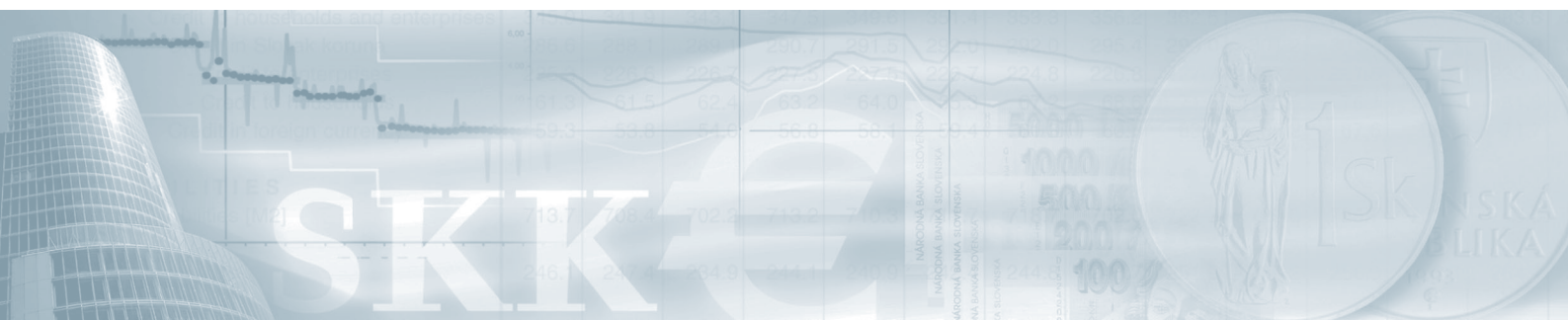




NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

November 2004



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**CONTENTS**

1. Introduction	3
2. Inflation	3
2.1. Consumer Price Index	3
2.2. Producer Prices in October 2004	5
3. Factors Affecting the Course of Inflation	7
3.1. Monetary Aggregates	7
3.2. Foreign Trade	10
3.3. Real Economy	16
4. Monetary Developments	29
4.1. Foreign Exchange Market	29
4.2. Money Market and Monetary Policy Implementation	30
4.3. Customer Interest Rates in October 2004	33
Annexes	37
1. Capital Market	37
1.1. Primary Market	37
1.2. Secondary Market	37
2. Monetary Developments in the Euro Area	38
2.1. Exchange Rate Developments	38
2.2. Real Economy	39
3. Tables	41
Selected Indicators of Economic and Monetary Development in the SR	41
Monetary Survey	42
Money Supply M2	45
Developments in Credit	46
Developments in Deposit	46
Balance of Payments of the SR for January to September 2004	47
Inflow of Foreign Direct Investment into the SR in 1998 - 2004	48
Inflow of Foreign Direct Investment	49
Volume of Foreign Direct Investment	52
Outflow of Foreign Direct Investment from Slovakia in 1998 - 2004	55
Outflow of Foreign Direct Investment	56
Volume of Foreign Direct Investment Outward	59
Average Lending Rates of Commercial Banks	62
Volumes of New Loans and Average Lending Rates of Commercial Banks	63
Koruna Deposits and Average Deposit Rates	64
Basic Characteristics of Interest Rates on Loans and Deposits	65
Monetary Policy Instruments	66
Basic Characteristics of Slovakia's Foreign Exchange Market in November 2004	67
Average Exchange Rates of the SKK	68
Monetary Base of the NBS	69
Shortened Balance Sheet of Commercial Banks as at 31 October 2004	70
Monthly Profit and Loss Account of Commercial Banks	72

**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
CDPC	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
NBS	Národná banka Slovenska – National Bank of Slovakia
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
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
SDXG	SDXGroup
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 November 2004, approved by the NBS Bank Board on 21 December 2004



1. Introduction

The level of consumer prices fell by 0.1% in November, while the prices of core inflation components dropped month-on-month by 0.2%. The 12-month inflation rate reached 6.3%, with core inflation accounting for 1.45 percentage points. The rate of core inflation reached 2.0% on a year-on-year basis. The year-on-year inflation rate, expressed in terms of the Harmonised Index of Consumer Prices (HICP), reached 6.0% in November.

Over the first three quarters of 2004, real gross domestic product grew year-on-year by 5.4%, with the 12-month dynamics reaching 5.3% in the third quarter.

The M2 money supply (at fixed 1993 exchange rates) grew in October by Sk 0.9 billion, corresponding to a year-on-year increase of 5.4%. Slovak-koruna deposits, as a component of the M2 monetary aggregate, declined month-on-month by Sk 6.5 billion in October, while growing year-on-year by 4.4%. At current exchange rates, the money supply increased year-on-year by 4.6%.

The volume of loans to enterprises and households (at fixed exchange rates from 1 January 1993) increased in October by Sk 6.2 billion, representing an acceleration in year-on-year dynamics to 12.8%. At current exchange rates, loans to enterprises and households grew year-on-year by 12.3%.

The average interest rate on new loans (excluding current account overdrafts) remained unchanged in October, at the level of 5.8%. The average interest rate on deposits dropped by 0.1 of a percentage point, to 2.3%.

On 30 November 2004, the State Budget of the SR recorded a deficit of Sk 34.1 billion.

The foreign exchange reserves of the NBS (at current exchange rates) increased by USD 395.7 million in November, to USD 13,912.8 million. At the end of the month, the volume of foreign exchange reserves was 5.3 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first ten months of 2004.

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

The balance of payments on current account from January to August recorded a deficit of Sk 27.7 billion. Over the same period the capital and financial account generated a surplus of Sk 55.1 billion. From January to October, the current account produced a deficit of Sk 27.5 billion, while trade resulted in a shortfall of Sk 26.0 billion.

Structure of the 12-Month Core Inflation Rate (percentage points)



In November, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 264.4 billion, representing an increase of Sk 0.7 billion compared with the figure for October.

On 26 November 2004, the Board of the National Bank of Slovakia (NBS) decided to lower the key interest rates of the NBS by 0.5 of a percentage point, to 4.0% for two-week NBS repo tenders, 2.5% for overnight sterilisation operations, and 5.5% for overnight refinancing transactions (with effect from 29 November 2004).

2. Inflation

2.1. Consumer Price Index

As in the previous months, consumer price developments in November were affected by a continued fall in food prices and the prices of tradable goods, excluding fuels. On the other hand, prices for market services increased. Consumer prices showed weaker dynamics in November than had been expected by the NBS.

Consumer prices dropped by 0.1% in November, with regulated prices stagnating and the prices of core infla-

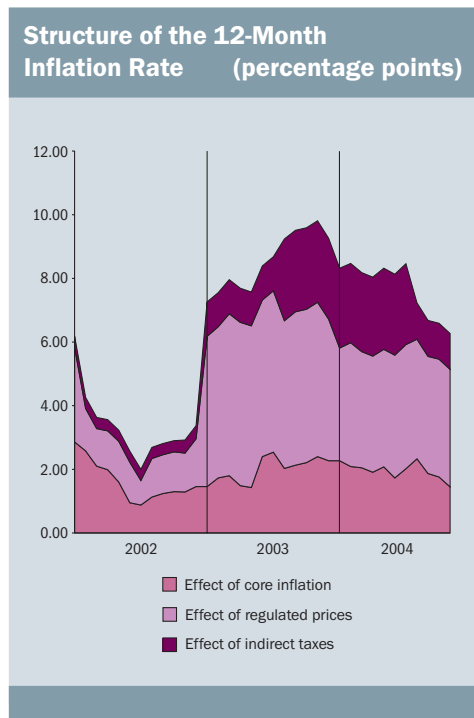
Slowdown in year-on-year consumer price dynamics



tion components falling by 0.2%. The 12-month rate of overall inflation reached 6.3% (in October 6.6%) and that of core inflation 2.0% (in October 2.4%). The level of consumer prices rose by 7.7% over the first eleven months of the year (in October by 7.8%).

Core inflation The basic components of core inflation were primarily affected by developments in the prices of foodstuffs, tradable goods, and fuels.

Continued fall in food prices Food prices continued to fall for the third successive month in November (by 0.7%), as a result of declines in both processed and non-processed food prices. Among processed food prices, which fell by 0.3%, the most significant drops occurred in the prices of bread and flour products. Only the prices of milk and dairy products showed modest upward dynamics. Non-processed food prices declined by 1.3%, due to the continuing seasonal fall in fruit prices, accompanied by a drop in meat prices. At the same time, vegetable prices recorded an increase. On a year-on-year basis, food prices fell by 1.4% (after being stagnant in October in comparison with the same period a year earlier).



Further fall in tradable goods prices In the 'tradable goods' category, most prices recorded decreases in November, including fuel prices. On a month-on-month basis, the prices of tradable goods dropped by 0.4%. The sharpest drops took place in the prices of tobacco products, alcoholic and non-alcoholic beverages. The prices of clothes, footwear, and goods connected with household repair and maintenance services recorded a modest increase in November. On a year-on-year basis, the prices of tradable goods rose by 0.4% (in October by 0.9%).

Rise in the prices of housing-related market services Prices for market services increased by 0.6% in comparison with the previous month. They were affected first and foremost by increases in the prices of housing-related services and prices in restaurants. At the same time, prices for services related to recreation continued to fall. On a year-on-year basis, market services prices increased by 8.2% (in October by 7.7%).

Continued slowdown in the 12-month rate of net inflation On a month-on-month basis, the prices of net inflation components (market services and tradable goods, excluding fuels) remained unchanged in November. The 12-month net inflation rate (excluding fuel prices) slowed in November to 2.7%, from 2.8% in October.

Consumer Prices in November 2004

	Constant weight	Comparative change	
Structure of the consumer basket		Oct. 2004	Nov. 2003
Total in %	100.0	-0.1	6.3
Regulated prices in %	19.9	0.0	15.0
Share of total, in percentage points	x	0.01	3.69
Impact of changes in indirect taxes on non-regulated prices			
Share of total, in percentage points	x	0.00	1.13
Core inflation in %	69.9	-0.2	2.0
Share of total, in percentage points	x	-0.13	1.45
of which: food prices in %	17.6	-0.7	-1.4
Share of total, in percentage points	x	-0.12	-0.27
Net inflation			
(excluding the impact of changes in indirect taxes) in %	58.7	0.0	3.2
Share of total, in percentage points	x	-0.01	1.72

Source: Statistical Office of the SR.



Regulated prices remained unchanged in November, due to stagnation in most components and moderate increases in prices for health services, education-related services, and school canteen meals. On a year-on-year basis, the level of regulated prices rose by 15.0% (as in October).

Stagnation in regulated prices

The month-on-month inflation rate, expressed in terms of the Harmonised Index of Consumer Prices (HICP), dropped by 0.2% in November. This corresponded to 6.0% on a year-on-year basis.

Harmonised Index of Consumer Prices

Harmonised Index of Consumer Prices	(year-on-year change in %)					
	2004					
	June	July	Aug.	Sep.	Oct.	Nov.
Total	8.1	8.3	7.0	6.4	6.3	6.0
Goods	7.0	7.3	5.8	5.1	5.0	4.5
Industrial goods	7.6	7.0	5.8	5.7	6.1	6.0
Industrial goods (excluding energy)	1.3	0.9	0.7	0.6	0.6	0.5
Energy	16.9	16.1	13.1	13.0	14.1	14.0
Foodstuffs	6.2	7.8	5.7	4.1	3.3	2.2
Processed food (including alcohol and tobacco)	8.4	8.5	6.4	5.3	4.7	3.4
Non-processed food	1.0	6.0	4.0	1.2	-0.2	-1.0
Services	10.7	10.5	9.7	9.5	9.5	9.8
Total, excluding energy and non-processed food	6.9	6.7	5.8	5.4	5.3	4.9
Total, excluding energy	6.3	6.7	5.6	5.0	4.7	4.4

Note: NBS estimates.

In answer to questions about the previous course of inflation, the respondents gave an average value of 14.26% (14.70% in the previous month). When asked about the expected rate of inflation, the respondents gave an average value of 13.04% (14.88% in the previous month).

Expectations of consumers in respect of inflation

The November results indicate that the expectations of consumers concerning inflation are still on the decline, which corresponds to the forecast of the NBS for the period to come.

In December, the NBS expects a moderate increase in consumer prices, mainly in prices for market services. In food prices, further drops are expected in meat prices, but the prices of milk, dairy products, fruit, and vegetables are likely to increase. In the tradable goods sector, a decrease is likely to occur in fuel prices.

Forecasts of the NBS for the next month

2.2. Producer Prices in October 2004

Industrial producer prices for the domestic market rose month-on-month by an average of 0.6% in October, due to increases in the prices of industrial products (0.6%) and electricity, gas, steam, and hot water (0.5%). The prices of mineral raw materials fell by 0.4%.

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

The prices of industrial products increased month-on-month primarily as a result of increases in the prices of refined oil products (6.2%) and chemicals (3.3%). Price increases were also recorded in rubber and plastic goods (0.4%) and electrical and optical equipment (0.3%). At the same time, food prices dropped by 0.3%, mainly in connection with price developments in primary agricultural production. The most significant declines occurred in the prices of industrially prepared animal fodder (2.0%), flour and starch products (0.9%).

The year-on-year rate of increase in industrial producer prices for the domestic market accelerated, from 4.0% in September to 4.7% in October. This was primarily due to an accelerated increase in the price of industrial products (5.9%, in September 4.9%), accompanied by smaller increases in electricity, gas, steam, and hot water prices (2.9%, in September 2.5%) and raw materials prices (6.3%, in September 5.1%).

...accompanied by an increase in year-on-year dynamics

The October developments in industrial products prices also confirmed the trend from the previous period, when the price increase was concentrated in sectors with a relatively high share of raw materials in the price of final products. This development was mirrored mostly in the prices of refined oil products (an increase of 32.7%) and chemicals, which recorded a marked increase in dynamics (from



Producer Price Developments in October 2004 (%)						
	Compared with the previous month		Compared with the same period a year earlier			
	Sep. 2004	Oct. 2004	Sep. 2004	Oct. 2004	Jan. – Oct. 2004	Oct. 2003
	Industrial producer prices (for the domestic market)	0.3	0.6	4.0	4.7	3.2
– Prices of industrial products	0.5	0.6	4.9	5.9	3.1	1.6
– Prices of mineral raw materials	0.2	-0.4	5.1	6.3	7.0	2.2
– Prices of electricity, gas, steam, and hot water	0.1	0.5	2.5	2.9	3.3	18.6
Industrial producer prices (for export)	1.0	1.8	4.4	8.4	0.5	-4.8
– Prices of industrial products	0.9	1.8	4.4	8.4	0.6	-4.8
Construction prices	0.3	0.5	6.3	6.4	6.0	5.4
Building materials prices	1.2	0.2	8.1	7.9	5.1	3.6
Agricultural prices	-	-	-1.5	-3.4	1.0	-4.0
– Prices of plant products	-	-	-3.0	-6.9	2.6	0.1
– Prices of animal products	-	-	-0.3	-0.9	0.3	-6.8

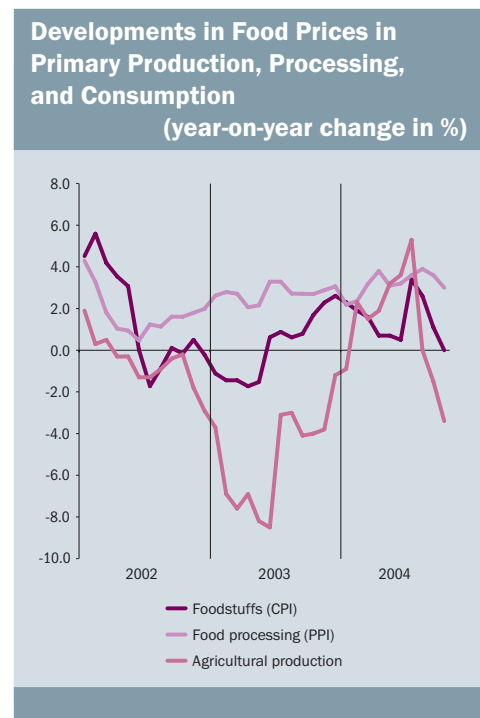
-- Not monitored by the Statistical Office of the SR.

5.4% to 9.0%). Although the prices of industrial products have experienced a record increase over the last three years, this development is not a general trend. In sectors with an increased share of sophisticated inputs, price levels rose only slightly, while prices in other sectors (e.g. the manufacture of transport equipment) recorded a decrease.

Prices of industrial products for export

Compared with September, the prices of industrial products for export rose by an average of 1.8% in October, due mainly to an increase in the price of refined oil products (16.5%). The prices of transport vehicles, electrical and optical equipment fell equally by 0.2%.

On a year-on-year basis, the prices of industrial products for export rose by an average of 8.4%, due to increases in the prices of refined oil products (40.6%) and metals, including metal products (26.0%). The prices of transport vehicles and machines plus equipment dropped by 3.8% and 1.3% respectively, and thus maintained the ongoing trend of deflation.





Agricultural prices remained below the level of the previous year for the second consecutive month. Compared with October 2003, agricultural prices dropped by an average of 3.4%, with the prices of plant products falling by 6.9% and animal products prices by 0.9%.

Prices in agriculture

The fall in the prices of plant products was mainly caused by a drop in cereal prices (due to an excess of supply over demand), as well as in potatoes, vegetable, and tobacco prices. In animal production (prices for live animals), the sharpest drops were recorded in the prices of eggs, pork, and poultry.

From the point of view of external factors, industrial price developments are expected to be affected in the coming month by a drop in the world market price of oil and the continuing depreciation of the US dollar against the Slovak koruna.

Food prices will probably stabilise or fall slightly in connection with the situation in primary agricultural production. Hence we assume that industrial producer prices will fall in November on a month-on-month basis, which will probably lead to a slowdown in their year-on-year dynamics.

Agricultural prices are expected to fall year-on-year in the coming month, mainly as a result of drops in the prices of plant products (due probably to the excess of supply over demand).

3. Factors Affecting the Course of Inflation

3.1. Monetary Aggregates

As in previous years, the M2 money supply recorded an increase in October. The primary source of money supply growth was domestic assets (as net foreign assets fell in volume), mainly in the continuing growth in lending to enterprises and households and in the public sector's indebtedness.

Money Supply

In October, the M2 money supply (at fixed 1993 exchange rates) grew month-on-month by Sk 0.9 billion, to Sk 749.3 billion at the end of the month. The year-on-year rate of money supply growth slowed in comparison with the previous month by 0.8 of a percentage point (to 5.4%), since the same period a year earlier saw a larger month-on-month increase in the money supply (Sk 6.2 billion).

Slowdown in the 12-month growth dynamics of M2

At current exchange rates, the M2 money supply followed a similar course and reached Sk 760.2 billion at the end of October, corresponding to a month-on-month increase of Sk 0.4 billion and a slowdown in year-on-year dynamics of 0.8 of a percentage point in comparison with the previous month (to 4.6%).

The M3 monetary aggregate (according to the methodology of the ECB) increased month-on-month by Sk 5.5 billion in October, to Sk 743.6 billion. The year-on-year rate of growth accelerated in comparison with the previous month by 0.3 of a percentage point, to 13.6%.¹

Development of the M3 aggregate

Structure of the M2 Money Supply

The marked slowdown in the year-on-year growth in the koruna deposits of enterprises, especially in demand deposits, led to a fall in money supply dynamics in October (at fixed 1993 exchange rates). The demand deposits of enterprises, which had increased slightly a year earlier, recorded a marked decline in October 2004. Corporate time deposits also recorded a slowdown in year-on-year dynamics, but remained relatively high in terms of volume. The fall in the dynamics of koruna deposits in the corporate sector was partly offset by a marked acceleration in the 12-month growth rate of corporate deposits in foreign currency. These deposits recorded a relatively large month-on-month increase. Compared with the previous month, the individual types of household deposits recorded no marked changes in year-on-year dynamics in October.

Slowdown in the 12-month dynamics of M2

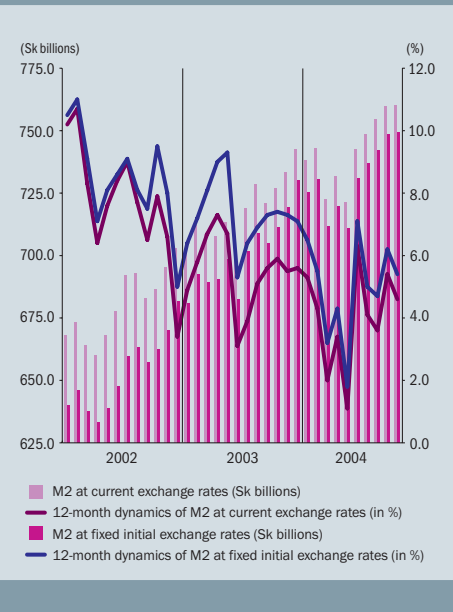
The net value of Sk-denominated assets held by open-end investment funds (OIFs) reached Sk 70.74 billion at the end of November. The net sales of Sk-denominated OIF assets reached Sk 2.32 billion and the net sales in the SR of OIF assets denominated in foreign currency amounted to Sk 74.81 million.

Net value of the assets of open-end investment funds

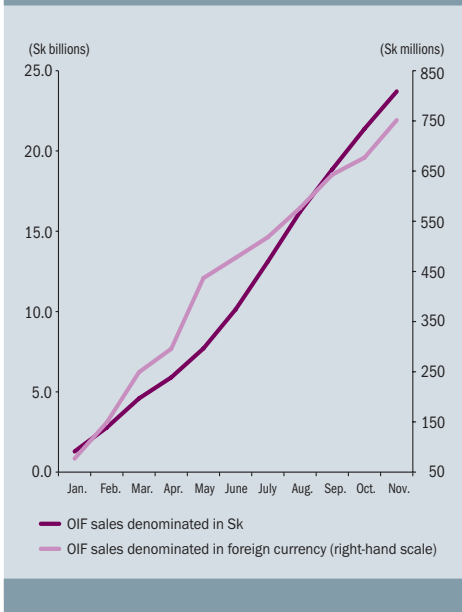
¹ The M3 monetary aggregate shows stronger dynamics than the M2 money supply according to the methodology of the NBS, since M3 includes the participation certificates of money market investment funds (with effect from 2004), which accelerate its rate of growth with regard to the actual trend in investment in such certificates. At the same time, the current trend in the use of collective forms of investment leads to a slowdown in the growth of M2.



Development of the M2 Money Supply



Cumulative Net Sales of OIFs in Slovakia in 2004



Net Sales of Open-End Investment Funds

(Sk billions)

	2004										
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
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	2.64	2.53	2.32
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	0.07	0.03	0.75

Loans to Enterprises and Households

Continued increase in the 12-month dynamics of loans to enterprises and households

Loans to enterprises and households (at fixed 1993 exchange rates) follow a long-term trend of growth, with a tendency to accelerate in the last months of the year. This trend was confirmed in October, when the volume of loans to enterprises and households recorded, as in September, a steep month-on-month increase (Sk 6.2 billion) and reached Sk 408.3 billion at the end of the month. Since the October increase in loans was steeper than in the same period a year earlier (Sk 4.4 billion), the year-on-year dynamics of bank lending to enterprises and households strengthened in comparison with the previous month, by 0.4 of a percentage point (to 12.8%).

At current exchange rates, the volume of loans to enterprises and households totalled Sk 418.7 billion, representing a month-on-month increase of Sk 5.9 billion and an acceleration of 0.2 of a percentage point in year-on-year dynamics (to 12.3%).

The October increase in the volume of loans to enterprises and households (at fixed 1993 exchange rates) predominantly took place in foreign-currency loans (Sk 3.6 billion), while koruna loans recorded a smaller increase than in the previous two months (Sk 2.6 billion, with loans to households growing by Sk 2.8 billion and loans to enterprises falling by Sk 0.2 billion).

Over the first ten months of 2004, koruna loans to households grew in volume by a total of Sk 25.4 billion (29.8%), which is more than the figure for the whole of 2003 (Sk 23.6 billion, i.e. 38.4%). The October increase in koruna loans to households took place predominantly in consumer loans and housing loans (excluding mortgage loans) with a month-on-month increase of Sk 1.2 billion (Sk 6.9 billion since the beginning of the year, i.e. 13.0%) and in mortgage loans with a maturity of over 5 years and an increase of Sk 1.1 billion (Sk 11.5 billion since the beginning of the year, i.e. 46.4%).



Developments in the Main Categories of the Monetary Survey						
	Month-on-month change (Sk billions)			Year-on-year change (%)		Change since the beginning of the year (Sk billions) Oct. 2004
	Sep. 2004	Oct. 2004	Oct. 2003	Sep. 2004	Oct. 2004	
At fixed 1993 exchange rates:						
Money Supply [M2]	6.1	0.9	6.2	6.2	5.4	23.8
Money [M1]	5.9	-3.9	1.8	12.4	10.1	9.4
Currency outside banks [M0]	0.9	1.3	1.1	8.1	8.2	5.8
Demand deposits	5.0	-5.2	0.7	14.7	11.1	3.6
- households	0.9	0.6	-0.5	10.1	11.5	9.8
- enterprises (inc. insurance cos.)	4.1	-5.8	1.2	19.0	10.7	-6.2
Quasi-money [QM]	0.2	4.8	4.4	2.6	2.7	14.4
Time deposits	-2.8	-1.3	3.3	2.7	1.4	5.6
- households	-1.2	-1.2	-1.3	-7.4	-7.4	-14.6
- enterprises (inc. insurance cos.)	-1.6	-0.1	4.6	22.0	17.6	20.2
Foreign-currency deposits	3.0	6.1	1.1	2.3	8.4	8.8
- households	0.2	0.1	0.2	-11.9	-12.0	-3.7
- enterprises (inc. insurance cos.)	2.8	6.0	0.9	23.8	38.9	12.5
Koruna deposits	2.2	-6.5	4.0	6.4	4.4	9.2
- households	-0.3	-0.6	-1.8	-3.0	-2.6	-4.8
- enterprises (inc. insurance cos.)	2.5	-5.9	5.8	20.8	14.9	14.0
At current exchange rates:						
Money Supply [M2]	5.4	0.4	6.0	5.4	4.6	21.6
Foreign-currency deposits	2.3	5.6	0.9	-2.8	2.1	6.6
- households	-0.4	-0.5	0.0	-16.3	-17.2	-6.1
- enterprises (inc. insurance cos.)	2.7	6.1	0.9	17.7	30.7	12.7
At fixed 1993 exchange rates:						
Net foreign assets	-18.4	-6.4	23.9	4.1	-14.4	-10.5
Net domestic assets	24.5	7.3	-17.7	6.7	11.5	34.3
Domestic credits	14.9	13.9	5.8	13.8	15.0	50.5
Net credit to general government	8.2	7.7	1.4	15.7	18.0	23.9
Loans to enterprises and households	6.7	6.2	4.4	12.4	12.8	26.6
Loans in Slovak koruna	5.5	2.6	2.7	7.6	7.5	6.1
- households	2.6	2.8	3.2	41.5	39.3	25.4
- enterprises (inc. insurance cos.)	2.9	-0.2	-0.5	-3.8	-3.7	-19.3
Loans in foreign currency	1.2	3.6	1.7	39.6	41.8	20.5
Money supply [M2]	6.1	0.9	6.2	6.2	5.4	23.8

Fiscal Developments, Net Credit to the Government

In October, the volume of net credit to the general government (including the FNM) increased month-on-month by Sk 6.8 billion (at fixed 1993 exchange rates), to Sk 317.2 billion² at the end of the month. This development was not affected by the creditor position of the National Property Fund (FNM) vis-à-vis the banking sector, which remained at the end-September level (Sk 6.7 billion).

Net credit to the general government

The October increase in net credit to the general government was partly due to a deterioration in the current budgetary performance of the central government, which resulted in a deficit of Sk 30.5 billion at the end of October (representing a month-on-month increase of Sk 1.1 billion), with budget revenues totalling Sk 195.9 billion and expenditures Sk 226.4 billion. The remaining part of the increase in net

² With effect from September 2004, the Agency for Debt and Liquidity Management has access to primary auctions in NBS bills; this fact had been taken into account in the methodology of net credit to the general government, as a result of which the September and October figures were revised.



credit to the general government was a consequence of several factors, the most important being a month-on-month reduction in the deposits of non-budgetary funds of state authorities (Sk 1.7 billion), a fall in the volume of state financial assets (Sk 1.2 billion), and a slight deterioration in the net position of regional self-governments (Sk 0.5 billion).

Primary market for SR Treasury bills

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

In November, the ARDAL placed Treasury bills on the market in the amount of Sk 4.012 billion, representing 19.02% of the total demand. The average accepted yield reached 4.24%, i.e. 4 basis points less than the BRIBOR rate for the corresponding maturity in the case of a comparable tax burden.

3.2. Foreign Trade

Balance of Payments for January to September 2004

Current account

The deficit in the balance of payments on current account continued to grow on a year-on-year basis, mainly due to increases in the trade and income balance deficits, accompanied by a decrease in the surplus in current transfers. The only item to record an improvement in comparison with the same period of 2003 was the balance of services. The current account deficit as a share of GDP increased to 2.8%, from 0.8% a year earlier.

	Balance of Payments on Current Account (Sk billions)	
	January – September 2004	January – September 2003
Balance of trade	-24.1	-16.6
Exports	659.3	581.6
Imports	683.4	598.2
Services balance	6.2	5.3
Income balance	-13.7	-5.0
of which: income from investment	-24.9	-16.8
Current transfers	3.9	7.1
Current account in total	-27.7	-9.2

Balance of trade

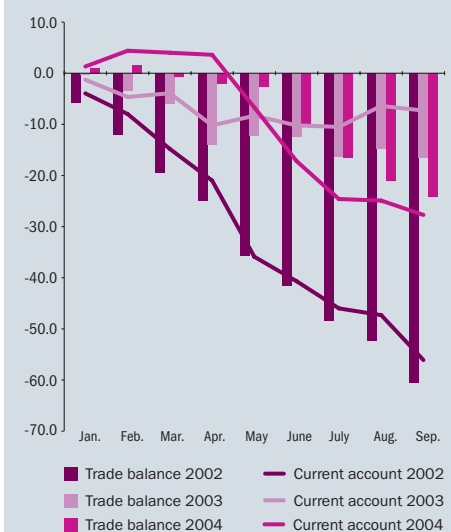
Before publishing its data for October 2004, the Statistical Office of the SR had revised the foreign trade figures for the period May to September, as a result of which exports increased by Sk 7.2 billion, imports by Sk 2.4 billion, and the trade balance improved by Sk 4.8 billion.

The 12-month rate of growth in imports (14.2%; corresponding to 31.6% in USD and 18.1% in EUR) exceeded the dynamics of exports (13.4%; 30.6% in USD and 17.2% in EUR).

Exports

The increase in exports took place predominantly 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 in the year-on-year increase reached more than 75% over the first nine months 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 individual industries, large household appliances, television sets, electrical lighting equipment, etc. Certain chemicals and semi-finished goods (iron and steel, iron and steel prod-

Balance of Trade and Current Account Developments (cumulative figures) (Sk billions)





ucts, paper goods, rubber products, plastics, etc.) were also exported to the world markets. The rise in oil prices led to a marked year-on-year increase in raw materials exports. In addition to transport vehicles, the year-on-year changes in exports diminished in finished products, mainly as a result of a decline in the exports of furniture and clothes.

Exports from January to September, Year-on-year Changes				
	Year-on-year change in billions of Sk		Proportion of the change in p.p.	
	January – September 2004	2003	January – September 2004	2003
Raw materials	12.2	1.4	2.1	0.3
Chemicals and semi-finished goods	22.9	12.5	3.9	2.6
Machines and transport equipment	39.7	83.3	6.8	17.4
Finished products	2.7	6.3	0.5	1.3
Exports in total	77.5	103.5	13.3	21.6

In imports, as in exports, the steepest increase was recorded in the 'machines and transport equipment' category. The increase in this category took place in the imports of commodities for the automobile industry (motor vehicle components and engines), electrical instruments (circuits, switchboards, and optical, measuring, and medical instruments), and machines (for the metallurgical, engineering, chemical, glass, and building materials industries). The growth in the imports of semi-finished goods and chemical products was concentrated in plastics, rubber, copper, iron and steel, and related products. In finished products, increases were recorded in the imports of industrial products, mainly pharmaceuticals, furniture, footwear, toys, and sporting goods. The imports of foodstuffs (meat, milk, fruit, cooking oil, etc.) and automobiles also increased in comparison with the previous year. In addition to oil imports, which grew as a result of a rise in oil prices, raw materials imports were affected by the increased imports of electricity and black coal.

Imports

Imports from January to September, Year-on-year Changes				
	Year-on-year change in billions of Sk		Proportion of the change in p.p.	
	January – September 2004	2003	January – September 2004	2003
Raw materials	13.9	1.0	2.3	0.2
Chemicals and semi-finished goods	23.2	15.2	3.9	3.2
Machines and transport equipment	28.9	34.0	4.8	7.1
Finished products	19.1	9.5	3.2	2.0
of which: Agricultural and industrial goods	13.0	3.6	2.2	0.8
Automobiles	3.2	-0.2	0.5	0.0
Machines and electrical consumer goods	2.9	6.1	0.5	1.3
Imports in total	85.1	59.7	14.2	12.5

The increase in the positive balance of services took place mostly in 'other services in total'. The deficit in these services diminished to Sk 8.9 billion (from Sk 15.8 billion last year) as a result of smaller shortfalls in financial, legal, accounting, consulting, and other services. Net receipts from foreign tourism reached Sk 2.1 billion over the nine months under review. Their low level was affected by the continuing growth in the expenditures of Slovak citizens on trips abroad, while receipts from foreign tourists continued to fall. The balance of transport recorded a surplus of Sk 13.0 billion and remained roughly at the level of the same period a year earlier.

Services balance

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 18.9 billion, representing a year-on-year increase of almost Sk 13.8 billion. The positive balance of current

Income and current transfers balances



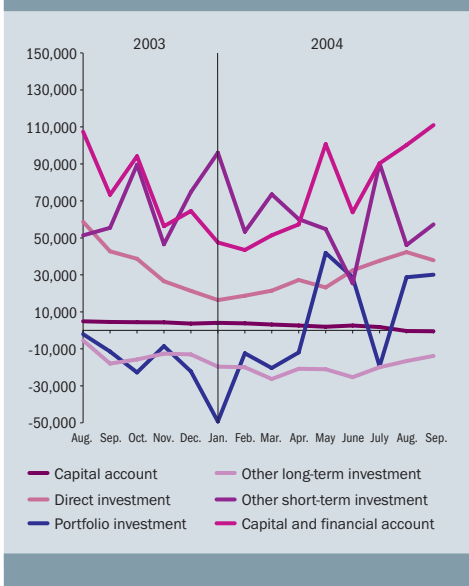
transfers recorded a year-on-year decline, mainly as a result of smaller income from transfers among legal entities, where a fall in receipts was accompanied by an increase in expenses.

Capital and financial account The inflow of funds in the capital and financial account was caused by income from direct and portfolio investments, and a modest inflow of short-term capital.

Foreign direct investment The inflow of foreign capital into the SR totalled Sk 23.4 billion, which was almost 8% less than the figure in the same period a year earlier. The structure of capital inflow for privatisation and non-privatisation purposes differed. Privatisation activity fell in comparison with last year, while non-privatisation investment increased year-on-year by almost 30%. Foreign direct investment took place mostly in the form of increases in the ownership interests of foreign investors in industrial production (the production of coke, refined oil products, motor vehicles, and machines) and in trade and business services. In a breakdown by country, most investments came from Hungary, Great Britain, and France.

Portfolio investment The inflow of funds in the area of portfolio investment was stimulated by the activities of the government. In addition to a bond issue on foreign markets, which generated a net capital inflow of Sk 20.1 billion, the period under review saw continued purchases of Sk-denominated government bonds on the part of non-residents. On the assets side, domestic entities (mainly enterprises) invested their free funds in the purchase of foreign bonds.

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



Balance of Payments on Capital and Financial Account	(Sk billions)	
	Jan. - Sep. 2004	Jan. - Sep. 2003
Capital account	-1.5	2.7
Direct investment	34.3	17.7
of which: investment in the SR	23.4	25.4
of which: other than privatisation	20.5	15.8
Portfolio investment and financial derivatives	36.1	-16.2
SR abroad	-10.8	-17.4
In the SR	46.9	1.2
Other long-term investment	-14.7	-14.0
Assets	-4.2	10.7
Liabilities	-10.5	-24.7
Other short-term investment	0.9	18.5
Assets	-2.1	-16.7
Liabilities	3.0	35.2
Capital and financial account	55.1	8.7

Other investments The outflow of funds within the scope of other investments took place mostly in the long-term liabilities of the corporate sector (excess of repayments over drawings of financial credits). The increased outflow of long-term capital from the corporate sector was offset partly by an inflow of funds into the banking sector from long-term loans.

A modest inflow of short-term capital was caused by an excess of capital inflow on the short-term liabilities side over outflow on the short-term assets side. While short-term assets were dominated by the corporate sector (the provision of commercial and financial credits), short-term liabilities saw a somewhat greater inflow of funds into the banking sector than outflow from the government sector, including the NBS (as a result of repo operations conducted within the scope of NBS foreign exchange reserve management).



The foreign exchange reserves of the NBS increased by Sk 33.0 billion, i.e. USD 1.0 million (excluding exchange rate differentials).

Foreign exchange reserves of the NBS

Balance of Payments Adjusted for the Activities of the Government and the NBS (Sk billions)		
	January – September 2004	
	Actual ^{1/}	Adjusted ^{2/}
Current account	-27.7	-29.0
Capital and financial account	55.1	21.8
of which: FDI in Slovakia - capital participation	23.4	20.5
Items not included elsewhere	5.6	5.6
Interventions by the NBS ^{3/}	x	-45.3
Change in the net foreign assets of commercial banks (- increase)	x	46.9
Change in NBS reserves (- increase)	-33.0	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.*

The growing current account deficit, exceeding the inflow of funds into the corporate sector, coupled with the sale of foreign currency to the Central Bank, caused a further decrease in the net foreign assets of the banking sector.

External Debt of Slovakia at 30 September 2004

At the end of September 2004, the total external debt of the SR stood at USD 19.5 billion (EUR 15.9 billion), representing an increase of USD 601.5 million (EUR 121.7 million) compared with the previous month. Total long-term and short-term foreign debt increased by USD 452.3 million and USD 149.2 million respectively.

Gross foreign debt

Within the scope of long-term external debt, the period under review saw an increase in long-term liabilities from Sk-denominated government bonds (USD 274.8 million) and in long-term debt owed by entrepreneurial entities (USD 117.7 million). During the same period, the short-term liabilities of entrepreneurial entities grew in volume by USD 109.6 million.

At the end of September, Slovakia's per-capita gross foreign debt stood at USD 3,632. The share of short-term debt in the country's total gross external debt decreased slightly in comparison with the previous month, to 39.72%.

External Debt of the SR	In millions of USD			In millions of EUR		
	1.1.2004	31.8.2004	30.9.2004	1.1.2004	31.8.2004	30.9.2004
Total external debt of the SR	18,090.2	18,938.4	19,540.0	14,468.3	15,731.6	15,853.3
Long-term external debt	10,308.2	11,327.0	11,779.4	8,244.4	9,409.1	9,556.9
Government and the NBS ^{1/}	4,347.7	5,641.6	5,939.5	3,477.2	4,686.3	4,818.9
Commercial banks	323.1	352.8	389.6	258.4	293.1	316.1
Entrepreneurial entities	5,637.4	5,332.6	5,450.3	4,508.7	4,429.7	4,422.0
Short-term external debt	7,782.0	7,611.4	7,760.6	6,223.9	6,322.5	6,296.4
Government and the NBS	915.5	108.6	113.4	732.2	90.2	92.0
Commercial banks	2,738.6	3,441.3	3,476.1	2,190.3	2,858.6	2,820.2
Entrepreneurial entities	4,127.9	4,061.5	4,171.1	3,301.4	3,373.7	3,384.1
Foreign assets	18,907.5	19,981.6	20,516.4	15,122.0	16,598.2	16,645.5
Net external debt	-817.3	-1,043.2	-976.4	-653.7	-866.6	-792.2
SKK/USD and SKK/EUR rates:	32.920	33.408	32.492	41.161	40.218	40.048
USD/EUR cross exchange rate:	1.250	1.204	1.233	x	x	x

1/ Including government agencies and municipalities.



Net external debt The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. USD 19.5 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 20.5 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.0 billion (creditor position) at the end of September 2004.

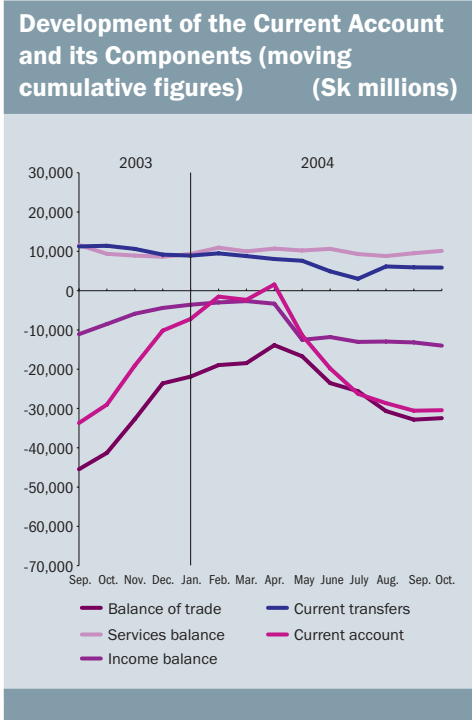
Current Developments

In October, Slovakia's foreign trade resulted in a deficit of Sk 2.0 billion, corresponding to the figure for October 2003. The current account generated a surplus of Sk 0.2 billion, representing a modest improvement in comparison with October 2003 (Sk 0.1 billion)

Balance of trade In comparison with the same period in 2003, exports grew over the first ten months by 12.8% (28.2% in USD and 16.6% in EUR) and imports by 13.6% (29.1% in USD and 17.4% in EUR).

In November, foreign trade is expected to follow the increasing trend in the size of the deficit on a year-on-year basis. Owing to seasonal effects, exports are expected to decline somewhat in comparison with October, which will further increase the excess of growth in imports over exports.

In December, a further increase is expected in the year-on-year balance of trade owing to a marked seasonal decline in exports, caused by a downturn in the exports of transport vehicles.



Balance of Payments on Current Account	(Sk billions)	
	January – October 2004	January – October 2003
Balance of trade	-26.0	-17.2
Exports	742.0	657.5
Imports	768.0	674.7
Services balance	7.3	5.8
Income balance	-13.4	-3.8
of which: income from investment	-26.2	-17.2
Current transfers	4.6	7.9
Current account in total	-27.5	-7.3

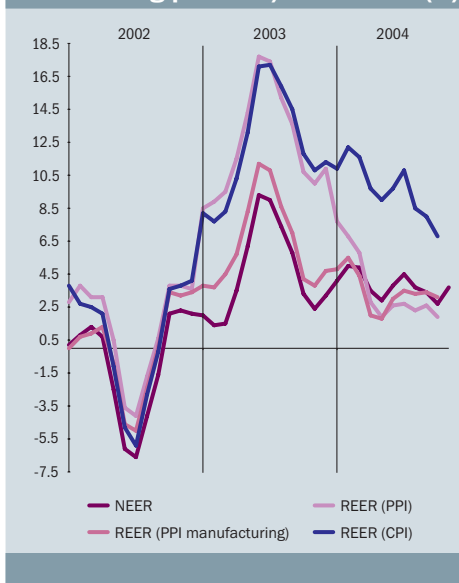
Monthly Data on the Current Account by Component	(Sk billions)									
	2004									
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.
Balance of trade	1.0	0.6	-2.3	-1.4	-0.6	-7.1	-6.7	-4.5	-3.1	-2.0
Services balance	0.1	0.8	1.2	1.7	-0.3	0.9	0.1	0.2	1.5	1.2
Income balance	-0.3	0.7	0.1	-1.1	-10.0	-2.1	-0.6	0.9	-1.4	0.3
Current transfers	0.5	1.0	0.7	0.4	0.5	-2.1	-0.3	3.1	0.1	0.7
Current account	1.3	3.1	-0.3	-0.4	-10.4	-10.4	-7.5	-0.3	-2.9	0.2



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



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



At the end of November, the total foreign exchange reserves of the NBS stood at USD 13,912.8 million, representing a month-on-month increase of USD 395.7 million. The increase in foreign exchange reserves in comparison with the end of October was caused by a modest deficit in the balance of receipts and expenses (USD -13.4 million), produced mainly by an outflow of funds as a result of cross-border payments for customers. This deficit was exceeded by positive exchange rate differentials (USD 409.1 million) resulting from changes in the cross rate of the euro against the US dollar in the period under review. At the end of the month, the volume of foreign exchange reserves was 5.3 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first ten months of the year.

Total foreign exchange reserves of the NBS

In November, the rate of appreciation in the value of the koruna accelerated and the average monthly exchange rate again appreciated on a month-on-month basis, in relation to both the euro and the US dollar (by 1.1% and 4.8% respectively). The year-on-year rate of appreciation increased to 3.8% for SKK/EUR and 13.4% for SKK/USD. The 12-month dynamics of the nominal effective exchange rate (NEER)³ strengthened to 3.7% in November, from 2.7% in October.

Nominal effective exchange rate of the Slovak koruna (NEER)

Year-on-Year and/or Cumulative NEER and REER Dynamics (%)				
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 October ^{1/}	2.4	6.0	0.5	2.6

^{1/} Cumulative change since the beginning of the year.

³ 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 prices 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, the Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.

**Real effective exchange rate of the Slovak koruna (REER)**

The 12-month dynamics of the real effective exchange rate (REER) continued to weaken in October, confirming the downward trend that started in the middle of 2003. The rate of appreciation in the REER slowed in all variants of calculation under consideration, i.e. the REER based on the CPI slowed to 6.8% (from 8.0% in September), that based on the PPI to 1.9% (from 2.6%), and that based on PPI manufacturing fell to 3.1% (from 3.4%).

3-3. Real Economy**Development of the Real Economy Over the First Three Quarters of 2004****Gross Domestic Product****Real economic growth by 5.4%**

According to preliminary data from the Statistical Office of the SR, real gross domestic product increased year-on-year by 5.4% over the first three quarters of 2004. Compared with the same period a year earlier, the rate of economic growth accelerated by 1.2 percentage points. On the demand side, the dynamic growth in the economy was stimulated by domestic demand, and on the supply side by an increase in added value, mainly in financial mediation, industry, trade, agriculture, and construction. The volume of GDP created over the period under review amounted to Sk 975.9 billion (at current prices), which was 10.5% more than a year earlier.

Demand

Whereas the rate of GDP growth in the individual quarters was stable (5.4%, 5.5%, 5.3%), the structure of economic growth changed in terms of demand creation. The effect of domestic demand on GDP increased from quarter to quarter, parallel with the diminishing weight of net exports.

The revival of domestic demand in the first quarter (by 2.4% at constant prices), which was preceded by a one-year period of decline, led to a growth of 7.3% in the third quarter, representing the strongest growth in domestic demand since the beginning of 2002. In final GDP growth, the relatively large contribution of domestic demand was partly offset by the negative contribution of net exports, especially as a result of a marked fall in foreign demand. The rate of growth in foreign demand slowed down, to the level recorded two years earlier, i.e. the level of the initial period when the gap between domestic and foreign demand began to widen.

Accelerated growth in domestic demand

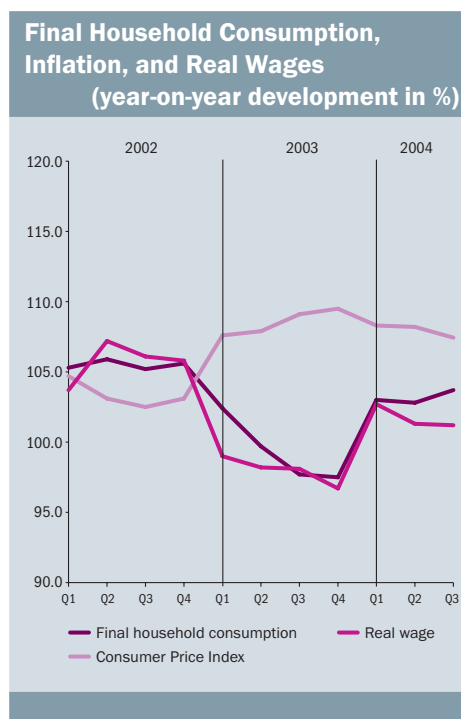
Domestic demand showed accelerated growth as a result of investment demand. The rate of growth in gross capital increased from 4.4% in the first quarter to 16.9% in the third quarter (by 11.7% over the first three quarters). The consumption component of domestic demand recorded only a modest increase in dynamics. It grew over the first three quarters by 2.9%, corresponding to approximately half of the rate of economic growth.

Final consumption

The development of final consumption was dampened by consumption in public administration (general government), which slightly exceeded the level of the same period a year earlier. Consumption in households and non-profit institutions serving households had a pro-growth effect. Final consumption in public administration was probably connected with fiscal discipline in institutions financed through the State Budget and with the relatively slow rate of average wage growth in the public sector. The year-on-

Development of Real GDP (year-on-year growth in %)**Development of Domestic and Foreign Demand (year-on-year development in %)**

Development of GDP by Use (index, same period a year earlier = 100, const. 1995 prices)						
	Q1-3 03	2003	Q1 04	Q2 04	Q3 04	Q1-3 04
	Q1-3 02	2002	Q1 03	Q2 03	Q3 03	Q1-3 03
Gross domestic product	104.2	104.5	105.4	105.5	105.3	105.4
Domestic demand	98.6	98.0	102.4	105.9	107.3	105.3
Final consumption	99.8	100.3	101.7	103.4	103.5	102.9
Households	99.8	99.2	103.0	102.8	103.7	103.2
General government	99.4	102.7	97.4	104.7	102.9	101.8
Non-profit institutions serving households	110.7	110.9	104.2	105.8	105.9	105.3
Gross capital formation	95.4	91.8	104.4	112.5	116.9	111.7
Gross fixed capital formation	98.8	98.5	100.9	103.5	105.5	103.4
Exports of goods and services	121.3	122.5	115.8	116.4	105.1	112.2
Imports of goods and services	114.3	113.6	112.0	117.0	109.6	112.9



year growth in consumption in non-profit institutions and the slow growth in public consumption are also connected with the transformation of selected public sector entities into non-profit organisations, which render services for households.

Real growth in final household consumption reached 3.2% on a year-on-year basis, compared with a decline of 0.2% in the same period a year earlier. The relatively balanced growth in private consumption in the first two quarters (up to 3%) increased to 3.7% in the third quarter. This development was connected with an increase in the tendency of households to consume and an increase in real wages. However, the continued growth in private consumption still lagged behind the rate of growth achieved before the imposition of administrative restrictions on demand in 2003.

Growth in private consumption

The tendency of households to consume was supported by the effect of non-realised consumption from previous years, increased lending to households, lower deposit rates in comparison with the previous year, reduced direct tax rates in all income groups of the population, and by massive retail sales promotion. Within the structure of private consumption, the most rapid

increases were recorded in expenses on health services (31.6%) and on furniture, household appliances, and standard household maintenance services (18.7%).

Gross capital formation (including changes in inventories) increased year-on-year by 11.7% at constant prices. This was mainly due to an increase in inventories (Sk 25.4 billion) and the steadily accelerating growth in fixed investments.

Accelerated growth in investment demand

In a breakdown by sector, the steepest increases took place the investment activities of non-financial corporations (as a result of their improved financial results) as well as financial corporations. The largest investments were made by non-financial corporations, mainly through the creation of new fixed assets. The public sector remained below the level of last year, even though the first half of the year saw an upturn in investment activity in this sector. Less fixed assets were also created in the household sector, despite increased lending for housing purposes and the allocation of more investments for the production of transport vehicles. The investment activities of non-profit organisations increased substantially, but the creation of fixed investments remained virtually unaffected as a whole (due to the small proportion of investments).



Structure of Gross Fixed Capital Formation Over the First Three Quarters of 2004^{1/}

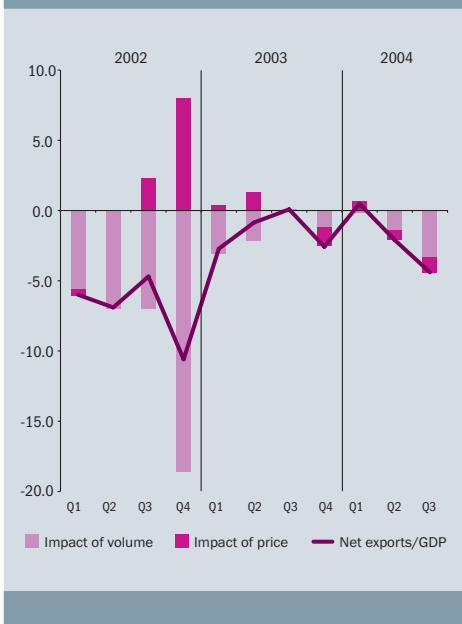
	Gross fixed capital formation (Sk millions)	Proportion (%)	
		Q1-3 2003	Q1-3 2004
Economy of the SR in total:	237,113	100.0	103.4
of which (by production):			
Construction	78,563	33.1	97.5
of which: residential buildings	14,176	6.0	99.7
other structures	64,387	27.2	97.1
Machines	142,346	60.0	106.3
of which: metal goods and machines	106,597	45.0	105.7
transport equipment	35,749	15.1	107.9
of which (by sector):			
Non-financial corporations	151,630	63.9	106.4
Financial corporations	31,793	13.4	103.6
General government	17,752	7.5	95.2
Households	35,319	14.9	95.6
Non-profit institutions	619	0.3	146.7

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

Investment in machines, mainly in transport equipment, significantly contributed to the total increase in gross fixed capital formation. Investment in buildings declined, mainly due to the reduced investment allocation for the construction of other structures, including public utilities.

Investment demand was stimulated by the increased creation of supplies, which was probably connected with the persistent growth in the economy. The increase in inventories as a share of GDP increased over the first three quarters of 2004 to 4.1%, from 2.1% in the corresponding period a year earlier. The change in inventories was mainly caused by a growth in the volume of work-in-progress and semi-finished goods. The increase in the volume of work-in-progress was caused mainly by the larger volume of work-in-progress in large investment projects in construction and by the reaction of production sectors to the dynamic growth in demand. Inventories were also affected by the volume of imports for investment, a substantial part of which can be registered as goods; they become fixed capital only after the investment process is completed. Inventories were probably also increased in part by production in agriculture, mainly in the third quarter.

Contribution of Net Exports to GDP (at current prices) (%)



The exports and imports of goods and services achieved two-digit growth rates in the first three quarters. Imports showed stronger dynamics than exports, which led to a deterioration in the balance of foreign trade on a year-on-year basis. Nominal net exports resulted in a deficit of Sk 20.2 billion, compared with Sk 9.7 billion in the same period a year earlier. Owing to price developments on foreign markets, net exports at constant prices recorded a surplus of Sk 16.6 billion, compared with Sk 17.9 billion in the same period a year earlier.

The deficit increased in nominal terms and the surplus decreased in real terms as a result of a marked slowdown in the dynamics of exports (from 21.3% in the first three quarters of 2003 to 12.2% in the same period in 2004) and a modest slowdown in the growth rate of imports (from 14.3% to 12.9%).

The reduction in export dynamics was the probable cause for the slowdown in the rate of growth in imports for export-oriented production. However, the dynamics of imports of goods and services for the coverage of domestic consumer and investment demand remained unchanged and led, among other things, to a marked increase in supplies in the economy. In the period under review, there was an identifiable relationship between the imports of transport vehicles and machines for the metallurgical, engineering, chemical, glass, and building materials industries on the one hand and increased investment in machines in the Slovak economy on the other. Hence the maintenance of a relatively high rate of growth in imports was closely connected with the accelerated growth in domestic demand.

Impact of Price and Volume on Exports and Imports						
	2003		2004			
	Q1-3	Year	Q1	Q2	Q3	Q1-3
Exports of goods and services						
(year-on-year growth in %, at current prices)	18.0	18.4	12.4	15.2	2.0	9.6
Impact of volume (in % points)	21.3	22.5	15.8	16.4	5.1	12.2
Impact of price (in % points)	-3.3	-4.1	-3.4	-1.2	-3.0	-2.5
Imports of goods and services						
(year-on-year growth in %, at current prices)	10.5	9.8	7.8	16.9	8.2	11.0
Impact of volume (in % points)	14.3	13.6	12.0	17.0	9.6	12.9
Impact of price (in % points)	-3.8	-3.8	-4.2	0.0	-1.4	-1.8
Net exports as a share of GDP						
(share in %, at current prices)	-1.1	-1.5	0.5	-2.1	-4.4	-2.1
Impact of volume (in % points)	-1.7	-1.6	-0.2	-1.4	-3.3	-1.7
Impact of price (in % points)	0.6	0.1	0.7	-0.7	-1.1	-0.4

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



The exchange rate developments and other price factors on foreign markets led to a year-on-year decrease in the export and import deflators. However, the prices of exported goods and services, denominated in domestic currency, fell more significantly (-2.3%) than the prices of goods and services imported from abroad (-1.6%). The realisation prices of exporters on foreign markets dropped to a greater extent than the prices of imported products, which probably affected the extent of reduction in the costs of producers and exporters. In addition to export consumption, the deflator of imported foreign supply also had a favourable effect on price levels on the consumer market.

The Slovak economy maintained its relatively high export performance (76.2% at current prices), despite a high basis of comparison from the previous year. The dependence of export-oriented sectors and domestic demand on imports reached 78.3%. The openness of the Slovak economy (expressed in terms of the ratio of exports or imports of goods and services to nominal GDP) stood at 154.5%, corresponding to the level of the same period a year earlier (154.6%).

Trading with abroad over the first three quarters of 2004 resulted in a negative contribution of 0.2 of a percentage point to GDP by net exports. Domestic demand contributed 5.1 percentage points to the rate of GDP growth. The difference between this figure and the final rate (5.4%) was due to a statistical discrepancy with a contribution of 0.5 of a percentage point.



Contributions to GDP Creation	(percentage points, constant 1995 prices)					
	Q1-3 03 Q1-3 02	2003 2002	Q1 04 Q1 03	Q2 04 Q2 03	Q3 04 Q3 03	Q1-3 04 Q1-3 03
Gross domestic product (GDP)	4.2	4.5	5.4	5.5	5.3	5.4
Domestic demand	-1.5	-2.1	2.3	5.6	7.1	5.1
Final consumption	-0.1	0.2	1.2	2.3	2.4	2.0
Households	-0.1	-0.4	1.6	1.4	1.8	1.6
General government	-0.1	0.6	-0.5	0.8	0.5	0.3
Non-profit institutions serving households	0.1	0.1	0.0	0.1	0.1	0.0
Gross capital formation	-1.3	-2.3	1.1	3.3	4.7	3.1
Gross fixed capital formation	-0.3	-0.4	0.2	0.9	1.3	0.8
Change in inventories	-1.0	-1.9	0.9	2.4	3.3	2.3
Net exports	5.2	6.5	3.5	0.0	-3.7	-0.2
Exports of goods and services	16.5	17.7	13.8	14.8	4.7	11.0
Imports of goods and services	11.3	11.2	10.3	14.9	8.4	11.2
Statistical discrepancy	0.5	0.0	-0.5	-0.1	2.0	0.5

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.

Supply

GDP creation From the point of view of supply, GDP growth was stimulated by an increase of 4.9% in gross added value (5.7% in the comparable period of 2003) and an increase of 10.4% in net taxes, which fell in the comparable period of 2003 by 8.5% (net taxes include VAT, excise tax, tax on imports, adjusted for subsidies). The volume of gross added value was affected by a faster growth in production and slower growth in intermediate consumption. The positive trend in intermediate consumption differed by sector, while there was a qualitative shift towards a higher share of added value in the economy achieved through an improvement in economic activities in the services sector. The persistently high share of intermediate consumption in gross production in industry remained virtually unchanged in the period under review.

GDP Development by Sector	(index, same period a year earlier = 100, const. 1995 prices)					
	Q1-3 03 Q1-3 02	2003 2002	Q1 04 Q1 03	Q2 04 Q2 03	Q3 04 Q3 03	Q1-3 04 Q1-3 03
Gross domestic product (GDP)	104.2	104.5	105.4	105.5	105.3	105.4
of which:						
Agriculture, forestry, and fishing	104.6	104.7	100.3	112.5	113.6	109.4
Industry in total	108.6	109.1	107.3	109.1	117.0	111.1
of which:						
Manufacturing	105.7	106.1	103.1	110.0	119.3	110.9
Electricity, gas, and water supply	147.0	150.7	135.0	102.4	101.3	115.7
Construction	108.4	106.8	109.4	104.9	111.3	108.5
Services in total	104.4	103.6	98.9	103.0	105.2	102.5
of which:						
Wholesale and retail trade, repairs	100.2	104.3	122.0	114.3	99.2	110.5
Financial mediation	106.9	112.7	151.6	154.9	172.3	160.5
Real estate, leasing, and business activities	101.8	100.2	97.2	105.9	112.5	105.6
Public administration, defence, social security	110.6	104.7	94.6	93.1	84.7	90.3
Other ^{1/}	89.7	95.9	156.2	107.2	63.4	103.3

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

The growth in GDP was mainly connected with an increase in real added value in financial mediation (60.5%), industry (11.1%), trade (10.5%), and in agriculture and construction. 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 hotels and restaurants.



The growth in added value in financial mediation was a consequence of improvement in the banking sector's effectiveness subsequent to restructuring and privatisation. Within the scope of services, added value also increased in the wholesale trade, retail trade, and the repair of vehicles and consumer goods. The renewed growth in added value in this sector was a reaction to the revival in consumer demand in the household sector.

The dynamic growth in industry was supported by a rapid increase in added value in the production and supply of electricity, gas, and water. This development was mainly connected with the supply of energy for the accelerating growth in production, including export-oriented production, and the extended offer of services by economic entities in the post-privatisation period.

Wages

Over the first three quarters of 2004, the average monthly nominal wage of an employee in the Slovak economy increased year-on-year by 9.8%, to Sk 15,105. The wage growth was 3.4 percentage points faster than a year earlier. Over the three quarters under review, the rate of growth in nominal wages gradually slowed, from 11.2% in the first quarter to 9.6% in the second quarter and 8.8% in the third quarter.

Average monthly nominal wage

Nominal wages were higher than in the same period a year earlier in all sectors (except fishing and fish breeding, where only 74 persons were employed). The most dynamic growth in nominal wages was achieved in financial mediation (12.7%); electricity, gas, and water supply (12.6%); agriculture, forestry, and fishing (12.1%); and in other community, social, and personal services (11.4%). On the other hand, the slowest nominal wage growth was recorded in health and social services (2.9%) and in hotels and restaurants (3.6%).

Nominal wages

According to the form of ownership, the steepest year-on-year increase in the average monthly nominal wage was recorded in the entrepreneurial sector, in companies with 20 or more employees (12.1%). In budgetary organisations, nominal wages increased by 8.7% and in subsidised organisations by 4.6%.

The average real wage in the national economy increased year-on-year by 1.7%, after falling in the same period a year earlier by 1.7%. Real wages increased mainly as a result of growth in nominal wages, since inflation remained virtually unchanged in comparison with the first three quarters of 2003. Increases in real wages were recorded in the vast majority of sectors; decreases only occurred in health services (4.7%), hotels and restaurants (4.1%), and in education (1.0%).

Real wages

A positive trend was also recorded in labour productivity (GDP per employee, based on data from statistical reports), which grew in nominal terms by 10.6% and in real terms by 5.5% (according to preliminary NBS estimates). Compared with the same period a year earlier, the rate of growth accelerated in nominal terms by 3 percentage points and in real terms by 2.2 percentage points.

The rate of growth in nominal labour productivity exceeded the dynamics of nominal wages by 0.8 of a percentage point. At constant prices, the excess of productivity over real wages was more pronounced, i.e. 3.8 percentage points.

Labour productivity

Average Monthly Wages and Labour Productivity (index, same period a year earlier = 100)						
	2003		2004			
	Q1 - Q3	Year	Q1	Q2	Q3	Q1 - Q3
Nominal wage (Sk)	13,757	14,365	14,541	15,472	15,299	15,105
Nominal wage (index)	106.4	106.3	111.2	109.6	108.8	109.8
Real wage	98.3	98.0	102.7	101.3	101.2	101.7
Labour productivity (current prices)	107.6	108.5	113.1	110.6	108.1	110.6
Labour productivity (constant prices)	103.3	103.6	105.4	106.2	104.7	105.5
Real labour productivity minus real wages (percentage points)	5.0	5.6	2.7	4.9	3.5	3.8
Employment (according to statistical records)	100.9	100.8	100.0	99.3	100.6	99.9
Consumer prices (average for the period)	108.2	108.5	108.3	108.2	107.5	108.0
ULC NBS ^{1/} (year-on-year change in %)	3.0	2.6	5.5	3.2	3.9	4.1

Note: Labour productivity - NBS estimated based on revised data on GDP.
1/ Unit labour cost based on NBS estimates.



Unit labour cost After a steep initial increase at the beginning of the year, the unit labour cost based on NBS estimates (ULC is defined by the NBS as the ratio of nominal wages to real labour productivity, calculated as real GDP per employee according statistical reports) stabilised over the three quarters under review. During that period, the average unit labour cost grew at a faster rate than in the same period a year earlier, which was connected with the strong dynamics of nominal wages at the beginning of the year.

Income and Expenditure of Households

According to preliminary data from the Statistical Office of the SR, the current income of households reached Sk 744 billion over the first three quarters of 2004, i.e. a year-on-year increase of 7.7% in nominal terms (a fall of 0.3% in real terms). The rate of growth was 1.2 percentage points faster than in the same period in 2003. Current household expenditure (paid to other sectors and not used for direct consumption) reached Sk 182.5 billion, representing a year-on-year increase of 1.4% (in real terms a drop of 6.1%). The rate of growth slowed in comparison with the first three quarters of 2003 by 4.6 percentage points.

Current income The dynamic growth in current income was mainly stimulated by steep increases in gross mixed household income (9.2%, compared with 7.5% a year earlier) and the compensation of employees (7.5%, compared with 5.9% a year earlier), and also by an increase in income from property (for the first time since 1999), while the rate of growth in social benefits and received current transfers slowed. Income from property is derived 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 for the disposal of another institutional unit.

Gross Disposable Income of Households						
(index, same period a year earlier = 100, current prices)						
	2003		2004			
	Q1 - Q3	Year	Q1	Q2	Q3	Q1 - Q3
Gross disposable income	106.7	106.4	109.1	109.9	110.9	110.0
Final household consumption	106.9	106.9	110.5	110.1	111.2	110.6
Gross savings of households	106.3	101.3	80.2	101.2	98.2	92.3
Share of gross savings in gross disposable income (in %)	4.2	6.7	3.7	4.0	3.0	3.5

Current expenditure The year-on-year slowdown in the growth of current expenditure was mainly due to a decrease in current taxes on income and property (6.9%, compared with an increase of 6.4% a year earlier) and a slowdown in the growth of social contributions (1.5%, compared with 6.3% a year earlier). The development of these items was probably affected by the new tax and social laws, as well as by a stagnation in employment.

With current expenditure being deducted from current income, the gross disposable income of households amounted to Sk 561.5 billion, representing a year-on-year increase of 10% (compared with 6.7% a year earlier). Of the gross disposable income, 96.8% was used for final consumption (0.5% more than a year earlier), the remainder went to gross savings. The faster growth in final household consumption than in gross disposable income led to a year-on-year decline in gross household savings (by almost 8%) and a subsequent drop in the ratio of gross savings, from 4.2% in the first three quarters of 2003 to 3.5% in the same period in 2004. The tendency of households to save continued to weaken this year.

Use of Gross Disposable Income (Q1 - Q3 of the year)

(%)





Employment

Data on employment in the third quarter of 2004 indicates that the downward trend in employment from the previous two quarters has changed into an increasing tendency. In the first three quarters of 2004, the average number of people working in the Slovak economy stood at 2,160,500 (according to a labour force sample survey), which was only 0.1% less than in the same period a year earlier. This trend is also confirmed by data from statistical reports, according to which the level of employment fell year-on-year by 0.1% over the first three quarters of 2004.

Employment and Unemployment			(average for the period)			
	2003		2004			
	Q1 - Q3	Year	Q1	Q2	Q3	Q1 - Q3
Employees in the Slovak economy (according to statistical records)						
in thousands	2,021.6	2,025.0	1,996.6	2,022.1	2,043.0	2,020.6
index (same period a year earlier = 100)	100.9	100.8	100.0	99.3	100.6	99.9
Working population (according to a labour force sample survey)						
in thousands	2,162.5	2,164.6	2,128.8	2,151.9	2,200.9	2,160.5
index (same period a year earlier = 100)	102.0	101.8	99.9	99.2	100.6	99.9
Unemployment according (according to a labour force sample survey)						
in thousands	459.5	459.2	511.5	489.4	446.9	489.3
index (same period a year earlier = 100)	93.5	94.3	106.0	109.5	104.0	106.5
Unemployment rate according (according to a labour force sample survey)						
in %	17.5	17.4	19.3	18.5	17.5	18.4

In a breakdown by sector, the most dynamic growth in employment over the first three quarters of 2004 (according to statistical reports) was recorded in real estate, leasing and business activities; other community, social, and personal services; construction; hotels and restaurants; and in financial mediation. Employment remained below the level of the previous year in agriculture, transport, post and telecommunications, education, health care, and industry.

Developments in Employment by Sector ^{1/}			(index, same period a year earlier =100)			
	2003		2004			
	Q1 - Q3	Year	Q1	Q2	Q3	Q1 - Q3
Total	100.9	100.8	100.0	99.3	100.6	99.9
Agriculture, hunting, and forestry	96.6	96.2	91.5	86.6	91.7	89.9
Industry	100.6	100.5	99.1	99.8	100.5	99.8
Mineral raw materials extraction	90.8	90.8	90.4	89.8	90.2	90.2
Manufacturing	101.2	101.2	99.7	100.5	101.1	100.4
Electricity, gas, and water supply	96.9	96.3	94.5	94.1	95.9	94.9
Construction	103.0	104.0	103.8	102.5	102.2	102.8
Wholesale and retail trade; repair of motor vehicles, and consumer goods	100.5	99.9	99.8	99.2	101.9	100.3
Hotels and restaurants	102.2	102.6	102.3	101.6	101.7	101.9
Transport, storage, post and telecom.	98.8	98.6	97.3	98.2	99.4	98.3
Financial mediation	103.8	105.5	103.4	101.1	101.0	101.8
Real estate, leasing, and business activities	102.7	103.2	102.4	103.3	106.3	104.0
Public administration and defence; compulsory social insurance	103.6	103.9	102.1	100.5	101.0	101.2
Education	99.5	99.7	98.9	99.7	96.4	98.3
Health and social services	104.8	102.7	98.2	99.3	98.6	98.7
Other community, social, and personal services	98.0	99.5	101.5	105.7	104.8	104.0

^{1/} According to statistical records.



Unemployment The revival of the growth in employment in the third quarter of 2004 was accompanied by a slower growth in unemployment than in the previous two quarters. According to a labour force sample survey, the number of unemployed increased over the first three quarters by 6.5% on a year-on-year basis, while the rate of unemployment in comparison with the same period a year earlier rose by 0.9 of a percentage point, to 18.4%.

According to labour office registers, the average unemployment rate in the first three quarters of 2004 was 14.8% (compared with 15.4% a year earlier). This figure was below the level determined by the sample survey, which can be explained by the differences between the applied methodologies and by differing definitions of unemployment. Despite the growing difference, however, the long-term trends in unemployment according to the two sources of data virtually agree.

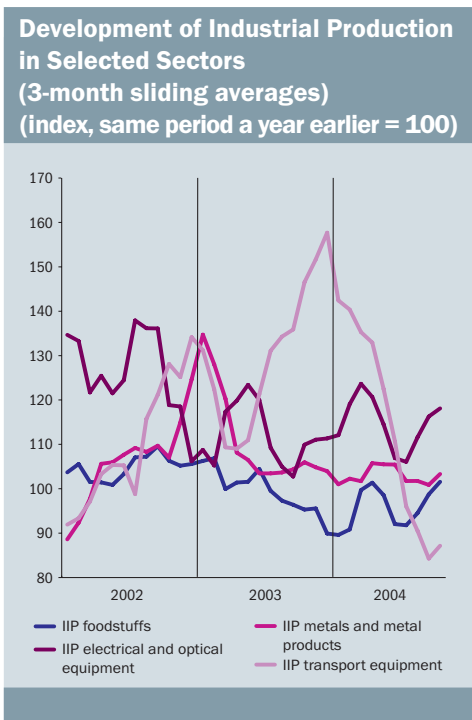
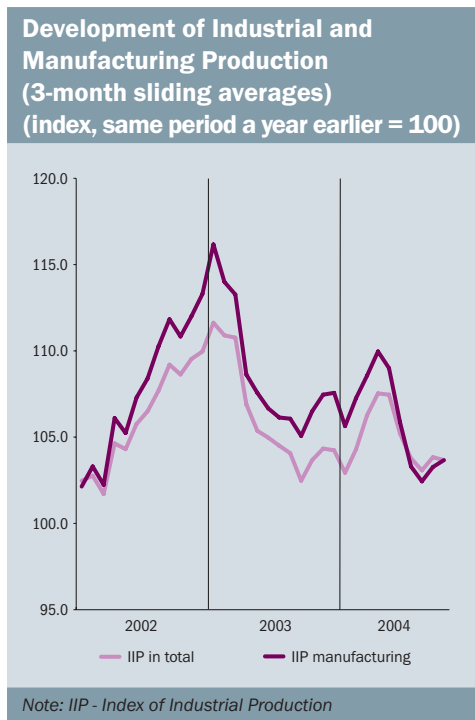
A major factor explaining the difference between the rates of unemployment according to the registers of labour offices and according to the Statistical Office of the SR (determined on the basis of a labour force sample survey) was the adoption of administrative measures tightening the conditions for 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 (i.e. unemployed) in sample surveys. In addition, according to a sample survey, the unemployed may also include pensioners and students who are active job seekers.

Current Developments

Production and Receipts

Slowdown in industrial production

In October, industrial production recorded a marked slowdown in the 12-month rate of growth (0.2%). Industrial output was affected by a slower growth in manufacturing production, electricity generation and distribution, and in gas and water supply, and by the persistent year-on-year decline in mineral raw materials extraction.





Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month sliding averages) (index, same period a year earlier = 100)



The growth dynamics of manufacturing production weakened as a result of slower growth in production in numerous sectors (mainly in wood processing and the manufacture of wood products; the production of pulp, paper, and paper goods; coke and refined oil products; chemicals, chemical products, including fibres; rubber and plastic goods; electrical and optical equipment); decline in the production of other non-metal mineral products, machines, and equipment; and a marked year-on-year downturn in the production of transport vehicles. The rate of growth accelerated in the production of foodstuffs, beverages, and tobacco products, and in metal production, including the manufacture of metal products.

After slowing down in September, the year-on-year rate of growth in construction accelerated markedly in October, due mainly to dynamic growth in production in new domestic construction, reconstruction, and modernisation projects. After a relatively long period of decline, the volume of construction work abroad also increased.

In October, retail sales receipts grew at a slower rate than in September, due to a fall in the receipts of non-specialised retail shops and in retail trade in foodstuffs, beverages, and tobacco, and slower growth in receipts in other retail sectors.

Accelerated growth in construction

Receipts from selected services

A month-on-month slowdown in the rate of growth in receipts was also recorded by entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels.

		Sk millions, current prices		Index			
		Oct. 2004	cumulative since the beginning of the year	Sep. 2004 / Sep. 2003	Oct. 2004 / Oct. 2003	Oct. 2003 / Oct. 2002	Jan. – Oct. 2004 / Jan. – Oct. 2003
Production:							
Index of industrial production ^{1/ 2/}	.	.	105.0	100.2	105.1	104.5	
of which:							
Mineral raw materials extraction	.	.	94.0	94.1	94.4	89.9	
Manufacturing	.	.	104.6	100.3	108.4	105.2	
Electricity, gas, and water supply	.	.	111.7	100.7	89.0	104.0	
Construction ^{2/}	11,658	80,838	101.7	113.7	108.3	103.5	
of which:							
Construction in Slovakia	11,214	77,135	102.1	114.1	106.7	104.0	
Construction abroad	444	3,703	92.6	104.5	166.8	94.1	
Receipts from own-output and goods:							
Industry in total ^{3/}	132,972	1,203,615	104.1	103.9	113.0	108.1	
Construction ^{2/}	17,499	122,335	98.1	107.7	112.6	105.2	
Retail trade ^{3/}	30,133	286,866	108.9	103.1	95.0	106.9	
Sale and maintenance of vehicles, retail sale of fuels ^{3/}	14,625	126,454	121.3	111.2	97.3	109.9	
Transport, storage ^{3/}	8,742	83,793	108.7	99.8	102.5	108.4	
Real estate, leasing, and business services ^{3/}	15,931	143,368	101.0	98.4	94.8	98.3	

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).



After growing in September, the receipts of entities involved in real estate, leasing, and other business services again remained below the level of the same period of the previous year. Receipts were lower than a year earlier in real estate activities, computer engineering and related services, and other business services, while receipts from the leasing of machines and equipment grew on a year-on-year basis.

Consumer Confidence Indicator

Modest improvement in consumer confidence

After deteriorating slightly in the previous four months, the value of the consumer confidence indicator again improved in November (by 4.8 points compared with the previous month), to -18.1 points. This is the highest value since April 1999, when the indicator started to be measured. The growth of optimism was reflected in all the four components (expected savings of households, their expected financial situation, expected economic development, and expected unemployment). Compared with the same period a year earlier, the consumer confidence indicator has improved by 17.8 points.



Wages and Unemployment

Nominal wages

In October, the year-on-year growth in nominal wages slowed in comparison with the previous month in most sectors.

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

Real wages

The average real monthly wage in the period from January to October recorded a year-on-year increase in most sectors under review. Real wages were slightly below the level of the previous year in real estate, leasing, and other business services, and just above the level of last year in transport. The most dynamic wage increase was recorded in telecommunications (almost 15%).

The upward effect on real wages was mainly exerted by nominal wages and in part by a moderate increase in average consumer prices.

Labour productivity and wages

In the first ten 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 re-

	Wage Developments by Sector				(index, same period a year earlier = 100)			
	Average monthly nominal wage				Average monthly real wage			
	October		January – October		October		January – October	
	2003	2004	2003	2004	2003	2004	2003	2004
Industry	110.9	106.8	106.7	110.1	101.2	100.2	98.6	102.1
Construction	104.1	105.5	104.9	108.3	95.0	99.0	96.9	100.4
Retail trade	104.1	112.3	103.3	112.1	95.0	105.3	95.5	104.0
Wholesale trade	103.4	114.3	106.4	112.0	94.3	107.2	98.4	103.9
Real estate, leasing, business, and other services	110.6	103.6	109.6	107.0	100.9	97.2	101.3	99.3
Transport	109.9	103.6	107.4	107.9	100.3	97.2	99.2	100.1
Post and telecommunications	110.8	104.9	108.6	117.5	101.1	98.4	100.4	109.0
Consumer prices	109.6	106.6	108.2	107.8	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 for the last three months are revised by the Statistical Office of the SR in December 2004.*



Wages, Labour Productivity, and Employment from January to October 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	110.1	108.3	112.0	112.1	107.0	107.8	117.5
- real	102.1	100.4	103.9	104.0	99.3	100.1	109.0
Labour productivity							
- nominal	.	.	105.6	.	.	112.4	114.7
- real	108.3	100.8	.	104.3	94.7	.	.
Productivity minus wages (percentage points)							
- nominal	.	.	-6.4	.	.	4.6	-2.8
- real	6.2	0.4	.	0.3	-4.6	.	.
Number of employees	99.8	102.7	100.4	102.5	103.8	96.5	96.4

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

ceipts from own-output and goods) is monitored at current prices, productivity grew at a faster rate than nominal wages only in transport, while in post & telecommunications and wholesale trade, the growth in labour productivity still lagged behind the dynamics of nominal wages. Among sectors, where productivity is monitored in real terms, the growth in labour productivity exceeded the rate of real wage growth in industry, construction, and retail trade. In real estate, leasing, and other business services, both real wages and labour productivity fell, but the decline in productivity was greater in size.

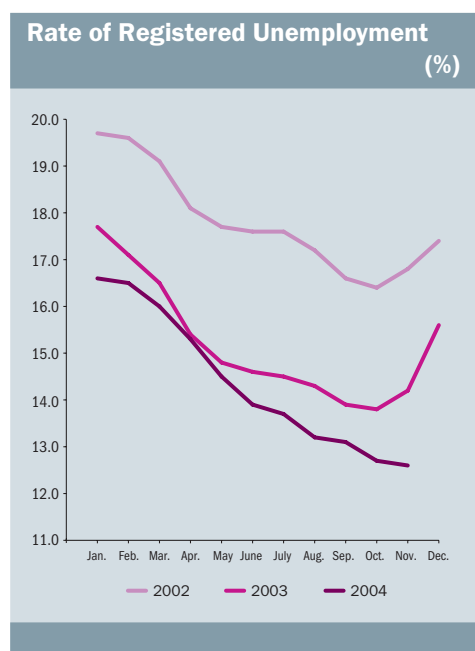
Employment trends in individual sectors remained virtually unchanged in October. In addition to transport, post and telecommunications, a growing trend in employment was maintained in industry, construction, retail trade, and in real estate, leasing, and other business services.

Employment

During the first ten months, employment grew most dynamically in real estate, leasing, and business services, construction, and retail trade. The sharpest decline was recorded in post and telecommunications, and transport.

Unemployment continued to fall in October, when the total number of registered unemployed dropped to 370,800 (from 379,800 in September). Of this figure, the number of disposable unemployed, who may start working immediately, accounted for 333,100, which was 11,000 less than in September. The rate of registered unemployment fell below the level of 13% (for the first time this year), to 12.72%, which was 0.42 of a percentage point less than in September. This represented a drop of 1.03 percentage points in comparison with the same period a year earlier.

Unemployment



In October, 28,100 new job applicants signed on at offices for labour, social, and family matters (13,000 less than in September). On the other hand, more than 37,000 persons were removed from the registers (in September over 42,000). Approximately 21% of these persons were removed from the registers for unwillingness to co-operate, and more than 55% of them found employment.

In October, the average length of registration increased month-on-month by 0.05 of a month (to 12.35 months), while decreasing in comparison with October 2003 by 0.39 of a month. The share of long-term unemployed (out of work for more than 12 months) among the total number of job seekers reached 50.0% in October.

**Results of a Public Opinion Poll on the Hidden Economy in the Informal Sector**

In 2004, the Public Opinion Research Institute at the Statistical Office of the SR conducted, in co-operation with the Social Statistics and Demography Section and the Institute for Informatics and Statistics (INFOSTAT), conducted a public opinion poll on the hidden economy in the informal sector. The poll focussed on the volume of non-documented payments for the services of construction craftsmen, repairmen, and other workers, the expenditure of households on goods purchased in market places without the receipt of a payment voucher, and on similar payments for rented flats and garages. The poll also dealt with corruption, the payment of bribes, secret commissions, gifts, and tips in various areas.

According to the estimates of the Institute, the total annual expenditure of households from 1997 to 2004 (except 1999, when no opinion poll was conducted) ranged from Sk 26.43 billion in 1997 to Sk 27.32 billion in 2004. In comparison with 1997, the largest increases took place in expenses on the services of other craftsmen (Sk 2.57 billion, i.e. 46.6%) and expenses on rents (Sk 2.49 billion, i.e. over 300%).

In a breakdown by structure, expenditure on the services of construction craftsmen was the largest component virtually throughout in the period under review (except in 2003), i.e. 24.70% in 1997 and 23.9% in 2004. Other relatively large components were expenses on other craftsmen's services (20.8% and 29.6% respectively), the purchase of non-agricultural goods in market places (18.8% and 14.5% respectively), and spending on fruit, vegetables, and flowers in market places (12.4% and 13.8% respectively).

More than 10% of the total expenditure took place in bribes paid in health services, educational facilities, at the police, the general prosecutor's office or courts, expenses on rents, bribes for employment, orders, loans, or privatisation, and in bribes at trade, customs, and tax offices or local authorities. An interesting fact is that the proportion of spending on rents has more than doubled in comparison with 1997, from 4.78% to 12.59%.

A Survey of Non-documented Payments in 1997 and 2004

	1997		2004		
	Sk billions	Share in %	Sk billions	Index 2004/1997	Share in %
Services of construction craftsmen	6.54	24.7	8.44	129.1	23.9
other craftsmen	5.51	20.8	8.08	146.6	29.6
Purchase of fruit, vegetables, and flowers in market places	3.29	12.4	3.78	114.9	13.8
Non-agricultural goods purchased in market places	4.96	18.8	3.95	79.6	14.5
Rents	0.95	3.6	3.44	362.1	12.6
For garages rented from private persons	0.29	1.1	0.67	231.0	2.5
Tips given in hairdresser's, restaurants, pubs, or hotels	0.9	3.4	1.09	121.1	4.0
Bribes paid in health services, educational facilities, at the police, the general prosecutor's office or courts	2.4	9.1	3.45	143.8	12.6
Bribes for employment, orders, loans, privatisation, and at trade, customs and tax offices, or local authorities.	1.59	6.0	2.86	179.9	10.5
TOTAL (estimated expenditure)	26.43	100.0	27.32	103.4	100.0

Source: Public Opinion Research Institute, Statistical Office of the SR.

4. Monetary Developments

4.1. Foreign Exchange Market

By the end of November, the exchange rate of the Slovak koruna against the euro had strengthened by 1.6% (from SKK 39.940/EUR to SKK 39.288/EUR), while the average rate had appreciated by 1.1%. In relation to the US dollar, the koruna strengthened during the month by 5.6% (from SKK 31.386/USD to SKK 29.627/USD), while appreciating in average terms by 4.9%.

Operations on the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a negative balance (USD-126.47 million), i.e. foreign banks sold mostly foreign currency and purchased Slovak koruna.

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

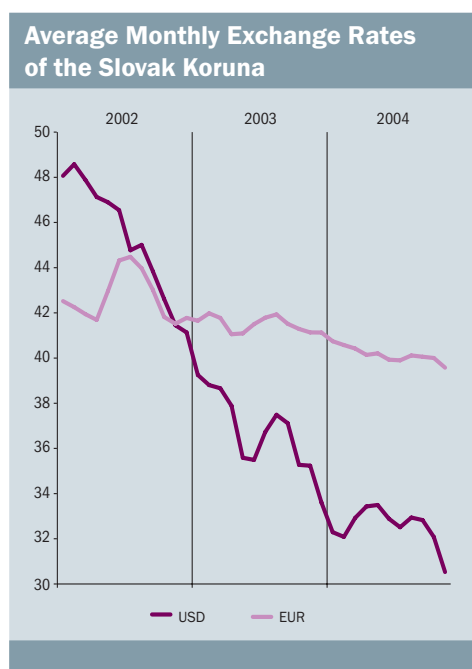
Changes in the Exchange Rates of the SKK to EUR and USD (%)			
	Month-on-month change	Ø November 2004 Ø November 2003	Ø (Jan. - Nov.) 2004 Ø (Jan. - Nov.) 2003
SKK/EUR	-1.6	-3.8	-3.3
SKK/USD	-5.6	-13.4	-12.2

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

The total volume traded on the interbank foreign exchange market reached USD 33,655.0 million, representing a decline of 5.4% compared with the figure for October (USD 35,589.6 million). Of the total volume of trading, 90.3% took place in swap transactions, which were conducted mostly in USD (89.8%). Spot transactions accounted for 9.6% of the total turnover (96.2% of the deals were in EUR). The average daily turnover on the spot market reached USD 154.02 million and the average volume per transaction amounted to USD 1.87 million.

Interbank foreign exchange market

The volume of transactions between domestic commercial banks fell, from USD 6,648.2 million in October to USD 6,334.3 million in November. Most trading took place in USD (74.3%, compared with 75.7% in October), followed by EUR (24.5%, compared with 23.4% in October) and other currencies (1.2% of the total turnover among domestic commercial banks).



Transactions between domestic banks accounted for 18.8% of the total volume traded on the interbank foreign exchange market (compared with 18.7% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 87.9% (91.3% in October) and spot transactions 12.1% (8.7% in October).

The volume of trading between domestic and foreign banks decreased by 5.6%, from USD 28,946.7 million to USD 27,320.8 million. Most trading was again conducted in USD (83.0%, compared with 89.0% in October), followed by EUR (12.7%, compared with 8.4% in October), and other currencies (4.3%). Trading between domestic and foreign banks still accounted for 81.2% of the country's foreign exchange market.

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (90.9%, compared with 93.6% in October), while spot transactions accounted for 9.0% (6.2% in October). The share of forward dealings on the forex market was negligible.



Foreign banks and/or non-residents investors tend to purchase korunas on the domestic money market and then to exchange them for government securities, mainly government bonds. From September to November, the volume of government bonds in the holdings of non-residents hovered around the level of Sk 60 billion and accounted for 17-19% of the total volume of government bonds. In the same period, the volume of SR Treasury bills held by non-residents was smaller in absolute terms, i.e. Sk 2.3 to 4.5 billion, representing 10 to 15% of the total volume of Treasury bills. In October, the koruna deposits of non-resident banks were Sk 21.0 billion larger than in December 2003.

The volume of government securities held by non-residents (government bonds and Treasury bills in total) decreased month-on-month by Sk 2.0 billion in November, of which both government bonds and Treasury bills accounted for Sk 1.0 billion. This was due to a decrease in the holdings by non-residents of 10-year government bonds No. 188 (Sk 7.5 billion) and 5-year restructuring bonds No. 142 (Sk 4.2 billion), and an increase in 7-year restructuring bonds No. 143 (Sk 9.1 billion).

Koruna Assets in the Holdings of Non-Residents					(Sk billions)					
	2003				2004					
	30.9.	31.10.	30.11.	31.12.	31.3.	30.6.	31.8.	30.9.	31.10.	30.11.
Total assets	42.1	27.6	32.3	28.9	24.1	26.3	25.3	26.4	23.1	.
Koruna liabilities	13.4	11.1	17.0	18.2	26.2	38.1	41.8	35.8	39.4	.
of which: banks	9.7	7.4	12.0	14.0	22.1	33.7	37.9	31.6	35.0	.
non-bank clients	3.7	3.7	5.0	4.2	4.1	4.4	3.9	4.2	4.4	.
Government securities	42.3	31.4	31.8	34.3	45.4	61.7	55.0	62.8	65.9	63.9
of which: Government bonds	42.3	30.9	31.3	33.8	41.9	58.1	51.3	58.9	61.5	60.4
SR Treasury bills	0	0.5	0.5	0.5	3.5	3.6	3.7	3.9	4.5	3.5
Total	55.7	42.5	48.8	52.5	71.5	99.8	96.8	98.6	105.3	.
Total liabilities	54.2	62.2	64.6	61.2	69.1	83.7	88.0	81.6	84.3	.

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 26 November 2004, the Bank Board of the NBS decided to lower its key interest rates by 50 basis points (with effect from 29 November 2004).

Interbank market rates Average money market rates for one-day to two-week maturities increased in November, while the rates for one-month to twelve-month maturities dropped.

In the first half of the period under review, the price of overnight deposits was below 4.5%, due to a shortage of daily liquidity caused by increased volumes accepted at the tenders. The price was temporarily reduced to 3.5% by an increase in daily liquidity in the second half of November, while the uneven division of liquidity among banks and the fulfilled credit lines caused a short-term increase in the price to 4.5%, despite the continued surplus of liquidity.

Interest rates for longer maturities followed a stable course, with minimal changes and a gradually falling tendency. The changes in the rates were affected by longer-term funds deposited by non-residents directly or via swaps. The growth in interest in depositing funds was connected with their purchase on the foreign exchange market. The cut in key





NBS interest rates with effect from the end of the month had already been included partly in the prices of bank deposits, hence these prices dropped to a lesser extent when the decision of the Bank Board was announced.

The volume of trading on the interbank money market reached Sk 1,150 billion in November (compared with Sk 1,204 billion in October). Reference banks accounted for 82.0% of the total turnover (an increase of 0.4 of a percentage point). Non-resident and resident bank transactions accounted for 62.2% and 37.8% of the total trading volume respectively. Within the structure of interbank transactions by type, domestic banks achieved the largest share in deposit transactions (46.6%), while foreign banks led the way in forward rate agreements (72.1%).

Transactions on the interbank market

Interbank Transactions		(Sk billions)				
	Deposits	Repos	Swaps	FRA	IRS	
October 2004	564	0	626	10	4	
November 2004	557	0	564	22	7	

Since the factors that affected the level of liquidity in November offset one another to a considerable extent, there was no marked change in the volume of sterilised funds on a month-on-month basis. The average sterilisation position of the NBS vis-à-vis the banking sector increased by Sk 0.7 billion, from Sk 263.7 billion in October to Sk 264.4 billion in November. Of the total volume of sterilisation, repo tenders accounted for 77.3% and NBS treasury bills 22.7%. The proportion of overnight transactions was negligible and their balance was on the refinancing side.

Liquidity

At the end of November, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 266.0 billion. The overall sterilisation position of the NBS (including the deposits of the SR Treasury, Ministry of Finance, and the FNM at the NBS) amounted to Sk 350.8 billion at the end of November.

Average Daily Effect of NBS Transactions on the Level of Banking Sector Liquidity		(Sk millions)			
	O/N repos	O/N deposits	NBS bills	Repo tenders	
October 2004	73	-838	-60,000	-202,905	
November 2004	525	-508	-60,000	-204,449	

+ inflow of liquidity, - outflow of liquidity

The NBS announced four repo tenders for November, and accepted in full the bids of banks at each tender. The bank bids already exceeded the due volume in the first tender (by Sk 7.2 billion) and caused a shortage of daily liquidity in the banking sector. Despite this, banks continued to make increased bids in the second tender (by Sk 2.3 billion). In order to eliminate this shortage, banks reduced their bids in the third tender (by Sk 14.2 billion) and thus created room for an increase in the last tender (by

Repo tenders

Tenders in November 2004						
Date	Type of tender ^{1/}	Maturity (days)	Volume accepted (Sk millions)		Rates (%)	
				minimum	average	maximum
3.11.2004	SRT	15	130,853	4.49	4.50	4.50
10.11.2004	SRT	14	80,053	4.45	4.49	4.50
18.11.2004	SRT	13	116,695	4.40	4.49	4.50
24.11.2004	SRT	14	83,683	4.40	4.49	4.50

^{1/} SRT - sterilisation repo tender



Sk 3.6 billion). The share of sterilisation repo tenders in the total volume of sterilisation increased by 0.4% in November.

NBS bills The NBS floated one issue of NBS treasury bills in November, with a maturity of 84 days. Demand at the auction reached Sk 41.0 billion, of which the NBS accepted Sk 20 billion as usual. The level of demand was Sk 3.3 billion higher than at the last NBS-bill auction. Despite an increase in the difference between the minimum and maximum yields accepted at the auction (to 13 basis points, compared with 6 basis points at the previous auction), the average yield fell after six months by one basis point below the level of the three-month BRIBOR rate quoted for the day of auction.

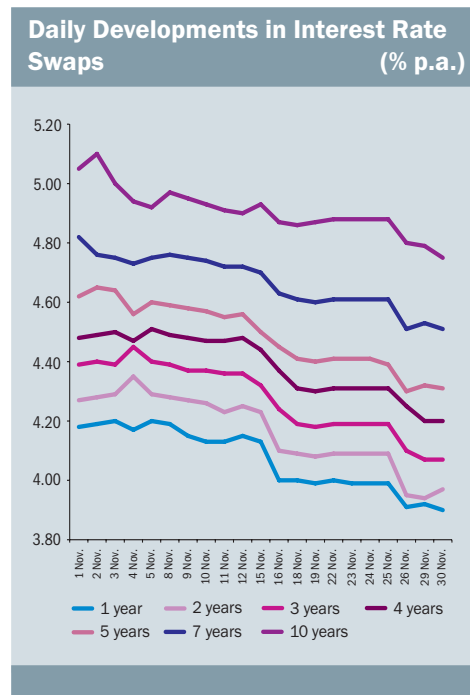
Overnight transactions The shortage of daily liquidity, which was below the level of the required reserves throughout the month, forced banks to conduct overnight refinancing repo operations again, with the largest volume achieved in the first half of November (Sk 3.2 billion). After the situation stabilised at the end of the month, banks deposited their excess liquidity during the last two days and the volume of deposits reached Sk 5.6 billion on the last day of the period.

Reserve requirements For November 2004, the amount of required minimum reserves in the banking sector was set at Sk 17.5 billion. By the end of the month, the reserve requirement had been fulfilled to 100.18%.



Developments in Money Market Interest Rate Derivatives

The volume of forward rate agreements (FRAs) recorded a twofold increase in November as a result of transactions conducted on a continuous basis, which were again dominated by foreign banks. The first half of the month saw mostly purchases of FRAs, which led to a marked fall in their price, mainly in the price of three-month contracts maturing in one to three months (a fall of 28 to 35 basis points). Initially, FRAs maturing in six to nine months were concluded, later they were followed by two- to three-month contracts.



Since the purchases of three-month contracts took place at the end of the month (prior to the meeting of the Bank Board), their price increased, but later, after the results of the meeting were announced, it dropped again.

An increase in volume was also recorded in interest rate swaps (IRSs), whose price fell significantly in the second half of November. The changes were caused by purchases of IRSs, mainly on the part of foreign banks. The fall in their price at the end of the month was caused by the cut in key NBS rates.

After minor changes in the first two weeks, the weekly averages of FRA rates dropped considerably, mainly in the last week, by 18 to 35 basis points, with the largest drops being recorded in contracts maturing in two, three, and six months.

The weekly averages of IRS rates followed a similar course of development, and recorded a total drop of 23 to 34 basis points at the end of the month.

The comparison of implicated FRAs derived from BRIBOR rates quoted for the 2nd, 15th, and 30th days of the current month indicates that, in the middle of the month, banks changed the expected length of time until a reduction of 50 basis points in the key NBS rates, from five months at the beginning of November to four months in the middle of November. After the key rates were reduced at the end of the month, the money market yield curve became less steep and the expected time until the next interest rate cut was prolonged, but there was no indication of a reduction of more than 33 basis points in the next nine months.



4.3. Customer Interest Rates in October 2004⁴

Customer interest rates for new loans and total deposits remained virtually unchanged in October. Within the structure of loans, the price of medium- and long-term term loans increased.

Customer interest rates

The average interest rate on new loans was stagnant in October, while the rates for new medium- and long-term loans rose significantly (these loans account for less than 14% of all loans); this was offset by a fall in interest rates for new short-term loans. The rise in interest rates for medium- and long-term loans was primarily caused by an increase in the price of investment loans for enterprises.

Average interest rates on new loans

In comparison with the previous month, interest rates on new loans to households remained virtually unchanged, a slight increase was recorded only in the price of long-term consumer loans.

On a year-on-year basis, the average interest rate on new loans dropped by 0.84 of a percentage point, due primarily to a fall in the rate for new loans to enterprises. The opposite trend was recorded in in-

terest rates for new loans to households (mainly loans with a longer maturity – an increase of 1.24 percentage points).

⁴ 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 subsequent impact on the average rate of interest. 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.



Average Interest Rates on New Loans, Excluding Current Account Overdrafts

	Interest rate in %				Change in p.p.		
	Oct. 2003	Dec. 2003	Sep. 2004	Oct. 2004	year-on-year	compared with the end of year	month-on-month
New short-term loans	6.35	6.65	5.25	5.18	-1.16	-1.47	-0.07
New medium-term loans	9.03	8.58	7.17	8.11	-0.93	-0.47	0.93
New long-term loans	6.95	6.96	6.73	7.27	0.32	0.31	0.54
Total	6.64	6.85	5.76	5.80	-0.84	-1.05	0.04

Average Interest Rates on New Loans to Enterprises and Households

	Interest rate in %				Change in p.p.		
	Oct. 2003	Dec. 2003	Sep. 2004	Oct. 2004	year-on-year	compared with the end of year	month-on-month
Enterprises							
New short-term loans	6.33	6.62	5.24	5.19	-1.14	-1.44	-0.05
New medium-term loans	7.88	7.59	5.17	5.45	-2.43	-2.14	0.28
New long-term loans	7.92	7.49	5.76	6.30	-1.62	-1.19	0.54
Total	6.46	6.73	5.26	5.24	-1.23	-1.49	-0.02
Households							
New short-term loans	9.03	10.52	8.93	8.92	-0.11	-1.60	-0.01
New medium-term loans	11.66	11.77	11.32	11.39	-0.28	-0.38	0.06
New long-term loans	6.39	6.22	7.51	7.62	1.24	1.40	0.11
of which: new mortgage loans with a government bonus (client)	5.25	5.23	6.27	6.22	0.97	0.99	-0.06
Total	8.86	8.61	9.14	9.18	0.31	0.56	0.04

Average interest rates on deposits

The average interest rate on deposits was stagnant in October, for all maturities. The rate for corporate deposits dropped as a result of a decline in interest rates for short-term deposits.

On a year-on-year basis, interest rates dropped for all types of deposits, for both enterprises and households (deposit rates for enterprises fell to a somewhat greater extent). The most significant drops took place in short-term deposit rates (mainly for enterprises) and medium-term rates.

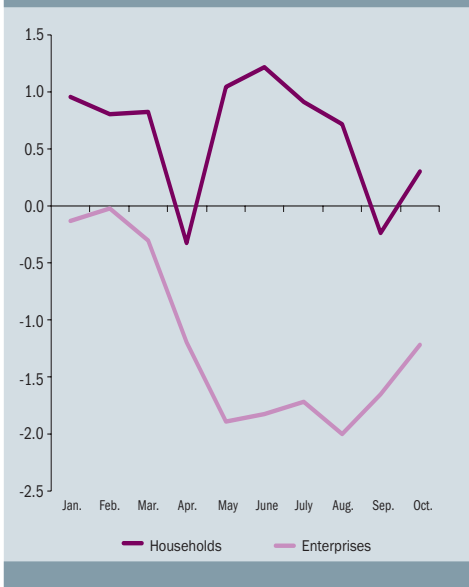
Real interest rates

In October, the real interest rate on one-year deposits reached a negative figure (-3.69%), which had increased slightly in comparison with the previous month (by 0.06 of a percentage point). This was primarily due to a fall of 0.1 of a percentage point in the 12-month inflation rate.

If we compare the average interest rate on deposits with a maturity of up to one year in October 2003 (due in October 2004) with the 12-month inflation rate in October 2004, the real interest rate on one-year deposits becomes -2.53% (negative figure). Its level fell in comparison with the previous month by 0.06 of a percentage point as a result of a fall in inflation.

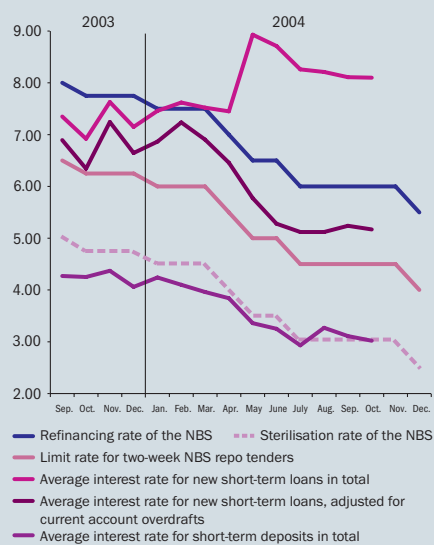
Year-on-year Changes in Interest Rates for Loans to Enterprises and Households, Excluding Current Account Overdrafts

(percentage points)





Developments in Selected Short-term Interest Rates (%)



Year-on-year Changes in Deposit Rates for Households and Enterprises (percentage points)



Average Interest Rates on Deposits

	Interest rate in %				Change in p.p.		
	Oct. 2003	Dec. 2003	Sep. 2004	Oct. 2004	year-on-year	compared with the end of year	month-on-month
Demand deposits	1.37	1.49	0.86	0.76	-0.61	-0.73	-0.11
Short-term deposits	4.25	4.06	3.11	3.02	-1.22	-1.04	-0.09
Medium-term deposits	3.28	3.10	3.15	3.20	-0.08	0.11	0.05
Long-term deposits	2.99	3.06	2.85	2.86	-0.13	-0.20	0.01
Total	3.17	3.01	2.37	2.30	-0.87	-0.71	-0.07

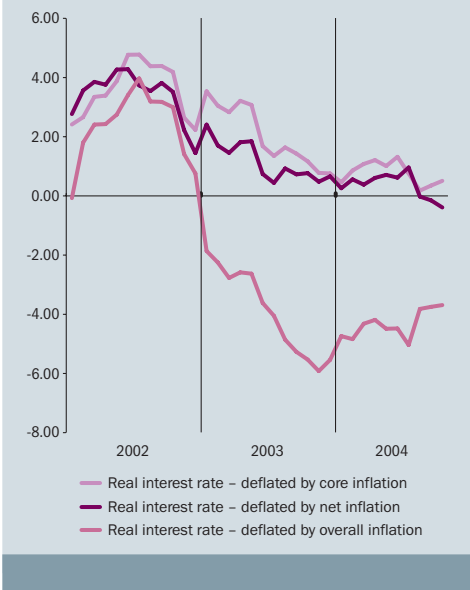
Average Interest Rates on Corporate and Household Deposits

	Interest rate in %				Change in p.p.		
	Oct. 2003	Dec. 2003	Sep. 2004	Oct. 2004	year-on-year	compared with the end of year	month-on-month
Enterprises							
Demand deposits	1.30	1.33	0.85	0.70	-0.61	-0.64	-0.15
Short-term deposits	5.21	5.10	3.87	3.68	-1.53	-1.42	-0.19
Medium-term deposits	4.83	4.42	2.86	2.83	-2.00	-1.59	-0.03
Long-term deposits	3.12	3.09	3.03	3.02	-0.10	-0.07	-0.01
Total	3.65	3.46	2.65	2.53	-1.12	-0.93	-0.13
Households							
Demand deposits	1.20	1.13	0.72	0.71	-0.48	-0.42	-0.01
Short-term deposits	3.39	3.24	2.07	2.06	-1.33	-1.18	-0.01
Medium-term deposits	3.14	2.95	2.22	2.30	-0.83	-0.65	0.08
Long-term deposits	2.98	3.06	2.84	2.85	-0.13	-0.21	0.01
Total	2.76	2.65	1.79	1.78	-0.98	-0.87	-0.01



If the rate of interest for 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 September becomes positive (0.51%) and/or negative (0.39%), representing an increase of 0.16 and/or a drop of 0.24 of a percentage point respectively on a month-on-month basis.

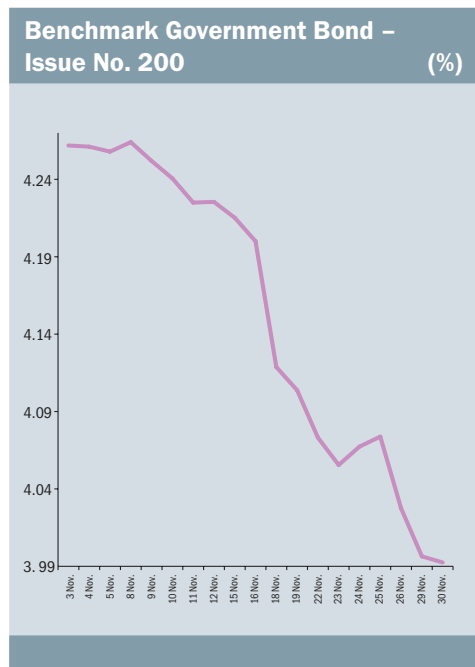
Real Interest Rate on One-Year Deposits (%)



ANNEXES

1. Capital Market

1.1. Primary Market

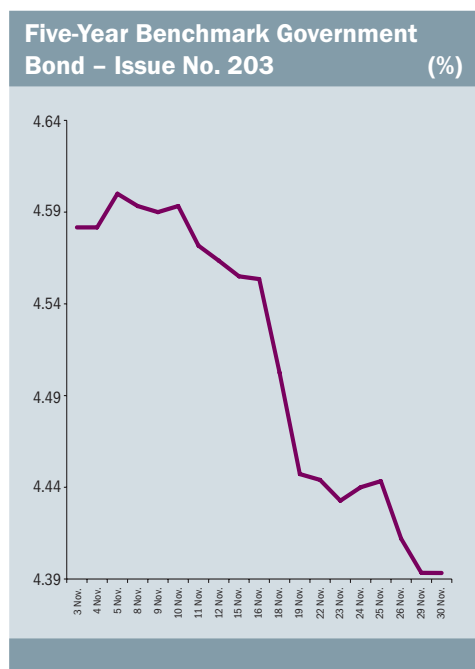


Two government-bond auctions were planned for November (with 3 and 5-year maturities), in line with the Issuing Schedule for 2004. Total demand amounted to Sk 19.2 billion, 27.8% of which was accepted.

Government bonds

At the first auction, Issue No. 200 was increased for the seventh time (3-year government bonds with a zero coupon). By the end of November, the issue had been floated in full, in the amount of Sk 40.0 billion. Total demand amounted to Sk 9.73 billion, 44.1% of which was accepted. The yields achieved at the auctions ranged from 4.19% to 4.28%. The yields on government bonds No. 200, which are included in the benchmark yield curve, fluctuated between 3.99% and 4.26% in November.

At the second auction, Issue No. 201 was re-opened for the sixth time, with a maturity of 5 years and a flexible coupon (12M BRIBOR). Demand at the auction reached Sk 9.5 billion, of which Sk 1.05 billion was accepted. The minimum, average, and maximum yield amounted to 5.39%. Of the planned amount of Issue No. 201 (Sk 40.0 billion), 28.3% had been sold by the end of November. Yields on the five-year benchmark government bond fluctuated between 3.99% and 4.60% during the month.



There were no government bond redemptions or yield payments in the month of November 2004.

Yield payment and bond repayments

One issue of publicly negotiable non-government bonds was floated during the month. It was an issue of mortgage bonds made by OTP Bank Slovakia.

Non-government bonds

1.2. Secondary Market

The Bratislava Stock Exchange (BCPB) was open for 20 days in November. During that period, Sk 48.5 billion was traded in 2,847 transactions, representing the largest number of contracts concluded within a month in 2004. The volume of trading dropped by 2.7% compared with the previous month. Trading in debt securities accounted for 98.0% (Sk 47.5 billion, while the volume of price-setting transactions reached Sk 0.9 billion (1.9% of the total volume).

Non-resident investors accounted for 55.2% of the total volume traded in November, of which 52.7% were composed of purchases and 57.7% of sales.

Bonds

There were 240 bond transactions totalling Sk 47.5 billion in November. Government bonds were traded in the amount of Sk 47.2 billion (in 209 transactions) and accounted for 99.3% of the total volume of bond transactions. The volume of trading dropped by 4.3% compared with the same period a year earlier. The largest volumes were traded in government bonds, i.e. Issue No. 142 (Sk 27.6 billion in 14 transactions), Issue No. 200 (Sk 11.1 billion in 65 transactions), and Issue No. 203 (Sk 2.1 billion in 21 transactions). The volume traded in the private sector was dominated by HZL VÚB VI (Sk 74.4 million, 1 transaction) and HZL Tatra banka 01 mortgage bonds (Sk 57.0 million, 1 transaction). Most transactions (65) were concluded in government bonds, Issue No. 200. In the market-maker system,



four transactions were concluded in the total amount of Sk 85.0 million. These transactions took place in government bonds, Nos. 174, 199, 202, and 203.

The price of three-year money was quoted at 4.28% to 4.45%; five-year money at 4.37% to 4.56%; seven-year money at 4.51% to 4.76%; nine-year money at 4.75% to 5.04%, and twelve-year money at 4.30% to 5.12%.

The market capitalisation of bonds amounted to Sk 370.4 billion (a month-on-month increase of 1.7%) on the last trading day of the month. The capitalisation of quoted bonds increased month-on-month by 2.0%, to Sk 348.2 billion.

SDX index The component of the Slovak Bond Index (SDX) for corporate and bank bonds closed the month at 258.06% of the nominal value (a monthly increase of 0.8%), with an average yield of 3.96% to maturity and a duration of 1.83 years. The component of SDX for government bonds rose by 1.2%, to 234.12% of the nominal value, corresponding to a yield of 4.25% and a duration of 3.88 years.

SDXGroup indices The SDXG index for the private sector, represented by government bonds, closed the month at the level of 103.5 (price component) and 107.9 (development component), with a yield of 4.55% to maturity and a duration of 4.80 years. The value of the short-term SDXG(≤ 5) sub-index reached 103.4 (for price) and 107.1 (for development), with a yield of 4.04% to maturity and a duration of 2.62 years. The long-term SDXG(> 5) sub-index closed the month at 103.6 (for price) and 108.6 (for development), with a yield of 4.73% to maturity and a duration of 6.78 years.

SDXG for the private sector, represented by corporate and mortgage bonds, closed the month at the level of 102.2 (price component) and 108.2 (development component), with a yield of 4.26% to maturity and a duration of 3.42 years. The value of the short-term SDXG(≤ 5) sub-index reached 101.3 (for price) and 107.5 (for development), with a yield of 4.21% to maturity and a duration of 2.42 years. The long-term SDXG(> 5) sub-index closed the month at 105.8 (for price) and 109.4 (for development), with a yield of 4.32% to maturity and a duration of 6.85 years.

Shares In November, equity securities were traded in the amount of Sk 994.0 billion, in 2,607 transactions. The volume of shares traded within the scope of compulsory bids for acceptance amounted to Sk 5.1 million (in 61 transactions). On a month-on-month basis, the volume of transactions increased to 4.5 times the figure for October. By the last trading day of November, the market capitalisation of equity securities had increased by 10.8% month-on-month, to Sk 132.4 billion. The actual amount of issues that had a market price at least once in the past, except investment funds shares and investment certificates, was Sk 117.8 billion (a monthly increase of 12.8%) and accounted for 89.0% of the total capitalisation of the share market. The market capitalisation of quoted shares increased by 19.8%, to Sk 63.1 billion.

SAX index The Slovak Share Index (SAX) opened the month at the end-October level (259.81 points), and closed the month at 300.27 points (with a month-on-month increase of 16.14%).

2. Monetary Developments in the Euro Area

At its November meeting (04/11/04), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.00%, the rate for one-day loans at 3.00%, and that for overnight deposits at 1.00%.

2.1. Exchange Rate Developments

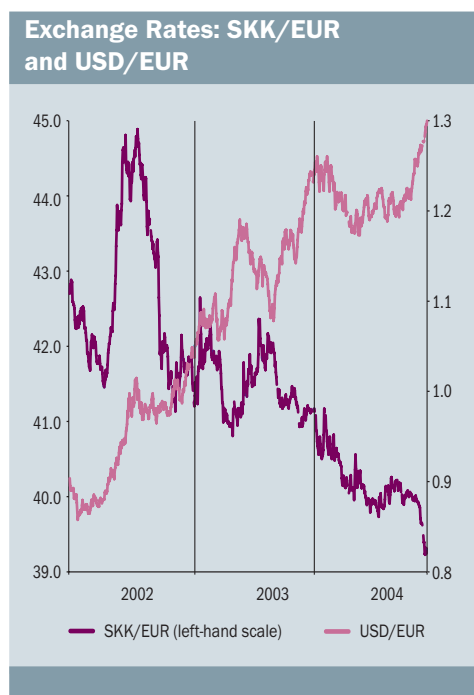
At the beginning of November, the exchange rate of the single European currency against the US dollar hovered around the level of USD 1.27/EUR.

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).



During November, the exchange rate of the dollar against the euro followed its depreciating trend, which began in the middle of October. The reason behind this development is another increase in the interest of financial markets in America's massive current account deficit and its financing and in the persistent fiscal deficit. The decision of the Fed's Open Market Committee of 10 November 2004 to raise interest rates by 0.25 of a percentage point (to the level of 2.00%) evened the interest rate differential up between the USA and the euro zone, but had no marked effect on the exchange rate, since this decision had been expected by the financial markets. At the end of the month, the exchange rate hovered around the level of USD 1.33/EUR.

During November, the euro appreciated in relation to the US dollar by 4.29% on a month-on-month basis. Since the first trading day of the year, the European currency has appreciated vis-à-vis the dollar by 5.58%.

2.2. Real Economy

According to the first Eurostat estimate, the euro area economy grew in the third quarter of 2004 by 0.3% compared with the previous quarter, while increasing in comparison with the third quarter of 2003 by 1.8%.

Final household consumption increased over the third quarter of 2004 by 0.2% (as in the second quarter of 2004), while investment grew by 0.6% (in the previous quarter by 0.3%). Exports grew by 1.2% (compared with 3.1% in the second quarter of 2004) and imports by 3.2% (in the previous quarter by 2.8%). In the second quarter of 2004, euro area GDP grew by 0.5%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), accelerated to 2.4% in October, from 2.1% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Luxembourg (4.1%), Spain (3.6%), and Greece (3.3%). The slowest rate of increase in consumer prices was reported from Finland (0.6%). The steepest increases took place in the prices of health services (8.2%), alcohol and tobacco (7.1%). Price levels fell in telecommunications (by 2.4%), foodstuffs (by 0.2%), and in recreation and cultural services (by 0.1%). In the same period a year earlier, consumer prices in the euro zone rose by 2.0%. Eurostat foresees a year-on-year inflation rate of 2.2% in November.

In October, industrial producer prices increased year-on-year by 4.0% and month-on-month by 0.7%.

On a year-on-year basis, retail sales declined in October by 0.2%, while increasing month-on-month by 0.7%.

The rate of unemployment (seasonally adjusted) remained unchanged in October, at the level of the previous month (8.9%). The lowest unemployment rates were recorded in Luxembourg (4.3%) and Ireland (4.4%). Spain remained the country with the highest rate of unemployment in the euro area (10.5%). In relative terms, the most significant increases in year-on-year unemployment rates occurred in the Netherlands (from 3.9% to 4.7% in September) and Luxembourg (from 3.9% 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 3.1 billion in September, compared with EUR 8.6 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) grew in September by 0.1%, while imports declined by 1.8%.



3. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2003		2004										
		11	12	1	2	3	4	5	6	7	8	9	10	11
REAL ECONOMY														
Gross domestic product ^{1/2/}	SKK billions	-	783.4	-	-	190.9 ^{*/}	-	-	400.9 ^{*/}	-	-	615.2 ^{*/}	-	-
Year-on-year change in GDP ^{3/}	%	-	4.5	-	-	5.4	-	-	5.5	-	-	5.4	-	-
Unemployment rate ^{4/}	%	14.2	15.6	16.6	16.5	16.0	15.3	14.5	13.9	13.7	13.2	13.1	12.7	.
Consumer prices ^{3/}	%	9.8	9.3	8.3	8.5	8.2	8.0	8.3	8.1	8.5	7.2	6.7	6.6	6.3
BALANCE OF TRADE ^{2/ */}														
Exports (fob)	SKK millions	732,330	803,037	61,130	127,829	203,115	284,094	364,010	440,775	510,312	580,031	659,358	741,974	.
Imports (fob)	SKK millions	750,811	826,625	60,130	126,199	203,816	286,179	366,662	450,557	526,775	600,970	683,414	768,028	.
Balance	SKK millions	-18,481	-23,588	1,000	1,630	-701	-2,085	-2,652	-9,782	-16,463	-20,939	-24,056	-26,054	.
BALANCE OF PAYMENTS ^{2/ */}														
Current account	SKK millions	-7,140.6	-10,198.5	2,249.3	4,189.9	5,330.9	3,980.5	-6,714.7	-17,171.6	-23,456.8	-24,880.6	-27,717.7	.	.
Capital and financial account	SKK millions	40,564.1	64,541.5	-1,704.5	14,449.2	-1,030.9	86.6	54,604.9	28,293.2	60,391.2	57,763.6	55,078.2	.	.
Overall balance	SKK millions	36,798.0	52,446.2	3,370.5	22,742.0	8,501.6	7,682.1	50,445.4	13,358.1	44,184.7	39,298.8	32,987.4	.	.
FOREIGN EXCHANGE RESERVES ^{4/}														
Total foreign exchange reserves	USD millions	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	14,344.0	14,410.9	14,822.6	.
NBS foreign exchange reserves	USD millions	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	13,128.3	13,218.7	13,517.1	.
GROSS EXTERNAL DEBT ^{4/}														
Total gross external debt	USD billions	17.0	18.3	17.9	18.2	17.5	17.0	19.4	18.7	19.0	18.9	19.5	.	.
External debt per capita	USD	3,157	3,406	3,329	3,389	3,245	3,156	3,606	3,478	3,534	3,520	3,632	.	.
MONETARY INDICATORS														
Exchange rate ^{5/}	SKK/USD	35.234	33.604	32.292	32.083	32.927	33.433	33.498	32.888	32.512	32.939	32.825	32.081	30.532
Money supply [M2] ^{4/ 6/}	SKK billions	719.2	730.1	725.5	730.7	711.6	719.8	710.9	731.0	736.8	742.3	748.4	749.3	.
Year-on-year change in M2 ^{3/ 6/}	%	7.3	7.1	6.5	5.5	3.2	4.3	1.8	7.1	5.0	4.7	6.2	5.4	.
Loans to enterprises and households ^{4/ 6/}	SKK billions	369.3	378.1	374.9	378.8	384.2	383.9	388.2	394.5	391.2	395.4	402.1	408.3	.
STATE BUDGET ^{2/ 4/}														
Revenue	SKK billions	203.6	233.1	21.0	36.4	67.0	98.1	109.2	120.7	139.1	153.7	172.8	195.9	213.7
Expenditure	SKK billions	246.4	289.0	23.7	40.8	65.8	92.4	111.5	133.2	157.7	178.5	202.3	226.4	247.8
Balance	SKK billions	-42.8	-55.9	-2.7	-4.4	1.2	5.7	-2.3	-12.5	-18.6	-24.8	-29.4	-30.5	-34.1
CONSUMER RATES														
Average interest rate on:														
one-year deposits	%	3.88	3.76	3.56	3.66	3.88	3.81	3.81	3.62	3.46	3.38	2.95	2.91	.
short-term loans ^{7/}	%	8.01	7.75	7.82	7.72	7.57	7.49	7.31	7.08	6.51	6.49	6.47	6.57	.
new short-term loans	%	7.60	7.15	7.50	7.62	7.52	7.45	8.93	8.71	8.26	8.21	8.11	8.10	.
MONEY MARKET														
Interest rates set by the Bank Board of the NBS with effect to														
		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	30.9.2004	31.10.2004	29.11.2004
Basic interest rate of the NBS (until 31 Dec. 2002: discount rate)	%	6.25	6.00	6.00	6.00	5.50	5.00	5.00	5.00	4.50	4.50	4.50	4.50	4.00
Overnight transactions														
- for sterilisation	%	4.75	4.50	4.50	4.50	4.00	3.50	3.50	3.50	3.00	3.00	3.00	3.00	2.50
- for refinancing	%	7.75	7.50	7.50	7.50	7.00	6.50	6.50	6.50	6.00	6.00	6.00	6.00	5.50
Limit rate of the NBS for standard 2-week repo tenders	%	6.25	6.00	6.00	6.00	5.50	5.00	5.00	5.00	4.50	4.50	4.50	4.50	4.00
Bratislava Interbank Offered Rates (BRIBOR)														
overnight	%	6.40	5.32	5.66	5.93	5.67	4.95	4.22	3.98	3.92	4.06	3.98	3.94	4.35
1-week	%	6.25	5.99	5.98	6.02	5.82	5.31	4.82	4.29	4.20	4.25	4.30	4.33	4.44
2-week	%	6.23	6.06	5.96	6.01	5.86	5.36	4.89	4.36	4.26	4.25	4.33	4.38	4.42
1-month	%	6.14	6.08	5.92	5.96	5.85	5.37	4.94	4.37	4.15	4.14	4.25	4.37	4.36
2-month	%	6.06	6.04	5.86	5.87	5.78	5.36	4.93	4.35	4.05	4.05	4.19	4.34	4.31
3-month	%	6.00	5.98	5.78	5.79	5.71	5.35	4.91	4.33	3.96	3.96	4.16	4.26	4.22
6-month	%	5.80	5.81	5.61	5.58	5.53	5.29	4.85	4.27	3.85	3.86	4.05	4.12	4.07
9-month	%	5.68	5.68	5.48	5.43	5.39	5.17	4.79	4.22	3.77	3.79	3.95	4.05	4.00
12-month	%	5.63	5.65	5.44	5.34	5.31	5.13	4.73	4.18	3.71	3.75	3.93	4.03	3.97

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										
	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.
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 ^{1/}	168.8	163.4	151.2	155.0	154.4	164.3	164.5	174.3	161.1	161.0	164.0	169.3	150.9	144.5
Foreign assets	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9	424.8	404.2	422.1	423.1	417.4	418.9
Foreign liabilities	222.6	215.6	237.7	230.8	233.8	237.8	222.6	216.6	263.7	243.2	258.1	253.8	266.5	274.4
Net domestic assets	542.4	555.8	578.8	570.5	570.8	566.4	547.1	545.5	549.8	570.0	572.8	573.0	597.5	604.8
Domestic credits	634.3	641.9	669.1	678.9	678.6	686.9	679.4	670.6	669.6	689.4	688.5	700.6	712.5	725.5
Net credit to general government ^{1/}	272.2	272.6	291.1	297.2	303.7	308.1	295.2	286.7	281.4	294.9	297.3	305.2	310.4	317.2
- Net credit to government (excluding NPF)	278.7	279.9	294.2	300.3	306.8	311.0	298.9	293.5	295.7	308.9	303.6	311.9	317.1	323.9
- Net credit to National Property Fund	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3	-14.0	-6.3	-6.7	-6.7	-6.7
Credits to enterprises and households	362.1	369.3	378.0	381.7	374.9	378.8	384.2	383.9	388.2	394.5	391.2	395.4	402.1	408.3
Credits in Slovak koruna	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4	319.1	316.5	321.1	326.6	329.2
- Credits to enterprises	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8	220.1	214.8	216.0	218.9	218.7
- Credits to households	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6	99.0	101.7	105.1	107.7	110.5
Credits in foreign currency	55.8	57.4	59.1	58.6	60.4	61.1	63.3	65.9	70.8	75.4	74.7	74.3	75.5	79.1
LIABILITIES														
Liquid liabilities [M2]	711.2	719.2	730.0	725.5	725.2	730.7	711.6	719.8	710.9	731.0	736.8	742.3	748.4	749.3
Money [M1]	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0	279.2	279.7	282.8	288.7	284.8
Currency outside banks [M0]	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9	93.2	93.8	95.4	96.3	97.6
Demand deposits	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1	186.0	185.9	187.4	192.4	187.2
- Households	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6	87.8	89.2	89.6	90.5	91.1
- Enterprises	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0	96.3	94.2	95.7	99.6	94.3
- Insurance companies	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5	1.9	2.5	2.1	2.3	1.8
Quasi-money [QM]	452.5	454.8	453.1	450.1	464.0	465.2	452.7	459.0	442.9	451.8	457.1	459.5	459.7	464.5
Time and savings deposits	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7	368.8	379.5	381.1	378.3	377.0
- Households	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9	230.3	228.1	225.2	224.0	222.8
- Enterprises	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1	122.2	129.3	133.9	131.2	133.2
- Insurance companies	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7	16.3	22.1	22.0	23.1	21.0
Foreign-currency deposits	80.7	82.3	79.5	78.7	83.1	81.5	74.8	73.4	74.2	83.0	77.6	78.4	81.4	87.5
- Households	48.3	47.7	46.8	46.2	45.8	45.7	44.7	43.6	43.5	43.3	42.8	42.2	42.4	42.5
- Enterprises	32.4	34.6	32.7	32.5	37.3	35.8	30.1	29.8	30.7	39.7	34.8	36.2	39.0	45.0
Other items net	91.9	86.1	90.3	108.4	107.8	120.5	132.3	125.1	119.8	119.4	115.7	127.6	115.0	120.7

Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	275.1	281.2	270.4	274.3	277.2	294.5	294.2	309.7	337.0	335.2	333.0	336.7	325.7	322.4
- of which: foreign assets	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9	424.8	404.2	422.1	423.1	417.4	418.9
- of which: foreign liabilities	116.3	97.8	118.5	111.5	111.0	107.6	92.9	81.2	87.8	69.0	89.1	86.4	91.7	96.5
Net credit to central government ^{1/}	377.2	377.9	390.2	390.2	395.7	398.0	392.7	389.0	393.3	411.4	409.8	415.3	422.8	427.4
Net credit to general government (excluding foreign liabilities of government)	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	158.9	182.4	185.2	191.7	198.4	205.4
- of which: liabilities of government and NPF (gross)	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5	417.8	417.0	395.4	409.0	409.4
- of which: claims of government and NPF (gross)	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	259.6	235.4	231.8	203.7	210.6	204.0
Foreign liabilities of government ^{1/}	75.0	86.0	85.9	85.9	86.0	85.5	84.5	87.7	122.5	112.5	112.1	113.5	112.0	111.8
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	16.6	15.0	19.7	-	16.4	15.2	11.4	14.0	13.3	9.2	11.4	13.7	13.7	17.0
Money market funds' shares/units	-	-	-	-	12.9	14.2	15.7	17.0	18.3	20.2	22.3	24.7	26.7	28.4

1/ Revision of foreign liabilities of government (since August 2004).



Monetary Survey

(At fixed exchange rates)

(SKK billions)

	2003			2004										
	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.
Fixed SKK/USD exchange rate	40.036	40.036	40.036	32.920	32.920	32.920	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	41.161	41.161	41.161	41.161	41.161	41.161	41.161	41.161	41.161	41.161	41.161
ASSETS														
Net foreign assets ^{1/}	231.2	226.2	216.3	194.1	193.8	204.7	205.6	215.2	202.0	200.9	209.2	214.9	196.1	189.7
Foreign assets	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5	492.5	466.1	489.1	489.8	483.3	484.7
Foreign liabilities	247.8	238.2	263.4	251.4	254.6	260.6	242.0	236.3	290.5	265.2	279.9	274.9	287.2	295.0
Net domestic assets	501.0	514.3	534.4	544.5	545.2	539.4	518.4	516.7	521.2	543.8	540.5	540.4	565.8	574.0
Domestic credits	664.1	674.2	701.9	704.3	704.3	712.6	705.3	697.5	700.2	722.4	721.3	733.7	745.5	759.1
Net credit to general government ^{1/}	288.1	290.6	309.1	312.6	319.1	323.4	310.3	302.4	299.9	315.1	317.4	325.6	330.5	337.3
- Net credit to government (excluding NPF)	294.6	297.9	312.2	315.7	322.2	326.3	314.0	309.2	314.2	329.1	323.7	332.3	337.2	344.0
- Net credit to National Property Fund	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3	-14.0	-6.3	-6.7	-6.7	-6.7
Credits to enterprises and households	376.0	383.6	392.8	391.7	385.2	389.2	395.0	395.1	400.3	407.3	403.9	408.1	415.0	421.8
Credits in Slovak koruna	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4	319.1	316.5	321.1	326.6	329.2
- Credits to enterprises	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8	220.1	214.8	216.0	218.9	218.7
- Credits to households	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6	99.0	101.7	105.1	107.7	110.5
Credits in foreign currency	69.7	71.7	73.9	68.6	70.7	71.5	74.1	77.1	82.9	88.2	87.4	87.0	88.4	92.6
LIABILITIES														
Liquid liabilities [M2]	732.2	740.5	750.7	738.6	739.0	744.1	724.0	731.9	723.2	744.7	749.7	755.3	761.9	763.7
Money [M1]	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0	279.2	279.7	282.8	288.7	284.8
Currency outside banks [M0]	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9	93.2	93.8	95.4	96.3	97.6
Demand deposits	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1	186.0	185.9	187.4	192.4	187.2
- Households	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6	87.8	89.2	89.6	90.5	91.1
- Enterprises	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0	96.3	94.2	95.7	99.6	94.3
- Insurance companies	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5	1.9	2.5	2.1	2.3	1.8
Quasi-money [QM]	473.5	476.1	473.8	463.2	477.8	478.6	465.1	471.1	455.2	465.5	470.0	472.5	473.2	478.9
Time and savings deposits	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7	368.8	379.5	381.1	378.3	377.0
- Households	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9	230.3	228.1	225.2	224.0	222.8
- Enterprises	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1	122.2	129.3	133.9	131.2	133.2
- Insurance companies	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7	16.3	22.1	22.0	23.1	21.0
Foreign-currency deposits	101.7	103.6	100.2	91.8	96.9	94.9	87.2	85.5	86.5	96.7	90.5	91.4	94.9	101.9
- Households	60.9	60.1	58.9	53.9	53.4	53.2	52.1	50.8	50.7	50.4	49.9	49.2	49.4	49.5
- Enterprises	40.8	43.5	41.3	37.9	43.5	41.7	35.1	34.7	35.8	46.3	40.6	42.2	45.5	52.4
Other items net	163.1	159.9	167.5	159.8	159.1	173.2	186.9	180.8	179.0	178.6	180.8	193.3	179.7	185.1

Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	353.4	362.0	353.6	328.7	332.0	350.2	350.3	366.4	399.9	395.2	398.2	402.7	391.1	387.6
- of which: foreign assets	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5	492.5	466.1	489.1	489.8	483.3	484.7
- of which: foreign liabilities	125.6	102.4	126.1	116.8	116.4	115.1	97.3	85.1	92.6	70.9	90.9	87.1	92.2	97.1
Net credit to central government ^{1/}	393.1	396.0	408.2	405.5	411.0	413.3	407.8	404.7	411.8	431.5	429.9	435.6	442.9	447.5
Net credit to general government (excluding foreign liabilities of government)	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	155.5	182.4	185.2	191.7	198.4	205.4
- of which: liabilities of government and NPF (gross)	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5	417.8	417.0	395.4	409.0	409.4
- of which: claims of government and NPF (gross)	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	263.0	235.4	231.8	203.7	210.6	204.0
Foreign liabilities of government ^{1/}	90.9	104.0	103.9	101.3	101.4	100.8	99.6	103.4	144.4	132.7	132.2	133.9	132.1	131.9
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	17.1	15.4	20.1	-	16.8	15.6	11.7	14.5	13.7	9.6	12.1	14.8	14.8	18.6
Money market funds' shares/units	-	-	-	-	12.9	14.2	15.7	17.0	18.3	20.2	22.3	24.7	26.7	28.4

1/ Revision of foreign liabilities of government (since August 2004).



Monetary Survey

(At current exchange rates)

(SKK billions)

	2003			2004										
	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.
Current SKK/USD exchange rate	35.368	34.383	32.920	32.920	32.637	32.621	32.982	34.126	32.695	32.844	33.370	33.408	32.492	31.386
Current SKK/EUR exchange rate	41.359	40.969	41.161	41.161	40.822	40.528	40.207	40.359	40.069	39.946	40.138	40.218	40.048	39.940
ASSETS														
Net foreign assets ^{1/}	215.4	205.4	189.5	194.1	190.9	200.2	202.1	215.1	196.1	195.2	205.0	211.8	189.4	179.2
Foreign assets	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2	482.2	456.6	481.9	483.8	473.0	470.0
Foreign liabilities	244.5	234.9	258.4	251.4	253.5	258.4	239.8	235.1	286.1	261.4	276.9	272.0	283.6	290.8
Net domestic assets	511.5	528.1	553.1	544.5	547.2	542.6	520.6	516.6	525.4	547.5	543.6	542.6	570.4	581.0
Domestic credits	659.4	667.6	694.0	704.3	702.9	710.0	701.8	695.1	695.1	716.5	716.7	729.3	739.7	752.0
Net credit to general government ^{1/}	286.5	288.3	306.5	312.6	318.3	321.8	308.2	300.7	296.7	311.3	314.2	322.6	326.9	333.3
- Net credit to government (excluding NPF)	293.0	295.6	309.6	315.7	321.4	324.7	311.9	307.5	311.0	325.3	320.5	329.3	333.6	340.0
- Net credit to National Property Fund	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3	-14.0	-6.3	-6.7	-6.7	-6.7
Credits to enterprises and households	372.9	379.3	387.5	391.7	384.6	388.2	393.6	394.4	398.4	405.2	402.5	406.7	412.8	418.7
Credits in Slovak koruna	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4	319.1	316.5	321.1	326.6	329.2
- Credits to enterprises	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8	220.1	214.8	216.0	218.9	218.7
- Credits to households	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6	99.0	101.7	105.1	107.7	110.5
Credits in foreign currency	66.6	67.4	68.6	68.6	70.1	70.5	72.7	76.4	81.0	86.1	86.0	85.6	86.2	89.5
LIABILITIES														
Liquid liabilities [M2]	726.9	733.5	742.6	738.6	738.1	742.8	722.7	731.7	721.5	742.7	748.6	754.4	759.8	760.2
Money [M1]	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0	279.2	279.7	282.8	288.7	284.8
Currency outside banks [M0]	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9	93.2	93.8	95.4	96.3	97.6
Demand deposits	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1	186.0	185.9	187.4	192.4	187.2
- Households	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6	87.8	89.2	89.6	90.5	91.1
- Enterprises	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0	96.3	94.2	95.7	99.6	94.3
- Insurance companies	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5	1.9	2.5	2.1	2.3	1.8
Quasi-money [QM]	468.2	469.1	465.7	463.2	476.9	477.3	463.8	470.9	453.5	463.5	468.9	471.6	471.1	475.4
Time and savings deposits	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7	368.8	379.5	381.1	378.3	377.0
- Households	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9	230.3	228.1	225.2	224.0	222.8
- Enterprises	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1	122.2	129.3	133.9	131.2	133.2
- Insurance companies	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7	16.3	22.1	22.0	23.1	21.0
Foreign-currency deposits	96.4	96.6	92.1	91.8	96.0	93.6	85.9	85.3	84.8	94.7	89.4	90.5	92.8	98.4
- Households	57.7	56.0	54.2	53.9	52.9	52.5	51.3	50.7	49.7	49.4	49.3	48.7	48.3	47.8
- Enterprises	38.7	40.6	37.9	37.9	43.1	41.1	34.6	34.6	35.1	45.3	40.1	41.8	44.5	50.6
Other items net	147.9	139.5	140.9	159.8	155.7	167.4	181.2	178.5	169.7	169.0	173.1	186.7	169.3	171.0

Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	336.0	338.9	324.2	328.7	328.3	344.3	344.7	364.5	390.2	385.8	390.9	396.6	380.8	373.1
- of which: foreign assets	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2	482.2	456.6	481.9	483.8	473.0	470.0
- of which: foreign liabilities	123.9	101.4	123.7	116.8	116.1	114.3	97.2	85.7	92.0	70.8	91.0	87.2	92.2	96.9
Net credit to central government ^{1/}	391.6	393.7	405.5	405.5	410.2	411.7	405.7	403.0	408.7	427.8	426.8	432.7	439.3	443.5
Net credit to general government (excluding foreign liabilities of government)	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	156.1	182.4	185.2	191.7	198.4	205.4
- of which: liabilities of government and NPF (gross)	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5	417.8	417.0	395.4	409.0	409.4
- of which: claims of government and NPF (gross)	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	262.4	235.4	231.8	203.7	210.6	204.0
Foreign liabilities of government ^{1/}	89.3	101.7	101.3	101.3	100.6	99.2	97.5	101.7	140.6	128.9	129.0	130.9	128.5	127.9
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	17.0	15.3	20.1	-	16.8	15.5	11.7	14.4	13.6	9.5	12.0	14.6	14.6	18.3
Money market funds' shares/units	-	-	-	-	12.9	14.2	15.7	17.0	18.3	20.2	22.3	24.7	26.7	28.4

1/ Revision of foreign liabilities of government (since August 2004).



Money Supply M2

(At fixed exchange rates from 1 January 1993)

(SKK billions)

	1.1.2004	30.9.2004	31.10.2004	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	31.10.2003	Year-on-year change	Year-on-year change (in %)
Money supply [M2]	725.5	748.4	749.3	0.9	0.1	23.8	3.3	711.2	38.1	5.4
Money [M1]	275.4	288.7	284.8	-3.9	-1.4	9.4	3.4	258.7	26.1	10.1
Currency outside banks [M0]	91.8	96.3	97.6	1.3	1.3	5.8	6.3	90.2	7.4	8.2
Demand deposits	183.6	192.4	187.2	-5.2	-2.7	3.6	2.0	168.5	18.7	11.1
Quasi-money [QM]	450.1	459.7	464.5	4.8	1.0	14.4	3.2	452.5	12.0	2.7
Time and savings deposits	371.4	378.3	377.0	-1.3	-0.3	5.6	1.5	371.8	5.2	1.4
Foreign-currency deposits	78.7	81.4	87.5	6.1	7.5	8.8	11.2	80.7	6.8	8.4
Slovak-koruna deposits	555.0	570.7	564.2	-6.5	-1.1	9.2	1.7	540.3	23.9	4.4
- Households	318.7	314.5	313.9	-0.6	-0.2	-4.8	-1.5	322.4	-8.5	-2.6
- Enterprises (incl. insurance cos.)	236.3	256.2	250.3	-5.9	-2.3	14.0	5.9	217.9	32.4	14.9

**Developments in Credit**

(SKK billions)

	30. 9. 2004	31. 10. 2004	Change
Credits in total (in SKK and foreign currency)	435.6	442.1	6.5
Credits in Slovak koruna	336.3	339.3	3.0
of which			
- Enterprises	201.7	201.3	-0.4
- General government	24.6	25.0	0.4
- Households	107.7	110.5	2.8
- Other ^{1/}	2.3	2.5	0.2
Credits in foreign currency^{2/}	99.3	102.8	3.5

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

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

Developments in Deposit

(SKK billions)

	30. 9. 2004	31. 10. 2004	Change
Deposits in total (in SKK and foreign currency)	846.1	846.5	0.5
Deposits in Slovak koruna	747.7	742.1	-5.6
of which			
- Enterprises	240.3	234.8	-5.5
- General government	174.9	175.0	0.1
- Households	314.6	314.0	-0.6
- Other ^{1/}	18.0	18.3	0.4
Deposits in foreign currency^{2/}	98.4	104.5	6.1

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 September 2004

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	659,359.0	20,085.9	683,413.0	20,818.6	-24,054.0	-732.8
Services	87,251.5	2,657.9	81,090.5	2,470.2	6,161.0	187.7
Transport	36,215.3	1,103.2	23,217.5	707.3	12,997.8	395.9
Tourism	20,462.6	623.3	18,421.1	561.2	2,041.5	62.2
Other services	30,573.6	931.4	39,451.9	1,201.8	-8,878.3	-270.5
Income	21,402.0	652.0	35,125.1	1,070.0	-13,723.1	-418.0
Compensation of employees	11,737.2	357.5	531.4	16.2	11,205.8	341.4
Investment income	9,664.8	294.4	34,593.7	1,053.8	-24,928.9	-759.4
Current transfers	19,785.2	602.7	15,888.8	484.0	3,896.4	118.7
CURRENT ACCOUNT	787,797.7	23,998.5	815,517.4	24,842.9	-27,719.7	-844.4
Capital account	1,873.0	57.1	3,374.8	102.8	-1,501.8	-45.7
Financial account	2,341,087.7	71,311.9	-2,284,507.7	-69,598.3	56,580.0	1,713.6
Direct investment	436,885.0	13,308.7	-402,623.1	-12,265.0	34,261.9	1,043.7
<i>Abroad (direct investor = resident)</i>	29,298.4	892.5	-24,530.1	-747.3	4,768.3	145.3
Equity capital and reinvested earnings	734.4	22.4	-2,035.1	-62.0	-1,300.7	-39.6
Other capital	28,564.0	870.1	-22,495.0	-685.3	6,069.0	184.9
<i>In the SR (recipient of dir. investment = resident)</i>	407,586.6	12,416.2	-378,093.0	-11,517.7	29,493.6	898.5
Equity capital and reinvested earnings	27,811.6	847.2	-4,430.0	-134.9	23,381.6	712.3
Other capital	379,775.0	11,569.0	-373,663.0	-11,382.8	6,112.0	186.2
Portfolio investment	269,981.4	8,201.0	-233,273.6	-7,102.1	36,707.8	1,098.9
Assets	53,186.9	1,620.2	-62,708.7	-1,910.3	-9,521.8	-290.1
Liabilities	216,794.5	6,580.8	-170,564.9	-5,191.8	46,229.6	1,389.0
Financial derivatives	563,380.5	17,162.1	-563,965.2	-17,179.9	-584.7	-17.8
Assets	224,972.4	6,853.3	-226,246.1	-6,892.1	-1,273.7	-38.8
Liabilities	338,408.1	10,308.8	-337,719.1	-10,287.8	689.0	21.0
Other investment	1,070,840.8	32,640.0	-1,084,645.8	-33,051.3	-13,805.0	-411.3
<i>Long-term</i>	106,025.8	3,225.7	-120,758.4	-3,677.9	-14,732.6	-452.1
Assets	20,875.1	635.9	-25,111.5	-765.0	-4,236.4	-129.1
Liabilities	85,150.7	2,589.8	-95,646.9	-2,912.9	-10,496.2	-323.1
<i>Short-term</i>	964,815.0	29,414.3	-963,887.4	-29,373.4	927.6	40.9
Assets	344,933.8	10,507.6	-347,060.0	-10,572.4	-2,126.2	-64.8
Liabilities	619,881.2	18,906.7	-616,827.4	-18,801.0	3,053.8	105.6
CAPITAL AND FINANCIAL ACCOUNT	2,342,960.7	71,368.9	-2,287,882.5	-69,701.1	55,078.2	1,667.8
ERRORS AND OMISSIONS	x	x	x	x	5,628.9	216.3
TOTAL BALANCE	-6,221.4	-186.6	39,208.8	1,226.3	32,987.4	1,039.7
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.8	0.0	-0.8	0.0
Foreign exchange	6,221.4	186.6	-39,208.0	-1,226.3	-32,986.6	-1,039.7
<i>Currency and deposits</i>	6,221.4	186.6	0.0	0.0	6,221.4	186.6
<i>Securities</i>	0.0	0.0	-39,208.0	-1,226.3	-39,208.0	-1,226.3
Bonds and notes	0.0	0.0	-29,452.5	-917.9	-29,452.5	-917.9
Money market instruments and financial derivatives	0.0	0.0	-9,755.5	-308.4	-9,755.5	-308.4
RESERVE ASSETS	6,221.4	186.6	-39,208.8	-1,226.3	-32,987.4	-1,039.7

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 32.827

**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	-100,897	255,434	3,758.25	3,842.06	-1,220.20	6,380.11
2003	255,434	35,753	-8,303	282,884	6,380.11	972.26	1,240.70	8,593.07
2004 ^{3/}	295,961	18,343	-8,362	305,942 ^{4/}	8,990.31	558.78	-133.17	9,415.92 ^{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	5,033	-3,893	66,562 ^{4/}	1,987.30	153.32	-92.06	2,048.56 ^{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	-104,827	315,163	4,836.21	4,093.83	-1,058.04	7,872.00
2003 ^{2/}	315,414	37,566	-4,674	348,306	7,878.26	1,021.56	1,680.55	10,580.37
2004 ^{3/}	361,383	23,376	-12,255	372,504 ^{4/}	10,977.61	712.10	-225.23	11,464.48 ^{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 September.

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.827									
Inflow of FDI (equity capital + reinvested earnings) in total	18,343	558.8	100.0	5,033	153.3	100.0	23,376	712.1	100.0
Structure of capital by investor									
Hungary	6,151	187.4	33.5	-35	-1.1	-0.7	6,116	186.3	26.2
Austria	370	11.3	2.0	4,616	140.6	91.7	4,986	151.9	21.3
USA	1,689	51.5	9.2	1,653	50.4	32.8	3,342	101.8	14.3
France	3,122	95.1	17.0	-36	-1.1	-0.7	3,086	94.0	13.2
United Kingdom	4,304	131.1	23.5	-1,396	-42.5	-27.7	2,908	88.6	12.4
Luxemburg	2,097	63.9	11.4	0	0.0	0.0	2,097	63.9	9.0
Italy	321	9.8	1.7	-13	-0.4	-0.3	308	9.4	1.3
Switzerland	242	7.4	1.3	0	0.0	0.0	242	7.4	1.0
Czech Republic	177	5.4	1.0	-2	-0.1	0.0	175	5.3	0.7
Cyprus	144	4.4	0.8	0	0.0	0.0	144	4.4	0.6
Other countries	-274	-8.3	-1.5	246	7.5	4.9	-28	-0.9	-0.1
Structure of capital by sector									
Agriculture, hunting, and forestry	-10	-0.3	-0.1	0	0.0	0.0	-10	-0.3	0.0
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	12,637	385.0	68.9	0	0.0	0.0	12,637	385.0	54.1
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	147	4.5	0.8	0	0.0	0.0	147	4.5	0.6
Wholesale and retail trade, repairs of motor vehicles	4,634	141.2	25.3	0	0.0	0.0	4,634	141.2	19.8
Hotels and restaurants	-55	-1.7	-0.3	0	0.0	0.0	-55	-1.7	-0.2
Transport, storage, post and telecommunications	463	14.1	2.5	0	0.0	0.0	463	14.1	2.0
Financial intermediation	571	17.4	3.1	5,033	153.3	100.0	5,604	170.7	24.0
Real estate, renting and business activities	-63	-1.9	-0.3	0	0.0	0.0	-63	-1.9	-0.3
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	10	0.3	0.1	0	0.0	0.0	10	0.3	0.0
Other community, social, and personal services	8	0.2	0.0	0	0.0	0.0	8	0.2	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 region									
Bratislava region	14,366	437.6	78.3	5,033	153.3	100.0	19,399	590.9	83.0
Tmava region	3,488	106.3	19.0	0	0.0	0.0	3,488	106.3	14.9
Trenčín region	230	7.0	1.3	0	0.0	0.0	230	7.0	1.0
Nitra region	-5	-0.2	0.0	0	0.0	0.0	-5	-0.2	0.0
Žilina region	101	3.1	0.6	0	0.0	0.0	101	3.1	0.4
Banská Bystrica region	243	7.4	1.3	0	0.0	0.0	243	7.4	1.0
Prešov region	382	11.6	2.1	0	0.0	0.0	382	11.6	1.6
Košice region	-462	-14.1	-2.5	0	0.0	0.0	-462	-14.1	-2.0

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	35,753	972.3	100.0	1,813	49.3	100.0	37,566	1,021.6	100.0
Structure of capital by investor									
Germany	10,965	298.2	30.7	21	0.6	1.2	10,986	298.8	29.2
Hungary	7,369	200.4	20.6	984	26.8	54.3	8,353	227.2	22.2
Czech Republic	5,540	150.7	15.5	-7	-0.2	-0.4	5,533	150.5	14.7
United Kingdom	2,722	74.0	7.6	104	2.8	5.7	2,826	76.8	7.5
The Netherlands	2,146	58.4	6.0	7	0.2	0.4	2,153	58.5	5.7
Austria	1,055	28.7	3.0	603	16.4	33.3	1,658	45.1	4.4
USA	1,429	38.9	4.0	-27	-0.7	-1.5	1,402	38.1	3.7
Denmark	1,108	30.1	3.1	0	0.0	0.0	1,108	30.1	2.9
Switzerland	997	27.1	2.8	0	0.0	0.0	997	27.1	2.7
Italy	510	13.9	1.4	142	3.9	7.8	652	17.7	1.7
Other countries	1,912	52.0	5.3	-14	-0.4	-0.8	1,898	51.6	5.1
Structure of capital by sector									
Agriculture, hunting, and forestry	293	8.0	0.8	0	0.0	0.0	293	8.0	0.8
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	17,404	473.3	48.7	0	0.0	0.0	17,404	473.3	46.3
Electricity, gas, and water supply	-557	-15.1	-1.6	0	0.0	0.0	-557	-15.1	-1.5
Construction	845	23.0	2.4	0	0.0	0.0	845	23.0	2.2
Wholesale and retail trade, repairs of motor vehicles	5,091	138.4	14.2	0	0.0	0.0	5,091	138.4	13.6
Hotels and restaurants	63	1.7	0.2	0	0.0	0.0	63	1.7	0.2
Transport, storage, post and telecommunications	333	9.1	0.9	0	0.0	0.0	333	9.1	0.9
Financial intermediation	900	24.5	2.5	1,813	49.3	100.0	2,713	73.8	7.2
Real estate, renting and business activities	848	23.1	2.4	0	0.0	0.0	848	23.1	2.3
Public administration and defence, compulsory social security	10,463	284.5	29.3	0	0.0	0.0	10,463	284.5	27.9
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	-17	-0.5	0.0	0	0.0	0.0	-17	-0.5	0.0
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	29,744	808.9	83.2	1,813	49.3	100.0	31,557	858.2	84.0
Trnava region	1,301	35.4	3.6	0	0.0	0.0	1,301	35.4	3.5
Trenčín region	1,977	53.8	5.5	0	0.0	0.0	1,977	53.8	5.3
Nitra region	1,299	35.3	3.6	0	0.0	0.0	1,299	35.3	3.5
Žilina region	690	18.8	1.9	0	0.0	0.0	690	18.8	1.8
Banská Bystrica region	128	3.5	0.4	0	0.0	0.0	128	3.5	0.3
Prešov region	23	0.6	0.1	0	0.0	0.0	23	0.6	0.1
Košice region	591	16.1	1.7	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
Luxemburg	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 September 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.492									
Total volume of FDI (equity capital + reinvested earnings)	305,942	9,415.9	100.0	66,562	2,048.6	100.0	372,504	11,464.5	100.0
Structure of capital by investor									
Germany	83,460	2,568.6	27.3	1,103	33.9	1.7	84,563	2,602.6	22.7
The Netherlands	60,750	1,869.7	19.9	595	18.3	0.9	61,345	1,888.0	16.5
Austria	20,483	630.4	6.7	32,766	1,008.4	49.2	53,249	1,638.8	14.3
Italy	5,052	155.5	1.7	24,143	743.0	36.3	29,195	898.5	7.8
France	26,497	815.5	8.7	515	15.9	0.8	27,012	831.3	7.3
United Kingdom	25,188	775.2	8.2	349	10.7	0.5	25,537	785.9	6.9
Hungary	22,624	696.3	7.4	1,946	59.9	2.9	24,570	756.2	6.6
Czech Republic	16,701	514.0	5.5	3,495	107.6	5.3	20,196	621.6	5.4
USA	15,001	461.7	4.9	1,650	50.8	2.5	16,651	512.5	4.5
Switzerland	4,379	134.8	1.4	0	0.0	0.0	4,379	134.8	1.2
Other countries	25,807	794.3	8.4	0	0.0	0.0	25,807	794.3	6.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,200	36.9	0.4	0	0.0	0.0	1,200	36.9	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,635	81.1	0.9	0	0.0	0.0	2,635	81.1	0.7
Manufacturing	142,200	4,376.5	46.5	0	0.0	0.0	142,200	4,376.5	38.2
Electricity, gas, and water supply	41,015	1,262.3	13.4	0	0.0	0.0	41,015	1,262.3	11.0
Construction	2,395	73.7	0.8	0	0.0	0.0	2,395	73.7	0.6
Wholesale and retail trade, repairs of motor vehicles	43,522	1,339.5	14.2	0	0.0	0.0	43,522	1,339.5	11.7
Hotels and restaurants	1,662	51.2	0.5	0	0.0	0.0	1,662	51.2	0.4
Transport, storage, post and telecommunications	37,611	1,157.5	12.3	0	0.0	0.0	37,611	1,157.5	10.1
Financial intermediation	17,851	549.4	5.8	66,562	2,048.6	100.0	84,413	2,598.0	22.7
Real estate, renting and business activities	12,423	382.3	4.1	0	0.0	0.0	12,423	382.3	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	1,437	44.2	0.5	0	0.0	0.0	1,437	44.2	0.4
Other community, social, and personal services	1,991	61.3	0.7	0	0.0	0.0	1,991	61.3	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	193,363	5,951.1	63.2	66,562	2,048.6	100.0	259,925	7,999.7	69.8
Trnava region	21,850	672.5	7.1	0	0.0	0.0	21,850	672.5	5.9
Trenčín region	12,999	400.1	4.2	0	0.0	0.0	12,999	400.1	3.5
Nitra region	11,413	351.3	3.7	0	0.0	0.0	11,413	351.3	3.1
Žilina region	16,458	506.5	5.4	0	0.0	0.0	16,458	506.5	4.4
Banská Bystrica region	9,051	278.6	3.0	0	0.0	0.0	9,051	278.6	2.4
Prešov region	6,385	196.5	2.1	0	0.0	0.0	6,385	196.5	1.7
Košice region	34,423	1,059.4	11.3	0	0.0	0.0	34,423	1,059.4	9.2

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)	282,884	8,593.1	100.0	65,422	1,987.3	100.0	348,306	10,580.4	100.0
Structure of capital by investor									
Germany	80,254	2,437.8	28.4	852	25.9	1.3	81,106	2,463.7	23.3
The Netherlands	58,018	1,762.4	20.5	595	18.1	0.9	58,613	1,780.5	16.8
Austria	18,764	570.0	6.6	30,383	922.9	46.4	49,147	1,492.9	14.1
Italy	4,250	129.1	1.5	24,143	733.4	36.9	28,393	862.5	8.2
United Kingdom	23,799	722.9	8.4	1,749	53.1	2.7	25,548	776.1	7.3
France	23,678	719.3	8.4	550	16.7	0.8	24,228	736.0	7.0
Czech Republic	17,149	520.9	6.1	3,495	106.2	5.3	20,644	627.1	5.9
Hungary	15,748	478.4	5.6	2,005	60.9	3.1	17,753	539.3	5.1
USA	11,854	360.1	4.2	1,650	50.1	2.5	13,504	410.2	3.9
Cyprus	8,139	247.2	2.9	0	0.0	0.0	8,139	247.2	2.3
Other countries	21,231	644.9	7.5	0	0.0	0.0	21,231	644.9	6.1
Structure of capital by sector									
Agriculture, hunting, and forestry	1,185	36.0	0.4	0	0.0	0.0	1,185	36.0	0.3
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	130,199	3,955.0	46.0	0	0.0	0.0	130,199	3,955.0	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	2,607	79.2	0.9	0	0.0	0.0	2,607	79.2	0.7
Wholesale and retail trade, repairs of motor vehicles	39,027	1,185.5	13.8	0	0.0	0.0	39,027	1,185.5	11.2
Hotels and restaurants	1,676	50.9	0.6	0	0.0	0.0	1,676	50.9	0.5
Transport, storage, post and telecommunications	35,739	1,085.6	12.6	0	0.0	0.0	35,739	1,085.6	10.3
Financial intermediation	15,902	483.0	5.6	65,422	1,987.3	100.0	81,324	2,470.4	23.3
Real estate, renting and business activities	10,892	330.9	3.9	0	0.0	0.0	10,892	330.9	3.1
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	1,426	43.3	0.5	0	0.0	0.0	1,426	43.3	0.4
Other community, social, and personal services	1,144	34.8	0.4	0	0.0	0.0	1,144	34.8	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	179,618	5,456.2	63.5	65,422	1,987.3	100.0	245,040	7,443.5	70.4
Trnava region	17,564	533.5	6.2	0	0.0	0.0	17,564	533.5	5.0
Trenčín region	11,943	362.8	4.2	0	0.0	0.0	11,943	362.8	3.4
Nitra region	10,652	323.6	3.8	0	0.0	0.0	10,652	323.6	3.1
Žilina region	14,106	428.5	5.0	0	0.0	0.0	14,106	428.5	4.0
Banská Bystrica region	8,892	270.1	3.1	0	0.0	0.0	8,892	270.1	2.6
Prešov region	6,003	182.4	2.1	0	0.0	0.0	6,003	182.4	1.7
Košice region	34,106	1,036.0	12.1	0	0.0	0.0	34,106	1,036.0	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)	255,434	6,380.1	100.0	59,729	1,491.9	100.0	315,163	7,872.0	100.0
Structure of capital by investor									
Germany	77,625	1,938.9	30.4	827	20.7	1.4	78,452	1,959.5	24.9
The Netherlands	50,548	1,262.6	19.8	587	14.7	1.0	51,135	1,277.2	16.2
Austria	19,147	478.2	7.5	26,487	661.6	44.3	45,634	1,139.8	14.5
Italy	3,720	92.9	1.5	23,541	588.0	39.4	27,261	680.9	8.6
France	22,338	557.9	8.7	550	13.7	0.9	22,888	571.7	7.3
United Kingdom	19,774	493.9	7.7	1,598	39.9	2.7	21,372	533.8	6.8
Czech Republic	13,596	339.6	5.3	3,485	87.0	5.8	17,081	426.6	5.4
USA	10,544	263.4	4.1	1,650	41.2	2.8	12,194	304.6	3.9
Hungary	8,294	207.2	3.2	1,000	25.0	1.7	9,294	232.1	2.9
Cyprus	7,869	196.5	3.1	0	0.0	0.0	7,869	196.5	2.5
Other countries	21,979	549.0	8.6	4	0.1	0.0	21,983	549.1	7.0
Structure of capital by sector									
Agriculture, hunting, and forestry	757	18.9	0.3	0	0.0	0.0	757	18.9	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	114,688	2,864.6	44.9	0	0.0	0.0	114,688	2,864.6	36.4
Electricity, gas, and water supply	38,847	970.3	15.2	0	0.0	0.0	38,847	970.3	12.3
Construction	2,058	51.4	0.8	0	0.0	0.0	2,058	51.4	0.7
Wholesale and retail trade, repairs of motor vehicles	33,406	834.4	13.1	0	0.0	0.0	33,406	834.4	10.6
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	34,862	870.8	13.6	0	0.0	0.0	34,862	870.8	11.1
Financial intermediation	13,155	328.6	5.2	59,729	1,491.9	100.0	72,884	1,820.5	23.1
Real estate, renting and business activities	10,393	259.6	4.1	0	0.0	0.0	10,393	259.6	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	0.4
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	164,934	4,119.6	64.6	59,729	1,491.9	100.0	224,663	5,611.5	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	8,606	215.0	3.4	0	0.0	0.0	8,606	215.0	2.7
Žilina region	12,241	305.7	4.8	0	0.0	0.0	12,241	305.7	3.9
Banská Bystrica region	8,337	208.2	3.3	0	0.0	0.0	8,337	208.2	2.6
Prešov region	5,874	146.7	2.3	0	0.0	0.0	5,874	146.7	1.9
Košice region	32,793	819.1	12.8	0	0.0	0.0	32,793	819.1	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	-2,646	19,121	441.59	8.03	27.97	477.59
2003	19,121	670	-1,504	18,287	477.59	18.22	59.68	555.49
2004	18,287	1,317	98	19,702 ^{3/}	555.49	40.12	10.75	606.36 ^{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	345	527 ^{3/}	5.96	-0.43	10.69	16.22 ^{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	-2,680	19,285	445.67	8.03	27.98	481.68
2003 ^{2/}	19,283	713	-1,513	18,483	481.64	19.39	60.42	561.45
2004	18,483	1,303	443	20,229 ^{3/}	561.45	39.69	21.44	622.58 ^{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 September.



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.827									
Outflow of FDI (equity capital + reinvested earnings) in total	1,317	40.1	100.0	-14	-0.4	100.0	1,303	39.7	100.0
Structure of capital by country of investment									
Ethiopia	729	22.2	55.4	0	0.0	0.0	729	22.2	55.9
Czech Republic	651	19.8	49.4	-15	-0.5	107.1	636	19.4	48.8
Cyprus	148	4.5	11.2	0	0.0	0.0	148	4.5	11.4
The Netherlands	73	2.2	5.5	0	0.0	0.0	73	2.2	5.6
Ukraine	71	2.2	5.4	0	0.0	0.0	71	2.2	5.4
Brazil	26	0.8	2.0	0	0.0	0.0	26	0.8	2.0
Romania	4	0.1	0.3	0	0.0	0.0	4	0.1	0.3
Hungary	4	0.1	0.3	0	0.0	0.0	4	0.1	0.3
Switzerland	3	0.1	0.2	0	0.0	0.0	3	0.1	0.2
Belorussia	3	0.1	0.2	0	0.0	0.0	3	0.1	0.2
Other countries	-395	-12.0	-30.0	1	0.0	-7.1	-394	-12.0	-30.2
Structure of capital by sector									
Agriculture, hunting, and forestry	-3	-0.1	-0.2	0	0.0	0.0	-3	-0.1	-0.2
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	1,559	47.5	118.4	0	0.0	0.0	1,559	47.5	119.6
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-87	-2.7	-6.6	0	0.0	0.0	-87	-2.7	-6.7
Wholesale and retail trade, repairs of motor vehicles	107	3.3	8.1	0	0.0	0.0	107	3.3	8.2
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	-280	-8.5	-21.3	-14	-0.4	100.0	-294	-9.0	-22.6
Real estate, renting and business activities	36	1.1	2.7	0	0.0	0.0	36	1.1	2.8
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	-16	-0.5	-1.2	0	0.0	0.0	-16	-0.5	-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 regions									
Bratislava region	829	25.3	62.9	-14	-0.4	100.0	815	24.8	62.5
Trnava region	-84	-2.6	-6.4	0	0.0	0.0	-84	-2.6	-6.4
Trenčín region	882	26.9	67.0	0	0.0	0.0	882	26.9	67.7
Nitra region	-2	-0.1	-0.2	0	0.0	0.0	-2	-0.1	-0.2
Žilina region	-101	-3.1	-7.7	0	0.0	0.0	-101	-3.1	-7.8
Banská Bystrica region	7	0.2	0.5	0	0.0	0.0	7	0.2	0.5
Prešov region	16	0.5	1.2	0	0.0	0.0	16	0.5	1.2
Košice region	-230	-7.0	-17.5	0	0.0	0.0	-230	-7.0	-17.7

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 September 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.492									
Total volume of FDI outward (equity capital + reinvested earnings)	19,702	606.4	100.0	527	16.2	100.0	20,229	622.6	100.0
Structure of capital by country of investment									
Czech Republic	8,413	258.9	42.7	481	14.8	91.3	8,894	273.7	44.0
United Kingdom	2,283	70.3	11.6	0	0.0	0.0	2,283	70.3	11.3
Ukraine	1,363	41.9	6.9	0	0.0	0.0	1,363	41.9	6.7
Ireland	1,220	37.5	6.2	0	0.0	0.0	1,220	37.5	6.0
Hungary	1,165	35.9	5.9	0	0.0	0.0	1,165	35.9	5.8
Luxemburg	1,111	34.2	5.6	0	0.0	0.0	1,111	34.2	5.5
Austria	948	29.2	4.8	0	0.0	0.0	948	29.2	4.7
Poland	821	25.3	4.2	0	0.0	0.0	821	25.3	4.1
Russia	403	12.4	2.0	0	0.0	0.0	403	12.4	2.0
Bosnia and Herzegovina	384	11.8	1.9	0	0.0	0.0	384	11.8	1.9
Other countries	1,591	49.0	8.1	46	1.4	8.7	1,637	50.4	8.1
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	1,879	57.8	9.5	0	0.0	0.0	1,879	57.8	9.3
Manufacturing	9,450	290.8	48.0	0	0.0	0.0	9,450	290.8	46.7
Electricity, gas and water supply	1,229	37.8	6.2	0	0.0	0.0	1,229	37.8	6.1
Construction	407	12.5	2.1	0	0.0	0.0	407	12.5	2.0
Wholesale and retail trade, repairs of motor vehicles	742	22.8	3.8	0	0.0	0.0	742	22.8	3.7
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	0.2	0	0.0	0.0	48	1.5	0.2
Financial intermediation	3,124	96.1	15.9	527	16.2	100.0	3,651	112.4	18.0
Real estate, renting and business activities	2,784	85.7	14.1	0	0.0	0.0	2,784	85.7	13.8
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	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
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	12,169	374.5	61.8	527	16.2	100.0	12,696	390.7	62.8
Trnava region	1,858	57.2	9.4	0	0.0	0.0	1,858	57.2	9.2
Trenčín region	1,618	49.8	8.2	0	0.0	0.0	1,618	49.8	8.0
Nitra region	46	1.4	0.2	0	0.0	0.0	46	1.4	0.2
Žilina region	590	18.2	3.0	0	0.0	0.0	590	18.2	2.9
Banská Bystrica region	1,653	50.9	8.4	0	0.0	0.0	1,653	50.9	8.2
Prešov region	576	17.7	2.9	0	0.0	0.0	576	17.7	2.8
Košice region	1,192	36.7	6.1	0	0.0	0.0	1,192	36.7	5.9

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)	18,287	555.5	100.0	196	6.0	100.0	18,483	561.5	100.0
Structure of capital by country of investment									
Czech Republic	7,311	222.1	40.0	151	4.6	77.0	7,462	226.7	40.4
United Kingdom	2,293	69.7	12.5	0	0.0	0.0	2,293	69.7	12.4
Ukraine	1,368	41.6	7.5	0	0.0	0.0	1,368	41.6	7.4
Ireland	1,212	36.8	6.6	0	0.0	0.0	1,212	36.8	6.6
Hungary	1,131	34.4	6.2	0	0.0	0.0	1,131	34.4	6.1
Luxemburg	1,111	33.7	6.1	0	0.0	0.0	1,111	33.7	6.0
Austria	968	29.4	5.3	0	0.0	0.0	968	29.4	5.2
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	1,309	39.8	7.2	45	1.4	23.0	1,354	41.1	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	8,564	260.1	46.8	0	0.0	0.0	8,564	260.1	46.3
Electricity, gas, and water supply	1,224	37.2	6.7	0	0.0	0.0	1,224	37.2	6.6
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	4.1
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	16.7	196	6.0	100.0	3,250	98.7	17.6
Real estate, renting and business activities	2,014	61.2	11.0	0	0.0	0.0	2,014	61.2	10.9
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	11,225	341.0	61.4	196	6.0	100.0	11,421	346.9	61.8
Trnava region	1,936	58.8	10.6	0	0.0	0.0	1,936	58.8	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	3.7
Banská Bystrica region	1,647	50.0	9.0	0	0.0	0.0	1,647	50.0	8.9
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)	19,121	477.6	100.0	164	4.1	100.0	19,285	481.7	100.0
Structure of capital by country of investment									
Czech Republic	6,952	173.6	36.4	131	3.3	79.9	7,083	176.9	36.7
United Kingdom	2,642	66.0	13.8	0	0.0	0.0	2,642	66.0	13.7
Ukraine	1,703	42.5	8.9	0	0.0	0.0	1,703	42.5	8.8
Hungary	1,402	35.0	7.3	0	0.0	0.0	1,402	35.0	7.3
Ireland	1,331	33.2	7.0	0	0.0	0.0	1,331	33.2	6.9
Luxemburg	1,182	29.5	6.2	0	0.0	0.0	1,182	29.5	6.1
Poland	932	23.3	4.9	0	0.0	0.0	932	23.3	4.8
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	12.5	0	0.0	0.0	2,393	59.8	12.4
Manufacturing	7,835	195.7	41.0	0	0.0	0.0	7,835	195.7	40.6
Electricity, gas, and water supply	1,288	32.2	6.7	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	17.0	164	4.1	100.0	3,407	85.1	17.7
Real estate, renting and business activities	1,939	48.4	10.1	0	0.0	0.0	1,939	48.4	10.1
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	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	12,976	324.1	67.9	164	4.1	100.0	13,140	328.2	68.1
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	5.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Average Lending Rates of Commercial Banks

(%)

Interest rates on:	2003			2004									
	10	11	12	1	2	3	4	5	6	7	8	9	10
VOLUME OF LOANS IN TOTAL ^{1/}	7.87	7.82	7.68	7.65	7.60	7.57	7.48	7.35	7.18	6.81	6.81	6.74	6.73
A) Loans by sector													
of which:													
a) Enterprises	7.98	7.91	7.69	7.75	7.65	7.49	7.31	7.10	6.87	6.30	6.16	6.12	6.06
– Public sector	7.90	7.83	7.68	7.91	7.92	7.90	7.53	7.23	7.04	5.96	5.69	5.66	5.73
– Private sector (incl. cooperatives)	8.27	8.14	7.92	7.89	7.83	7.64	7.49	7.34	7.08	6.66	6.47	6.43	6.36
– Under foreign control	7.28	7.39	6.95	7.10	6.69	6.48	6.41	6.13	6.05	5.51	5.60	5.60	5.60
b) Households	7.49	7.47	7.50	7.39	7.44	7.73	7.80	7.85	7.88	7.79	8.05	7.95	8.00
B) Loans by term													
of which:													
– Short-term	8.01	8.01	7.76	7.82	7.72	7.57	7.49	7.31	7.08	6.51	6.49	6.47	6.57
– Medium-term	8.93	8.85	8.78	8.74	8.68	8.63	8.54	8.41	8.33	8.10	8.02	7.94	7.91
– Long-term	7.02	6.95	6.84	6.72	6.75	6.85	6.74	6.66	6.47	6.17	6.25	6.18	6.10
NEW LOANS IN TOTAL ^{1/}	7.10	7.70	7.25	7.53	7.61	7.55	7.51	8.77	8.54	8.15	8.08	7.92	8.05
A) Loans by sector													
of which:													
a) Enterprises	6.80	7.48	7.02	7.36	7.37	7.24	7.07	8.51	8.21	7.81	7.66	7.59	7.59
– Public sector	7.00	7.23	7.68	7.20	7.50	7.47	7.21	8.44	10.24	7.89	7.47	8.36	8.71
– Private sector (incl. cooperatives)	8.10	8.28	7.87	7.83	7.46	7.81	7.78	10.12	9.80	8.91	8.99	8.73	8.72
– Under foreign control	6.20	7.10	6.41	7.02	7.30	6.81	6.31	6.64	6.42	6.39	6.15	6.15	6.15
b) Households	9.81	9.88	9.63	10.20	9.68	10.45	10.73	11.75	11.36	10.45	11.00	11.04	11.30
B) Loans by term													
of which:													
– Short-term	6.93	7.63	7.15	7.50	7.62	7.52	7.45	8.93	8.72	8.26	8.21	8.12	8.10
– Medium-term	9.04	8.61	8.58	8.08	7.65	8.06	8.25	8.17	8.18	7.86	7.58	7.18	8.11
– Long-term	6.95	6.91	6.96	6.78	7.30	7.14	7.34	7.28	6.89	7.07	7.01	6.73	7.27

1/ Excluding loans at zero interest rate.

Volumes of New Loans and Average Lending Rates of Commercial Banks

		2003			2004									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Loans in total ^{1/}	a	85.45	83.44	100.68	89.49	92.17	101.80	94.69	93.50	103.07	91.11	98.22	99.55	100.50
	b	7.09	7.69	7.24	7.49	7.60	7.55	7.51	8.77	8.53	8.15	8.08	7.91	8.05
of which:														
Overdrafts on current accounts	a	14.89	14.69	17.83	25.08	20.44	33.44	39.18	40.51	40.13	38.38	39.29	40.66	43.67
	b	9.26	9.13	9.10	8.73	8.66	8.48	8.52	11.96	12.68	11.47	11.70	11.05	10.99
Investment loans	a	2.95	2.35	4.18	5.15	4.48	5.19	4.02	3.93	5.97	4.42	5.21	6.44	4.10
	b	7.96	7.92	7.70	7.25	6.71	6.82	6.91	6.52	6.07	5.85	5.56	5.46	5.73
Consumer credit for goods and services	a	-	-	-	0.85	0.77	1.06	1.35	2.36	2.30	2.20	2.14	2.16	2.69
	b	-	-	-	14.32	14.44	14.71	13.27	13.88	13.97	13.39	12.90	12.52	12.24
Housing loans	a	-	-	-	2.07	4.08	3.39	3.39	4.09	4.37	4.65	4.69	4.89	5.05
	b	-	-	-	6.24	7.25	7.17	7.17	7.37	7.16	7.30	7.54	7.59	7.52
of which: mortgage loans without state bonus	a	0.46	0.39	0.57	0.21	0.12	0.11	0.13	0.18	0.18	0.36	0.53	0.56	0.70
	b	7.69	7.81	7.68	8.03	8.38	8.13	7.86	7.96	7.54	7.82	7.63	7.52	6.95
mortgage loans with state bonus – client	a	1.26	1.11	1.49	1.01	1.46	1.60	1.58	1.64	1.77	1.82	1.54	1.46	1.45
	b	5.25	5.23	5.23	5.28	5.31	5.84	5.70	5.80	6.03	5.98	6.22	6.27	6.21
mortgage loans with state bonus – bank	a	-	-	-	1.01	1.46	1.60	1.58	1.64	1.77	1.82	1.54	1.46	1.45
	b	-	-	-	7.29	7.24	7.33	7.24	7.25	7.06	6.93	6.99	6.93	6.90
home loans ^{2/}	a	0.16	0.14	0.14	0.12	0.11	0.21	0.12	0.14	0.14	0.15	0.11	0.10	0.12
	b	5.77	5.98	5.10	5.10	5.15	6.61	4.94	5.17	5.06	5.25	5.33	5.31	5.39
intermediary loans	a	1.05	0.89	1.07	0.75	0.71	0.69	0.81	1.00	1.14	1.03	1.03	1.04	1.03
	b	7.39	7.26	7.25	7.27	7.46	7.13	7.39	7.44	7.41	7.41	7.48	7.35	7.39
Other loans	a	-	-	-	53.65	60.22	54.03	38.30	37.37	45.50	35.92	41.88	39.23	39.98
	b	-	-	-	6.88	7.21	6.81	6.03	5.67	5.25	4.91	4.99	5.06	4.94
Short-term loans	a	74.80	72.53	86.78	78.48	75.91	86.37	81.99	79.48	86.62	77.63	83.82	82.16	86.86
	b	6.92	7.63	7.15	7.46	7.62	7.52	7.45	8.93	8.71	8.26	8.21	8.11	8.10
– with a maturity of up to 7 days	a	51.16	48.21	52.23	46.91	45.87	50.06	47.17	50.68	56.54	30.29	38.68	33.85	36.71
	b	6.26	7.38	6.70	7.38	7.70	7.52	7.32	9.32	9.21	6.58	6.87	6.16	6.04
– up to 1 month	a	4.75	4.50	8.13	9.71	7.91	7.18	6.21	5.05	7.34	6.19	6.19	8.27	5.09
	b	7.49	7.74	7.12	6.73	6.84	6.74	6.51	7.07	5.57	5.37	5.31	5.86	5.52
– up to 3 months	a	3.45	4.13	6.57	3.29	4.22	5.13	2.63	3.54	2.85	5.93	4.19	3.05	5.90
	b	7.66	7.22	7.26	7.46	6.89	6.69	6.36	6.30	6.09	5.37	5.41	6.26	5.49
– up to 6 months	a	0.80	0.86	1.15	1.33	1.99	1.16	1.10	0.53	0.96	0.61	1.54	0.82	0.99
	b	7.55	7.24	7.73	6.78	6.53	7.00	6.61	6.67	6.45	5.27	4.54	5.30	5.32
– up to 12 months	a	14.64	14.83	18.70	17.24	15.92	22.84	24.87	19.67	18.93	34.60	33.22	36.17	38.17
	b	8.83	8.55	8.33	8.14	8.11	7.94	8.07	8.92	8.96	10.79	10.83	10.67	10.90
Long-term loans with a maturity of 1 to 5 years	a	6.89	7.89	7.49	7.90	11.15	10.39	7.95	9.09	8.69	8.12	8.56	9.67	7.40
	b	9.03	8.61	8.58	8.07	7.65	8.06	8.25	8.17	8.18	7.86	7.58	7.17	8.11
Long-term loans with a maturity of over 5 years	a	3.76	3.02	6.41	3.12	5.10	5.04	4.75	4.93	7.77	5.36	5.84	7.72	6.23
	b	6.95	6.91	6.96	6.78	7.30	7.13	7.34	7.28	6.89	7.07	7.01	6.73	7.27

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									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Deposits in total	a	583.74	588.40	599.38	601.61	606.77	601.39	632.70	625.53	625.03	637.29	666.03	663.68	656.28
	b	3.17	3.26	3.01	3.36	3.15	3.06	2.98	2.60	2.49	2.24	2.51	2.37	2.30
of which:														
Demand deposits	a	190.54	195.38	219.24	189.82	191.73	190.49	193.26	199.02	213.25	206.66	209.81	214.26	207.98
	b	1.37	1.49	1.49	1.74	1.34	1.28	1.19	0.95	1.10	0.78	0.96	0.86	0.76
Time deposits	a	289.07	289.72	275.46	311.30	315.08	312.85	343.00	331.33	317.69	337.71	364.97	359.66	359.65
	b	4.48	4.60	4.31	4.53	4.37	4.22	4.11	3.62	3.55	3.21	3.53	3.37	3.27
- short-term	a	278.72	279.32	264.93	290.39	294.06	291.85	323.17	310.95	296.96	316.90	344.44	338.94	339.18
	b	4.43	4.57	4.27	4.43	4.26	4.11	4.00	3.48	3.46	3.10	3.47	3.29	3.18
- one-day deposits	a	5.25	4.69	4.52	8.52	13.15	17.23	20.89	35.06	30.83	17.59	19.24	21.78	20.77
	b	4.28	5.87	4.08	6.32	4.20	3.40	4.09	2.42	4.92	2.56	4.90	3.62	2.76
- up to 7 days	a	40.82	44.40	27.16	36.02	31.62	19.96	43.88	28.17	20.96	37.91	35.36	32.98	33.68
	b	4.52	5.43	4.22	5.61	4.24	3.83	4.19	3.51	3.27	2.75	4.24	3.55	3.00
- up to 1 month	a	133.24	131.94	143.75	153.58	159.76	151.13	163.93	146.79	143.92	159.15	180.56	186.29	186.73
	b	4.71	4.69	4.61	4.50	4.63	4.46	4.24	3.78	3.37	3.33	3.50	3.53	3.54
- up to 3 months	a	63.98	64.04	55.12	56.94	53.95	63.65	55.65	62.52	60.91	62.39	70.76	63.25	63.48
	b	4.13	4.07	3.75	3.69	3.57	3.70	3.28	3.27	2.99	2.80	2.83	2.67	2.66
- up to 6 months	a	18.90	17.74	18.77	20.01	20.61	21.45	20.03	18.99	20.01	20.30	19.59	18.77	18.52
	b	3.63	3.60	3.76	3.69	3.77	3.85	3.67	3.40	3.26	3.06	2.75	2.42	2.40
- up to 12 months	a	16.54	16.52	15.60	15.32	14.97	18.42	18.78	19.41	20.33	19.55	18.94	15.86	15.99
	b	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81	3.62	3.46	3.38	2.95	2.91
- medium-term	a	9.29	9.31	9.40	19.74	19.82	19.81	18.99	19.24	19.45	19.57	19.70	19.98	19.73
	b	5.46	5.08	4.97	5.74	5.69	5.67	5.89	5.72	4.72	4.67	4.65	4.64	4.65
- up to 2 years	a	2.15	2.50	2.48	13.15	13.30	13.15	12.78	13.41	13.58	13.66	13.52	13.65	13.29
	b	4.54	4.30	4.15	6.09	6.03	6.03	6.12	5.98	4.64	4.60	4.56	4.51	4.54
- up to 5 years	a	7.14	6.81	6.92	6.58	6.53	6.66	6.20	5.83	5.87	5.91	6.18	6.33	6.43
	b	5.73	5.37	5.26	5.05	5.01	4.96	5.42	5.14	4.91	4.83	4.85	4.93	4.88
- long-term over 5 years	a	1.06	1.08	1.14	1.17	1.19	1.20	0.84	1.14	1.27	1.24	0.82	0.75	0.75
	b	8.66	8.53	8.81	8.61	8.32	8.16	8.95	7.29	7.99	8.11	5.06	5.03	5.06
Savings deposits	a	104.13	103.31	104.68	100.50	99.97	98.05	96.44	95.18	94.09	92.92	91.25	89.76	88.64
	b	2.85	2.86	2.75	2.81	2.78	2.79	2.57	2.50	2.04	1.95	1.98	2.00	2.01
- short-term	a	46.58	45.97	45.15	42.85	42.18	41.41	40.61	39.90	39.21	38.23	37.03	36.16	35.44
	b	3.13	3.14	2.88	2.99	2.96	2.95	2.59	2.42	1.72	1.46	1.48	1.50	1.52
- medium-term	a	19.12	18.74	18.13	16.30	15.68	15.10	14.72	14.45	14.18	13.76	13.40	13.14	12.95
	b	2.23	2.26	2.13	2.29	2.30	2.31	1.85	1.83	0.79	0.78	0.89	0.89	1.01
- long-term	a	38.42	38.60	41.40	41.34	42.10	41.54	41.11	40.83	40.69	40.93	40.82	40.46	40.25
	b	2.83	2.83	2.90	2.84	2.79	2.80	2.80	2.80	2.80	2.80	2.81	2.81	2.82
Time and savings deposits	a	393.20	393.02	380.14	411.79	415.05	410.90	439.44	426.51	411.78	430.63	456.22	449.42	448.30
	b	4.05	4.14	3.88	4.11	3.99	3.88	3.77	3.37	3.21	2.94	3.22	3.09	3.01
- short-term	a	325.30	325.29	310.08	333.24	336.25	333.26	363.78	350.85	336.18	355.13	381.47	375.09	374.62
	b	4.25	4.37	4.06	4.24	4.10	3.96	3.84	3.36	3.25	2.93	3.27	3.11	3.02
- medium-term	a	28.42	28.05	27.53	36.03	35.50	34.91	33.70	33.69	33.63	33.33	33.10	33.12	32.68
	b	3.28	3.20	3.10	4.19	4.20	4.21	4.12	4.05	3.06	3.06	3.13	3.15	3.20
- long-term	a	39.49	39.68	42.53	42.52	43.30	42.73	41.95	41.97	41.97	42.17	41.65	41.21	41.00
	b	2.99	2.99	3.06	3.00	2.94	2.95	2.92	2.92	2.96	2.96	2.85	2.85	2.86

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

Basic Characteristics of Interest Rates on Loans and Deposits

(% , percentage points)

	Line	2003			2004									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Average interest rate on total credit ^{1/}	1	7.87	7.82	7.68	7.65	7.60	7.57	7.48	7.35	7.18	6.81	6.81	6.74	6.73
Average interest rate on deposits	2	3.17	3.26	3.01	3.36	3.15	3.06	2.98	2.60	2.49	2.24	2.51	2.37	2.30
Average interest rate on new loans ^{1/}	3	7.10	7.70	7.25	7.58	7.61	7.55	7.51	8.77	8.53	8.15	8.08	7.92	8.05
Average interbank money market rate (1D to 12M – mid rates)	4	5.76	5.88	5.70	5.60	5.62	5.51	5.11	4.64	4.10	3.80	3.86	3.98	4.06
Average interest rate on new short-term loans ^{1/}	5	6.93	7.63	7.15	7.50	7.62	7.52	7.45	8.93	8.72	8.26	8.21	8.12	8.10
Average interest rate on short-term deposits	6	4.25	4.37	4.06	4.24	4.10	3.96	3.84	3.36	3.25	2.93	3.27	3.11	3.02
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	2.68	3.26	3.09	3.26	3.52	3.55	3.61	5.57	5.46	5.33	4.94	5.01	5.08
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	6.25	6.25	6.00	6.00	6.00	6.00	5.50	5.00	5.00	4.50	4.50	4.50	4.50
12-month rate of inflation	9	9.60	9.80	9.30	8.30	8.50	8.20	8.00	8.30	8.10	8.50	7.20	6.70	6.60
Year-on-year increase in industrial producer prices	10	7.90	8.80	8.70	4.40	2.30	2.10	2.20	3.00	3.10	3.00	3.70	4.00	4.70
Real interest rate on new short-term loans (line 5 – line 10)	11	-0.97	-1.17	-1.55	3.10	5.32	5.42	5.25	5.93	5.62	5.26	4.51	4.12	3.40
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	-2.67	-2.17	-2.15	-0.80	-0.88	-0.68	-0.55	0.63	0.62	-0.24	1.01	1.42	1.50
Average interest rate on one-year deposits	13	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81	3.62	3.46	3.38	2.95	2.91
Real interest rate on one-year deposits (line 13 – line 9)	14	-5.53	-5.92	-5.54	-4.74	-4.84	-4.32	-4.19	-4.49	-4.48	-5.04	-3.82	-3.75	-3.69
Nominal interest margin (line 1 – line 2)	15	4.70	4.56	4.67	4.28	4.44	4.52	4.49	4.75	4.69	4.57	4.30	4.37	4.43
Difference between the average interest rates on new loans and total deposits (line 3 – line 2)	16	3.93	4.44	4.24	4.22	4.45	4.50	4.53	6.17	6.05	5.91	5.57	5.55	5.75
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	0.81	1.75	1.45	1.90	2.00	2.01	2.34	4.29	4.62	4.46	4.35	4.14	4.04
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	0.98	1.82	1.55	1.98	1.99	2.04	2.40	4.13	4.44	4.35	4.22	3.94	3.99
Average interest rate on loans ^{2/}	19	7.45	8.00	7.30	7.33	7.31	7.30	7.20	7.07	6.91	6.55	6.56	6.51	6.51
Nominal interest margin (line 19 – line 2)	20	4.28	4.74	4.29	3.97	4.16	4.24	4.22	4.47	4.43	4.31	4.05	4.14	4.21

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% 29 Nov. 4.00%
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% 29 Nov. 2.50%
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% 29 Nov. 5.50%
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% 29 Nov. 4.00%
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 November 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	4,707.6	74.3	247	1,552.3	24.5	421	74.4	1.2	23	6,334.3	691
Interbank forex market: NBS + transactions between domestic banks	4,707.6	74.3	247	1,552.3	24.5	421	74.4	1.2	23	6,334.3	691
Transactions between domestic and foreign banks	22,675.9	83.0	1,458	3,473.5	12.7	1,347	1,171.4	4.3	49	27,320.8	2,854
Foreign exchange market in the SR – total	27,383.4	81.4	1,705	5,025.8	14.9	1,768	1,245.8	3.7	72	33,655.0	3,545

	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	767.3	12.1	418	0.0	0.0	0	5,571.5	87.9	273	6,338.8	691
Transactions between domestic and foreign banks	2,467.2	9.0	1,314	28.6	0.1	16	24,838.2	90.9	1,524	27,333.9	2,854
Foreign exchange market in the SR - excl. the NBS	3,234.5	9.6	1,732	28.6	0.1	16	30,409.7	90.3	1,797	33,672.8	3,545

**Average Monthly Exchange Rates of the SKK**

Midpoint rate	2003		2004										
	11	12	1	2	3	4	5	6	7	8	9	10	11
1 AUD	25.193	24.783	24.869	24.936	24.676	24.919	23.642	22.861	23.265	23.394	23.020	23.448	23.472
1 CZK	1.287	1.274	1.245	1.233	1.226	1.234	1.255	1.263	1.265	1.268	1.267	1.270	1.264
1 DKK	5.531	5.527	5.471	5.446	5.426	5.392	5.404	5.371	5.366	5.395	5.386	5.378	5.326
1 EUR	41.134	41.130	40.747	40.577	40.421	40.139	40.209	39.931	39.901	40.115	40.056	40.004	39.578
100 JPY	32.243	31.119	30.341	30.158	30.271	31.163	29.904	30.041	29.761	29.809	29.813	29.385	29.093
1 CAD	26.793	25.576	24.944	24.166	24.727	25.006	24.299	24.176	24.561	25.066	25.420	25.622	25.487
100 HUF	15.877	15.527	15.402	15.407	15.931	16.038	15.902	15.779	15.956	16.111	16.172	16.211	16.130
1 NOK	5.016	5.007	4.749	4.625	4.724	4.830	4.898	4.822	4.712	4.813	4.790	4.852	4.860
1 PLN	8.908	8.828	8.647	8.368	8.468	8.437	8.497	8.687	8.922	9.057	9.151	9.256	9.282
100 SIT	17.422	17.382	17.172	17.090	16.978	16.837	16.846	16.686	16.631	16.715	16.692	16.673	16.505
1 CHF	26.386	26.464	26.022	25.804	25.781	25.808	26.087	26.283	26.135	26.079	25.963	25.913	25.994
1 SEK	4.572	4.563	4.462	4.422	4.379	4.375	4.403	4.368	4.341	4.363	4.406	4.416	4.394
1 USD	35.234	33.604	32.292	32.083	32.927	33.433	33.498	32.888	32.512	32.939	32.825	32.081	30.532
1 GBP	59.447	58.616	58.765	59.845	60.196	60.380	59.809	60.145	59.895	59.981	58.856	57.882	56.675

Average Quarterly Exchange Rates of the SKK

Midpoint rate	2003					2004		
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q3
1 AUD	23.099	23.205	24.420	24.779	23.881	24.820	23.774	23.232
1 CZK	1.322	1.309	1.299	1.284	1.304	1.235	1.251	1.267
1 DKK	5.625	5.551	5.618	5.539	5.584	5.446	5.389	5.382
1 EUR	41.799	41.221	41.747	41.190	41.491	40.574	40.089	40.025
100 JPY	32.769	30.639	31.535	31.860	31.704	30.257	30.352	29.794
1 CAD	25.786	25.943	26.869	26.333	26.237	24.618	24.480	25.010
100 HUF	17.165	16.452	16.053	15.870	16.383	15.597	15.902	16.079
1 NOK	5.528	5.184	5.057	5.014	5.195	4.700	4.850	4.772
1 PLN	9.994	9.463	9.439	8.915	9.453	8.493	8.545	9.042
100 SIT	18.075	17.690	17.776	17.445	17.747	17.075	16.787	16.680
1 CHF	28.516	27.184	27.015	26.519	27.308	25.865	26.067	26.061
1 SEK	4.552	4.509	4.554	4.575	4.548	4.419	4.382	4.369
1 USD	38.956	36.307	37.093	34.723	36.773	32.457	33.264	32.761
1 GBP	62.470	58.757	59.750	59.055	60.012	59.630	60.107	59.595


Monetary Base of the NBS ^{1/}

(SKK billions)

	10. 11. 2004	20. 11. 2004	30. 11. 2004
SOURCES OF THE MONETARY BASE	122.66	135.10	119.89
Autonomous factors	390.37	391.05	385.91
Net foreign assets	415.75	411.32	408.25
Reserves	419.73	415.23	412.09
Foreign liabilities	3.98	3.91	3.84
Net credit to government	-0.57	-0.46	-2.17
Other assets net	-24.82	-19.81	-20.17
Monetary policy factors ^{2/}	-267.71	-255.95	-266.02
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	360.00	360.00	360.00
of which: in NBS portfolio	92.29	104.05	99.62
Overnight deposits of banks with NBS	0.00	0.00	5.64
USE OF THE MONETARY BASE ^{3/}	122.66	135.10	119.89
Currency in circulation	106.33	109.86	107.41
Reserves of commercial banks	16.33	25.24	12.48
Required reserves	17.50	17.50	17.50
Excess reserves	-1.17	7.74	-5.02

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 October 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	63,519,078	985,935,049	23,059,366	117,406,558	45,723,699	1,108,605,594
Cash items	0	10,581,624	0	69,187	3,468,303	14,119,114
Cash in hand	0	9,502,414	0	0	3,217,197	12,719,611
Gold	0	0	0	0	0	0
Other cash items	0	1,079,210	0	69,187	251,106	1,399,503
Deposits with and credits to NBS, foreign issuing banks, and post office banks	0	208,396,960	0	0	2,039	208,398,999
Money reserve accounts with the NBS	0	13,250,506	0	0	0	13,250,506
Deposits, credits, and other receivables	157,194	29,090,190	7,392,918	9,247,105	15,093,537	60,666,556
Current accounts with banks	0	184,912	70,544	108,040	4,112,583	4,476,079
Credits provided	0	1,247,797	0	0	1,671,094	2,918,891
Time deposits with banks	0	27,212,856	4,271,129	9,130,386	8,891,511	49,505,882
Current accounts of other banks	0	0	1,431,217	193	10,638	1,442,048
Other receivables	0	386,279	1,620,028	8,486	303,690	2,318,483
Standard credits, qualified deposits, classified credits, deposits, and other receivables	157,194	58,346	0	0	104,021	5,173
of which: Short-term receivables	98,278	0	0	0	103,451	5,173
Interest on non-performing credits	325	644	0	0	342	661
Standard credits to customers	0	223,854,259	810,742	62,560,512	8,758,016	295,983,529
Short-term credits	0	47,075,522	469,095	18,042,803	4,283,494	69,870,914
Long-term credits	0	176,778,737	341,647	44,517,709	4,474,522	226,112,615
of which: Credits repayable in 1 to and including 5 years	0	69,846,463	147,708	18,861,605	1,233,636	90,089,412
Other receivables from customers	1,210	1,463,362	7,811	1,411,934	292,939	3,174,836
of which: Credits for commercial claims	0	762,438	4,604	1,356,871	246,627	2,370,540
Current accounts of customers - debit balances, overdrafts	0	30,983,807	177,337	9,014,477	467,576	40,643,197
Standard receivables with conditions, classified credits, and other receivables from customers	25,681,220	49,183,169	973,645	16,575,722	764,918	41,816,234
of which: Interest due, but unpaid	3,222,478	3,195,725	23,928	58,678	2,055	57,908
Standard credits with conditions	2,462,413	22,988,719	337,713	11,645,747	488,462	32,998,228
Sub-standard receivables	1,888,992	5,178,032	618,119	1,828,626	254,073	5,989,858
Doubtful and controversial claims	1,988,368	3,359,056	189	733,326	19,720	2,123,923
Loss-making receivables	19,341,447	17,657,362	17,624	2,368,023	2,663	704,225
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	66,283	19,649,951	0	3,080,922	0	22,664,590
Standard credits with conditions, classified loans, and other receivables	66,283	183,379	0	297,536	0	414,632
Credits to state authorities	0	13,085,862	0	871,054	0	13,956,916
Credits to social security funds	0	192,243	0	0	0	192,243
Credits to local governments	0	5,908,041	0	1,912,332	0	7,820,373
Credits to funds	0	280,426	0	0	0	280,426
Fixed forward transactions	0	3,369,962	2,412,519	292,696	898,490	6,973,667
Claims in respect of money collection	0	75,212	11,681	873,656	74,159	1,034,708
Branches and representative offices	0	0	192,819	8,551	647,419	848,789
Receivables and other suspense accounts	968,570	5,008,131	42,699	169,013	24,150	4,275,423
Securities for sale and other shareholdings	200,510	30,917,573	3,583,121	1,641,696	6,075,926	42,017,806
Receivables from trade in securities and from securities issued by the accounting unit	0	147,953	54	2,034	11	150,052
Securities intended for trading	0	72,062,316	276,081	4,132,308	1,343,743	77,814,448
Options - purchase	0	653,160	533,570	61,590	2,925	1,251,245
Financial investment	1,904,012	225,004,341	6,644,369	8,264,333	5,885,017	243,894,048
Long-term funds provided to branches abroad	0	0	0	0	513,221	513,221
Tangible assets	26,208,959	49,470,238	0	0	0	23,261,279
Acquisition of tangible and intangible assets	17,099	2,213,099	0	822	0	2,196,822
Subordinated financial assets	0	63,475	0	0	1,411,310	1,474,785
Intangible assets	8,313,157	10,337,880	0	0	0	2,024,723
Inventories	864	157,881	0	0	0	157,017
Adjustments and accumulated depreciation	63,519,078	59,011,530	118,824	3,903,378	485,346	0



Shortened Balance Sheet of Commercial Banks as at 31 October 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	816,811,511	84,319,895	114,634,278	92,839,910	1,108,605,594
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	6,323,719	0	108,228	0	6,431,947
Current accounts with NBS and foreign issuing banks	1,718,703	0	0	0	1,718,703
Time deposits of NBS and and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	4,605,016	0	108,228	0	4,713,244
of which: Redistribution credit	3,902,552	0	0	0	3,902,552
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	29,043,016	35,001,568	9,278,389	61,413,125	134,736,098
Current accounts with banks	0	0	3,737	2,516,946	2,520,683
Current accounts of other banks	187,124	3,238,986	109,704	195,543	3,731,357
Other payables	136,389	10,293	34,561	420,757	602,000
Credits received	1,252,250	9,488,557	83,942	16,412,641	27,237,390
Time deposits of other banks	27,467,253	22,263,732	9,046,445	41,867,238	100,644,668
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	553,362,870	4,411,272	98,346,217	5,120,625	661,240,984
Current accounts of customers	184,983,064	2,011,452	43,760,542	3,815,655	234,570,713
Time deposits of customers	277,290,478	2,300,249	52,325,367	1,277,750	333,193,844
Savings deposits of customers	89,825,064	98,861	2,260,308	27,220	92,211,453
Certificates of deposit	1,264,264	710	0	0	1,264,974
Other liabilities to customers	10,360,647	63,221	3,183,758	11,337	13,618,963
Credits received from customers	7,920,972	0	0	0	7,920,972
Short-term securities issued by the accounting unit	8,812,830	32,426	1,272,079	2,201	10,119,536
Earmarked deposits	19,000	0	0	0	19,000
Other specific payables	17,494	0	64	0	17,558
Accounts of state authorities, local governments, and funds	96,359,540	0	988,373	0	97,347,913
Non-budgetary money deposits of state authorities	60,861,547	0	761,911	0	61,623,458
Deposits of social security funds	16,612,514	0	0	0	16,612,514
Deposits of local governments	12,517,698	0	103,501	0	12,621,199
Deposits of funds	6,367,781	0	122,961	0	6,490,742
Fixed forward transactions	4,010,248	3,317,714	259,354	875,728	8,463,044
Payables in respect of money collection	757,163	91	879,931	38,660	1,675,845
Branches and representative offices	490,410	225,071	0	25,084,362	25,799,843
Various payables, adjustment and other suspense accounts	6,444,981	97,016	216,157	52,335	6,810,489
Liabilities from trading in securities and securities issued by the accounting unit	397,663	160	43,672	18	441,513
Options – sale	570,906	609,622	12,922	106,177	1,299,627
Subsidies and similar funds	3,447,289	0	0	0	3,447,289
Long-term securities issued by the accounting unit	26,421,514	0	559	0	26,422,073
Subordinated financial liabilities	0	514,426	0	0	514,426
Reserves	7,057,059	0	46,088	135,216	7,238,363
Reserve funds and other funds allocated from profits	11,628,915	146,500	0	0	11,775,415
Registered capital	4,632,364	36,801,111	0	0	41,433,475
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,836,786	250,000	0	0	2,086,786
Own shares	-15,130	0	0	0	-15,130
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	-868	0	0	126	-742
Gains or losses from revaluation of security derivatives	-16,283	-372	-1,513	0	-18,168
Gains or losses from revaluation of assets and liabilities	0	0	0	0	0
Retained earnings from previous years +/-	26,330,083	0	0	0	26,330,083
Accumulated losses from previous years -/-	-700,993	0	0	0	-700,993
Profit and loss account +/-, -/-	11,057,036	0	0	0	11,057,036
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									
	10	11	12	1	2	3	4	5	6	7	8	9	10
EXPENSES													
Expenses on financial operations:	188,093	206,671	225,688	28,513	49,577	71,903	94,242	119,559	134,320	149,803	164,229	177,710	192,022
Other interest	22,137	24,218	26,293	2,143	4,210	6,786	8,979	11,067	12,993	14,788	16,664	18,661	20,544
Fees and commissions	1,919	2,116	1,664	94	201	341	462	588	733	870	1,004	1,139	1,281
Renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations in securities	4,227	4,732	4,977	281	486	726	939	1,144	1,315	1,450	1,677	1,873	2,068
Interest on securities	1,840	2,006	2,656	170	322	499	678	852	1,033	1,284	1,484	1,687	1,903
Foreign exchange operations	75,181	82,611	92,488	11,491	20,899	30,386	39,748	51,416	57,605	64,710	71,850	77,730	83,985
Operations in derivatives	81,780	89,940	96,381	14,277	23,312	32,919	43,109	54,062	60,071	66,052	70,844	75,822	81,342
Other operations	1,008	1,048	1,229	58	147	245	328	430	569	649	706	797	899
General operating expenses	20,314	22,416	25,550	1,928	3,958	6,182	8,383	10,700	13,014	15,112	17,300	19,499	21,722
Additions to reserves and provisions	20,058	21,107	29,917	1,159	2,486	5,806	7,293	8,625	12,831	14,740	16,521	19,932	21,645
Other operating expenses	9,617	9,899	13,261	3,761	4,299	5,136	5,712	6,341	7,111	7,928	8,399	9,934	10,992
Extraordinary expenses	18	27	19	5	5	5	5	5	5	0	0	0	0
Income tax	591	617	37	41	115	368	422	551	611	749	857	857	1,019
Current period profit	9,662	10,429	11,548	1,273	2,513	3,015	4,490	5,511	6,942	8,262	9,518	10,167	11,061
TOTAL EXPENSES, PLUS PROFIT	248,353	271,166	306,020	36,679	62,951	92,415	120,547	151,292	174,833	196,595	216,825	238,099	258,461
INCOME													
Income from financial operations:	220,676	242,216	265,226	32,234	57,005	83,139	109,324	138,363	157,307	176,806	195,014	212,238	230,318
Income from other interest	30,755	33,896	36,972	3,161	6,128	9,423	12,511	15,894	18,982	22,085	25,179	28,342	31,409
Income from fees and provisions	7,474	8,211	9,270	709	1,464	2,359	3,277	4,144	5,121	6,037	6,928	7,874	8,807
Income from shares and stakes	381	388	799	12	22	24	46	84	89	140	224	248	275
Income from renting	0	0	0	0	0	0	0	0	0	0	0	0	0
Income from operations in securities	3,322	3,445	4,033	519	1,031	1,445	1,719	1,914	2,512	2,796	3,067	3,276	3,577
Income from interest on securities	18,186	19,754	21,518	1,822	3,625	5,484	7,252	8,976	10,554	12,111	13,645	15,205	16,777
Income from foreign exchange operations	79,205	87,035	96,716	11,788	21,668	31,282	41,919	53,477	59,826	67,543	74,996	81,292	87,911
Income from operations in derivatives	80,760	88,906	95,196	14,165	22,947	32,948	42,374	53,587	59,864	65,670	70,480	75,425	80,919
Income from other operations	593	582	721	57	120	172	226	285	358	424	495	575	643
Use of reserves and provisions	23,935	24,800	34,868	3,831	5,214	8,385	10,160	11,715	16,098	18,163	20,051	23,801	25,795
Other operating income	3,700	4,081	5,678	613	731	888	1,062	1,212	1,428	1,625	1,758	2,058	2,344
Extraordinary income	17	18	16	0	0	0	0	0	0	0	0	0	0
Current period loss	25	51	232	0	2	3	0	1	0	0	1	2	4
TOTAL INCOME, PLUS LOSS	248,353	271,166	306,020	36,679	62,951	92,415	120,547	151,292	174,833	196,595	216,825	238,099	258,461

Symbols used in the tables

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