit to central government	381.1	385.5	387.6	391.6	393.7	405.5	405.5	410.2	411.7	405.7	403.0	408.7	427.8	426.8
Net credit to general government (excluding foreign liabilities of government)	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	156.1	182.4	185.2
- of which: liabilities of government and NPF (gross)	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5	417.8	417.0
- of which: claims of government and NPF (gross)	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	262.4	235.4	231.8
Foreign liabilities of government	92.2	92.1	88.8	89.3	101.7	101.3	101.3	100.6	99.2	97.5	101.7	140.6	128.9	129.0
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	16.5	15.6	15.6	17.0	15.3	20.1	-	16.8	15.5	11.7	14.4	13.6	9.5	12.0
Money market funds' shares/units	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0	18.3	20.2	22.3



Money Supply M2

(At fixed exchange rates from 1 January 1993)

(SKK billions)

	1.1.2004	30.6.2004	31.7.2004	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	31.7.2003	Year-on-year change	Year-on-year change (in %)
Money supply [M2]	725.5	731.0	736.8	5.8	0.8	11.3	1.6	701.5	35.3	5.0
Money [M1]	275.4	279.2	279.7	0.5	0.2	4.3	1.6	251.9	27.8	11.0
Currency outside banks [M0]	91.8	93.2	93.8	0.6	0.6	2.0	2.2	87.7	6.1	7.0
Demand deposits	183.6	186.0	185.9	-0.1	-0.1	2.3	1.3	164.2	21.7	13.2
Quasi-money [QM]	450.1	451.8	457.1	5.3	1.2	7.0	1.6	449.6	7.5	1.7
Time and savings deposits	371.4	368.8	379.5	10.7	2.9	8.1	2.2	369.7	9.8	2.7
Foreign-currency deposits	78.7	83.0	77.6	-5.4	-6.5	-1.1	-1.4	79.9	-2.3	-2.9
Slovak-koruna deposits	555.0	554.8	565.4	10.6	1.9	10.4	1.9	533.9	31.5	5.9
- Households	318.7	318.1	317.3	-0.8	-0.3	-1.4	-0.4	325.9	-8.6	-2.6
- Enterprises (incl. insurance cos.)	236.3	236.7	248.1	11.4	4.8	11.8	5.0	208.0	40.1	19.3

**Developments in Credit**

(SKK billions)

	30. 6. 2004	31. 7. 2004	Change
Credits in total (in SKK and foreign currency)	427.8	425.0	-2.8
Credits in Slovak koruna	328.8	326.5	-2.3
of which			
- Enterprises	203.0	197.8	-5.2
- General government	24.6	25.0	0.3
- Households	99.0	101.7	2.7
- Other ^{1/}	2.2	2.1	-0.1
Credits in foreign currency^{2/}	99.1	98.5	-0.6

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

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

Developments in Deposit

(SKK billions)

	30. 6. 2004	31. 7. 2004	Change
Deposits in total (in SKK and foreign currency)	836.5	830.8	-5.7
Deposits in Slovak koruna	736.8	735.7	-1.1
of which			
- Enterprises	218.9	230.8	11.9
- General government	182.0	169.8	-12.1
- Households	318.1	317.2	-0.9
- Other ^{1/}	17.8	17.8	0.0
Deposits in foreign currency^{2/}	99.7	95.1	-4.6

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

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



Balance of Payments of the SR for January to June 2004

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	436,762.0	13,291.2	446,122.0	13,576.0	-9,360.0	-284.8
Services	57,426.4	1,747.6	53,099.6	1,615.9	4,326.8	131.7
Transport	25,190.9	766.6	15,809.5	481.1	9,381.4	285.5
Tourism	11,980.1	364.6	10,293.5	313.2	1,686.6	51.3
Other services	20,255.4	616.4	26,996.6	821.5	-6,741.2	-205.1
Income	13,727.9	417.8	26,410.4	803.7	-12,682.5	-385.9
Compensation of employees	7,497.6	228.2	346.8	10.6	7,150.8	217.6
Investment income	6,230.3	189.6	26,063.6	793.1	-19,833.3	-603.6
Current transfers	9,582.9	291.6	8,617.8	262.3	965.1	29.4
CURRENT ACCOUNT	517,499.2	15,748.1	534,249.8	16,257.8	-16,750.6	-509.7
Capital account	2,631.8	80.1	3,153.8	96.0	-522.0	-15.9
Financial account	1,608,922.0	48,958.0	-1,580,106.8	-48,089.3	28,815.2	868.7
Direct investment	300,227.4	9,136.3	-268,936.0	-8,184.0	31,291.4	952.2
<i>Abroad (direct investor = resident)</i>	21,174.4	644.4	-13,432.0	-408.8	7,742.4	235.6
Equity capital and reinvested earnings	667.4	20.3	-381.0	-11.6	286.4	8.7
Other capital	20,507.0	624.1	-13,051.0	-397.2	7,456.0	226.9
<i>In the SR (recipient of dir. investment = resident)</i>	279,053.0	8,491.9	-255,504.0	-7,775.3	23,549.0	716.6
Equity capital and reinvested earnings	22,388.0	681.3	-2,503.0	-76.2	19,885.0	605.1
Other capital	256,665.0	7,810.6	-253,001.0	-7,699.1	3,664.0	111.5
Portfolio investment	182,030.1	5,517.4	-148,318.8	-4,510.2	33,711.3	1,007.2
Assets	40,924.6	1,245.4	-51,387.4	-1,563.8	-10,462.8	-318.4
Liabilities	141,105.5	4,272.0	-96,931.4	-2,946.4	44,174.1	1,325.6
Financial derivatives	404,765.4	12,317.5	-405,750.3	-12,347.5	-984.9	-30.0
Assets	161,815.7	4,924.2	-163,472.1	-4,974.7	-1,656.4	-50.4
Liabilities	242,949.7	7,393.3	-242,278.2	-7,372.8	671.5	20.4
Other investment	721,899.1	21,986.8	-757,101.7	-23,047.6	-35,202.6	-1,060.8
<i>Long-term</i>	74,912.4	2,277.2	-91,629.0	-2,788.6	-16,716.6	-511.4
Assets	13,103.9	398.8	-16,562.3	-504.0	-3,458.4	-105.2
Liabilities	61,808.5	1,878.4	-75,066.7	-2,284.6	-13,258.2	-406.2
<i>Short-term</i>	646,986.7	19,709.6	-665,472.7	-20,259.0	-18,486.0	-549.4
Assets	224,459.6	6,830.6	-224,259.0	-6,824.5	200.6	6.1
Liabilities	422,527.1	12,879.1	-441,213.7	-13,434.5	-18,686.6	-555.5
CAPITAL AND FINANCIAL ACCOUNT	1,611,553.8	49,038.1	-1,583,260.6	-48,185.3	28,293.2	852.8
ERRORS AND OMISSIONS	x	x	x	x	1,815.5	66.3
TOTAL BALANCE	-55,658.9	-1,691.9	69,017.0	2,101.3	13,358.1	409.4
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.7	0.0	-0.7	0.0
Foreign exchange	55,658.9	1,691.9	-69,016.3	-2,101.3	-13,357.4	-409.4
<i>Currency and deposits</i>	0.0	0.0	-42,622.3	-1,296.8	-42,622.3	-1,296.8
<i>Securities</i>	55,658.9	1,691.9	-26,394.0	-804.5	29,264.9	887.4
Bonds and notes	0.0	0.0	-26,394.0	-804.5	-26,394.0	-804.5
Money market instruments and financial derivatives	55,658.9	1,691.9	0.0	0.0	55,658.9	1,691.9
RESERVE ASSETS	55,658.9	1,691.9	-69,017.0	-2,101.3	-13,358.1	-409.4

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 32.861

**Inflow of Foreign Direct Investment ^{1/} into the SR in 1998 – 2004**

(Flows and stocks)

Corporate sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	46,499	17,248	1,890	65,637	1,336.87	489.42	-48.13	1,778.16
1999	65,637	16,729	695	83,061	1,778.16	403.92	-216.87	1,965.21
2000	83,061	97,454	-18,527	161,988	1,965.21	2,109.39	-656.33	3,418.27
2001	161,988	24,353	-4,190	182,151	3,418.27	503.71	-163.73	3,758.25
2002	182,151	174,180	-102,536	253,795	3,758.25	3,842.06	-1,261.14	6,339.17
2003	253,795	35,961	-8,136	281,620	6,339.17	977.92	1,237.59	8,554.68
2004 ^{3/}	294,502	15,055	-7,782	301,775 ^{4/}	8,945.99	458.14	-216.00	9,188.13 ^{4/}

Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
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 ^{2/}	59,980	1,813	3,629	65,422	1,498.15	49.30	439.85	1,987.30
2004	65,422	4,830	-3,893	66,359 ^{4/}	1,987.30	146.98	-113.86	2,020.42 ^{4/}

Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	58,107	18,582	1,879	78,568	1,670.61	527.27	-69.41	2,128.47
1999	78,568	16,689	781	96,038	2,128.47	402.95	-259.18	2,272.24
2000	96,038	99,561	-18,458	177,141	2,272.24	2,155.00	-689.21	3,738.03
2001	177,141	61,448	-4,193	234,396	3,738.03	1,270.98	-172.80	4,836.21
2002	234,396	185,594	-106,466	313,524	4,836.21	4,093.83	-1,098.98	7,831.06
2003 ^{2/}	313,775	37,774	-4,507	347,042	7,837.32	1,027.22	1,677.44	10,541.98
2004 ^{3/}	359,924	19,885	-11,675	368,134 ^{4/}	10,933.29	605.12	-329.86	11,208.55 ^{4/}

Note: The data for 2002 – 2004 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology – new accounting standards for banks.

3/ Other capital funds included in the equity capital.

4/ Data at 30 June.

Inflow of Foreign Direct Investment ^{1/} During January to June 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.861									
Inflow of FDI (equity capital + reinvested earnings) in total	15,055	458.1	100.0	4,830	147.0	100.0	19,885	605.1	100.0
Structure of capital by investor									
Hungary	6,093	185.4	40.5	-36	-1.1	-0.7	6,057	184.3	30.5
Austria	252	7.7	1.7	4,413	134.3	91.4	4,665	142.0	23.5
United Kingdom	4,439	135.1	29.5	-1,396	-42.5	-28.9	3,043	92.6	15.3
France	3,036	92.4	20.2	-36	-1.1	-0.7	3,000	91.3	15.1
USA	255	7.8	1.7	1,653	50.3	34.2	1,908	58.1	9.6
Germany	414	12.6	2.7	246	7.5	5.1	660	20.1	3.3
Italy	273	8.3	1.8	-13	-0.4	-0.3	260	7.9	1.3
Cyprus	254	7.7	1.7	0	0.0	0.0	254	7.7	1.3
Switzerland	203	6.2	1.3	0	0.0	0.0	203	6.2	1.0
Sweden	146	4.4	1.0	0	0.0	0.0	146	4.4	0.7
Other countries	-310	-9.4	-2.1	-1	0.0	0.0	-311	-9.5	-1.6
Structure of capital by sector									
Agriculture, hunting, and forestry	10	0.3	0.1	0	0.0	0.0	10	0.3	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	9,864	300.2	65.5	0	0.0	0.0	9,864	300.2	49.6
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	-165	-5.0	-1.1	0	0.0	0.0	-165	-5.0	-0.8
Wholesale and retail trade, repairs of motor vehicles	4,573	139.2	30.4	0	0.0	0.0	4,573	139.2	23.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	416	12.7	2.8	0	0.0	0.0	416	12.7	2.1
Financial intermediation	600	18.3	4.0	4,830	147.0	100.0	5,430	165.2	27.3
Real estate, renting and business activities	-484	-14.7	-3.2	0	0.0	0.0	-484	-14.7	-2.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	10	0.3	0.1	0	0.0	0.0	10	0.3	0.1
Other community, social, and personal services	230	7.0	1.5	0	0.0	0.0	230	7.0	1.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by region									
Bratislava region	11,563	351.9	76.8	4,830	147.0	100.0	16,393	498.9	82.4
Tmava region	3,301	100.5	21.9	0	0.0	0.0	3,301	100.5	16.6
Trenčín region	156	4.7	1.0	0	0.0	0.0	156	4.7	0.8
Nitra region	23	0.7	0.2	0	0.0	0.0	23	0.7	0.1
Žilina region	27	0.8	0.2	0	0.0	0.0	27	0.8	0.1
Banská Bystrica region	159	4.8	1.1	0	0.0	0.0	159	4.8	0.8
Prešov region	349	10.6	2.3	0	0.0	0.0	349	10.6	1.8
Košice region	-523	-15.9	-3.5	0	0.0	0.0	-523	-15.9	-2.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Inflow of Foreign Direct Investment ^{1/} During January to December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
Inflow of FDI (equity capital + reinvested earnings) in total	35,961	977.9	100.0	1,813	49.3	100.0	37,774	1,027.2	100.0
Structure of capital by investor									
Germany	10,946	297.7	30.4	21	0.6	1.2	10,967	298.2	29.0
Hungary	7,365	200.3	20.5	984	26.8	54.3	8,349	227.0	22.1
Czech Republic	5,538	150.6	15.4	-7	-0.2	-0.4	5,531	150.4	14.6
United Kingdom	2,735	74.4	7.6	104	2.8	5.7	2,839	77.2	7.5
The Netherlands	2,554	69.5	7.1	7	0.2	0.4	2,561	69.6	6.8
Austria	1,051	28.6	2.9	603	16.4	33.3	1,654	45.0	4.4
USA	1,429	38.9	4.0	-27	-0.7	-1.5	1,402	38.1	3.7
Switzerland	998	27.1	2.8	0	0.0	0.0	998	27.1	2.6
Denmark	856	23.3	2.4	0	0.0	0.0	856	23.3	2.3
Italy	526	14.3	1.5	142	3.9	7.8	668	18.2	1.8
Other countries	1,963	53.4	5.5	-14	-0.4	-0.8	1,949	53.0	5.2
Structure of capital by sector									
Agriculture, hunting, and forestry	76	2.1	0.2	0	0.0	0.0	76	2.1	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	77	2.1	0.2	0	0.0	0.0	77	2.1	0.2
Manufacturing	17,275	469.8	48.0	0	0.0	0.0	17,275	469.8	45.7
Electricity, gas, and water supply	-557	-15.1	-1.5	0	0.0	0.0	-557	-15.1	-1.5
Construction	845	23.0	2.3	0	0.0	0.0	845	23.0	2.2
Wholesale and retail trade, repairs of motor vehicles	5,051	137.4	14.0	0	0.0	0.0	5,051	137.4	13.4
Hotels and restaurants	9	0.2	0.0	0	0.0	0.0	9	0.2	0.0
Transport, storage, post and telecommunications	333	9.1	0.9	0	0.0	0.0	333	9.1	0.9
Financial intermediation	870	23.7	2.4	1,813	49.3	100.0	2,683	73.0	7.1
Real estate, renting and business activities	1,485	40.4	4.1	0	0.0	0.0	1,485	40.4	3.9
Public administration and defence, compulsory social security	10,463	284.5	29.1	0	0.0	0.0	10,463	284.5	27.7
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	9	0.2	0.0	0	0.0	0.0	9	0.2	0.0
Other community, social, and personal services	24	0.7	0.1	0	0.0	0.0	24	0.7	0.1
Activities of private households	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	30,329	824.8	84.3	1,813	49.3	100.0	32,142	874.1	85.1
Trnava region	1,048	28.5	2.9	0	0.0	0.0	1,048	28.5	2.8
Trenčín region	1,976	53.7	5.5	0	0.0	0.0	1,976	53.7	5.2
Nitra region	1,299	35.3	3.6	0	0.0	0.0	1,299	35.3	3.4
Žilina region	532	14.5	1.5	0	0.0	0.0	532	14.5	1.4
Banská Bystrica region	128	3.5	0.4	0	0.0	0.0	128	3.5	0.3
Prešov region	58	1.6	0.2	0	0.0	0.0	58	1.6	0.2
Košice region	591	16.1	1.6	0	0.0	0.0	591	16.1	1.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment ^{1/} During January to December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 45.335									
Inflow of FDI (equity capital + reinvested earnings) in total	174,180	3,842.1	100.0	11,414	251.8	100.0	185,594	4,093.8	100.0
Structure of capital by investor									
Germany	79,206	1,747.1	45.5	-36	-0.8	-0.3	79,170	1,746.3	42.7
France	66,664	1,470.5	38.3	33	0.7	0.3	66,697	1,471.2	35.9
United Kingdom	12,210	269.3	7.0	-236	-5.2	-2.1	11,974	264.1	6.5
Austria	59	1.3	0.0	7,265	160.3	63.6	7,324	161.6	3.9
Italy	342	7.5	0.2	5,332	117.6	46.7	5,674	125.2	3.1
Cyprus	5,574	123.0	3.2	0	0.0	0.0	5,574	123.0	3.0
Czech Republic	4,765	105.1	2.7	21	0.5	0.2	4,786	105.6	2.6
The Netherlands	6,350	140.1	3.6	-1,947	-42.9	-17.1	4,403	97.1	2.4
Panama	926	20.4	0.5	0	0.0	0.0	926	20.4	0.5
Luxembourg	716	15.8	0.4	0	0.0	0.0	716	15.8	0.4
Other countries	-2,632	-58.1	-1.5	982	21.7	8.6	-1,650	-36.4	-0.9
Structure of capital by sector									
Agriculture, hunting, and forestry	9	0.2	0.0	0	0.0	0.0	9	0.2	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	182	4.0	0.1	0	0.0	0.0	182	4.0	0.1
Manufacturing	12,642	278.9	7.3	0	0.0	0.0	12,642	278.9	6.8
Electricity, gas, and water supply	138,671	3,058.8	79.6	0	0.0	0.0	138,671	3,058.8	74.7
Construction	116	2.6	0.1	0	0.0	0.0	116	2.6	0.1
Wholesale and retail trade, repairs of motor vehicles	9,315	205.5	5.3	0	0.0	0.0	9,315	205.5	5.0
Hotels and restaurants	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Transport, storage, post and telecommunications	-1,029	-22.7	-0.6	0	0.0	0.0	-1,029	-22.7	-0.6
Financial intermediation	8,779	193.6	5.0	11,414	251.8	100.0	20,193	445.4	10.9
Real estate, renting and business activities	2,389	52.7	1.4	0	0.0	0.0	2,389	52.7	1.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	2,628	58.0	1.5	0	0.0	0.0	2,628	58.0	1.4
Other community, social, and personal services	273	6.0	0.2	0	0.0	0.0	273	6.0	0.1
Activities of private households	178	3.9	0.1	0	0.0	0.0	178	3.9	0.1
Extra-territorial organizations and bodies	24	0.5	0.0	0	0.0	0.0	24	0.5	0.0
Structure of capital by regions									
Bratislava region	159,324	3,514.4	91.5	11,414	251.8	100.0	170,738	3,766.1	92.0
Trnava region	3,497	77.1	2.0	0	0.0	0.0	3,497	77.1	1.9
Trenčín region	2,185	48.2	1.3	0	0.0	0.0	2,185	48.2	1.2
Nitra region	1,148	25.3	0.7	0	0.0	0.0	1,148	25.3	0.6
Žilina region	6,468	142.7	3.7	0	0.0	0.0	6,468	142.7	3.5
Banská Bystrica region	407	9.0	0.2	0	0.0	0.0	407	9.0	0.2
Prešov region	189	4.2	0.1	0	0.0	0.0	189	4.2	0.1
Košice region	962	21.2	0.6	0	0.0	0.0	962	21.2	0.5

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Volume of Foreign Direct Investment ^{1/} as at 30 June 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.844									
Total volume of FDI (equity capital + reinvested earnings)	301,775	9,188.1	100.0	66,359	2,020.4	100.0	368,134	11,208.6	100.0
Structure of capital by investor									
Germany	85,749	2,610.8	28.4	1,102	33.6	1.7	86,851	2,644.3	23.6
The Netherlands	59,508	1,811.8	19.7	595	18.1	0.9	60,103	1,830.0	16.3
Austria	20,408	621.4	6.8	32,564	991.5	49.1	52,972	1,612.8	14.4
Italy	4,873	148.4	1.6	24,143	735.1	36.4	29,016	883.4	7.9
France	26,359	802.6	8.7	515	15.7	0.8	26,874	818.2	7.3
United Kingdom	24,744	753.4	8.2	349	10.6	0.5	25,093	764.0	6.8
Hungary	22,557	686.8	7.5	1,946	59.2	2.9	24,503	746.0	6.7
Czech Republic	16,569	504.5	5.5	3,495	106.4	5.3	20,064	610.9	5.5
USA	13,538	412.2	4.5	1,650	50.2	2.5	15,188	462.4	4.1
Switzerland	4,670	142.2	1.5	0	0.0	0.0	4,670	142.2	1.3
Other countries	22,800	694.2	7.6	0	0.0	0.0	22,800	694.2	6.2
Structure of capital by sector									
Agriculture, hunting, and forestry	771	23.5	0.3	0	0.0	0.0	771	23.5	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,643	80.5	0.9	0	0.0	0.0	2,643	80.5	0.7
Manufacturing	140,024	4,263.3	46.4	0	0.0	0.0	140,024	4,263.3	38.0
Electricity, gas, and water supply	40,784	1,241.7	13.5	0	0.0	0.0	40,784	1,241.7	11.1
Construction	1,952	59.4	0.6	0	0.0	0.0	1,952	59.4	0.5
Wholesale and retail trade, repairs of motor vehicles	43,511	1,324.8	14.4	0	0.0	0.0	43,511	1,324.8	11.8
Hotels and restaurants	1,703	51.9	0.6	0	0.0	0.0	1,703	51.9	0.5
Transport, storage, post and telecommunications	36,322	1,105.9	12.0	0	0.0	0.0	36,322	1,105.9	9.9
Financial intermediation	17,895	544.8	5.9	66,359	2,020.4	100.0	84,254	2,565.3	22.9
Real estate, renting and business activities	12,477	379.9	4.1	0	0.0	0.0	12,477	379.9	3.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,437	43.8	0.5	0	0.0	0.0	1,437	43.8	0.4
Other community, social, and personal services	2,256	68.7	0.7	0	0.0	0.0	2,256	68.7	0.6
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	190,033	5,785.9	63.0	66,359	2,020.4	100.0	256,392	7,806.4	69.6
Trnava region	21,720	661.3	7.2	0	0.0	0.0	21,720	661.3	5.9
Trenčín region	12,908	393.0	4.3	0	0.0	0.0	12,908	393.0	3.5
Nitra region	11,899	362.3	3.9	0	0.0	0.0	11,899	362.3	3.2
Žilina region	16,065	489.1	5.3	0	0.0	0.0	16,065	489.1	4.4
Banská Bystrica region	8,614	262.3	2.9	0	0.0	0.0	8,614	262.3	2.3
Prešov region	6,235	189.8	2.1	0	0.0	0.0	6,235	189.8	1.7
Košice region	34,301	1,044.4	11.4	0	0.0	0.0	34,301	1,044.4	9.3

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment ^{1/} as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
Total volume of FDI (equity capital + reinvested earnings)	281,620	8,554.7	100.0	65,422	1,987.3	100.0	347,042	10,542.0	100.0
Structure of capital by investor									
Germany	82,238	2,498.1	29.2	852	25.9	1.3	83,090	2,524.0	23.9
The Netherlands	57,231	1,738.5	20.3	595	18.1	0.9	57,826	1,756.6	16.7
Austria	18,773	570.3	6.7	30,383	922.9	46.4	49,156	1,493.2	14.2
Italy	4,112	124.9	1.5	24,143	733.4	36.9	28,255	858.3	8.1
United Kingdom	23,239	705.9	8.3	1,749	53.1	2.7	24,988	759.1	7.2
France	23,201	704.8	8.2	550	16.7	0.8	23,751	721.5	6.8
Czech Republic	17,007	516.6	6.0	3,495	106.2	5.3	20,502	622.8	5.9
Hungary	15,748	478.4	5.6	2,005	60.9	3.1	17,753	539.3	5.1
USA	11,747	356.8	4.2	1,650	50.1	2.5	13,397	407.0	3.9
Cyprus	7,456	226.5	2.6	0	0.0	0.0	7,456	226.5	2.1
Other countries	20,868	633.9	7.4	0	0.0	0.0	20,868	633.9	6.0
Structure of capital by sector									
Agriculture, hunting, and forestry	736	22.4	0.3	0	0.0	0.0	736	22.4	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,709	82.3	1.0	0	0.0	0.0	2,709	82.3	0.8
Manufacturing	129,914	3,946.4	46.1	0	0.0	0.0	129,914	3,946.4	37.4
Electricity, gas, and water supply	40,378	1,226.5	14.3	0	0.0	0.0	40,378	1,226.5	11.6
Construction	2,477	75.2	0.9	0	0.0	0.0	2,477	75.2	0.7
Wholesale and retail trade, repairs of motor vehicles	39,013	1,185.1	13.9	0	0.0	0.0	39,013	1,185.1	11.2
Hotels and restaurants	1,662	50.5	0.6	0	0.0	0.0	1,662	50.5	0.5
Transport, storage, post and telecommunications	34,552	1,049.6	12.3	0	0.0	0.0	34,552	1,049.6	10.0
Financial intermediation	15,936	484.1	5.7	65,422	1,987.3	100.0	81,358	2,471.4	23.4
Real estate, renting and business activities	11,632	353.3	4.1	0	0.0	0.0	11,632	353.3	3.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,426	43.3	0.5	0	0.0	0.0	1,426	43.3	0.4
Other community, social, and personal services	1,185	36.0	0.4	0	0.0	0.0	1,185	36.0	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	179,248	5,445.0	63.6	65,422	1,987.3	100.0	244,670	7,432.3	70.5
Tmava region	17,312	525.9	6.1	0	0.0	0.0	17,312	525.9	5.0
Trenčín region	11,943	362.8	4.2	0	0.0	0.0	11,943	362.8	3.4
Nitra region	10,613	322.4	3.8	0	0.0	0.0	10,613	322.4	3.1
Žilina region	13,948	423.7	5.0	0	0.0	0.0	13,948	423.7	4.0
Banská Bystrica region	8,694	264.1	3.1	0	0.0	0.0	8,694	264.1	2.5
Prešov region	5,886	178.8	2.1	0	0.0	0.0	5,886	178.8	1.7
Košice region	33,976	1,032.1	12.1	0	0.0	0.0	33,976	1,032.1	9.8

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Volume of Foreign Direct Investment ^{1/} as at 31 December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 40.036									
Total volume of FDI (equity capital + reinvested earnings)	253,795	6,339.2	100.0	59,729	1,491.9	100.0	313,524	7,831.1	100.0
Structure of capital by investor									
Germany	77,638	1,939.2	30.6	827	20.7	1.4	78,465	1,959.9	25.0
The Netherlands	50,508	1,261.6	19.9	587	14.7	1.0	51,095	1,276.2	16.3
Austria	19,136	478.0	7.5	26,487	661.6	44.3	45,623	1,139.5	14.6
Italy	3,567	89.1	1.4	23,541	588.0	39.4	27,108	677.1	8.6
France	22,338	557.9	8.8	550	13.7	0.9	22,888	571.7	7.3
United Kingdom	19,201	479.6	7.6	1,598	39.9	2.7	20,799	519.5	6.6
Czech Republic	13,457	336.1	5.3	3,485	87.0	5.8	16,942	423.2	5.4
USA	10,535	263.1	4.2	1,650	41.2	2.8	12,185	304.4	3.9
Hungary	8,294	207.2	3.3	1,000	25.0	1.7	9,294	232.1	3.0
Cyprus	7,186	179.5	2.8	0	0.0	0.0	7,186	179.5	2.3
Other countries	21,935	547.9	8.6	4	0.1	0.0	21,939	548.0	7.0
Structure of capital by sector									
Agriculture, hunting, and forestry	715	17.9	0.3	0	0.0	0.0	715	17.9	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,804	70.0	1.1	0	0.0	0.0	2,804	70.0	0.9
Manufacturing	114,421	2,858.0	45.1	0	0.0	0.0	114,421	2,858.0	36.5
Electricity, gas, and water supply	38,847	970.3	15.3	0	0.0	0.0	38,847	970.3	12.4
Construction	1,928	48.2	0.8	0	0.0	0.0	1,928	48.2	0.6
Wholesale and retail trade, repairs of motor vehicles	33,402	834.3	13.2	0	0.0	0.0	33,402	834.3	10.7
Hotels and restaurants	1,613	40.3	0.6	0	0.0	0.0	1,613	40.3	0.5
Transport, storage, post and telecommunications	33,676	841.1	13.3	0	0.0	0.0	33,676	841.1	10.7
Financial intermediation	13,160	328.7	5.2	59,729	1,491.9	100.0	72,889	1,820.6	23.2
Real estate, renting and business activities	10,378	259.2	4.1	0	0.0	0.0	10,378	259.2	3.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,418	35.4	0.6	0	0.0	0.0	1,418	35.4	0.5
Other community, social, and personal services	1,433	35.8	0.6	0	0.0	0.0	1,433	35.8	0.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	163,665	4,087.9	64.5	59,729	1,491.9	100.0	223,394	5,579.8	71.3
Trnava region	13,512	337.5	5.3	0	0.0	0.0	13,512	337.5	4.3
Trenčín region	9,137	228.2	3.6	0	0.0	0.0	9,137	228.2	2.9
Nitra region	8,566	214.0	3.4	0	0.0	0.0	8,566	214.0	2.7
Žilina region	12,241	305.7	4.8	0	0.0	0.0	12,241	305.7	3.9
Banská Bystrica region	8,290	207.1	3.3	0	0.0	0.0	8,290	207.1	2.6
Prešov region	5,721	142.9	2.3	0	0.0	0.0	5,721	142.9	1.8
Košice region	32,663	815.8	12.9	0	0.0	0.0	32,663	815.8	10.4

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Outflow of Foreign Direct Investment ^{1/} from Slovakia in 1998 – 2004

(Flows and stocks)

Corporate sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	6,169	4,883	1,345	12,397	177.36	138.56	19.93	335.85
1999	12,397	739	-404	12,732	335.85	17.84	-52.45	301.24
2000	12,732	975	1,515	15,222	301.24	21.10	-1.13	321.21
2001	15,222	3,441	2,740	21,403	321.21	71.17	49.21	441.59
2002	21,403	364	-2,758	19,009	441.59	8.03	25.17	474.79
2003	19,009	670	-1,514	18,165	474.79	18.22	58.77	551.78
2004	18,165	-272	-6	17,887 ^{3/}	551.78	-8.28	1.09	544.59 ^{3/}

Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	1,300	-7	299	1,592	37.38	-0.20	5.95	43.13
1999	1,592	-17,110	15,587	69	43.13	-413.12	371.62	1.63
2000	69	99	21	189	1.63	2.14	0.21	3.98
2001	189	8	1	198	3.98	0.17	-0.07	4.08
2002	198	0	-34	164	4.08	0.00	0.01	4.09
2003 ^{2/}	162	43	-9	196	4.05	1.17	0.74	5.96
2004	196	-14	339	521 ^{3/}	5.96	-0.43	10.34	15.87 ^{3/}

Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	7,469	4,876	1,644	13,989	214.74	138.36	25.88	378.98
1999	13,989	-16,371	15,183	12,801	378.98	-395.28	319.17	302.87
2000	12,801	1,074	1,536	15,411	302.87	23.24	-0.92	325.19
2001	15,411	3,449	2,741	21,601	325.19	71.34	49.14	445.67
2002	21,601	364	-2,792	19,173	445.67	8.03	25.18	478.88
2003 ^{2/}	19,171	713	-1,523	18,361	478.84	19.39	59.51	557.74
2004	18,361	-286	333	18,408 ^{3/}	557.74	-8.71	11.43	560.46 ^{3/}

Note: The data for 2002 – 2004 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology – new accounting standards for banks.

3/ Data at 30 June.



Outflow of Foreign Direct Investment ^{1/} During January to June 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.861									
Outflow of FDI (equity capital + reinvested earnings) in total	-272	-8.3	100.0	-14	-0.4	100.0	-286	-8.7	100.0
Structure of capital by country of investment									
The Netherlands	90	2.7	-33.1	0	0.0	0.0	90	2.7	-31.5
Brazil	26	0.8	-9.6	0	0.0	0.0	26	0.8	-9.1
Ukraine	7	0.2	-2.6	0	0.0	0.0	7	0.2	-2.4
Switzerland	3	0.1	-1.1	0	0.0	0.0	3	0.1	-1.0
Belorussia	3	0.1	-1.1	0	0.0	0.0	3	0.1	-1.0
Guinea	2	0.1	-0.7	0	0.0	0.0	2	0.1	-0.7
Bulgaria	2	0.1	-0.7	0	0.0	0.0	2	0.1	-0.7
Greece	1	0.0	-0.4	0	0.0	0.0	1	0.0	-0.3
Bosnia and Herzegovina	1	0.0	-0.4	0	0.0	0.0	1	0.0	-0.3
Poland	-1	0.0	0.4	0	0.0	0.0	-1	0.0	0.3
Other countries	-406	-12.4	149.3	-14	-0.4	100.0	-420	-12.8	146.9
Structure of capital by sector									
Agriculture, hunting, and forestry	-3	-0.1	1.1	0	0.0	0.0	-3	-0.1	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	-5	-0.2	1.8	0	0.0	0.0	-5	-0.2	1.7
Electricity, gas, and water supply	1	0.0	-0.4	0	0.0	0.0	1	0.0	-0.3
Construction	-87	-2.6	32.0	0	0.0	0.0	-87	-2.6	30.4
Wholesale and retail trade, repairs of motor vehicles	66	2.0	-24.3	0	0.0	0.0	66	2.0	-23.1
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	-296	-9.0	108.8	-14	-0.4	100.0	-310	-9.4	108.4
Real estate, renting and business activities	52	1.6	-19.1	0	0.0	0.0	52	1.6	-18.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	167	5.1	-61.4	-14	-0.4	100.0	153	4.7	-53.5
Trnava region	-84	-2.6	30.9	0	0.0	0.0	-84	-2.6	29.4
Trenčín region	-4	-0.1	1.5	0	0.0	0.0	-4	-0.1	1.4
Nitra region	-2	-0.1	0.7	0	0.0	0.0	-2	-0.1	0.7
Žilina region	-81	-2.5	29.8	0	0.0	0.0	-81	-2.5	28.3
Banská Bystrica region	10	0.3	-3.7	0	0.0	0.0	10	0.3	-3.5
Prešov region	4	0.1	-1.5	0	0.0	0.0	4	0.1	-1.4
Košice region	-282	-8.6	103.7	0	0.0	0.0	-282	-8.6	98.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.


Outflow of Foreign Direct Investment ^{1/} During January to December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
Outflow of FDI (equity capital + reinvested earnings) in total	670	18.2	100.0	43	1.2	100.0	713	19.4	100.0
Structure of capital by country of investment									
Czech Republic	799	21.7	119.3	30	0.8	69.8	829	22.5	116.3
Austria	296	8.0	44.2	0	0.0	0.0	296	8.0	41.5
United Kingdom	82	2.2	12.2	0	0.0	0.0	82	2.2	11.5
Bosnia and Herzegovina	78	2.1	11.6	0	0.0	0.0	78	2.1	10.9
USA	39	1.1	5.8	0	0.0	0.0	39	1.1	5.5
Germany	24	0.7	3.6	0	0.0	0.0	24	0.7	3.4
The Netherlands	21	0.6	3.1	0	0.0	0.0	21	0.6	2.9
Croatia	3	0.1	0.4	13	0.4	30.2	16	0.4	2.2
Poland	7	0.2	1.0	0	0.0	0.0	7	0.2	1.0
Switzerland	6	0.2	0.9	0	0.0	0.0	6	0.2	0.8
Other countries	-685	-18.6	-102.2	0	0.0	0.0	-685	-18.6	-96.1
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-230	-6.3	-34.3	0	0.0	0.0	-230	-6.3	-32.3
Manufacturing	1,178	32.0	175.8	0	0.0	0.0	1,178	32.0	165.2
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-13	-0.4	-1.9	0	0.0	0.0	-13	-0.4	-1.8
Wholesale and retail trade, repairs of motor vehicles	7	0.2	1.0	0	0.0	0.0	7	0.2	1.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-111	-3.0	-16.6	0	0.0	0.0	-111	-3.0	-15.6
Financial intermediation	-14	-0.4	-2.1	43	1.2	100.0	29	0.8	4.1
Real estate, renting and business activities	-187	-5.1	-27.9	0	0.0	0.0	-187	-5.1	-26.2
Public administration and defence, compulsory social security	-1	0.0	-0.1	0	0.0	0.0	-1	0.0	-0.1
Education	41	1.1	6.1	0	0.0	0.0	41	1.1	5.8
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	780	21.2	116.4	43	1.2	100.0	823	22.4	115.4
Tmava region	51	1.4	7.6	0	0.0	0.0	51	1.4	7.2
Trenčín region	-23	-0.6	-3.4	0	0.0	0.0	-23	-0.6	-3.2
Nitra region	6	0.2	0.9	0	0.0	0.0	6	0.2	0.8
Žilina region	171	4.7	25.5	0	0.0	0.0	171	4.7	24.0
Banská Bystrica region	-343	-9.3	-51.2	0	0.0	0.0	-343	-9.3	-48.1
Prešov region	111	3.0	16.6	0	0.0	0.0	111	3.0	15.6
Košice region	-83	-2.3	-12.4	0	0.0	0.0	-83	-2.3	-11.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Outflow of Foreign Direct Investment ^{1/} During January to December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 45.335									
Outflow of FDI (equity capital + reinvested earnings) in total	364	8.0	100.0	0	0.0	100.0	364	8.0	100.0
Structure of capital by country of investment									
Poland	549	12.1	150.8	0	0.0	0.0	549	12.1	150.9
Austria	302	6.7	83.0	0	0.0	0.0	302	6.7	83.0
Bosnia and Herzegovina	286	6.3	78.6	0	0.0	0.0	286	6.3	78.6
Yugoslavia	53	1.2	14.6	0	0.0	0.0	53	1.2	14.6
France	12	0.3	3.3	0	0.0	0.0	12	0.3	3.3
Sweden	12	0.3	3.3	0	0.0	0.0	12	0.3	3.3
Croatia	0	0.0	0.0	10	0.2	0.0	10	0.2	2.6
Hungary	9	0.2	2.5	0	0.0	0.0	9	0.2	2.5
Germany	6	0.1	1.6	0	0.0	0.0	6	0.1	1.6
Ireland	5	0.1	1.4	0	0.0	0.0	5	0.1	1.4
Other countries	-870	-19.2	-239.0	-10	-0.2	0.0	-880	-19.4	-241.7
Structure of capital by sector									
Agriculture, hunting, and forestry	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	67	1.5	18.4	0	0.0	0.0	67	1.5	18.4
Manufacturing	828	18.3	227.5	0	0.0	0.0	828	18.3	227.5
Electricity, gas, and water supply	-404	-8.9	-111.0	0	0.0	0.0	-404	-8.9	-111.0
Construction	21	0.5	5.8	0	0.0	0.0	21	0.5	5.8
Wholesale and retail trade, repairs of motor vehicles	-51	-1.1	-14.0	0	0.0	0.0	-51	-1.1	-14.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Financial intermediation	-303	-6.7	-83.2	0	0.0	0.0	-303	-6.7	-83.3
Real estate, renting and business activities	295	6.5	81.0	0	0.0	0.0	295	6.5	81.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-91	-2.0	-25.0	0	0.0	0.0	-91	-2.0	-25.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	-273	-6.0	-75.0	0	0.0	0.0	-273	-6.0	-75.0
Trnava region	48	1.1	13.2	0	0.0	0.0	48	1.1	13.2
Trenčín region	88	1.9	24.2	0	0.0	0.0	88	1.9	24.2
Nitra region	-35	-0.8	-9.6	0	0.0	0.0	-35	-0.8	-9.6
Žilina region	285	6.3	78.3	0	0.0	0.0	285	6.3	78.3
Banská Bystrica region	336	7.4	92.3	0	0.0	0.0	336	7.4	92.3
Prešov region	-6	-0.1	-1.6	0	0.0	0.0	-6	-0.1	-1.6
Košice region	-79	-1.7	-21.7	0	0.0	0.0	-79	-1.7	-21.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment ^{1/} Outward as at 30 June 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.844									
Total volume of FDI outward (equity capital + reinvested earnings)	17,887	544.6	100.0	521	15.9	100.0	18,408	560.5	100.0
Structure of capital by country of investment									
Czech Republic	7,125	216.9	39.8	475	14.5	91.2	7,600	231.4	41.3
United Kingdom	2,286	69.6	12.8	0	0.0	0.0	2,286	69.6	12.4
Ukraine	1,301	39.6	7.3	0	0.0	0.0	1,301	39.6	7.1
Ireland	1,241	37.8	6.9	0	0.0	0.0	1,241	37.8	6.7
Hungary	1,118	34.0	6.3	0	0.0	0.0	1,118	34.0	6.1
Luxembourg	1,111	33.8	6.2	0	0.0	0.0	1,111	33.8	6.0
Austria	947	28.8	5.3	0	0.0	0.0	947	28.8	5.1
Poland	786	23.9	4.4	0	0.0	0.0	786	23.9	4.3
Russia	406	12.4	2.3	0	0.0	0.0	406	12.4	2.2
Bosnia and Herzegovina	384	11.7	2.1	0	0.0	0.0	384	11.7	2.1
Other countries	1,182	36.0	6.6	46	1.4	8.8	1,228	37.4	6.7
Structure of capital by sector									
Agriculture, hunting and forestry	21	0.6	0.1	0	0.0	0.0	21	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,906	58.0	10.7	0	0.0	0.0	1,906	58.0	10.4
Manufacturing	7,786	237.1	43.5	0	0.0	0.0	7,786	237.1	42.3
Electricity, gas and water supply	1,213	36.9	6.8	0	0.0	0.0	1,213	36.9	6.6
Construction	406	12.4	2.3	0	0.0	0.0	406	12.4	2.2
Wholesale and retail trade, repairs of motor vehicles	699	21.3	3.9	0	0.0	0.0	699	21.3	3.8
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	48	1.5	0.3	0	0.0	0.0	48	1.5	0.3
Financial intermediation	3,556	108.3	19.9	521	15.9	100.0	4,077	124.1	22.1
Real estate, renting and business activities	2,217	67.5	12.4	0	0.0	0.0	2,217	67.5	12.0
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	35	1.1	0.2	0	0.0	0.0	35	1.1	0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	11,273	343.2	63.0	521	15.9	100.0	11,794	359.1	64.1
Trnava region	1,866	56.8	10.4	0	0.0	0.0	1,866	56.8	10.1
Trenčín region	743	22.6	4.2	0	0.0	0.0	743	22.6	4.0
Nitra region	47	1.4	0.3	0	0.0	0.0	47	1.4	0.3
Žilina region	609	18.5	3.4	0	0.0	0.0	609	18.5	3.3
Banská Bystrica region	1,651	50.3	9.2	0	0.0	0.0	1,651	50.3	9.0
Prešov region	561	17.1	3.1	0	0.0	0.0	561	17.1	3.0
Košice region	1,137	34.6	6.4	0	0.0	0.0	1,137	34.6	6.2

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Volume of Foreign Direct Investment ^{1/} Outward as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
Total volume of FDI outward (equity capital + reinvested earnings)	18,165	551.8	100.0	196	6.0	100.0	18,361	557.7	100.0
Structure of capital by country of investment									
Czech Republic	7,212	219.1	39.7	151	4.6	77.0	7,363	223.7	40.1
United Kingdom	2,293	69.7	12.6	0	0.0	0.0	2,293	69.7	12.5
Ukraine	1,368	41.6	7.5	0	0.0	0.0	1,368	41.6	7.5
Ireland	1,212	36.8	6.7	0	0.0	0.0	1,212	36.8	6.6
Hungary	1,117	33.9	6.1	0	0.0	0.0	1,117	33.9	6.1
Luxembourg	1,111	33.7	6.1	0	0.0	0.0	1,111	33.7	6.1
Austria	968	29.4	5.3	0	0.0	0.0	968	29.4	5.3
Poland	798	24.2	4.4	0	0.0	0.0	798	24.2	4.3
Russia	403	12.2	2.2	0	0.0	0.0	403	12.2	2.2
Bosnia and Herzegovina	383	11.6	2.1	0	0.0	0.0	383	11.6	2.1
Other countries	1,300	39.5	7.2	45	1.4	23.0	1,345	40.9	7.3
Structure of capital by sector									
Agriculture, hunting, and forestry	23	0.7	0.1	0	0.0	0.0	23	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,879	57.1	10.3	0	0.0	0.0	1,879	57.1	10.2
Manufacturing	8,539	259.4	47.0	0	0.0	0.0	8,539	259.4	46.5
Electricity, gas, and water supply	1,224	37.2	6.7	0	0.0	0.0	1,224	37.2	6.7
Construction	389	11.8	2.1	0	0.0	0.0	389	11.8	2.1
Wholesale and retail trade, repairs of motor vehicles	767	23.3	4.2	0	0.0	0.0	767	23.3	4.2
Hotels and restaurants	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Transport, storage, post and telecommunications	35	1.1	0.2	0	0.0	0.0	35	1.1	0.2
Financial intermediation	3,054	92.8	16.8	196	6.0	100.0	3,250	98.7	17.7
Real estate, renting and business activities	1,917	58.2	10.6	0	0.0	0.0	1,917	58.2	10.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	23	0.7	0.1	0	0.0	0.0	23	0.7	0.1
Other community, social, and personal services	314	9.5	1.7	0	0.0	0.0	314	9.5	1.7
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	11,113	337.6	61.2	196	6.0	100.0	11,309	343.5	61.6
Trnava region	1,926	58.5	10.6	0	0.0	0.0	1,926	58.5	10.5
Trenčín region	750	22.8	4.1	0	0.0	0.0	750	22.8	4.1
Nitra region	50	1.5	0.3	0	0.0	0.0	50	1.5	0.3
Žilina region	692	21.0	3.8	0	0.0	0.0	692	21.0	3.8
Banská Bystrica region	1,647	50.0	9.1	0	0.0	0.0	1,647	50.0	9.0
Prešov region	566	17.2	3.1	0	0.0	0.0	566	17.2	3.1
Košice region	1,421	43.2	7.8	0	0.0	0.0	1,421	43.2	7.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment ^{1/} Outward as at 31 December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 40.036									
Total volume of FDI outward (equity capital + reinvested earnings)	19,009	474.8	100.0	164	4.1	100.0	19,173	478.9	100.0
Structure of capital by country of investment									
Czech Republic	6,854	171.2	36.1	131	3.3	79.9	6,985	174.5	36.4
United Kingdom	2,642	66.0	13.9	0	0.0	0.0	2,642	66.0	13.8
Ukraine	1,703	42.5	9.0	0	0.0	0.0	1,703	42.5	8.9
Hungary	1,388	34.7	7.3	0	0.0	0.0	1,388	34.7	7.2
Ireland	1,331	33.2	7.0	0	0.0	0.0	1,331	33.2	6.9
Luxembourg	1,182	29.5	6.2	0	0.0	0.0	1,182	29.5	6.2
Poland	932	23.3	4.9	0	0.0	0.0	932	23.3	4.9
Austria	692	17.3	3.6	0	0.0	0.0	692	17.3	3.6
Russia	493	12.3	2.6	0	0.0	0.0	493	12.3	2.6
Croatia	324	8.1	1.7	0	0.0	0.0	324	8.1	1.7
Other countries	1,468	36.7	7.7	33	0.8	20.1	1,501	37.5	7.8
Structure of capital by sector									
Agriculture, hunting, and forestry	59	1.5	0.3	0	0.0	0.0	59	1.5	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,393	59.8	12.6	0	0.0	0.0	2,393	59.8	12.5
Manufacturing	7,821	195.3	41.1	0	0.0	0.0	7,821	195.3	40.8
Electricity, gas, and water supply	1,288	32.2	6.8	0	0.0	0.0	1,288	32.2	6.7
Construction	465	11.6	2.4	0	0.0	0.0	465	11.6	2.4
Wholesale and retail trade, repairs of motor vehicles	1,005	25.1	5.3	0	0.0	0.0	1,005	25.1	5.2
Hotels and restaurants	299	7.5	1.6	0	0.0	0.0	299	7.5	1.6
Transport, storage, post and telecommunications	164	4.1	0.9	0	0.0	0.0	164	4.1	0.9
Financial intermediation	3,243	81.0	17.1	164	4.1	100.0	3,407	85.1	17.8
Real estate, renting and business activities	1,841	46.0	9.7	0	0.0	0.0	1,841	46.0	9.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	25	0.6	0.1	0	0.0	0.0	25	0.6	0.1
Other community, social, and personal services	406	10.1	2.1	0	0.0	0.0	406	10.1	2.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	12,864	321.3	67.7	164	4.1	100.0	13,028	325.4	67.9
Trnava region	2,056	51.4	10.8	0	0.0	0.0	2,056	51.4	10.7
Trenčín region	909	22.7	4.8	0	0.0	0.0	909	22.7	4.7
Nitra region	51	1.3	0.3	0	0.0	0.0	51	1.3	0.3
Žilina region	959	24.0	5.0	0	0.0	0.0	959	24.0	5.0
Banská Bystrica region	574	14.3	3.0	0	0.0	0.0	574	14.3	3.0
Prešov region	507	12.7	2.7	0	0.0	0.0	507	12.7	2.6
Košice region	1,089	27.2	5.7	0	0.0	0.0	1,089	27.2	5.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Average Lending Rates of Commercial Banks

Interest rates on:	2003						2004						
	7	8	9	10	11	12	1	2	3	4	5	6	7
VOLUME OF LOANS IN TOTAL ^{1/}	8.04	8.02	7.98	7.87	7.82	7.68	7.65	7.60	7.57	7.48	7.35	7.18	6.81
A) Loans by sector													
of which:													
a) Enterprises	8.17	8.18	8.10	7.98	7.91	7.69	7.75	7.65	7.49	7.31	7.10	6.87	6.30
– Public sector	8.08	8.07	8.06	7.90	7.83	7.68	7.91	7.92	7.90	7.53	7.23	7.04	5.96
– Private sector (incl. cooperatives)	8.44	8.37	8.37	8.27	8.14	7.92	7.89	7.83	7.64	7.49	7.34	7.08	6.66
– Under foreign control	7.57	7.80	7.42	7.28	7.39	6.95	7.10	6.69	6.48	6.41	6.13	6.05	5.51
b) Households	7.55	7.48	7.50	7.49	7.47	7.50	7.39	7.44	7.73	7.80	7.85	7.88	7.79
B) Loans by term													
of which:													
– Short-term	8.22	8.27	8.13	8.01	8.01	7.76	7.82	7.72	7.57	7.49	7.31	7.08	6.51
– Medium-term	8.94	8.88	8.99	8.93	8.85	8.78	8.74	8.68	8.63	8.54	8.41	8.33	8.10
– Long-term	7.24	7.21	7.11	7.02	6.95	6.84	6.72	6.75	6.85	6.74	6.66	6.47	6.17
NEW LOANS IN TOTAL ^{1/}	7.28	7.69	7.45	7.10	7.70	7.25	7.53	7.61	7.55	7.51	8.77	8.54	8.15
A) Loans by sector													
of which:													
a) Enterprises	7.04	7.52	7.20	6.80	7.48	7.02	7.36	7.37	7.24	7.07	8.51	8.21	7.81
– Public sector	7.56	7.69	7.61	7.00	7.23	7.68	7.20	7.50	7.47	7.21	8.44	10.24	7.89
– Private sector (incl. cooperatives)	8.15	8.85	8.14	8.10	8.28	7.87	7.83	7.46	7.81	7.78	10.12	9.80	8.91
– Under foreign control	6.44	6.77	6.77	6.20	7.10	6.41	7.02	7.30	6.81	6.31	6.64	6.42	6.39
b) Households	9.42	9.73	10.25	9.81	9.88	9.63	10.20	9.68	10.45	10.73	11.75	11.36	10.45
B) Loans by term													
of which:													
– Short-term	7.15	7.62	7.36	6.93	7.63	7.15	7.50	7.62	7.52	7.45	8.93	8.72	8.26
– Medium-term	8.92	9.04	8.87	9.04	8.61	8.58	8.08	7.65	8.06	8.25	8.17	8.18	7.86
– Long-term	7.15	7.12	7.06	6.95	6.91	6.96	6.78	7.30	7.14	7.34	7.28	6.89	7.07

1/ Excluding loans at zero interest rate.



Volumes of New Loans and Average Lending Rates of Commercial Banks

		2003						2004						
		7	8	9	10	11	12	1	2	3	4	5	6	7
Loans in total ^{1/}	a	93.17	86.61	89.59	85.45	83.44	100.68	89.49	92.17	101.80	94.69	93.50	103.07	91.11
	b	7.28	7.69	7.45	7.09	7.69	7.24	7.49	7.60	7.55	7.51	8.77	8.53	8.15
of which:														
Overdrafts on current accounts	a	13.35	14.29	14.86	14.89	14.69	17.83	25.08	20.44	33.44	39.18	40.51	40.13	38.38
	b	8.99	9.90	9.38	9.26	9.13	9.10	8.73	8.66	8.48	8.52	11.96	12.68	11.47
Investment loans	a	3.07	2.38	2.84	2.95	2.35	4.18	5.15	4.48	5.19	4.02	3.93	5.97	4.42
	b	8.47	8.46	7.56	7.96	7.92	7.70	7.25	6.71	6.82	6.91	6.52	6.07	5.85
Consumer credit for goods and services	a	-	-	-	-	-	-	0.85	0.77	1.06	1.35	2.36	2.30	2.20
	b	-	-	-	-	-	-	14.32	14.44	14.71	13.27	13.88	13.97	13.39
Housing loans	a	-	-	-	-	-	-	2.07	4.08	3.39	3.39	4.09	4.37	4.65
	b	-	-	-	-	-	-	6.24	7.25	7.17	7.17	7.37	7.16	7.30
of which: mortgage loans	a	0.10	0.08	0.31	0.46	0.39	0.57	0.21	0.12	0.11	0.13	0.18	0.18	0.36
without state bonus	b	8.65	8.08	7.81	7.69	7.81	7.68	8.03	8.38	8.13	7.86	7.96	7.54	7.82
mortgage loans with state bonus – client	a	1.64	1.57	1.16	1.26	1.11	1.49	1.01	1.46	1.60	1.58	1.64	1.77	1.82
	b	5.11	5.17	5.10	5.25	5.23	5.23	5.28	5.31	5.84	5.70	5.80	6.03	5.98
mortgage loans with state bonus – bank	a	-	-	-	-	-	-	1.01	1.46	1.60	1.58	1.64	1.77	1.82
	b	-	-	-	-	-	-	7.29	7.24	7.33	7.24	7.25	7.06	6.93
home loans ^{2/}	a	0.10	0.13	0.39	0.16	0.14	0.14	0.12	0.11	0.21	0.12	0.14	0.14	0.15
	b	5.85	5.53	7.06	5.77	5.98	5.10	5.10	5.15	6.61	4.94	5.17	5.06	5.25
intermediary loans	a	1.04	0.79	0.71	1.05	0.89	1.07	0.75	0.71	0.69	0.81	1.00	1.14	1.03
	b	7.43	7.45	7.49	7.39	7.26	7.25	7.27	7.46	7.13	7.39	7.44	7.41	7.41
Other loans	a	-	-	-	-	-	-	53.65	60.22	54.03	38.30	37.37	45.50	35.92
	b	-	-	-	-	-	-	6.88	7.21	6.81	6.03	5.67	5.25	4.91
Short-term loans	a	82.72	76.92	80.14	74.80	72.53	86.78	78.48	75.91	86.37	81.99	79.48	86.62	77.63
	b	7.15	7.61	7.35	6.92	7.63	7.15	7.46	7.62	7.52	7.45	8.93	8.71	8.26
– with a maturity of up to 7 days	a	50.62	48.50	54.73	51.16	48.21	52.23	46.91	45.87	50.06	47.17	50.68	56.54	30.29
	b	6.40	7.20	6.91	6.26	7.38	6.70	7.38	7.70	7.52	7.32	9.32	9.21	6.58
– up to 1 month	a	8.26	8.80	4.88	4.75	4.50	8.13	9.71	7.91	7.18	6.21	5.05	7.34	6.19
	b	8.18	7.88	7.81	7.49	7.74	7.12	6.73	6.84	6.74	6.51	7.07	5.57	5.37
– up to 3 months	a	5.46	3.83	3.87	3.45	4.13	6.57	3.29	4.22	5.13	2.63	3.54	2.85	5.93
	b	7.49	7.61	7.76	7.66	7.22	7.26	7.46	6.89	6.69	6.36	6.30	6.09	5.37
– up to 6 months	a	2.62	1.24	1.71	0.80	0.86	1.15	1.33	1.99	1.16	1.10	0.53	0.96	0.61
	b	7.96	8.72	7.68	7.55	7.24	7.73	6.78	6.53	7.00	6.61	6.67	6.45	5.27
– up to 12 months	a	15.76	14.56	14.95	14.64	14.83	18.70	17.24	15.92	22.84	24.87	19.67	18.93	34.60
	b	8.74	8.76	8.69	8.83	8.55	8.33	8.14	8.11	7.94	8.07	8.92	8.96	10.79
Long-term loans with a maturity of 1 to 5 years	a	6.64	5.97	6.24	6.89	7.89	7.49	7.90	11.15	10.39	7.95	9.09	8.69	8.12
	b	8.92	9.04	8.87	9.03	8.61	8.58	8.07	7.65	8.06	8.25	8.17	8.18	7.86
Long-term loans with a maturity of over 5 years	a	3.81	3.72	3.22	3.76	3.02	6.41	3.12	5.10	5.04	4.75	4.93	7.77	5.36
	b	7.15	7.12	7.06	6.95	6.91	6.96	6.78	7.30	7.13	7.34	7.28	6.89	7.07

a - Volume (SKK billions).

b - Average interest rate (%).

1/ Including loans at zero interest rate.

2/ Loans from home savings banks.



Koruna Deposits and Average Deposit Rates

		2003						2004						
		7	8	9	10	11	12	1	2	3	4	5	6	7
Deposits in total	a	575.29	579.27	577.91	583.74	588.40	599.38	601.61	606.77	601.39	632.70	625.53	625.03	637.29
	b	3.29	3.41	3.22	3.17	3.26	3.01	3.36	3.15	3.06	2.98	2.60	2.49	2.24
of which:														
Demand deposits	a	185.48	185.99	189.90	190.54	195.38	219.24	189.82	191.73	190.49	193.26	199.02	213.25	206.66
	b	1.53	1.65	1.48	1.37	1.49	1.49	1.74	1.34	1.28	1.19	0.95	1.10	0.78
Time deposits	a	283.13	286.60	282.79	289.07	289.72	275.46	311.30	315.08	312.85	343.00	331.33	317.69	337.71
	b	4.60	4.76	4.53	4.48	4.60	4.31	4.53	4.37	4.22	4.11	3.62	3.55	3.21
- short-term	a	272.41	276.05	272.42	278.72	279.32	264.93	290.39	294.06	291.85	323.17	310.95	296.96	316.90
	b	4.55	4.72	4.47	4.43	4.57	4.27	4.43	4.26	4.11	4.00	3.48	3.46	3.10
- one-day deposits	a	16.49	4.85	17.49	5.25	4.69	4.52	8.52	13.15	17.23	20.89	35.06	30.83	17.59
	b	4.68	6.29	4.45	4.28	5.87	4.08	6.32	4.20	3.40	4.09	2.42	4.92	2.56
- up to 7 days	a	31.58	35.67	28.03	40.82	44.40	27.16	36.02	31.62	19.96	43.88	28.17	20.96	37.91
	b	4.59	5.50	4.43	4.52	5.43	4.22	5.61	4.24	3.83	4.19	3.51	3.27	2.75
- up to 1 month	a	124.38	130.95	130.33	133.24	131.94	143.75	153.58	159.76	151.13	163.93	146.79	143.92	159.15
	b	4.82	4.90	4.82	4.71	4.69	4.61	4.50	4.63	4.46	4.24	3.78	3.37	3.33
- up to 3 months	a	62.94	67.97	60.21	63.98	64.04	55.12	56.94	53.95	63.65	55.65	62.52	60.91	62.39
	b	4.20	4.24	4.06	4.13	4.07	3.75	3.69	3.57	3.70	3.28	3.27	2.99	2.80
- up to 6 months	a	19.23	19.59	19.08	18.90	17.74	18.77	20.01	20.61	21.45	20.03	18.99	20.01	20.30
	b	3.70	3.70	3.67	3.63	3.60	3.76	3.69	3.77	3.85	3.67	3.40	3.26	3.06
- up to 12 months	a	17.78	17.03	17.29	16.54	16.52	15.60	15.32	14.97	18.42	18.78	19.41	20.33	19.55
	b	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81	3.62	3.46
- medium-term	a	9.70	9.51	9.32	9.29	9.31	9.40	19.74	19.82	19.81	18.99	19.24	19.45	19.57
	b	5.76	5.61	5.61	5.46	5.08	4.97	5.74	5.69	5.67	5.89	5.72	4.72	4.67
- up to 2 years	a	2.24	2.20	2.17	2.15	2.50	2.48	13.15	13.30	13.15	12.78	13.41	13.58	13.66
	b	5.07	4.79	4.66	4.54	4.30	4.15	6.09	6.03	6.03	6.12	5.98	4.64	4.60
- up to 5 years	a	7.45	7.31	7.15	7.14	6.81	6.92	6.58	6.53	6.66	6.20	5.83	5.87	5.91
	b	5.97	5.86	5.90	5.73	5.37	5.26	5.05	5.01	4.96	5.42	5.14	4.91	4.83
- long-term over 5 years	a	1.03	1.04	1.05	1.06	1.08	1.14	1.17	1.19	1.20	0.84	1.14	1.27	1.24
	b	8.79	8.75	8.69	8.66	8.53	8.81	8.61	8.32	8.16	8.95	7.29	7.99	8.11
Savings deposits	a	106.67	106.68	105.22	104.13	103.31	104.68	100.50	99.97	98.05	96.44	95.18	94.09	92.92
	b	2.86	2.85	2.86	2.85	2.86	2.75	2.81	2.78	2.79	2.57	2.50	2.04	1.95
- short-term	a	48.16	47.74	47.15	46.58	45.97	45.15	42.85	42.18	41.41	40.61	39.90	39.21	38.23
	b	3.16	3.13	3.14	3.13	3.14	2.88	2.99	2.96	2.95	2.59	2.42	1.72	1.46
- medium-term	a	20.35	20.04	19.58	19.12	18.74	18.13	16.30	15.68	15.10	14.72	14.45	14.18	13.76
	b	2.21	2.19	2.21	2.23	2.26	2.13	2.29	2.30	2.31	1.85	1.83	0.79	0.78
- long-term	a	38.16	38.90	38.49	38.42	38.60	41.40	41.34	42.10	41.54	41.11	40.83	40.69	40.93
	b	2.83	2.83	2.83	2.83	2.83	2.90	2.84	2.79	2.80	2.80	2.80	2.80	2.80
Time and savings deposits	a	389.80	393.27	388.01	393.20	393.02	380.14	411.79	415.05	410.90	439.44	426.51	411.78	430.63
	b	4.13	4.24	4.07	4.05	4.14	3.88	4.11	3.99	3.88	3.77	3.37	3.21	2.94
- short-term	a	320.57	323.79	319.57	325.30	325.29	310.08	333.24	336.25	333.26	363.78	350.85	336.18	355.13
	b	4.34	4.48	4.27	4.25	4.37	4.06	4.24	4.10	3.96	3.84	3.36	3.25	2.93
- medium-term	a	30.05	29.55	28.90	28.42	28.05	27.53	36.03	35.50	34.91	33.70	33.69	33.63	33.33
	b	3.35	3.29	3.31	3.28	3.20	3.10	4.19	4.20	4.21	4.12	4.05	3.06	3.06
- long-term	a	39.19	39.93	39.53	39.49	39.68	42.53	42.52	43.30	42.73	41.95	41.97	41.97	42.17
	b	2.98	2.98	2.98	2.99	2.99	3.06	3.00	2.94	2.95	2.92	2.92	2.96	2.96

a - Volume (SKK billions).
b - Average interest rate (%).

Basic Characteristics of Interest Rates on Loans and Deposits

(% , percentage points)

	Line	2003						2004						
		7	8	9	10	11	12	1	2	3	4	5	6	7
Average interest rate on total credit ^{1/}	1	8.04	8.02	7.97	7.87	7.82	7.68	7.65	7.60	7.57	7.48	7.35	7.18	6.81
Average interest rate on deposits	2	3.29	3.41	3.22	3.17	3.26	3.01	3.36	3.15	3.06	2.98	2.60	2.49	2.24
Average interest rate on new loans ^{1/}	3	7.28	7.69	7.45	7.10	7.70	7.25	7.53	7.61	7.55	7.51	8.77	8.53	8.15
Average interbank money market rate (1D to 12M – mid rates)	4	6.02	6.10	6.12	5.76	5.88	5.70	5.60	5.62	5.51	5.11	4.64	4.10	3.80
Average interest rate on new short-term loans ^{1/}	5	7.15	7.61	7.36	6.93	7.63	7.15	7.50	7.62	7.52	7.45	8.93	8.72	8.26
Average interest rate on short-term deposits	6	4.34	4.48	4.27	4.25	4.37	4.06	4.24	4.10	3.96	3.84	3.36	3.25	2.93
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	2.81	3.13	3.08	2.68	3.26	3.09	3.26	3.52	3.55	3.61	5.57	5.46	5.33
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	6.50	6.50	6.50	6.25	6.25	6.00	6.00	6.00	6.00	5.50	5.00	5.00	4.50
12-month rate of inflation	9	8.70	9.20	9.50	9.60	9.80	9.30	8.30	8.50	8.20	8.00	8.30	8.10	8.50
Year-on-year increase in industrial producer prices	10	8.20	8.00	8.00	7.90	8.80	8.70	4.40	2.30	2.10	2.20	3.00	3.10	3.00
Real interest rate on new short-term loans (line 5 – line 10)	11	-1.05	-0.39	-0.64	-0.97	-1.17	-1.55	3.10	5.32	5.42	5.25	5.93	5.62	5.26
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	-1.55	-1.59	-2.14	-2.67	-2.17	-2.15	-0.80	-0.88	-0.68	-0.55	0.63	0.62	-0.24
Average interest rate on one-year deposits	13	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81	3.62	3.46
Real interest rate on one-year deposits (line 13 – line 9)	14	-4.05	-4.86	-5.27	-5.53	-5.92	-5.54	-4.74	-4.84	-4.32	-4.19	-4.49	-4.48	-5.04
Nominal interest margin (line 1 – line 2)	15	4.75	4.61	4.76	4.70	4.56	4.67	4.28	4.44	4.52	4.49	4.75	4.69	4.57
Difference between the average interest rates on new loans and total deposits (line 3 – line 2)	16	3.99	4.28	4.23	3.93	4.44	4.24	4.16	4.45	4.50	4.53	6.17	6.05	5.91
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	1.17	1.59	1.26	0.81	1.75	1.45	1.90	2.00	2.01	2.34	4.29	4.62	4.46
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	1.30	1.67	1.35	0.98	1.82	1.55	1.93	1.99	2.04	2.40	4.13	4.44	4.35
Average interest rate on loans ^{2/}	19	7.60	7.58	7.54	7.45	8.00	7.30	7.33	7.31	7.30	7.20	7.07	6.91	6.55
Nominal interest margin (line 19 – line 2)	20	4.31	4.17	4.32	4.28	4.74	4.29	3.97	4.16	4.24	4.22	4.47	4.43	4.31

1/ Excluding loans at zero interest rate.

2/ Including loans at zero interest rate.



Monetary Policy Instruments

	As at 1 January 2003	Change over the year 2003	As at 1 January 2004	Change over the year 2004
1. Interest rates set by the Bank Board of the NBS:				
Basic interest rate of the NBS ^{1/}	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	29 Mar. 5.50% 29 Apr. 5.00% 1 July 4.50%
Interest rate for overnight transactions				
for sterilisation purpose	5.00%	26 Sep. 4.75% 22 Dec. 4.50%	4.50%	29 Mar. 4.00% 29 Apr. 3.50% 1 July 3.00%
for refinancing purpose	8.00%	26 Sep. 7.75% 22 Dec. 7.50%	7.50%	29 Mar. 7.00% 29 Apr. 6.50% 1 July 6.00%
Limit rate of the NBS for standard 2-week repo tenders	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	29 Mar. 5.50% 29 Apr. 5.00% 1 July 4.50%
2. Reserve requirement	3%		2%	
3. Exchange rate regime	Floating rate Reference currency: EUR		Floating rate Reference currency: EUR	

1/ Until 31 December 2002, the discount rate had been applied.



Basic Characteristics of Slovakia's Foreign Exchange Market in August 2004

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD millions	Number of transactions
	USD millions	%		USD millions	%		USD millions	%			
NBS	-	-	-	0.0	-	0	-	-	-	0.0	0
Transactions between domestic banks without foreign participation	4,082.4	77.9	247	1,134.3	21.6	456	22.8	0.4	33	5,239.5	736
Interbank forex market: NBS + transactions between domestic banks	4,082.4	77.9	247	1,134.3	21.6	456	22.8	0.4	33	5,239.5	736
Transactions between domestic and foreign banks	22,173.1	81.0	1,736	4,713.5	17.2	1,404	492.2	1.8	47	27,378.8	3,187
Foreign exchange market in the SR – total	26,255.5	80.5	1,983	5,847.8	17.9	1,860	515	1.6	80	32,618.3	3,923

	SPOT			FORWARD			SWAP			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD millions	Number of transactions
	USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	711.2	13.6	449	1.3	0.0	2	4,527.3	86.4	285	5,239.9	736
Transactions between domestic and foreign banks	2,621.5	9.6	1,339	11.9	0.0	13	24,746.9	90.4	1,835	27,380.3	3,187
Foreign exchange market in the SR - excl. the NBS	3,332.7	10.2	1,788	13.2	0.0	15	29,274.2	89.7	2,120	32,620.1	3,923

**Average Monthly Exchange Rates of the SKK**

Midpoint rate	2003					2004							
	8	9	10	11	12	1	2	3	4	5	6	7	8
1 AUD	24.452	24.473	24.433	25.193	24.783	24.869	24.936	24.676	24.919	23.642	22.861	23.265	23.394
1 CZK	1.300	1.282	1.291	1.287	1.274	1.245	1.233	1.226	1.234	1.255	1.263	1.265	1.268
1 DKK	5.641	5.590	5.557	5.531	5.527	5.471	5.446	5.426	5.392	5.404	5.371	5.366	5.395
1 EUR	41.932	41.516	41.288	41.134	41.130	40.747	40.577	40.421	40.139	40.209	39.931	39.901	40.115
100 JPY	31.504	32.230	32.189	32.243	31.119	30.341	30.158	30.271	31.163	29.904	30.041	29.761	29.809
1 CAD	26.830	27.125	26.612	26.793	25.576	24.944	24.166	24.727	25.006	24.299	24.176	24.561	25.066
100 HUF	16.121	16.246	16.163	15.877	15.527	15.402	15.407	15.931	16.038	15.902	15.779	15.956	16.111
1 NOK	5.080	5.061	5.018	5.016	5.007	4.749	4.625	4.724	4.830	4.898	4.822	4.712	4.813
1 PLN	9.597	9.319	8.997	8.908	8.828	8.647	8.368	8.468	8.437	8.497	8.687	8.922	9.057
100 SIT	17.843	17.651	17.519	17.422	17.382	17.172	17.090	16.978	16.837	16.846	16.686	16.631	16.715
1 CHF	27.210	26.835	26.676	26.386	26.464	26.022	25.804	25.781	25.808	26.087	26.283	26.135	26.079
1 SEK	4.541	4.574	4.588	4.572	4.563	4.462	4.422	4.379	4.375	4.403	4.368	4.341	4.363
1 USD	37.490	37.116	35.273	35.234	33.604	32.292	32.083	32.927	33.433	33.498	32.888	32.512	32.939
1 GBP	59.879	59.651	59.113	59.447	58.616	58.765	59.845	60.196	60.380	59.809	60.145	59.895	59.981

Average Quarterly Exchange Rates of the SKK

Midpoint rate	2003					2004	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
1 AUD	23.099	23.205	24.420	24.779	23.881	24.820	23.774
1 CZK	1.322	1.309	1.299	1.284	1.304	1.235	1.251
1 DKK	5.625	5.551	5.618	5.539	5.584	5.446	5.389
1 EUR	41.799	41.221	41.747	41.190	41.491	40.574	40.089
100 JPY	32.769	30.639	31.535	31.860	31.704	30.257	30.352
1 CAD	25.786	25.943	26.869	26.333	26.237	24.618	24.480
100 HUF	17.165	16.452	16.053	15.870	16.383	15.597	15.902
1 NOK	5.528	5.184	5.057	5.014	5.195	4.700	4.850
1 PLN	9.994	9.463	9.439	8.915	9.453	8.493	8.545
100 SIT	18.075	17.690	17.776	17.445	17.747	17.075	16.787
1 CHF	28.516	27.184	27.015	26.519	27.308	25.865	26.067
1 SEK	4.552	4.509	4.554	4.575	4.548	4.419	4.382
1 USD	38.956	36.307	37.093	34.723	36.773	32.457	33.264
1 GBP	62.470	58.757	59.750	59.055	60.012	59.630	60.107

Monetary Base of the NBS ^{1/}

(SKK billions)

	10. 8. 2004	20. 8. 2004	31. 8. 2004
SOURCES OF THE MONETARY BASE	128.64	122.71	117.37
Autonomous factors	364.25	381.05	394.36
Net foreign assets	429.76	431.09	427.88
Reserves	434.77	435.96	432.80
Foreign liabilities	5.01	4.86	4.92
Net credit to government	-32.28	-11.73	-6.08
Other assets net	-33.23	-38.31	-27.45
Monetary policy factors ^{2/}	-235.61	-258.34	-276.99
Holdings of securities	0.00	0.00	0.00
SR treasury bills	0.00	0.00	0.00
Other government securities	0.00	0.00	0.00
NBS treasury bills	720.00	720.00	360.00
of which: in NBS portfolio	484.39	465.28	86.56
Overnight deposits of banks with NBS	0.00	3.62	3.55
USE OF THE MONETARY BASE ^{3/}	128.64	122.71	117.37
Currency in circulation	103.28	106.40	104.59
Reserves of commercial banks	25.35	16.31	12.78
Required reserves	16.11	16.11	16.11
Excess reserves	9.24	0.20	-3.33

1/ As of January 2004, the monetary base is compiled for ten-day periods.

2/ Including NBS treasury bills in the portfolios of commercial banks and one-day deposits by commercial banks with the NBS.

3/ Use of the monetary base = Reserve money = Currency in circulation + Reserves of commercial banks.



Shortened Balance Sheet of Commercial Banks as at 31 July 2004

(Banks and branches of foreign banks operating in the SR in total)

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
Total assets	64,646,825	940,960,192	26,437,967	115,157,972	40,747,059	1,058,656,365
Cash items	0	9,808,314	0	28,694	3,816,799	13,653,807
Cash in hand	0	8,878,182	0	0	3,413,236	12,291,418
Gold	0	0	0	0	0	0
Other cash items	0	930,132	0	28,694	403,563	1,362,389
Deposits with and credits to NBS, foreign issuing banks, and post office banks	0	212,152,441	0	0	172	212,152,613
Money reserve accounts with the NBS	0	11,553,809	0	0	0	11,553,809
Deposits, credits, and other receivables	194,677	31,501,775	7,135,984	7,132,136	10,204,423	55,779,641
Current accounts with banks	0	382,072	3,326	97,056	4,211,891	4,694,345
Credits provided	5,064	1,063,493	0	0	1,626,883	2,685,312
Time deposits with banks	0	29,719,618	2,642,468	7,027,258	4,233,925	43,623,269
Current accounts of other banks	0	0	2,870,151	320	127	2,870,598
Other receivables	4	230,420	1,620,039	7,502	28,875	1,886,832
Standard credits, qualified deposits, classified credits, deposits, and other receivables	189,609	106,172	0	0	102,722	19,285
of which: Short-term receivables	97,011	0	0	0	102,116	5,105
Interest on non-performing credits	1,454	1,028	0	0	569	143
Standard credits to customers	1,215,746	217,238,257	540,803	58,384,479	7,920,510	282,868,303
Short-term credits	144,787	47,652,942	362,552	17,591,291	3,472,138	68,934,136
Long-term credits	1,070,959	169,585,315	178,251	40,793,188	4,448,372	213,934,167
of which: Credits repayable in 1 to and including 5 years	51,769	69,059,261	148,813	18,433,503	1,290,473	88,880,281
Other receivables from customers	1,213	1,367,223	14,488	1,536,008	527,638	3,444,144
of which: Credits for commercial claims	0	594,511	4,603	1,438,803	449,459	2,487,376
Current accounts of customers - debit balances, overdrafts	43,276	26,986,513	70,466	8,372,112	435,247	35,821,062
Standard receivables with conditions, classified credits, and other receivables from customers	25,480,835	46,753,627	1,055,178	17,756,620	675,200	40,759,790
of which: Interest due, but unpaid	3,526,315	3,511,091	16,614	66,149	1,589	69,128
Standard credits with conditions	1,793,244	21,654,215	673,441	12,467,160	398,631	33,400,203
Sub-standard receivables	1,568,514	3,394,142	364,358	2,115,041	273,286	4,578,313
Doubtful and controversial claims	2,001,503	3,223,811	240	814,266	518	2,037,332
Loss-making receivables	20,117,574	18,481,459	17,139	2,360,153	2,765	743,942
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	65,911	18,458,285	0	3,051,770	0	21,444,144
Standard credits with conditions, classified loans, and other receivables	65,275	302,448	0	300,285	0	537,458
Credits to state authorities	0	12,495,308	0	893,134	0	13,388,442
Credits to social security funds	0	106,993	0	0	0	106,993
Credits to local governments	636	5,267,727	0	1,858,351	0	7,125,442
Credits to funds	0	285,809	0	0	0	285,809
Fixed forward transactions	0	3,538,519	2,731,923	307,219	575,085	7,152,746
Claims in respect of money collection	0	76,418	35	802,608	100,490	979,551
Branches and representative offices	0	0	315,955	8,562	1,506,292	1,830,809
Receivables and other suspense accounts	1,076,246	4,974,535	89,465	499,745	29,099	4,516,598
Securities for sale and other shareholdings	198,759	30,719,831	3,692,652	4,077,581	4,894,519	43,185,824
Receivables from trade in securities and from securities issued by the accounting unit	0	576,390	0	3,453	6,531	586,374
Securities intended for trading	0	64,036,401	325,628	4,567,805	1,275,811	70,205,645
Options - purchase	0	219,698	98,682	85,902	1,371	405,653
Financial investment	1,950,658	198,974,385	10,366,708	8,541,040	6,855,531	222,787,006
Long-term funds provided to branches abroad	0	0	0	0	514,033	514,033
Tangible assets	26,074,803	49,686,200	0	0	0	23,611,397
Acquisition of tangible and intangible assets	17,699	1,687,688	0	2,238	0	1,672,227
Subordinated financial assets	0	62,532	0	0	1,408,308	1,470,840
Intangible assets	8,320,002	10,411,608	0	0	0	2,091,606
Inventories	7,000	175,743	0	0	0	168,743
Adjustments and accumulated depreciation	64,646,825	59,869,008	126,440	4,147,090	504,287	0

Shortened Balance Sheet of Commercial Banks as at 31 July 2004

(Banks and branches of foreign banks operating in the SR in total)

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
Total liabilities	790,831,571	86,288,783	104,050,638	77,485,373	1,058,656,365
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	7,774,836	0	155,221	0	7,930,057
Current accounts with NBS and foreign issuing banks	1,491,691	0	0	0	1,491,691
Time deposits of NBS and and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	6,283,145	0	155,221	0	6,438,366
of which: Redistribution credit	5,172,289	0	0	0	5,172,289
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	31,922,592	35,642,093	6,892,008	59,109,643	133,566,336
Current accounts with banks	0	0	118	791,247	791,365
Current accounts of other banks	383,928	3,253,409	97,212	181,878	3,916,427
Other payables	449,315	2,285	34,193	207,540	693,333
Credits received	1,092,616	6,004,906	112,477	12,074,092	19,284,091
Time deposits of other banks	29,996,733	26,381,493	6,648,008	45,854,886	108,881,120
Payables in respect of other items	37,209	0	0	0	37,209
Payables in respect of securities	0	0	0	0	0
Deposits of customers	554,441,024	4,194,392	89,386,601	4,773,484	652,795,501
Current accounts of customers	183,592,213	2,063,502	40,100,702	2,607,509	228,363,926
Time deposits of customers	275,410,958	2,020,147	46,877,737	2,139,636	326,448,478
Savings deposits of customers	93,809,576	109,433	2,408,162	26,339	96,353,510
Certificates of deposit	1,628,277	1,310	0	0	1,629,587
Other liabilities to customers	10,743,606	1,352,913	3,859,204	43,128	15,998,851
Credits received from customers	5,758,339	0	0	0	5,758,339
Short-term securities issued by the accounting unit	7,041,621	11,929	1,413,795	1,004	8,468,349
Earmarked deposits	19,000	200	0	0	19,200
Other specific payables	315,514	0	480	0	315,994
Accounts of state authorities, local governments, and funds	75,921,565	0	956,636	0	76,878,201
Non-budgetary money deposits of state authorities	40,739,668	0	810,374	0	41,550,042
Deposits of social security funds	17,718,693	0	0	0	17,718,693
Deposits of local governments	12,162,347	0	84,712	0	12,247,059
Deposits of funds	5,300,857	0	61,550	0	5,362,407
Fixed forward transactions	3,777,694	3,409,651	293,136	545,939	8,026,420
Payables in respect of money collection	611,687	35	817,604	58,369	1,487,695
Branches and representative offices	253,048	1,230,246	0	12,643,597	14,126,891
Various payables, adjustment and other suspense accounts	4,951,773	76,269	199,448	67,795	5,295,285
Liabilities from trading in securities and securities issued by the accounting unit	714,627	75,454	17,904	18	808,003
Options – sale	125,645	190,912	9,445	106,383	432,385
Subsidies and similar funds	3,446,873	0	0	0	3,446,873
Long-term securities issued by the accounting unit	22,035,331	0	730	0	22,036,061
Subordinated financial liabilities	0	513,096	0	0	513,096
Reserves	6,614,895	0	47,000	135,886	6,797,781
Reserve funds and other funds allocated from profits	11,634,219	146,500	0	0	11,780,719
Registered capital	4,638,750	36,594,725	0	0	41,233,475
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,836,786	0	0	0	1,836,786
Own shares	-11,014	0	0	0	-11,014
Capital of mutual funds (unit trusts)	0	0	0	0	0
Other capital funds	205,071	5,490	0	0	210,561
Gains or losses from revaluation of net investments connected with shares and deposits	-811	0	0	127	-684
Gains or losses from revaluation of security derivatives	1,988	299	1,426	0	3,713
Gains or losses from revaluation of assets and liabilities	0	0	0	0	0
Retained earnings from previous years +/-	30,715,503	0	0	0	30,715,503
Accumulated losses from previous years +/-	-2,957,482	0	0	0	-2,957,482
Profit and loss account +/-, -/	8,261,682	0	0	0	8,261,682
Profit or loss in process of approval +/-, -/	0	0	0	0	0



Monthly Profit and Loss Account of Commercial Banks

(Banks and branches of foreign banks operating in the SR in total)

(SKK millions)

	2003						2004						
	7	8	9	10	11	12	1	2	3	4	5	6	7
EXPENSES													
Expenses on financial operations:	131,401	145,562	169,182	188,093	206,671	225,688	28,513	49,577	71,903	94,242	119,559	134,320	149,803
Other interest	15,858	17,968	20,054	22,137	24,218	26,293	2,143	4,210	6,786	8,979	11,067	12,993	14,788
Fees and commissions	1,551	1,660	1,803	1,919	2,116	1,664	94	201	341	462	588	733	870
Renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations in securities	2,806	3,101	3,586	4,227	4,732	4,977	281	486	726	939	1,144	1,315	1,450
Interest on securities	1,313	1,481	1,652	1,840	2,006	2,656	170	322	499	678	852	1,033	1,284
Foreign exchange operations	50,238	54,599	67,283	75,181	82,611	92,488	11,491	20,899	30,386	39,748	51,416	57,605	64,710
Operations in derivatives	58,878	65,916	73,894	81,780	89,940	96,381	14,277	23,312	32,919	43,109	54,062	60,071	66,052
Other operations	757	835	909	1,008	1,048	1,229	58	147	245	328	430	569	649
General operating expenses	13,923	15,927	18,128	20,314	22,416	25,550	1,928	3,958	6,182	8,383	10,700	13,014	15,112
Additions to reserves and provisions	15,618	17,166	19,012	20,058	21,107	29,917	1,159	2,486	5,806	7,293	8,625	12,831	14,740
Other operating expenses	7,259	8,164	8,752	9,617	9,899	13,261	3,761	4,299	5,136	5,712	6,341	7,111	7,928
Extraordinary expenses	16	17	17	18	27	19	5	5	5	5	5	5	0
Income tax	455	503	557	591	617	37	41	115	368	422	551	611	749
Current period profit	6,946	8,079	9,217	9,662	10,429	11,548	1,273	2,513	3,015	4,490	5,511	6,942	8,262
TOTAL EXPENSES, PLUS PROFIT	175,619	195,418	224,865	248,353	271,166	306,020	36,679	62,951	92,415	120,547	151,292	174,833	196,595
INCOME													
Income from financial operations:	154,390	171,894	198,784	220,676	242,216	265,226	32,234	57,005	83,139	109,324	138,363	157,307	176,806
Income from other interest	21,515	24,649	27,692	30,755	33,896	36,972	3,161	6,128	9,423	12,511	15,894	18,982	22,085
Income from fees and provisions	5,191	5,859	6,653	7,474	8,211	9,270	709	1,464	2,359	3,277	4,144	5,121	6,037
Income from shares and stakes	87	100	292	381	388	799	12	22	24	46	84	89	140
Income from renting	0	0	0	0	0	0	0	0	0	0	0	0	0
Income from operations in securities	2,590	2,905	3,239	3,322	3,445	4,033	519	1,031	1,445	1,719	1,914	2,512	2,796
Income from interest on securities	13,189	14,800	16,454	18,186	19,754	21,518	1,822	3,625	5,484	7,252	8,976	10,554	12,111
Income from foreign exchange operations	52,897	57,135	70,811	79,205	87,035	96,716	11,788	21,668	31,282	41,919	53,477	59,826	67,543
Income from operations in derivatives	58,531	66,014	73,136	80,760	88,906	95,196	14,165	22,947	32,948	42,374	53,587	59,864	65,670
Income from other operations	390	432	508	593	582	721	57	120	172	226	285	358	424
Use of reserves and provisions	18,426	20,429	22,672	23,935	24,800	34,868	3,831	5,214	8,385	10,160	11,715	16,098	18,163
Other operating income	2,768	3,072	3,382	3,700	4,081	5,678	613	731	888	1,062	1,212	1,428	1,625
Extraordinary income	16	16	16	17	18	16	0	0	0	0	0	0	0
Current period loss	20	7	11	25	51	232	0	2	3	0	1	0	0
TOTAL INCOME, PLUS LOSS	175,619	195,418	224,865	248,353	271,166	306,020	36,679	62,951	92,415	120,547	151,292	174,833	196,595

Symbols used in the tables

- . - Data are not yet available.
- x - No entry for logical reasons.
- Data do not exist / data are not applicable.