



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey
May 2005



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**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
CDCP SR	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
NPF	National Property Fund
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
BRIBOR	Bratislava Interbank Offered Rate
CPI	Consumer Price Index
FDI	Foreign Direct Investment
FRA	Forward Rate Agreement
GDP	Gross Domestic Product
HICP	Harmonised Index of Consumer Prices
HZL	hypotekárne záložné listy – mortgage bonds
IPI	Industrial Production Index
IRF	Initial Rate Fixation
IRS	Interest Rate Swap
MFI	Monetary Financial Institutions
MMIF	Money Market Investment Funds
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
RULC	Real Unit Labour Costs
SAX	slovenský akciový index – Slovak Share Index
SDX	slovenský dlhopisový index – Slovak Bond Index
SDXG	SDXGroup
Sk, SKK	Slovak koruna
SKONIA	Slovak OverNight Index Average
SR	Slovenská republika – Slovak Republic
SRT	Sterilisation Repo Tender
ULC	Unit Labour Costs
VAT	Value Added Tax

Prepared on the basis of the Situation Report on the Monetary Development in May 2005, approved by the NBS Bank Board on 23 June 2005.



1. Introduction

The level of consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose month-on-month by 0.1% in May. The 12-month overall and core inflation rates reached 2.3% and 1.5% (excluding energy and non-processed food prices) respectively.

Consumer prices, expressed in terms of the Consumer Price Index (CPI), and the prices of core inflation components remained unchanged in May. The 12-month overall and core inflation rates reached 2.4% and 0.9% respectively.

Real gross domestic product increased by 5.1% over the first quarter of 2005.

The M3 monetary aggregate (according to ECB methodology) recorded a month-on-month increase of Sk 14.1 billion in April, while the year-on-year growth rate accelerated in comparison with March, to 12.6%. At current exchange rates, the M2 money supply (according to NBS methodology) grew in April by Sk 12.1 billion, and its year-on-year dynamics increased to 7.3%.

The total receivables of monetary financial institutions, including securities issued (according to ECB methodology), recorded a slight month-on-month decrease in April (Sk 0.6 billion), while their year-on-year dynamics diminished to 4.9%. At current exchange rates, the volume of loans to enterprises and households (according to NBS methodology) grew month-on-month by Sk 9.0 billion, representing an acceleration in year-on-year dynamics, to 13.5%.

The average interest rate on new loans to non-financial corporations rose in April by 0.06 of a percentage point, to 4.89%, and that on new loans to households fell by 0.32 of a percentage point, to 9.67%. Over the same period, the average rate for new deposits from non-financial corporations increased by 0.13 of a percentage point, to 1.50%, and that for new household deposits dropped by 0.02 of a percentage point, to 0.66%.

On 31 May 2005, the State Budget of the SR recorded a deficit of Sk 3.9 billion.

The foreign exchange reserves of the NBS (at current exchange rates) fell by USD 1,849.7 million in May, to USD 16,211.6 million. The volume of reserves at the end of the month was 5.6 times greater than the volume of average monthly imports of goods and services to Slovakia during the first four months of 2005.

The National Bank of Slovakia conducted no foreign exchange intervention in May.

According to preliminary data, the balance of payments on current account for January to March 2005 resulted in a deficit of Sk 6.4 billion. Over the same period, the capital and financial account generated a surplus of Sk 118.4 billion. From January to April, the current account produced a deficit of Sk 10.4 billion, while trade resulted in a shortfall of Sk 15.1 billion.

In May, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 428.3 billion, representing a decrease of Sk 13.8 billion compared with the figure for April.

On 24 April 2005, the Bank Board of the NBS decided by 7 votes to 0 to leave the key interest rates of the National Bank of Slovakia unchanged, i.e. 3.0% for two-week repo tenders, 2.0% for overnight sterilisation operations, and 4.0% for overnight refinancing transactions.



2. Inflation

2.1. Consumer Price Index

HICP Inflation in May 2005

Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the HICP, increased by 0.1% in May, with the prices of goods and services rising equally by 0.1%. The 12-month rate of overall inflation reached 2.3% (in April 2.5%) and that of core inflation 1.5% (in May 1.8%). The average 12-month inflation rate for the first five months of the year was 2.5%. The average 12-month inflation rate for the period from June 2004 to May 2005 was 5.0%.

Table 1 Harmonised Index of Consumer Prices

(year-on-year changes in %)

	2004	2005				
	Dec.	Jan.	Feb.	Mar.	Apr.	May
Total	5.8	3.1	2.6	2.3	2.5	2.3
Goods	3.9	1.0	0.9	0.6	1.0	0.8
Industrial goods	5.4	1.9	2.1	1.5	1.7	1.4
Industrial goods (excluding energy)	0.2	-0.3	-0.3	-1.1	-1.4	-1.4
Energy	13.0	4.9	5.2	5.0	6.0	5.4
Foodstuffs	1.8	-0.4	-0.9	-0.9	-0.3	-0.3
Processed food (including alcohol and tobacco)	2.7	-0.1	-1.3	-1.6	-1.1	-1.7
Non-processed food	-0.7	-1.8	-0.5	0.4	1.2	2.6
Services	10.0	8.0	6.4	6.1	6.0	5.7
Core inflation (excl. energy and unprocessed food prices)	4.8	3.1	2.2	1.8	1.8	1.5
Total, excluding energy	4.3	2.7	2.0	1.7	1.7	1.6

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

Fall in the dynamics of commodity prices, due to developments in fuel prices

Commodity prices recorded a slowdown in dynamics, caused mainly by fuel prices, which showed weaker dynamics than in the previous month. The prices of industrial goods, excluding energy, followed the deflationary trend from April, with the sharpest drops being recorded in the prices of durable industrial goods. The level of food prices remained unchanged, with processed food prices recording a steeper fall (mainly the price of bread, cereals, and tobacco), which was offset by an accelerated increase in non-processed food prices (a seasonal rise in the price of tropical fruit and vegetables).

The disinflation in services prices continued

Prices for services also showed weaker dynamics. They were affected first and foremost by price developments in services related to dwelling (slower increase in rents) and other recreation and personal services (slower increase in prices for canteen meals).

Consumer expectations in respect of inflation

The expectations of consumers in respect of price inflation diminished somewhat in comparison with April. In answer to questions about the previous course of inflation, the respondents gave an average value of 9.72% (11.74% in the previous month). When asked

Chart 1 HICP Inflation and Its Main Components (%)



Source: Statistical Office of the SR.

Chart 2 HICP Compared with the Views of Respondents on Price Developments in the Past 12 Months (%)



Source: Statistical Office of the SR.

Note: The qualitative assessment of the future course of inflation is based on answers to the query whether consumer prices in the next 12 months will increase at a faster, slower, or unchanged rate, or will remain at the current level. Quantitative assessment means that those who say that consumer prices will increase in the next 12 months at a faster, unchanged, or slower rate than today, are asked in the next part of the question to specify the rate of acceleration or slowdown.

about the expected rate of inflation in the next 12 months, the respondents gave an average value of 8.54% (10.31% in the previous month).

CPI Inflation in May 2005

Consumer prices remained unchanged in May, when both regulated prices and the prices of core inflation components were stagnant. The 12-month rate of overall inflation reached 2.4% (in April 2.7%) and that of core inflation 0.9% (in April 1.2%). The average 12-month inflation rate for the first five months of the year was 2.7%.

2.2. Producer Prices in April 2005

Industrial producer prices for the domestic market rose month-on-month by an average of 0.7% in April, due to increases in the prices of manufacturing products (1.1%) and electricity, gas, steam, and hot water (0.5%). The prices of mineral raw materials dropped by 0.1%.

The month-on-month increase in manufacturing products prices in April was connected first and foremost with a marked rise in the price of refined oil products (13.5%), caused by an increase in oil prices on the world market (to more than USD 53/barrel) and the appreciation of the US dollar. After stagnating in March, the prices of basic metals and finished metal products rose by 0.4%. Price increases in other categories did not exceed 1%.

Consumer Price Index

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

Table 2 Consumer Prices in May 2005

	Comparative change	
	April 2005	May 2004
Total in %	0.0	2.4
Regulated prices in %	0.0	7.2
- Share of total, in percentage points ¹⁾	0.01	1.63
Impact of changes in indirect taxes on non-regulated prices		
- Share of total, in percentage points ¹⁾	0.00	0.00
Core inflation in %	0.0	0.9
- Share of total, in percentage points ¹⁾	0.04	0.76
of which: Food prices in %	0.6	-0.5
- Share of total, in percentage points ¹⁾	0.09	-0.10
Tradable goods in % ¹⁾	-0.2	-1.9
- Share of total, in percentage points ¹⁾	-0.06	-0.65
Tradable goods excluding fuels in % ¹⁾	-0.3	-2.3
- Share of total, in percentage points ¹⁾	-0.08	-0.70
Fuels in % ¹⁾	0.4	0.8
- Share of total, in percentage points ¹⁾	0.01	0.05
Market services in % ¹⁾	0.0	6.5
- Share of total, in percentage points ¹⁾	0.01	1.51
Net inflation (excluding the impact of changes in indirect taxes) in %	-0.1	1.4
- Share of total, in percentage points ¹⁾	-0.05	0.75
Net inflation, excluding fuel prices (excl. the impact of changes in indirect taxes) in %¹⁾	-0.1	1.5
- Share of total, in percentage points ¹⁾	-0.07	0.72

Source: Statistical Office of the SR.

Notes: Net inflation - comprises price increases in the sectors of tradable goods, excluding foodstuffs and market services. The rounding of the values of year-on-year and month-on-month price dynamics to one decimal place and their contributions to the overall inflation rate to two decimal places may lead to a situation that, in the case of price stagnation, the contributions of prices are not equal to zero. In reality, the prices change, but the changes are so small that they cannot be noticed if the figures are rounded to one decimal place, but in the case of price contributions rounded to two decimal places, even a small change is apparent.

1) NBS estimates based on data from the Statistical Office of the SR.



Table 3 Producer Price Developments

(change in %)

	Previous period = 100		Same period a year earlier = 100			
	Mar. 2005	Apr. 2005	Mar. 2005	Apr. 2005	Average since the beginning of 2005	Apr. 2004
	Industrial producer prices (for the domestic market)	0.6	0.7	2.6	3.5	2.7	2.2
- Prices of manufacturing products	0.3	1.1	2.4	3.3	2.9	1.4
- Prices of mining and quarrying products	-1.3	-0.1	-3.2	-2.7	-1.1	8.2
- Prices of electricity, gas, steam, and hot water	1.2	0.5	3.4	4.3	2.9	2.9
Industrial producer prices (for export)	0.1	3.2	7.3	10.1	8.1	-2.7
Construction prices	0.4	0.3	5.2	5.0	5.3	5.5
Building materials prices	0.4	-0.2	8.1	7.3	7.6	2.7
Agricultural prices	-	-	0.2	1.1	-1.2	1.9
- Prices of plant products	-	-	-18.1	-18.3	-15.7	17.6
- Prices of animal products	-	-	4.1	4.1	1.7	-0.2

Source: Statistical Office of the SR.

In the 'food products, beverages, and tobacco' aggregated category, the price fall slowed for the second successive month (to 0.4% and 0.3% respectively). In food products, the sharpest month-on-month drops were recorded in the prices of flour products, starch and starch products (3%), industrially prepared animal fodder (0.7%), meat and meat products (0.2%), and dairy products (0.4%).

The month-on-month price increase in the 'electricity, gas, steam, and hot water' sub-category was caused by a 3.1% rise in prices for gas production and the distribution of gaseous fuels by pipeline. Prices for the production and distribution of electricity fell by 1%, while prices for the production and supply of steam and hot water remained at the level of the previous month.

... accompanied by an increase in their 12-month dynamics

The year-on-year dynamics of industrial producer prices for the domestic market increased (from 2.6% in March to 3.5% in April), due to accelerated increase in the prices of manufacturing products (by 3.3%, in March by 2.4%) and electricity, gas, steam, and hot water (by 4.3%, in March by 3.4%). The prices of mineral raw materials dropped by 2.7%.

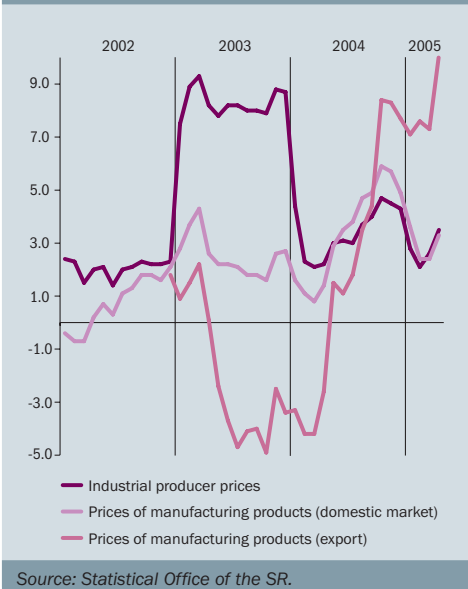
The year-on-year developments in manufacturing products prices were affected in April by marked increases in the prices of refined oil products (28.4%), base metals and finished metal products (13.7%). The prices of food products, beverages and tobacco continued to have a counter-inflationary effect in April, when their year-on-year fall remained at the March level (3.6%), which meant that the pronounced downward trend in prices in this category persisting from the beginning of the year, came to a halt.

The accelerated year-on-year increase in the prices of electricity, gas, steam, and hot water was mainly caused by a rise in prices for gas production and the distribution of gaseous fuels by pipeline (9.8%).

Prices of manufacturing products for export

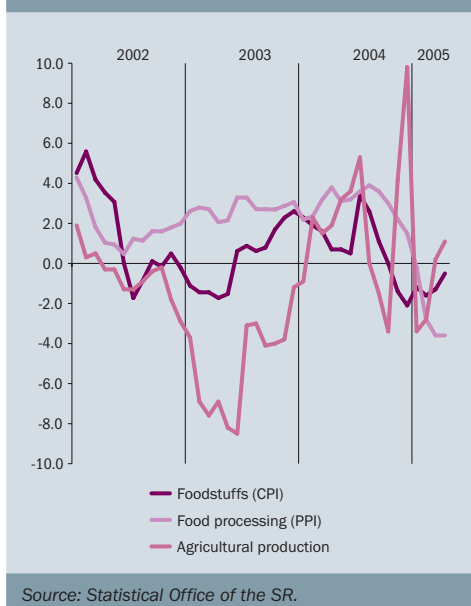
Compared with March, the prices of manufacturing products for export rose by 3.3% in April, due to increases in all categories under review. The steepest increase was recorded in the price of refined oil products (22.2%, compared with 5.8% in March). The prices of other manufacturing products for export rose only slightly. After falling for four months, the export prices of food products, beverages, and tobacco recorded an increase in April.

Chart 3 Developments in Industrial Producer Prices and Manufacturing Products Prices
(year-on-year change in %)



Source: Statistical Office of the SR.

Chart 4 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year change in %)



Source: Statistical Office of the SR.

The year-on-year dynamics of manufacturing products prices for export accelerated in April to 10.1%, from 7.3% in March. This was mainly due to increases in the prices of refined oil products (46.3%); basic metals and finished metal products (25.1%); chemicals, chemical products, including fibres (13.5%); and electrical and optical equipment (6.5%). The steep year-on-year increase in the prices of refined oil products was caused to some extent by the base effect, since these prices dropped year-on-year by 11.5% a year earlier. A similar development was recorded in the prices of chemical products and chemical fibres, which fell year-on-year by 5.6% in April 2004.

On a year-on-year basis, agricultural prices rose by an average of 1.1%, with the prices of animal products increasing by 4.1% and plant products prices falling by 18.3%.

Prices in agriculture

In animal production (prices for live animals), the steepest increases took place in the prices of pork (an average of 13.5%), beef and veal (6.2%), and unpasteurised cow milk (3.8%). Year-on-year drops were recorded in the prices of eggs (15.9%) and poultry (3.1% on average).

The persistent fall in plant products prices was caused by drops in the prices of all items under review, except for fruit, the price of which increased by 3.3%. The sharpest drop occurred in cereal prices (an average of 19.5%), with wheat prices falling by 23%. Potato prices dropped by 17.5% and vegetable prices by 5.3%.

In May, developments in producer prices are expected to be determined again by external cost factors. The fluctuation in the world-market price of oil around USD 50/barrel (representing a slight fall in contrast to the previous month) and the continuing appreciation of the US dollar against the Slovak koruna are likely to have a neutral effect on industrial producer prices. When compared on a year-on-year basis, this will mean a slowdown in the rate of increase in industrial producer prices in comparison with the previous month.

Agricultural prices are expected to continue rising year-on-year in May, in connection with an increase in animal products prices (according to information from agrarian markets, the purchase prices of pork and beef are expected to increase). The trend of deepening fall in the prices of plant products (mainly cereals) is expected to stop in May, probably in connection with the prepared export of wheat from intervention silos to third countries.



3. Factors Affecting the Course of Inflation

Developments in monetary aggregates followed a standard seasonal course in April, when the M3 aggregate counterbalanced its March seasonal decline (as in previous years), caused by the payment of personal and corporate income tax for the previous calendar year. The April increase in M3 took place in net foreign assets, the receivables of monetary financial institutions from the private sector, and in domestic and foreign resources.

3.1. Monetary Aggregates

M3 Monetary Aggregate

Modest increase in the 12-month growth dynamics of the M3 aggregate

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by Sk 14.1 billion in April, to Sk 782.0 billion at the end of the month. The year-on-year growth rate¹ of M3 accelerated slightly in comparison with the March figure, by 0.3 of a percentage point (to 12.6%), since the volume of M3 in April 2004 recorded a smaller month-on-month increase (Sk 10.9 billion) than in April 2005.

Table 4 12-month Growth Dynamics of Monetary Aggregates

(%)

	2004											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec. ¹
M3 monetary aggregate (ECB methodology)	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
- excluding the effect of repo operations ²	10.5	10.0	9.1	11.3	8.7	14.1	12.4	11.7	14.1	13.2	12.4	14.6
M3 monetary aggregate, including the estimates of money market funds for 2003 ³	6.2	9.6	6.5	10.5	7.8	13.0	4.8	10.5	11.9	12.0	11.0	13.0
- excluding the effect of repo operations ²	10.4	9.7	8.6	10.7	7.8	13.1	11.2	10.4	12.6	11.6	10.7	12.6
	2005											
M3 monetary aggregate (ECB methodology)	10.4	10.2	12.3	12.6	.	.	.	.	.	.	.	.

Source: NBS and NBS estimates based on data from the Slovak Association of Administrator Companies (SASS).

1) Preliminary data. Definitive data from annual financial statements will be available after the completion of audits at commercial banks, by the end of the 2nd quarter of 2005.

2) The level of the M3 monetary aggregate in 2003 was affected by the active conduct of repo operations by commercial banks in connection with the payment of coupons on government bonds (mainly in January 2003: in the amount of Sk 24.2 billion; in March 2003: in the amount of Sk 12.9 billion; and in July 2003: in the amount of Sk 40.2 billion), as a result of which the base of the overall aggregate became volatile (since banks conducted no repo operations from October 2003 to the end of the month). For that reason, the 12-month growth rate of M3 was also monitored for analytical purposes in 2004, without the volume of repo operations being taken into account.

3) Since data on unit certificates issued by money market investment funds (MMIF) were not available in the reports of monetary and financial statistics for 2003, their volume was estimated on the basis of data provided by the Slovak Association of Administrator Companies (SASS).

Main Components of M3

Growth in M2; conversion of part of the most liquid financial resources into deposits with agreed maturity

The most liquid monetary aggregate (M1) recorded a month-on-month decrease of Sk 6.6 billion in April (as in the previous month), when its volume reached Sk 404.2 billion at the end of the month. After a step-by-step increase in February (Sk 27.2 billion) offset partly by a reduction in March (Sk 20.9 billion), the volume of M1 approached its level from the end of the previous year. Within the structure of M1, currency in circulation continued to grow (by Sk 2.4 billion), while the volume of deposits and received loans repayable on demand decreased on a month-on-month basis (by Sk 8.9 billion), mainly as a result of a decline in overnight koruna deposits from non-financial corporations.

Within the structure of the M2 aggregate, part of the funds from deposits and received loans repayable on demand (an M1 component) was, as in the previous month, converted into deposits and received

¹ The year-on-year growth dynamics of monetary aggregates and their counterparts are calculated from end-of-month figures, including non-transactions, which comprise all movements in the balance-sheet items, resulting from changes in the valuation of tradable instruments, the depreciation/write-off of loans, exchange rate differentials, reclassifications, and other changes.

**Table 5 Comparison of Month-on-month Developments in Monetary Aggregates (ECB methodology)**

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Apr.	Mar.	Apr.	Mar.	Apr.
	2004	2005	2005	2005	2005
Currency	90.9	102.8	105.2	13.3	15.8
Deposits and received loans, repayable on demand	246.3	307.9	299.0	22.0	21.4
M1	337.2	410.8	404.2	19.7	19.9
Deposits and received loans, with an agreed maturity of up to 2 years	320.4	294.5	314.3	-3.9	-1.9
Deposits redeemable at a period of notice of up to 3 months	16.8	16.6	16.3	6.4	-2.9
M2	674.5	721.9	734.9	8.5	9.0
Participation certificates of money market funds	17.0	42.4	44.0	-	-
Repo operations	0.0	2.5	2.1	-	-
Debt securities issued for up to 2 years	3.2	1.2	1.0	-	-
M3	694.7	767.9	782.0	12.3	12.6

Source: NBS.

Note: Differences in the sums are due to rounding.

1) Volume as at the last day of the given period.

loans with a maturity of up to 2 years (an M2 component), which increased month-on-month by Sk 19.8 billion. After falling slightly in March, the overall level of the M2 aggregate, which was not affected by these changes, increased by Sk 13.0 billion in April.

The total volume of less liquid M3 components recorded a modest increase in March (Sk 1.1 billion, to Sk 47.1 billion at the end of the month), when the volume of participation certificates issued by money market investment funds grew month-on-month by Sk 1.6 billion, while the volume of repo operations and debt securities issued with a maturity of up to 2 years decreased slightly. The decelerated growth in less liquid M3 components was caused by a reduced increase in the volume of participation certificates issued by money market funds, which recorded the lowest level in the last 12 months.

Slowdown in the growth rate of less liquid M3 components

Investment Through Open-End Investment Funds

The net value of Sk-denominated assets held by open-end investment funds (OIFs) reached Sk 105.3 billion at the end of May. The net sales of Sk-denominated OIF assets reached Sk 2.3 billion in May and the net sales in Slovakia of OIF assets denominated in foreign currency amounted to Sk 0.1 million.

Net value of assets and net sales of open-end investment funds

Table 6 Overview of Net Sales of Open-End Investment Funds (month-on-month changes in billions of Sk)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF assets denominated in Slovak koruna	2004	1.3	1.5	1.8	1.3	1.8	2.4	3.0	3.1	2.6	2.5	2.3	3.0	26.7
	2005	5.2	6.8	4.1	3.4	2.3	.	.	.	.	.	.	.	21.7
OIF assets denominated in foreign currency	2004	0.08	0.07	0.1	0.05	0.14	0.04	0.04	0.06	0.07	0.03	0.07	0.04	0.80
	2005	0.08	0.14	0.14	0.21	0.12	.	.	.	.	.	.	.	0.68

Source: NBS estimates based on data from the Slovak Association of Administrator Companies (SASS).

Main Counterparts of M3

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs) was stagnant in April, slightly below the level of the previous month (a month-on-month fall of Sk 0.6 billion). The slight change in the total volume of MFI receivables resulted from conflicting developments in MFI receivables from the private sector, whose volume continued to increase (by Sk 8.4 billion), while the volume MFI receivables from the general government continued to decrease,

Stagnation in the volume of MFI receivables (including securities) from residents, with conflicting trends in the individual components



by Sk 9.0 billion month-on-month, due mainly to a fall in the volume of securities issued by the general government.

Since the total volume of MFI receivables from residents in the same period a year earlier recorded no marked change, the year-on-year rate of growth in MFI receivables from residents underwent a technical correction only, from 5.1% to 4.9%.

Table 7 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Apr. 2004	Mar. 2005	Apr. 2005	Mar. 2005	Apr. 2005
Net foreign assets	363.2	321.6	338.2	-6.8	-6.9
Foreign assets	479.4	628.9	636.6	35.4	32.8
Foreign liabilities	116.2	307.3	298.5	157.0	156.9
Receivables of MFIs from residents (incl. securities)	674.2	707.6	707.0	5.1	4.9
Receivables from the general government	285.8	273.7	264.7	-3.9	-7.4
Receivables from the private sector	388.4	433.9	442.3	11.7	13.9
Deposits and loans received from the central government	151.4	99.9	98.7	-27.1	-34.8
Long-term financial liabilities (excl. capital and reserves)	100.7	96.9	94.7	-6.0	-5.9
Deposits and loans received with an agreed maturity of over 2 years	48.8	52.7	52.7	5.3	7.8
Deposits redeemable at a notice period of over 3 months	42.3	30.0	29.5	-30.9	-30.2
Debt securities issued with a maturity of over 2 years	9.5	14.2	12.5	47.4	31.5
Other items net	90.6	64.4	69.8	-31.7	-23.0
Capital, reserves and provisions	117.8	95.0	103.2	-18.3	-12.4
Other liabilities	44.5	51.8	50.1	8.5	12.5
Surplus of liabilities among MFIs	-1.4	-6.9	-4.1	-	-
Fixed assets	35.7	34.5	34.5	-3.5	-3.3
Other assets	34.6	41.0	44.9	21.5	29.7
M3	694.7	767.9	782.0	12.3	12.6

Source: NBS.
Note: Differences in the sums are due to rounding.
1) Volume as at the last day of the given period.

MFI receivables from the private sector continued to grow The volume of MFI receivables from the private sector recorded a relatively large increase in April (Sk 8.4 billion), as in the previous month (Sk 13.1 billion). In addition to the unchanged volume of securities issued by the private sector, this development was affected by increases in receivables from non-financial corporations (Sk 4.7 billion) and receivables from households (Sk 4.1 billion), while receivables from financial and insurance corporations recorded only a slight decrease (Sk 0.4 billion in total). The increase in receivables from households took place mostly in housing loans (Sk 2.1 billion), the remaining part of the increase was generated in roughly equal measure by consumer loans and other loans.

Moderate decrease in long-term financial liabilities, resulting from a fall in debt securities issued with a maturity of over 2 years The long-term financial liabilities of MFIs (excluding capital and reserves) followed, as in the previous three months, a downward trend in April, when they fell in volume by a total of Sk 2.2 billion on a month-on-month basis. Within the structure of long-term financial liabilities, long-term securities issued with a maturity of over 2 years deviated from their medium-term growing tendency, when they fell in volume by Sk 1.7 billion in April, while deposits redeemable at a period of notice of over 3 months continued to show a declining tendency (a slight fall of Sk 0.5 billion). The volume of deposits and received loans with an agreed maturity of over 2 years remained at the March level.

Increase in net foreign assets Net foreign assets recorded a month-on-month increase of Sk 16.6 billion in April, when foreign assets increased by Sk 7.6 billion and foreign liabilities decreased by Sk 8.8 billion.

Developments in the other main counterparts of M3 Among the other main counterparts of the M3 monetary aggregate, an increase was recorded in capital, reserves and provisions (Sk 8.2 billion), while fixed assets remained unchanged.

**Table 8 Receivables of Monetary Financial Institutions from the Private Sector**

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Apr.	Mar.	Apr.	Mar.	Apr.
	2004	2005	2005	2005	2005
MFI receivables from the private sector (incl. securities)	388.4	433.9	442.3	11.7	13.9
of which: Securities issued by the private sector	15.2	16.9	16.9	10.4	11.5
MFI receivables (excluding securities)	373.2	417.0	425.4	11.7	14.0
Non-financial corporations	235.9	236.9	241.6	-0.8	2.4
- Up to 1 year	102.2	99.9	104.1	-3.5	1.9
- 1 to 5 years	61.5	56.9	54.1	-7.7	-12.0
- Over 5 years	72.2	80.1	83.3	8.8	15.4
Financial corporations	36.6	43.9	43.7	22.0	19.4
Insurance companies and pension funds	0.0	0.1	0.0	-	-
Households and non-profit institutions serving households	100.7	136.1	140.2	38.4	39.2
- Consumer loans	14.3	19.6	20.5	9.8	43.7
- Housing loans	72.0	91.0	93.1	36.0	29.3
- Other loans	14.4	25.5	26.6	87.8	84.2

Source: NBS.

Note: Differences in the sums are due to rounding.

1) Volume as at the last day of the given period.

Developments in Monetary Aggregates According to NBS Methodology

In April, the M2 money supply increased month-on-month by Sk 12.1 billion, to Sk 785.3 billion at the end of the month, and thus offset its seasonal decline from March (as in the same period a year earlier). The 12-month rate of money supply growth accelerated slightly on a month-on-month basis (by 0.3 of a percentage point, to 7.3%), since the month-on-month increase in M2 surpassed the figure for April 2004 (Sk 9.0 billion). The April increase took place predominantly in time deposits (Sk 7.1 billion). Increases were also recorded in demand deposits and currency in circulation, while foreign-currency deposits dropped slightly.

Modest increase in the 12-month growth dynamics of the M2 money supply (according to NBS methodology)

Loans to Enterprises and Households

The volume of loans to enterprises and households (according to NBS methodology, at current exchange rates) increased month-on-month by Sk 9.0 billion, to Sk 430.8 billion at the end of April. The year-on-year dynamics of bank lending accelerated in comparison with March by 2.1 percentage points, to 13.5%, since April 2004 saw a smaller month-on-month increase (Sk 0.8 billion) in the total volume of loans as a result of a decline in koruna loans to enterprises.

Continued increase in the 12-month dynamics of loans to enterprises and households (NBS methodology)

The April increase in loans to enterprises and households took place mostly in foreign-currency loans (Sk 9.3 billion) and koruna loans to households (Sk 3.5 billion), while the volume of koruna loans to enterprises recorded a month-on-month decrease (Sk 3.8 billion).

Fiscal Developments

Net credit to the general government (including the FNM, at current exchange rates) reached Sk 346.5 billion at the end of April, representing a month-on-month decrease of Sk 8 billion.

The April decrease in net credit to the general government was partly connected with the current budgetary performance of the central government, which resulted in a surplus of Sk 6.4 billion at the end of April, representing a month-on-month change of Sk 3.6 billion (from a surplus of Sk 2.8 billion at the end of March), with budget revenues totalling Sk 90.6 billion and expenditures Sk 84.2 billion.

The level of net credit to the general government in April was favourable affected by an improvement in the net position of regional self-governments (Sk 2.6 billion), an increase in non-budgetary funds on the accounts of state authorities (Sk 0.7 billion), and an increase in funds received from the European Community on accounts at the SR Treasury (Sk 2.2 billion).



The favourable effect of the above factors on the level of net credit to the general government was partly offset by a modest increase in the external debt of the public sector, caused mainly by exchange rate developments.

Current Budgetary Developments in May

Developments in the State Budget

Budgetary performance over the first five months of the year resulted in a deficit of Sk 3.9 billion, with budget revenues totalling Sk 105.4 billion and expenditures Sk 109.3 billion.

Primary market for SR Treasury bills

No issue of SR Treasury bills was floated in the month of May.

3.2. Foreign Trade

Balance of Payments for January to March 2005

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 a year earlier was the balance of services.

Table 9 Balance of Payments on Current Account		(Sk billions)
	Jan. – Mar. 2005	Jan. – Mar. 2004
Balance of trade	-10.1	-0.2
Exports	213.6	201.0
Imports	223.7	201.2
Services balance	5.3	2.0
Income balance	-2.3	0.6
of which: income from investment	-10.0	-2.5
of which: reinvested earnings	-7.2	0.0
Current transfers	0.7	2.5
Current account in total	-6.4	4.9
Current account as a share of GDP in %	-1.9	1.6

*Source: NBS and Statistical Office of the SR.
Note: Foreign trade in 2004, according to the methodology for 2005.*

Balance of trade

In comparison with the same period a year earlier, exports increased by 6.3% (18.3% in USD and 12.6% in EUR) and imports by 11.2% (23.8% in USD and 17.8% in EUR).

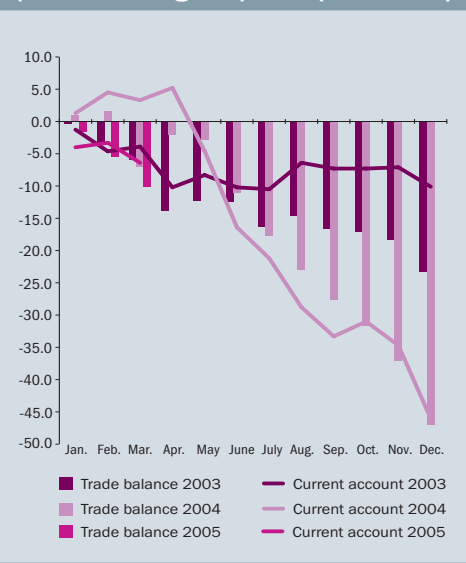
Exports

The year-on-year increase in exports took place largely in raw materials and semi-finished goods. In a breakdown by commodity, stronger growth was recorded in the exports of oil products, iron, steel, and plastic goods. The trends in the 'machine and transport vehicles' category from 2004 continued, while the decline in motor vehicle exports surpassed the growth in the exports of machines and instruments, comprising mostly automatic data processing machines and television sets.

Imports

The strongest growth in imports was recorded in raw materials, chemical products, and semi-finished goods (as in exports). Within the structure of imports of finished products by commodity, the steepest increases were recorded in the imports of agricultural products (meat, milk, fruit, cocoa, and cocoa products). In the 'machines and transport vehicles' category, the growth in the imports of electrical machines and optical measuring instruments was accompanied by a decline in the imports of motor vehicle parts, components, and accessories.

Chart 5 Balance of Trade and Current Account Developments (cumulative figures) (Sk billions)



Source: NBS and Statistical Office of the SR.

Table 10 Exports in January – March, Year-on-year Change

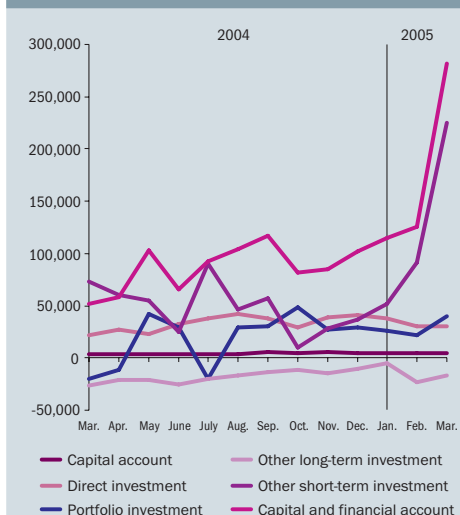
	Year-on-year change in billions of Sk January – March		Proportion of the year-on-year change in % points January – March	
	2005	2004	2005	2004
	Raw materials	3.8	-1.0	1.9	-0.6
Chemicals and semi-finished goods	14.4	-0.3	7.2	-0.2
Machines and transport equipment	-5.7	24.7	-2.8	14.0
Finished products	0.1	1.2	0.0	0.7
Exports in total	12.6	24.6	6.3	13.9

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

Table 11 Imports in January – March, Year-on-year Change

	Year-on-year change in billions of Sk January – March		Proportion of the year-on-year change in % points January – March	
	2005	2004	2005	2004
	Raw materials	11.0	-2.2	5.5	-1.2
Chemicals and semi-finished goods	6.2	4.1	3.1	2.3
Machines and transport equipment	0.3	12.7	0.1	7.0
Finished products	5.0	4.4	2.5	2.4
of which: agricultural and industrial goods	3.6	2.4	1.8	1.3
passenger cars	0.4	0.0	0.2	0.0
machines and electrical consumer goods	1.0	2.0	0.5	1.1
Imports in total	22.5	19.0	11.2	10.5

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

Chart 6 Development of the Capital and Financial Account and its Components (moving cumulative figures) (Sk millions)


Source: NBS.

for the gap between gross and net wages, were included in current transfers and caused their positive balance to diminish on a year-on-year basis.

The inflow of funds in the capital and financial account reached Sk 118.5 billion and took place in short-term capital, while the short-term liabilities of commercial banks increased to a significant extent.

The balance of services resulted in a surplus of Sk 5.3 billion, which represented an improvement of Sk 3.3 billion in comparison with the same period in 2004. The increase in the positive balance of services was caused by developments in 'other services in total' and tourist services. The deficit in 'other services in total' diminished as a result of smaller shortfalls in financial, legal, accounting, consulting, and computer engineering services. In tourism, there was an increase in the surplus, generated by steady growth in receipts from foreign tourists. The increase in the surplus in these two services-balance items was partly offset by a decrease in net income from transport, caused by lower receipts from freight transport.

Balance of services

The modest year-on-year deterioration in the balance of income resulted from two conflicting tendencies. The growth in income from NBS reserves and the incomes of Slovak citizens working abroad (caused by a methodological change concerning the incomes of Slovak citizens working abroad, from net income to gross income) was exceeded by an increase in payments to direct investors (caused by a change in the methodology for assessing receipts from direct investments within the balance of income). Taxes and social contributions paid abroad, which are responsible

Income and current transfers balances

Capital and financial account



Table 12 Capital and Financial Account		(Sk billions)	
	Jan. – Mar. 2005	Jan. – Mar. 2004	
Capital account	0.0	-0.2	
Direct investment	2.8	13.7	
Abroad	-0.4	-0.2	
of which: capital participation in the SR	0.0	0.2	
reinvested earnings	-0.3	0.0	
In the SR	3.2	13.9	
of which: capital participation in the SR	1.1	12.0	
of which: other than privatisation	1.1	12.0	
reinvested earnings	7.5	0.0	
Portfolio investment and financial derivatives	12.4	2.3	
SR abroad	-14.8	-6.8	
In the SR	27.2	9.1	
Other long-term investment	-17.9	-11.4	
Assets	-0.4	-2.1	
Liabilities	-17.5	-9.3	
Other short-term investment	121.2	-5.4	
Assets	-9.0	12.7	
Liabilities	130.2	-18.1	
Capital and financial account	118.5	-1.0	

Source: NBS.

Foreign direct investment Foreign direct investment in the SR totalled Sk 3.2 billion. Of this amount, Sk 1.1 billion was allocated for increases in the ownership interests of foreign investors in the SR; Sk 7.5 billion for the creation of reinvested earnings that belong to foreign investors; and Sk 5.4 billion for the repayment of foreign loans to parent companies.

Portfolio investment The inflow of funds in the area of portfolio investment was stimulated by the purchase for own portfolios of government bonds denominated in Sk by non-residents. On the assets side, the corporate sector continued investing its free funds in the purchase of foreign bonds.

Other investments The inflow of foreign capital within the scope of 'other investments' reached Sk 103.3 billion, mainly as a result of an increase in short-term liabilities.

Commercial banks increased the volume of short-term deposits from non-residents and recorded a net inflow of Sk 132.5 billion (including the amount paid to ČSOB). The corporate sector financed predominantly trade-related activities. The provision of export credits, coupled with the repayment of import liabilities, caused an outflow of Sk 13.0 billion. The outflow of funds from the government sector (including the NBS) in the amount of Sk 16.2 billion was connected with the first instalment of a liability to ČSOB Praha.

Table 13 Balance of Payments Adjusted for the Activities of the Government and the NBS		
(Sk billions)		
	January – March 2005	
	Actual ¹⁾	Adjusted ²⁾
Current account	-6.4	-2.1
Capital and financial account	118.4	3.4
of which: FDI in Slovakia – capital participation	1.1	1.1
Items not elsewhere included	-1.8	-1.8
Interventions by the NBS ³⁾	-	-114.8
Change in the net foreign assets of commercial banks (- increase)	-	115.3
Change in NBS reserves (- increase)	-110.2	-

Source: NBS.

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 real source of finance for the current account.

3) In the original structure of the balance of payment, interventions were included in the foreign exchange reserves of the NBS.



The foreign exchange reserves of the NBS increased by Sk 110.2 billion, i.e. USD 3.8 billion (excluding exchange rate differentials).

Foreign exchange reserves of the NBS

The decrease in the net foreign assets of the banking sector was mainly caused by the sale of foreign currency to the Central Bank.

External Debt of Slovakia at 31 March 2005

At the end of March 2005, the total gross external debt of the SR stood at USD 28.2 billion (EUR 21.7 billion), representing an increase of USD 1,589.8 million (EUR 1,575.9 million) compared with the previous month. Total long-term foreign debt increased by USD 382.7 million and total short-term foreign debt grew by USD 1,207.1 million.

Gross external debt

Within the scope of short-term foreign debt, the short-term foreign liabilities of commercial banks increased during the period under review by USD 1,089.5 million. The increase took place in loans and other liabilities. The short-term foreign liabilities of entrepreneurial entities grew in volume by USD 136.1 million, due to an increase in liabilities arising from loans and trade credits.

Within the scope of long-term foreign debt, the foreign liabilities of the Government and the NBS increased by USD 562.5 million, due primarily to an increase in liabilities resulting from the purchase of government bonds denominated in Slovak koruna. Conflicting trends were recorded in the commercial sector, where the long-term foreign liabilities of commercial banks increased by USD 124.6 million (the increase took place mostly in cash and deposits), while the long-term liabilities of entrepreneurial entities decreased by USD 304.4 million.

At the end of March, Slovakia's per-capita gross foreign debt stood at USD 5,237. The share of short-term debt in the country's total gross external debt increased by 1.49% on a month-on-month basis. At the end of March 2005, the volume of total short-term foreign liabilities exceeded the volume of total long-term foreign liabilities, while reaching 51.17%.

Table 14 External Debt of the SR

	mil. USD			mil. EUR		
	31.12.2004	28.2.2005	31.3.2005	31.12.2004	28.2.2005	31.3.2005
Total external debt of the SR	23,718.0	26,583.1	28,172.9	17,421.1	20,147.9	21,723.9
Long-term external debt	13,270.3	13,375.5	13,758.1	9,747.1	10,137.6	10,608.8
Government and NBS ¹⁾	6,645.9	6,760.7	7,323.2	4,881.5	5,124.1	5,646.9
Commercial banks	496.3	560.6	685.2	364.6	424.9	528.4
Entrepreneurial entities	6,128.1	6,054.2	5,749.7	4,501.1	4,588.6	4,433.5
Short-term external debt	10,447.8	13,207.6	14,414.8	7,674.0	10,010.3	11,115.1
Government and the NBS	209.3	171.2	152.8	153.8	129.8	117.8
Commercial banks	5,380.2	8,383.5	9,473.0	3,951.8	6,354.0	7,304.5
Entrepreneurial entities	4,858.3	4,652.9	4,789.0	3,568.4	3,526.5	3,692.8
Foreign assets	23,367.0	26,188.5	27,439.2	17,163.3	19,848.8	21,158.1
Net external debt	351.1	394.6	733.7	257.9	299.1	565.8
SKK/USD and SKK/EUR rates:	28.496	28.710	29.943	38.796	37.880	38.832
EUR/USD cross exchange rate:	-	-	-	1.361	1.319	1.297

Source: NBS.

1) Including government agencies and municipalities.

The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. USD 28.2 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector - except for capital participation), and foreign assets, i.e. USD 27.4 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - except for capital participation), reached USD 0.7 billion (debtor position) at the end of March 2005.

Net external debt

Current Developments

The deficit in the trade and income balances created in April 2005 exceeded the surplus in the services and current transfers balances, hence the cumulative current account deficit increased from Sk 6.4 billion in March to Sk 10.4 billion in April.

Balance of trade



Table 15 Balance of Payments on Current Account

(Sk billions)

	January – April 2005	January – April 2004
Balance of trade	-15.1	-1.2
Exports	290.4	281.2
Imports	305.5	282.4
Balance of services	6.2	3.7
Balance of income	-3.9	-0.6
of which: income from investment	-14.1	-4.7
of which: reinvested earnings	-9.6	0.0
Current transfers	2.4	4.2
Current account in total	-10.4	6.1

Source: NBS and Statistical Office of the SR.

Note: Foreign trade in 2004, according to the methodology for 2005.

Table 16 Monthly Data on the Current Account by Component

(Sk billions)

	2005			
	January	February	March	April
Balance of trade	-1.6	-3.9	-4.6	-5.0
Services balance	1.0	0.9	3.4	0.9
Income balance	0.1	0.2	-2.6	-1.6
Current transfers	-3.5	3.4	0.8	1.7
Current account	-4.0	0.6	-3.0	-4.0

Source: NBS and Statistical Office of the SR.

In comparison with the same period in 2004, exports grew by 3.3% (14.7% in USD and 8.6% in EUR) and imports by 8.2% (20.2% in USD and 13.7% in EUR).

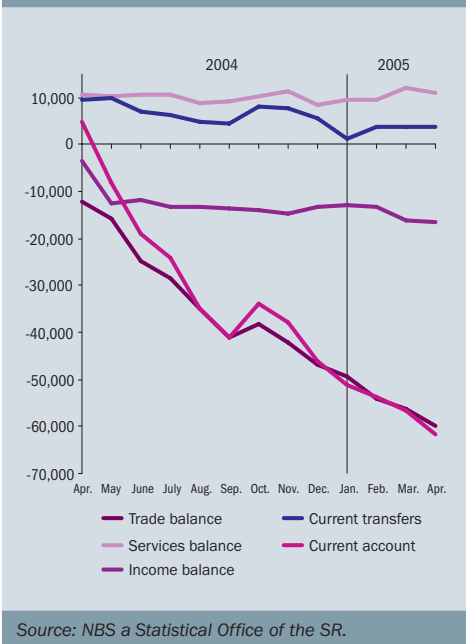
The balance of foreign trade is expected to deteriorate on a year-on-year basis in May. Commodity exports and imports in May are expected to result in a somewhat higher balance than in April. There are still reserves in export growth in the automobile industry, where exports are predicted to reach a somewhat lower level than in April.

In June and July, the cumulative balance of trade is expected to improve slightly, due to a marked disproportion in the trade balance in the same months a year earlier. In these months, modest month-on-month increases are to be expected in both exports and imports.

Total foreign exchange reserves of the NBS

At the end of May, the total foreign exchange reserves of the NBS stood at USD 16,211.6 million, representing a month-on-month decline of USD 1,849.7 million. The fall in foreign exchange reserves in comparison with the end-April level was caused by a shortfall in the balance of receipts and expenses (a deficit of USD 1,032.7 million), produced mainly by an outflow of funds as a result of debt service payments by the Government. The fall was accompanied by negative exchange rate differentials (USD -817.0 million) resulting from changes in the USD/EUR cross-rate in the period under review. At the end of the month, the volume of foreign exchange reserves was 5.6 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first four months of 2005.

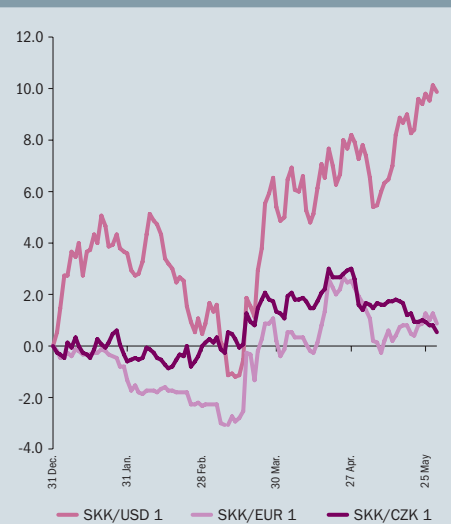
Chart 7 Balance of Trade and Current Account Developments (moving cumulatives) (Sk millions)



Source: NBS and Statistical Office of the SR.



Chart 8 Changes in the Exchange Rates of the Slovak Koruna (compared with 31/12/2004, in %)



Source: NBS.
Note: + depreciation, - appreciation.

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



Source: NBS.

The depreciating trend in the currencies of Central European countries (the Polish zloty, Czech koruna, and the Hungarian forint) came to a halt in May, while the average monthly exchange rate of the koruna against the euro appreciated in comparison with April by 0.3% and in relation to the Czech koruna by 0.8%. At the same time, the koruna exchange rate against the US dollar weakened by 1.4%, due to developments in the USD/EUR cross-rate (an appreciation of 1.7% in the dollar against the single currency).

Nominal effective exchange rate of the Slovak koruna (NEER)

In May, the SKK/EUR and SKK/USD exchange rates showed a year-on-year appreciation of 2.9% (compared with 2.5% in April) and 8.4% (in April 9.5%) respectively, while the SKK/CZK rate depreciated by 2.9% (in April by 5.4%). The 12-month dynamics of the nominal effective exchange rate (NEER)² increased to 2.1% in May, from 0.8% in April.

In April, the 12-month dynamics of the real effective exchange rate (REER) followed the trend recorded in the NEER index, i.e. continued to fall, to the lowest level since September 2002. The 12-month rate of appreciation in the REER based on the CPI fell to 1.6% in April (from 4.1% in March), that based on the PPI to 0.3% (from 1.8%), and that based on PPI manufacturing to 0.1% (from 1.6%).

Real effective exchange rate of the Slovak koruna (REER)

Table 17 Year-on-Year Dynamics of the NEER and REER Indices (12-month changes, in %)

For 9 partners, based on the deflator:	NEER	REER CPI	REER PPI	REER PPI manuf.	REER ULC ²⁾
2002	2.1	4.1	3.6	3.4	3.4
2003	3.2	11.3	10.8	4.7	7.0
2004	4.7	8.3	4.1	4.7	8.0
January 2005 ¹⁾	3.9 / 0.9	5.3 / 2.4	2.1 / 1.9	2.9 / -0.6	-
February 2005 ¹⁾	4.2 / 1.7	5.0 / 3.5	1.6 / 2.6	1.9 / -0.5	-
March 2005 ¹⁾	3.6 / 1.5	4.1 / 2.6	1.8 / 2.0	1.6 / -1.0	8.0
April 2005 ¹⁾	0.8 / -1.0	1.6 / 0.5	0.3 / 0.0	0.1 / -2.7	-
May 2005 ¹⁾	2.1 / -0.4	.	.	.	-

Source: NBS.
1) Year-on-year change / cumulative change since the beginning of 2005.
2) Year-on-year change based on quarterly data.

²⁾ 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 manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing) and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



3.3. Real Economy

Development of the Real Economy in the First Quarter of 2005

Gross Domestic Product

Real economic growth by 5.1%

In the first quarter of 2005, gross domestic product increased year-on-year by 5.1% in real terms (according to preliminary data from the Statistical Office of the SR). Compared with the figure for the first quarter of 2004 (5.4%), the rate of economic growth slowed by 0.3 of a percentage point. Economic growth was stimulated by an increase in both domestic and foreign demand. In terms of production, the growth was connected with an increase in added value, mainly in trade, agriculture, construction, and industry. The nominal volume of GDP created in the period under review amounted to Sk 332.5 billion, which was 7.7% more than a year earlier.

Demand

In terms of demand, the structure of economic growth was relatively balanced, with the growth in domestic demand being slightly exceeded by the growth in foreign demand. The growth in GDP was affected by an increase in foreign demand (7.2%, compared with 15.8% in the first quarter of 2004) and the continuing growth in domestic demand (5.6%, compared with 2.4% in the first quarter of 2004).

Accelerated growth in domestic demand

The accelerated growth in domestic demand was caused by increases in all components. The most significant increase took place in gross capital formation. Gross investment increased by 8% (compared with 4.4% in the first quarter of 2004), due to growth in fixed investment and changes in the volume of inventories. The consumption component of domestic demand recorded an increase of 4.7% (1.7% in the first quarter of 2004), due to accelerated growth in both private and public consumption.

Dynamic investment demand

The growth in gross capital was mainly stimulated by a steeper increase in fixed investments and continued positive increases in inventories. The most significant increase occurred in work-in-progress. Fixed investments increased by 5.8% at constant prices, mainly as a result of growth in the creation of new fixed assets. For the acquisition of gross fixed capital, the 'non-financial corporations' sector spent 8% more than a year earlier, owing to their positive financial results. Investment activity in the public sector, which invested 8.2% more than in the same period a year earlier, also increased. The investment activity of financial corporations increased only slightly. Investment by households remained below the level of the previous year.

Within the structure of gross fixed capital formation, the growth in investment in machines (5.2%) was slightly exceeded by the growth investment in buildings (5.5%). Investment in buildings also grew as a result of increased allocation of funds for investment in residential buildings. In the area of machines, investment in metal products and machines continued to grow.

Accelerated growth in final consumption

Final consumption showed accelerated growth in all sectors, namely the household sector, the general government sector, and the 'non-profit institutions serving households' sector. The growth in overall final consumption was mainly stimulated by accelerated wage growth in the economy. Consumption in the general government and non-profit institutions exceeded the level of the previous year by 2.3% and

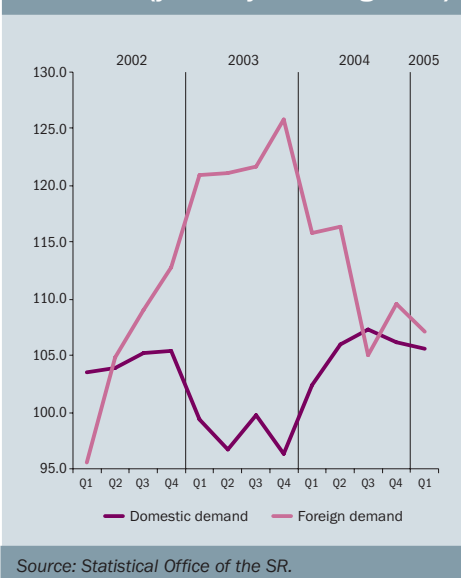
Chart 10 Development of Real GDP (year-on-year growth in %)**Chart 11 Development of Domestic and Foreign Demand (year-on-year change in %)**



Table 18 Development of GDP by Use
(index, same period a year earlier = 100, const. 1995 prices)

	Q1 04	Q2 04	Q3 04	Q4 04	2004	Q1 05
	Q1 03	Q2 03	Q3 03	Q4 03	2003	Q1 04
Gross domestic product	105.4	105.5	105.3	105.8	105.5	105.1
Domestic demand	102.4	105.9	107.3	106.0	105.5	105.6
Final consumption	101.7	103.4	103.4	102.8	102.8	104.7
Households	103.0	102.8	103.7	104.3	103.5	105.5
General government	97.4	104.7	102.6	99.8	101.1	102.3
Non-profit institutions serving households	104.2	105.8	105.9	107.2	105.8	105.1
Gross capital formation	104.4	112.5	116.9	118.4	113.1	108.0
Gross fixed capital formation	100.9	103.5	105.5	100.1	102.5	105.8
Exports of goods and services	115.8	116.4	105.1	109.5	111.4	107.2
Imports of goods and services	112.0	117.0	109.6	112.3	112.7	107.9

Source: Statistical Office of the SR.

Table 19 Structure of Gross Fixed Capital Formation in the First Quarter of 2005

	Gross fixed capital formation (Sk millions)	Share (%)	Index Q1 2005 / Q1 2004
Economy of the SR in total	74,383	100.0	105.8
of which (by production):			
Buildings	24,284	32.6	105.5
of which: residential buildings	4,637	6.2	108.8
other structures	19,647	26.4	104.9
Machines	44,861	60.3	105.2
of which: metal goods and machines	33,648	45.2	105.9
transport equipment	11,213	15.1	103.4
of which (by sector):			
Non-financial corporations	50,331	67.7	108.0
Financial corporations	9,562	12.9	101.1
General government	4,167	5.6	108.2
Households	10,241	13.8	99.2
Non-profit institutions	82	0.1	100.0

Source: Statistical Office of the SR.

Note: Volumes and proportions are at current prices, indices at constant prices.

5.1% respectively. The growth in the public sector at the recorded rate was partly associated with the lower basis of comparison and, in the non-profit sector, with the transformation of non-profit organisations. In relation to GDP, however, final consumption did not increase in these sectors.

Final consumption in the household sector increased by 5.5% at constant prices, representing the steepest increase since the first quarter of 2003. After weakening for two years, growth in private consumption reached its usual level, recorded before the imposition of administrative restrictions on demand in 2003. The accelerated growth in private consumption was stimulated by the wage growth. The dynamic wage growth in the household sector created adequate conditions for a revival of growth in both consumption and savings. The growth of consumption in the household sector caused only a modest increase in private consumption as a share of GDP, i.e. to 52.5% (from 52.3% in the first quarter of 2004). The share of private consumption in the total volume of used GDP has not yet reached the level of comparable periods before the use of demand restrictions.

The growth in foreign demand, expressed in terms of exports of goods and services, and in foreign supply, expressed in terms of imports of goods and services, continued to follow its long-term declining trend. The slowdown in the rate of growth in exports was more significant than the figure for imports, hence the growth in imports at constant prices (7.9%) slightly exceeded the growth in exports (7.2%). Trading with abroad resulted in a positive balance in real terms, but the size of the surplus was somewhat

Negative contribution of net exports



smaller than in the same period a year earlier. The surplus in net exports at constant prices decreased to Sk 9.2 billion (from Sk 9.8 billion in the first quarter of 2004). In the long term, however, the surplus reached the second highest level since the beginning of 2003, in terms of both volume and share of GDP.

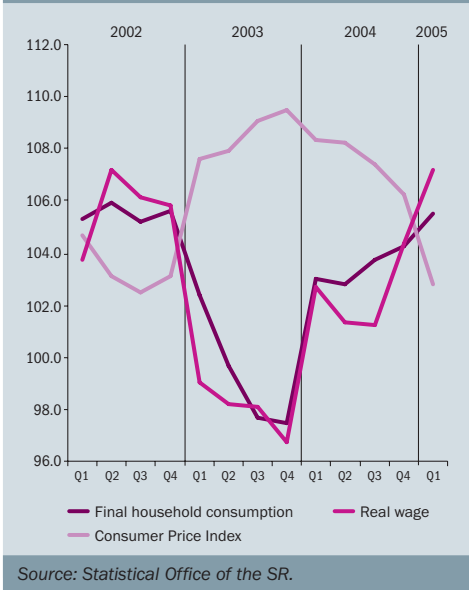
The excess of imports over exports was larger in nominal terms, with imports growing by 8.8% and exports by 6.7%. As a result of this development, the balance of trade deteriorated in nominal terms. Net exports at current prices decreased from a positive balance of Sk 1.5 billion, recorded in the same period a year earlier, to a deficit of Sk 3.2 billion in the first quarter of 2005.

The nominal deficit in net exports was significantly affected by developments in import and export prices and the relationship between these prices. In comparison with the same period a year earlier, imports to Slovakia were more expensive, while exports were cheaper. After falling steadily for almost three years, the prices of imported goods and services rose by 0.8% in the first quarter of 2005. The rise in import prices was probably connected with an increase in the prices of energy-producing raw materials and a slow rise in producer prices on foreign markets. In euro area countries, increases in producer prices were mainly recorded in raw materials for intermediate consumption.

In contrast with import prices, export prices continued to show a tendency to fall. The fall in export prices during the previous more than two-year period was more moderate and tended towards stagnation. Export prices dropped by 0.4%. Data on developments in industrial producer prices for export indicate that the prices of transport vehicles, machinery and equipment not elsewhere classified, and other non-metal mineral products were on the decline. On the other hand, the export prices of basic metals, finished metal goods, and refined oil products increased to a significant extent.

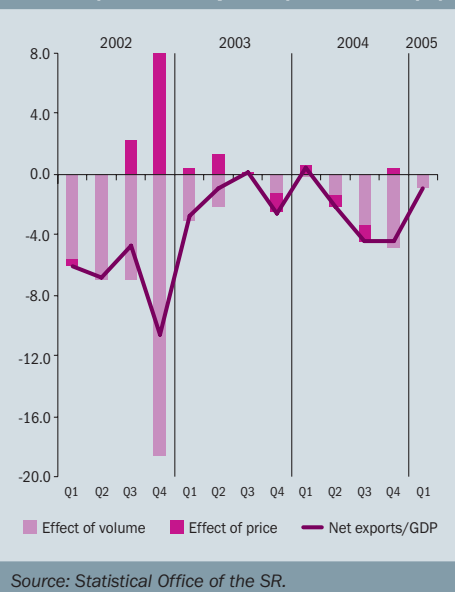
The Slovak economy maintained a relatively high export performance (74.3% at current prices), though it was 0.7 of a percentage point lower than in the same period in 2004. Import intensity increased by 0.7 of a percentage point, to 75.3%. As a result of reciprocal developments in these areas, the openness of the Slovak economy, expressed in terms of the ratio of exports and imports of goods and services to nominal GDP, remained at the level recorded in the same period a year earlier (149.6%).

Chart 12 Developments in Final Household Consumption, Inflation, and Real Wages (year-on-year development in %)



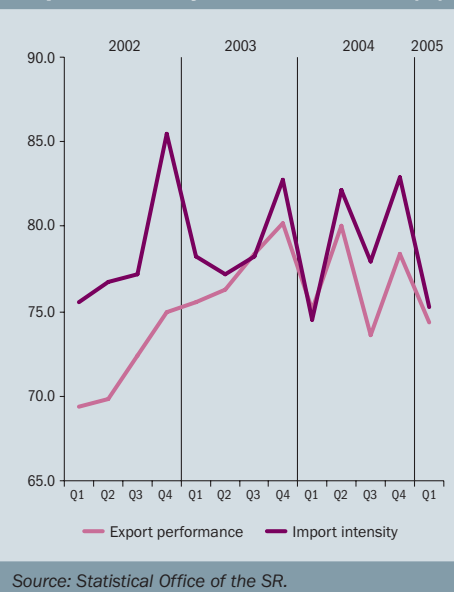
Source: Statistical Office of the SR.

Chart 13 Contribution of Net Exports to GDP (at current prices) (%)



Source: Statistical Office of the SR.

Chart 14 Export Performance and Import Intensity (%)



Source: Statistical Office of the SR.


Table 20 Impact of Price and Volume on Exports and Imports

	Q1	Q2	2004		year	2005
			Q3	Q4		Q1
Exports of goods and services						
(year-on-year growth in %, at current prices)	12.4	15.2	2.0	7.6	9.1	6.7
Impact of volume (in % points)	15.8	16.4	5.1	9.5	11.4	7.2
Impact of price (in % points)	-3.4	-1.2	-3.0	-1.9	-2.4	-0.5
Imports of goods and services						
(year-on-year growth in %, at current prices)	7.8	16.9	8.2	10.1	10.8	8.8
Impact of volume (in % points)	12.0	17.0	9.6	12.3	12.7	7.9
Impact of price (in % points)	-4.2	0.0	-1.4	-2.1	-1.9	0.9
Net exports as a share of GDP						
(share in %, at current prices)	0.5	-2.1	-4.4	-4.4	-2.7	-0.9
Impact of volume (in % points)	-0.2	-1.4	-3.3	-4.8	-2.5	0.0
Impact of price (in % points)	0.7	-0.7	-1.1	0.4	-0.2	-0.9

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

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

Trading with abroad resulted in a negative contribution of 0.3 of a percentage point, by net exports to real GDP. Domestic demand contributed 5.3 percentage points to the rate of real GDP growth. The difference between this figure and the final rate (5.1%) represented a statistical discrepancy.

Table 21 Contributions to GDP Creation (percentage points, constant 1995 prices)

	<u>Q1 04</u>	<u>Q2 04</u>	<u>Q3 04</u>	<u>Q4 04</u>	2004	<u>Q1 05</u>
	Q1 03	Q2 03	Q3 03	Q4 03	2003	Q1 04
Gross domestic product (in %)	5.4	5.5	5.3	5.8	5.5	5.1
Domestic demand	2.3	5.6	7.0	6.0	5.3	5.3
Final consumption	1.2	2.3	2.4	2.2	2.1	3.3
Households	1.6	1.4	1.8	2.2	1.8	2.9
General government	-0.5	0.8	0.5	-0.1	0.2	0.4
Non-profit institutions serving households	0.0	0.1	0.1	0.1	0.1	0.0
Gross capital formation	1.1	3.3	4.7	3.8	3.3	2.0
Gross fixed capital formation	0.2	0.9	1.3	0.0	0.6	1.3
Change in inventories	0.9	2.4	3.3	3.7	2.6	0.7
Net exports	3.5	0.0	-3.7	-2.6	-0.8	-0.3
Exports of goods and services	13.8	14.8	4.7	9.4	10.6	6.9
Imports of goods and services	10.3	14.9	8.4	12.0	11.4	7.2
Statistical discrepancy	-0.5	-0.1	2.0	2.4	1.0	0.1

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

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

The growth in real GDP was stimulated mainly by increases in added value created in trade (14.6%), agriculture (14.2%), construction (10.8%), and industry (7.9%). The creation of added value declined most significantly in non-market services, which are currently in the process of restructuring (health services, social care, and education). Declines were also recorded in hotels and restaurants.

GDP creation

The continuing growth in added value in industry resulted from an upturn in manufacturing production and was also supported by electricity, gas, and water supply. In manufacturing, the growth in added value accelerated in the manufacture of machines, electrical equipment, and transport vehicles; food production; and in the manufacture of metals and metal products. The dynamic growth in added value in electricity, gas, and water supply was closely connected with the supply of energy for the accelerating growth in production.



Table 22 GDP Development by Sector
(index, same period a year earlier = 100, const. 1995 prices)

	<u>Q1 04</u>	<u>Q2 04</u>	<u>Q3 04</u>	<u>Q4 04</u>	<u>2004</u>	<u>Q1 05</u>
	Q1 03	Q2 03	Q3 03	Q4 03	2003	Q1 04
Gross domestic product	105.4	105.5	105.3	105.8	105.5	105.1
of which:						
Agriculture, forestry, and fishing	100.3	112.5	113.6	110.1	109.6	114.2
Industry in total	107.3	109.1	117.0	112.7	111.5	107.9
of which:						
Manufacturing	103.1	110.0	119.3	114.8	111.9	107.4
Electricity, gas, and water supply	135.0	102.4	101.3	95.3	111.3	110.5
Construction	109.4	104.9	122.5	110.4	111.8	110.8
Services in total	98.8	103.0	104.0	105.6	103.0	103.9
of which:						
Wholesale and retail trade, repairs	114.0	108.3	108.1	117.1	111.3	114.6
Financial mediation	138.2	133.4	163.1	95.2	130.1	100.6
Real estate, renting, and business activities	104.8	114.4	109.8	104.9	108.3	103.8
Public administration, defence, social security	94.6	93.1	84.7	102.4	93.8	102.8
Other ¹⁾	156.5	107.5	66.6	81.9	98.5	96.8

Source: Statistical Office of the SR.
1) Value added tax, excise duty, import tax, minus subsidies, and imputed production of banking services.

Within the scope of services, added value increased most significantly in wholesale trade, retail trade, and the repair of vehicles and consumer goods. The continuing growth in added value in this sector was a reaction to an increase in consumer demand in the household sector. After growing rapidly in the previous year, added value in financial mediation recorded a slowdown in the rate of growth.

The relatively stable position of the construction sector in the Slovak economy was confirmed in the first quarter by continued dynamic growth in added value, which caused an increase in fixed capital on the demand side. Added value in agriculture also continued to grow at a two-digit rate, owing to the participation of Slovakia in the re-allocation of funds within the European Union.

Total added value in the economy increased by 5.6% (compared with 1.3% in the first quarter of 2004). The contributions of production and service sectors to the growth in added value were relatively balanced.

Table 23 GDP Contributions to GDP Growth by Sector
(percentage points, constant 1995 prices)

	<u>Q1 04</u>	<u>Q2 04</u>	<u>Q3 04</u>	<u>Q4 04</u>	<u>2004</u>	<u>Q1 05</u>
	Q1 03	Q2 03	Q3 03	Q4 03	2003	Q1 04
Gross domestic product (in %)	5.4	5.5	5.3	5.8	5.5	5.1
of which:						
Agriculture, forestry, and fishing	0.0	0.6	0.8	0.4	0.5	0.6
Industry in total	2.1	2.4	4.2	3.3	3.0	2.3
of which:						
Manufacturing	0.7	2.3	4.2	3.4	2.7	1.7
Electricity, gas, and water supply	1.4	0.1	0.0	-0.1	0.3	0.5
Construction	0.3	0.2	0.8	0.4	0.4	0.4
Services in total	-0.7	1.7	2.3	3.2	1.7	2.1
of which:						
Wholesale and retail trade, repairs	1.5	1.2	1.2	2.0	1.5	1.7
Financial mediation	2.0	1.5	2.5	-0.3	1.4	0.0
Real estate, renting, and business activities	0.5	1.3	1.1	0.6	0.9	0.4
Public administration, defence, social security	-0.4	-0.5	-1.3	0.2	-0.5	0.2
Other ¹⁾	3.6	0.7	-2.8	-1.6	-0.1	-0.3

Source: NBS calculations based on data from the Statistical Office of the SR.
1) Value added tax, excise duty, import tax, minus subsidies, and imputed production of banking services.



Wages and Labour Productivity

In the first quarter of 2005, the average monthly nominal wage in the Slovak economy showed dynamic growth, i.e. a year-on-year increase of 10.2%, to Sk 16,022 (compared with 11.2% a year earlier). The general wage level was mainly determined by wage increases in manufacturing production (accounting for 25% of overall employment); agriculture; transport, post and telecommunications; real estate, renting, and business activities; and in the public sector.

**Dynamic growth
in average
nominal wages**

Nominal wages increased in all sectors of the national economy. Among production sectors, marked wage increases were recorded in manufacturing production (13%) and agriculture (13.2%), while wages in construction grew at a rate slower than 6%. In services, the steepest wage increases occurred in transport, post and telecommunications (9.6%); real estate, renting, and business activities (7.2%); and in trade and repair activities (6.5%). Relatively dynamic wage growth was also achieved in the public sector. Wages in public administration, defence and compulsory social insurance increased by 10.5%, in education by 9.6%, and in health services by 7.3%.

A marked year-on-year increase (7.2%) was recorded in the average real wage, which represented an acceleration of 4.5 percentage points in wage dynamics in comparison with the first quarter of 2004. The acceleration was caused exclusively by the lower inflation rate (2.8% in the first quarter of 2005 compared with 8.3% in the first quarter of 2004), since the growth in nominal wages decelerated in comparison with the first quarter of 2004.

**Marked increase
in the average
real wage**

Growth in real wages was achieved in all sector of the economy, with the largest increases being recorded in agriculture (10.1%), industry (9.1%), public administration and defence (7.5%), transport, post and telecommunications (6.6%), and in education (6.6%); the smallest in hotels and restaurants (0.3%) and financial mediation (1.8%).

**Growth in real wages
in all sector**

Table 24 Average Monthly Wages and Labour Productivity in the Slovak Economy

	2004					2005
	Q1	Q2	Q3	Q4	year	Q1
Nominal wage (Sk)	14,541	15,472	15,299	17,955	15,825	16,022
Nominal wage (index, same period a year earlier = 100)	111.2	109.6	108.8	111.0	110.2	110.2
Labour productivity of GDP (index, current prices)	113.1	110.6	108.2	108.7	110.1	105.0
Real wage (index)	102.7	101.3	101.2	104.4	102.5	107.2
Labour productivity of GDP (index, constant prices)	105.4	106.2	104.7	104.5	105.2	102.4
Wage minus productivity (percentage points)	-2.7	-4.9	-3.5	-0.1	-2.7	4.8
Consumer prices (average index)	108.3	108.2	107.5	106.4	107.5	102.8
ULC _{NBS} (year-on-year change in %)	5.5	3.2	3.9	6.2	4.8	7.6
RULC _{NBS} (year-on-year change in %)	-2.6	-4.7	-3.3	-0.1	-2.5	4.7
ULC _{ECB} (year-on-year change in %)	4.9	5.1	3.5	5.1	4.6	5.7
RULC _{ECB} (year-on-year change in %)	-3.0	-2.7	-3.4	-1.0	-2.6	3.0

Source: Statistical Office of the SR and NBS.
Note: RULC_{NBS} – CPI deflator, RULC_{ECB} – HICP deflator.

Labour productivity (GDP per employee) increased in nominal terms by 5.0% and in real terms by 2.4%. Compared with the first quarter of 2004, the rate of growth in productivity slowed in nominal terms by 8.1 percentage points and in real terms by 3 percentage points. This development was partly a consequence of slower GDP growth than a year earlier (in both nominal and real terms) and partly a result of dynamic growth in employment in the first quarter of the current year (employment in the same period a year earlier was stagnant). After a longer period (from the second quarter of 2002), the growth in labour productivity remained well behind the wage growth. In nominal terms, the difference amounted to 5.2 percentage points, in real terms it was 4.8 percentage points.

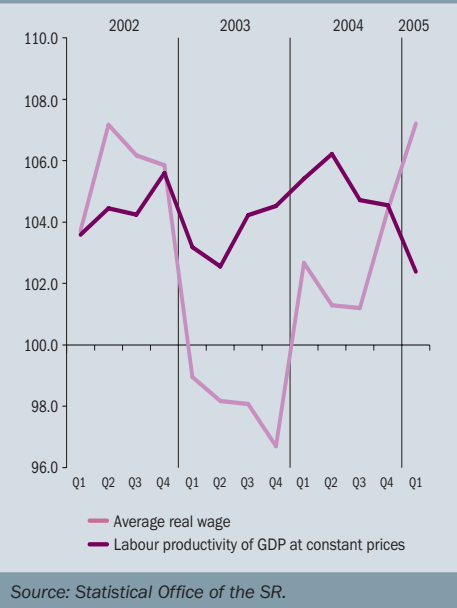
**Development
of labour productivity**

The relation between wage development and labour productivity was also reflected in unit labour costs according to NBS methodology (ratio of nominal wage growth to growth in real productivity), which followed the growing trend persisting since the second quarter of 2004. Real unit labour costs recorded positive year-on-year increases, for the first time since the end of 2002. A similar trend was recorded in unit labour costs according to ECB methodology (ULC_{ECB}), calculated as the ratio of growth in nominal

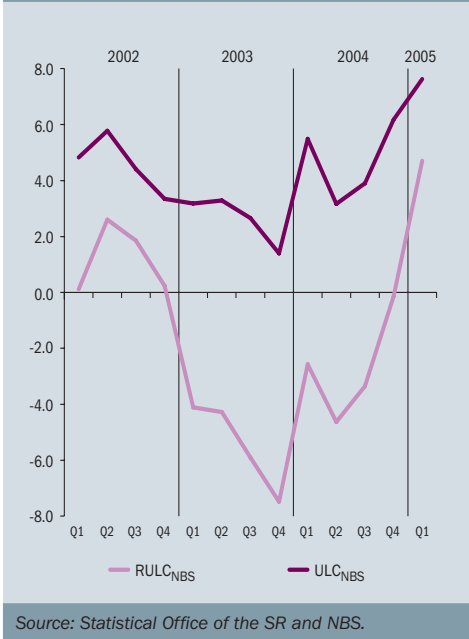
**Growth in unit
labour costs**



Graf 15 Developments in Real Wages and Real Labour Productivity (index, same period a year earlier = 100)



Graf 16 Developments in Unit Labour Costs (year-on-year change in %)



employee compensations to growth in real labour productivity (GDP per overall employment) from data from ESNA 95. Developments in wages and unit labour costs indicate that there is a gradual convergence between wage levels in Slovakia and the EU, while the growth in real unit labour costs confirms that the growth in labour productivity is lagging behind the growth in real wages, which may have a negative impact on the trade balance or exert increased demand-based inflationary pressure in the long term.

Income and Expenditure of Households

According to preliminary data from the Statistical Office of the SR, the current income of households increased during the first quarter of 2005 by 6.4% (in real terms by 3.5%), to Sk 258.3 billion. In nominal terms, the growth in current income was 0.7 of a percentage point slower than in the same period a year earlier. The current expenditure of households (paid to other sector and not used for direct consumption) dropped year-on-year by 2.2% (in real terms by 4.9%), to Sk 59.1 billion. In the same period a year earlier, current expenditure increased by 1.4%.

Slowdown in the growth of current income, ...

The growth in current income slowed, mainly as a result of a slowdown in the rate of growth in employee compensations and social benefits, and a year-on-year decline in income from property and current received transfers.

...accompanied by a fall in current expenditure

The fall in current expenditure was mainly connected with the substantial reduction in current tax rates for income and a slowdown in the growth of expenditure related to income from property. On the other hand, the growth in social contributions accelerated and other current paid transfers recorded an increase (in contrast to a decrease a year earlier).

With current expenditure being deducted from current income, the gross disposable income of households amounted to Sk 199.2 billion, representing a year-on-year increase of 9.3% (compared with 9.1% a year earlier). Of the disposable income, more than 96.1% was used for final consumption, the remainder went to gross savings. The dynamic growth in gross household savings this year (28.4%) was apparently affected by the low basis of comparison last year, and probably by the growth in household incomes. The accelerated growth in gross

Chart 17 Consumption and Saving Tendencies (share in %)

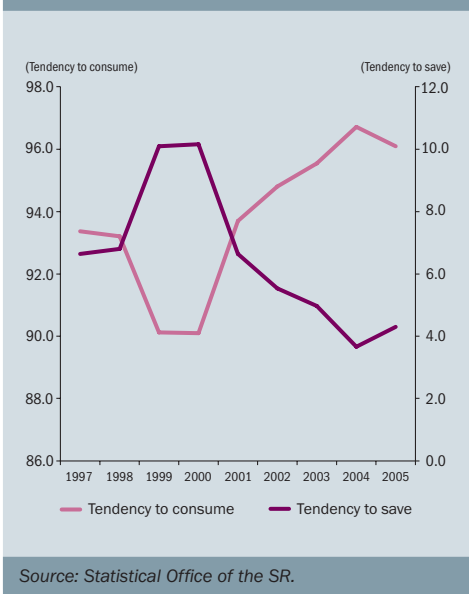




Table 25 Generation and Use of Incomes in the Household sector						
(current prices)						
	Sk billions		Indices ¹⁾		Share in %	
	Q1 04	Q1 05	Q1 04 Q1 03	Q1 05 Q1 04	Q1 04	Q1 05
Compensation of employees (all sectors)	120.6	130.8	108.8	108.5	49.7	50.6
of which: Gross wages and salaries	90.3	100.3	109.0	111.1	37.2	38.8
Gross mixed income	69.8	76.1	108.3	108.9	28.8	29.4
Income from property - received	7.3	5.3	91.7	73.0	3.0	2.1
Social security benefits	36.3	37.7	104.6	104.0	14.9	14.6
Other current transfers - received	8.9	8.5	100.9	96.2	3.6	3.3
Current income in total	242.8	258.3	107.1	106.4	100.0	100.0
Income from property - paid	2.1	2.8	147.7	135.8	3.4	4.8
Current tax on income, property, etc.	13.1	8.0	97.2	61.2	21.6	13.5
Social security contributions	38.7	40.9	101.5	105.8	63.9	69.2
Other current transfers - paid	6.6	7.4	99.3	111.4	11.0	12.5
Current expenditure in total	60.5	59.1	101.4	97.8	100.0	100.0
Gross disposable income	182.3	199.2	109.1	109.3	100.0	100.0
Adjustment for changes in the net equity of households in the reserves of pension funds	0.7	0.8	78.7	115.1	-	-
Final household consumption	176.3	191.4	110.5	108.6	96.7	96.1
Gross savings of households	6.7	8.6	80.2	128.4	3.7	4.3

Source: Statistical Office of the SR.
1) Indices based on figures expressed in millions of Sk.

Table 26 Gross Disposable Income						
(index, same period a year earlier = 100, current prices)						
	2004		2005			
	Q1	Q2	Q3	Q4	year	Q1
Gross disposable income	109.1	109.9	110.9	110.7	110.2	109.3
Final household consumption	110.5	110.1	111.2	110.9	110.7	108.6
Gross savings of households	80.2	101.2	98.2	109.6	101.7	128.4
Share of gross savings in gross disposable income (%)	3.7	4.0	3.0	12.8	6.2	4.3

Source: Statistical Office of the SR.

savings was reflected in the trend of development in gross household savings, which again recorded (after a long-term decline) an increase in the first quarter of 2005.

Employment and Unemployment

The growth in employment from the second half of 2004 accelerated in the first quarter of 2005, when its rate exceeded the 2% level. The number of people working in the Slovak economy determined on the basis of a labour force sample survey increased year-on-year by 2.3%, due mainly to an increase in the number of entrepreneurs (21.9%). The number of employees recorded a slight drop (0.1%, compared with a decrease of 1.8% in the same period a year earlier).

**Marked increase
in employment**

In a breakdown by sector, employment in the first quarter of 2005 grew more dynamically than a year earlier (according to statistical returns) in construction; hotels and restaurants; real estate, renting, and business activities; public administration and defence; and in other community, social, and personal services. Change from decline to growth was recorded in industry, wholesale and retail trade, including the repair of motor vehicles and consumer goods. The level of employment continued to fall in agriculture; transport, post and telecommunications; education; and health services.

The growth in employment was accompanied by a fall in unemployment. According to a labour force sample survey, the number of unemployed dropped year-on-year by 9.7% in the first quarter of 2005, while unemployment a year earlier increased by 6.0%. This development was, together with the falling labour supply, reflected in the rate of unemployment, which dropped in comparison with the same period a year earlier by 1.8 percentage points, to 17.5%.

Fall in unemployment

**Table 27 Employment and Unemployment** (average for the period)

	Q1	Q2	2004		year	2005
			Q3	Q4		Q1
Employees in the Slovak economy (according to statistical returns)						
in thousands	1,996.6	2,022.1	2,043.0	2,059.7	2,030.3	2,049.5
index (same period a year earlier = 100)	100.0	99.3	100.6	101.2	100.3	102.6
Workers according to LFSS ¹⁾						
in thousands	2,128.8	2,151.9	2,200.9	2,199.8	2,170.4	2,177.4
index (same period a year earlier = 100)	99.9	99.2	100.6	101.3	100.3	102.3
Registered unemployment rate in % ²⁾	16.4	14.5	13.3	12.8	14.3	13.1
Unemployment according to LFSS ¹⁾						
in thousands	511.5	489.4	466.9	455.1	480.7	461.9
index (same period a year earlier = 100)	106.0	109.5	104.0	99.3	104.7	90.3
Unemployment rate according to LFSS ¹⁾ in %	19.3	18.5	17.5	17.1	18.1	17.5

Source: Statistical Office of the SR.
1) LFSS – labour force sample survey.
2) NBS calculations based on monthly data from Offices for Labour, Social Matters, and Family.

Table 28 Developments in Employment by Sector¹⁾ (index, same period a year earlier = 100)

	Q1	Q2	2004		year	2005
			Q3	Q4		Q1
Total	100.0	99.3	100.6	101.2	100.3	102.6
Agriculture, hunting, and forestry	91.5	86.6	91.7	94.5	91.0	95.4
Industry	99.1	99.8	100.5	102.3	100.4	103.4
Mining and quarrying	90.4	89.8	90.2	94.5	91.2	94.8
Manufacturing	99.7	100.5	101.1	103.0	101.1	104.5
Electricity, gas, and water supply	94.5	94.1	95.9	95.6	95.0	92.8
Construction	103.8	102.5	102.2	102.4	102.7	106.4
Wholesale and retail trade, repair of motor vehicles, motorcycles, and consumer goods	99.8	99.2	101.9	103.3	101.0	104.6
Hotels and restaurants	102.3	101.6	101.7	101.8	101.9	103.2
Transport, storage, post and telecom.	97.3	98.2	99.4	100.2	98.8	98.9
Financial mediation	103.4	101.1	101.0	100.8	101.6	101.3
Real estate, renting, and business activities	102.4	103.3	106.3	101.6	103.4	107.7
Public administration and defence, compulsory social insurance	102.1	100.5	101.0	101.6	101.3	103.2
Education	99.7	98.9	96.4	96.4	97.8	98.7
Health and social services	99.3	98.2	98.6	99.4	98.8	97.6
Other community, social and personal services	105.7	101.5	104.8	102.5	103.6	108.0

Source: Statistical Office of the SR.
1) According to statistical reports.

According to labour office registers, the average unemployment rate in the first quarter of 2005 was 13.1% (compared with 16.4% a year earlier). This figure was relatively high in comparison with the level determined by the sample survey, which can be explained by the differences between the applied methodologies and by differing definitions of unemployment. However, the trends of development in unemployment according to the two sources of data were practically identical.

One of the factors affecting the rate of unemployment in the first quarter of 2005 was the falling labour supply, when the number of economically active persons decreased by 6,000 on a year-on-year basis. The decrease took place in younger age groups, i.e. persons aged 15 to 29 years, and persons aged 35 to 39 and 45 to 49. The number of economically active persons in the above age groups dropped year-on-year by 51,700 and their share in the country's total economically active population decreased to 54.0% (from

Chart 18 Unemployment Rate (%)



Source: Statistical Office of the SR and Labour Offices.
Note: LFSS – labour force sample survey.

55.8% in the same period a year earlier). A steep year-on-year increase was maintained in the group of economically active persons aged over 55 years, who accounted for 7.0% of the total (compared with 5.9% a year earlier).

Financial Results of Corporations

In the first quarter of 2005, according to preliminary data, non-financial and financial corporations generated a total profit of Sk 64.1 billion, which was 32.1% more than in the same period a year earlier. Of this amount, the profits of non-financial corporations accounted for Sk 50.5 billion, representing a year-on-year increase of 6.8%. After sustaining losses for three years, financial corporations achieved a profit of Sk 13.6 billion.

Positive financial results were achieved in almost all branches of the non-financial sector under review. The dominant part of the profit was generated in electricity, gas, and water supply and manufacturing production, which also made a substantial contribution to its year-on-year growth.

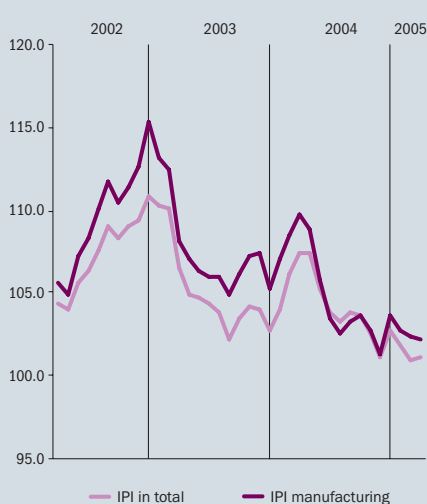
Table 29 Financial Results of Corporations

(Sk millions, current prices)

	Q1 2005	Index Q1 2005 Q1 2004
Profit or loss (before tax)		
Non-financial and financial corporations in total	64,056	132.1
Non-financial corporations	50,516	106.8
Financial corporations	13,540	11.2x

Source: NBS and Statistical Office of the SR.
Note: In the line 'financial corporations', 11.2x means a 11.2-fold increase.

Chart 19 Development of Industrial and Manufacturing Production (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: IPI – Industrial Production Index

The positive change in the results of financial institutions was mainly caused by the strong performance of financial institutions, which achieved a profit of Sk 10.1 billion (compared with a loss of Sk 2.1 billion in the previous year). Financial intermediaries made a profit of Sk 2.5 billion, insurance corporations and pension funds Sk 1 billion.

Current Developments

Production and Receipts

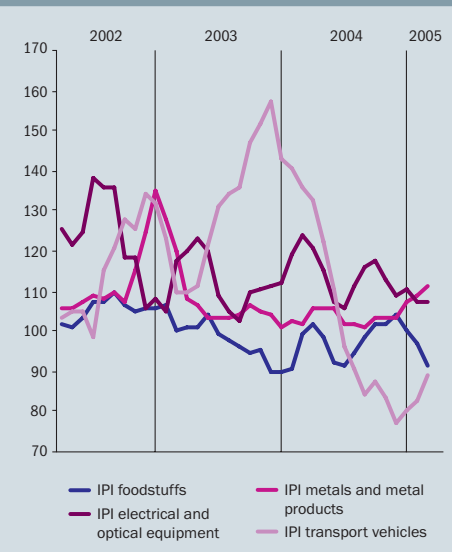
After falling on a year-on-year basis in March, industrial production in April was 5.1% higher than in the same period a year earlier. This development was affected by a 6.6% growth in manufacturing production, while production in mining and quarrying, electricity, gas, and water supply continued to decline.

In manufacturing, production grew at a faster rate than in March in timber processing and the manufacture of wood products; manufacture of pulp, paper, and paper products; manufacture of metals and metal products, machinery and equipment; and in the manufacture of electrical and optical equipment. Renewed growth in production was

Renewed growth in industrial production



Chart 20 Development of Industrial Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Chart 21 Receipts from Retail Sales and the Sale of Motor Vehicles and Fuel (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Table 30 Production and Receipts

	Sk millions, curr. prices		Indices			
	Apr. 2005	Cumul. since beginning of year	Mar. 2005 Mar. 2004	Apr. 2005 Apr. 2004	Apr. 2004 Apr. 2003	Jan. - Apr. 2005 Jan. - Apr. 2005
Production						
Industrial production index ¹⁾	-	-	98.0	105.1	104.7	101.9
of which:						
Mining and quarrying	-	-	89.7	92.6	84.5	91.5
Manufacturing	-	-	98.6	106.6	106.4	103.2
Electricity, gas, and water supply	-	-	95.9	98.2	99.3	96.8
Construction ²⁾	8,981	28,823	108.1	117.9	102.4	114.2
of which:						
Construction in Slovakia	8,488	27,118	106.0	117.7	102.8	113.1
Construction abroad	493	1,705	149.1	122.3	96.6	134.3
Receipts from own-output and goods						
Industry in total ³⁾	126,533	492,554	98.0	104.4	110.3	101.8
Construction ²⁾	13,026	41,314	101.6	112.5	109.3	105.7
Retail trade ³⁾	30,469	115,779	108.1	106.8	107.4	108.6
Sale and maintenance of vehicles, retail sale of fuels ³⁾	13,442	46,947	101.5	103.1	109.5	103.1
Transport, storage ³⁾	9,456	32,799	104.9	110.3	120.5	106.0
Real estate, leasing, and business services ³⁾	15,994	60,387	104.6	108.4	99.9	104.8

Source: Statistical Office of the SR.

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).

recorded in leather processing and the manufacture of leather products; manufacture of chemicals, chemical products, including fibres; manufacture of rubber and plastic products; manufacture of other non-metal mineral products; and, after nine months of decline, in the manufacture of transport vehicles.



The rate of growth in construction accelerated in April to a significant extent (to 17.9%, from 8.1% in March), due to growth in both domestic production and in construction projects abroad. In domestic production, marked growth was recorded in the volume of new construction projects and construction repair and maintenance work.

Accelerated growth in construction

In April, receipts continued to increase in all sectors under review. Retail sales receipts grew at a slower rate than in March, as a result of a continued decline in receipts from retail trade in foodstuffs, pharmaceuticals and cosmetics, and a slower growth in receipts in non-specialised shops and specialised retail trade.

Receipts from selected services

The rate of growth in receipts from the sale and maintenance of motor vehicles accelerated, mainly as a result of an increase in proceeds from the sale of motor vehicles and fuels.

The receipts of entities involved in real estate, renting, and other business services also grew at a faster rate than in March, and thus positively affected the growth in receipts in all sectors.



Consumer Confidence Indicator

The consumer confidence indicator continued to improve in May and achieved the most favourable value (-10.3 points) since April 1999, when it was first measured. This represented a month-on-month improvement of 0.2 of a point. Compared with the previous month, a marked improvement was recorded in the indicator of expected development in unemployment. The other components (the indicators of expected household savings, expected financial situation of households, and expected economic development in the SR) showed a moderate deterioration. Compared with the same period last year, the consumer confidence indicator has improved by 12.6 points.

Modest improvement in consumer confidence

Wages and Unemployment

In April, the year-on-year growth in nominal wages slowed in comparison with March in most sectors under review. The dynamic wage growth continued in real estate, leasing, business, and other business services (at the fastest rate since the beginning of the year), and in wholesale trade, post and telecommunications. Hotels and restaurants also recorded a marked wage growth for the second consecutive month.

Nominal wages

Table 31 Wage Development by Sector (index, same period of the year earlier = 100)

	Average monthly nominal wage				Average monthly real wage			
	April		January - April		April		January - April	
	2004	2005	2004	2005	2004	2005	2004	2005
Industry	109.3	105.3	110.4	110.4	101.2	102.5	102.0	107.4
Construction	109.2	105.5	108.9	105.7	101.1	102.7	100.6	102.8
Retail trade	109.7	105.4	113.1	107.3	101.6	102.6	104.4	104.4
Wholesale trade	111.1	110.5	111.3	111.2	102.9	107.6	102.8	108.2
Real estate, leasing, and other business services	106.5	114.6	107.7	112.9	98.7	111.6	99.5	109.8
Transport	110.5	103.9	110.3	107.2	102.3	101.2	101.9	104.3
Post and telecommunications	120.2	110.6	121.3	109.0	111.3	107.7	111.7	105.0
Consumer prices	108.0	102.7	108.3	102.8	-	-	-	-

Source: Statistical Office of the SR.
 Notes: The above sectors accounted for 65% of total employment in 2004 (on average).
 Real wage index = nominal wage index / consumer price index.



During the first four months of 2005, average nominal wages grew at a slower rate than in the same period a year earlier in most sectors. Stronger growth than a year earlier was only recorded in real estate, leasing, and other business services, and in hotels and restaurants. Industry achieved a nominal wage growth at the level of the same period a year earlier.

Real wages The average real monthly wage in the first four months of 2005 exceeded the level of the same period a year earlier in all sectors under review. Marked year-on-year growth in real wages was recorded in wholesale trade, real estate, renting, and other business services; the weakest growth was reported from construction. The 12-month dynamics of real wages increased in comparison with the same period a year earlier in most sectors, in connection with the substantially lower inflation rate, while nominal wages showed weaker dynamics than a year earlier.

Labour productivity and wages In the first four months of the year, the relationship between wages and labour productivity (based on receipts from own-output and goods) followed a different course of development in the individual sectors. In sectors, where labour productivity is monitored at current prices, productivity grew at a faster rate than nominal wages in transport, post and telecommunications, while nominal wages in wholesale trade grew almost twice as fast as labour productivity. It is possible that the slower growth in labour productivity in this sector was associated with the steep increase in employment, accompanied by dynamic growth in receipts.

In real terms, labour productivity grew at a faster rate than real wages in construction only, where, despite a steep increase in receipts and employment, wages grew at a moderate rate. In retail trade, real wages grew at a faster rate than labour productivity. Despite a fall in productivity, real wages in industry, real estate, renting, and other business services showed relatively strong dynamics. In the light of developments in receipts and employment in these sectors, we may assume that the fall in labour productivity was a result of slower growth in receipts than in employment.

Table 32 Wages, Labour Productivity, and Employment in January to April 2005
(index, same period a year earlier = 100)

	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and telecom.
Wages							
– nominal	110.4	105.7	111.2	107.3	112.9	107.2	109.0
– real	107.4	102.8	108.2	104.4	109.8	104.3	106.0
Labour productivity							
– nominal	–	–	105.9	–	–	109.9	114.0
– real	98.9	107.3	–	101.6	98.1	–	–
Productivity minus wages (% points)							
– nominal	–	–	-5.3	–	–	2.7	5.0
– real	-8.5	4.5	–	-2.8	-11.7	–	–
Number of employees							
– persons	564,790	135,684	120,551	134,778	134,007	86,095	27,788
– year-on-year index	103.0	106.4	114.8	106.9	106.8	96.5	93.8

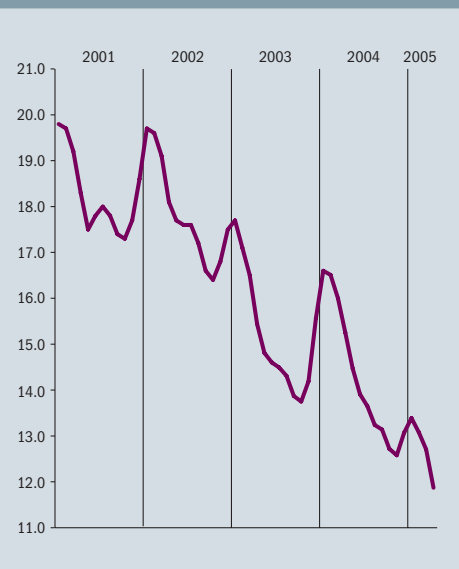
Source: Statistical Office of the SR.

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

Employment Employment continued to grow in most sectors under review in April. Faster growth than in March was recorded in employment in construction, the sale and maintenance of motor vehicles, retail trade, hotels and restaurants, and in real estate, renting, and other business services. The rate of growth in employment slowed in industry and wholesale trade. At the same time, employment continued to fall in transport, post and telecommunications. During the first four months of 2005, employment grew most dynamically in average terms in wholesale and retail trade; construction; and in real estate, leasing, and other business services.

Unemployment Unemployment continued to fall in April, when the number of unemployed dropped by 24,400 in comparison with March, to 344,200 at the end of the month. Of this figure, the number of disposable unemployed, who may start working immediately, accounted for 307,000, which was almost 22,000 less than in the previous month. The rate of registered unemployment stood at 11.9% in April. This was

Chart 23 Registered Unemployment Rate (%)



Source: Statistical Office of the SR.

0.8 of a percentage point less than in the previous month, and 3.4 percentage points less than in April 2004.

In April, 21,200 new unemployed signed on at offices for labour, social, and family matters (compared with 20,100 in March), and more than 45,000 persons were removed from the registers (compared with 30,900 in March). Approximately 14% of these persons were removed from the registers for unwillingness to cooperate, and more than 70% of them found employment.

In April, the average length of registration decreased month-on-month by 0.13 of a month (to 11.93 months) and in comparison with last April by 0.47 of a month. The share of long-term unemployed (out of work for more than 12 months) in the total number of job seekers reached 53.5% in April.



4. Monetary Developments

4.1. Foreign Exchange Market

Operations on the foreign exchange market

Over the course of May, the exchange rate of the Slovak koruna against the euro strengthened by 1.4% (from SKK 39.636/EUR to SKK 39.068/EUR), while the average rate appreciated by 0.3%. In relation to the US dollar, the koruna weakened by 2.4% (from SKK 30.667/USD to SKK 31.213/USD), while depreciating in average terms by 1.4%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 531.77 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

The National Bank of Slovakia conducted no foreign exchange intervention in May.

Table 33 Changes in the SKK/EUR and SKK/USD Exchange Rates

(%)

	Month-on-month change	Ø May 2005 Ø May 2004	Ø Jan. - May 2005 Ø Jan. - May 2004
SKK/EUR	-1.4	-2.9	-4.4
SKK/USD	2.4	-8.4	-9.6

Source: NBS.

Note: - appreciation of the SKK, + depreciation of the SKK, Ø average.

Interbank foreign exchange market

The volume of trading on the interbank foreign exchange market totalled USD 53,489.8 million, representing an increase of 4.7% compared with the figure for April (USD 51,092.3 million). Of the total volume of trading, 86.6% took place in swap transactions, which were conducted mostly in USD (95.2%). Spot transactions accounted for 13.5% of the total turnover (97.6% of the deals were in EUR). The average daily turnover on the spot market reached USD 325.87 million and the average volume per transaction amounted to USD 2.02 million.

The volume of transactions between domestic commercial banks increased, from USD 7,309.8 million in April to USD 7,788.5 million in May. Most trading took place in USD (65.1%, compared with 51.3% in April), followed by EUR (34.0%, compared with 47.5% in April) and other currencies (0.9% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 14.7% of the total volume traded on the interbank foreign exchange market (compared with 14.3% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 77.4% (67.1% in April) and spot transactions 22.3% (32.8% in April).

The volume of trading between domestic and foreign banks increased by 3.5%, from USD 43,780.2 million to USD 45,299.7 million. Most trading was again conducted in USD (84.1%, compared with 75.6% in April), followed by EUR (15.2%, compared with 23.9% in April), and other currencies (0.7%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 85.3%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (86.6%, compared with 78.2% in April), while spot transactions accounted for 12.0% (13.6% in April). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 1.2% of the volume traded with foreign banks.

Slovak-koruna deposits of non-resident banks

In April, the koruna deposits of non-resident banks decreased in comparison with March by Sk 2.2 billion, while increasing year-on-year by Sk 75.5 billion.

Government securities held by non-residents

The volume of government securities held by non-residents decreased month-on-month by Sk 4.6 billion in May, of which government bonds accounted for Sk 3.9 billion and SR Treasury bills Sk 0.7 billion. In the second half of the month, the share of non-residents in the total holdings of government bonds decreased to ca 26% and their share in Treasury-bill holdings dropped to 4.1%.

	2003		2004		2005				
	31.12.	30.4.	31.5.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.
Koruna liabilities	18.2	29.0	32.5	46.4	55.2	75.1	106.7	104.8	.
of which: banks	14.0	24.5	28.2	42.1	50.8	70.6	102.1	100.0	.
non-bank clients	4.2	4.5	4.3	4.3	4.4	4.5	4.5	4.9	.
Government securities	34.3	48.1	53.5	66.8	71.2	65.1	86.4	90.9	87.0
of which: Government bonds	33.8	42.5	49.0	60.9	65.2	60.2	84.0	88.0	84.1
SR Treasury bills	0.5	5.6	4.5	6.0	5.9	4.9	2.4	2.9	2.2
Total	52.5	77.1	86.0	113.2	126.3	140.2	193.0	195.7	.

Source: NBS and CDCP SR.

4.2. Money Market and Monetary Policy Implementation

At its meeting on 24 May 2005, the Bank Board of the NBS decided to leave its key interest rates unchanged.

Average money market interest rates increased in May, for all maturities.

Interbank market rates

The initial changes in deposit prices were reactions to the statement of NBS officials concerning the predicted course of monetary development and the diminishing room for a cut in key interest rates. The most significant changes were recorded in one- to three-month deposit rates, which increased by more than 10 basis points. The one-month deposit rate approached the level of the limit rate for repo tenders.

Subsequent trading on the money market was affected by expectations relating to an auction in three-month NBS bills. The volume accepted at the auction was higher than interbank liquidity and the price of overnight deposits exceeded 4%. The subsequent reduction in demand at tenders created room for a fall in rates for the shortest maturities. An auction in a re-opened government-bond issue, at which a higher volume was accepted than expected, affected the level of longer-term rates through a price increase.

The transfer of Treasury funds from accounts kept with the NBS into the banking sector in the middle of May had a pro-liquidity effect and caused the prices of shortest-term deposits to fall below 2.5%. Subsequently, owing to a due issue of SR eurobonds, a marked drop occurred in the volume of koruna liquidity on the interbank market, as a result of which the shortest-term rates again rose above 3.3% and medium-term rates also increased, to a lesser extent.

Chart 24 Developments in Interbank Offered Rates (BRIBOR)



Money market developments at the end of the month were affected by the comments of the NBS Board on the decision concerning interest rates. Although the banking sector expected no changes in key interest rates, a statement of concern over wage developments was perceived by the banking sector as a warning that the NBS may react to such developments in the future. As a result of this, the longest-term money market rates increased and the slope of the yield curve fell. The negative expectations concerning the result of the French referendum on the EU constitution at the end of May caused anxiety on the money market. Owing to concern that foreign banks may close their koruna positions, domestic banks increased the prices of six- to twelve-month deposits.

The volume of trading on the interbank money market reached Sk 1,794 billion in May (compared with Sk 1,614 billion in April). Reference banks accounted for 88.4% of the total turnover (an increase of 3.6%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 70.0% and 30.0% respectively. Within the structure of interbank



transactions by type, domestic banks achieved the largest share in deposit transactions (35.3%) and foreign banks in forward rate agreements (100.0%).

	Deposit	Repo	Swap	FRA	IRS
April 2005	935	0	662	9	8
May 2005	975	0	805	2	12

Source: NBS.

Liquidity The average sterilisation position of the NBS vis-à-vis the banking sector dropped, from Sk 442.1 billion in April to Sk 428.3 billion in May. The most important factors behind the fall in the need for sterilisation in May was the absorption of liquidity in the banking sector through NBS foreign exchange interventions (Sk 12.5 billion) and the transfer of funds from ARDAL to the NBS for the purpose of external debt service (approximately Sk 30 billion). The impact of the above factors was partly offset by the pro-liquidity effect of funds from a due time deposit of the SR Treasury at the NBS, earmarked for the pension reform, transferred from the NBS to the Treasury in the amount of Sk 21 billion. Of the total volume of sterilisation, repo tenders accounted for 84.5%, NBS bills 14.8%, and overnight transactions 0.7%.

At the end of May, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 426.3 billion. The overall sterilisation position of the NBS (including Treasury and FNM deposits at the NBS) amounted to Sk 429.6 billion at the end of May.

	O/N repo	O/N deposit	NBS bill	Repo tender
April 2005	0	-14,656	-30,333	-397,085
May 2005	4,394	-1,580	-64,355	-366,734

Source: NBS.
Note: + inflow of liquidity, - outflow of liquidity.

Repo tenders The NBS announced four sterilisation repo tenders for May and accepted in full the bank bids at each tender. The lower demand at the first tender (a fall of Sk 12.5 billion) indicated that banks were accumulating funds for an expected auction in three-month NBS bills. After the auction, banks had a shortage of daily liquidity, which they attempted to solve by reducing their bids at the second tender (by Sk 38.3 billion). Despite an unexpected inflow of funds from Treasury accounts held at the NBS into the banking sector, demand at the third tender hovered around the level of the due amount. The subsequent liquidity shortage in the banking sector was caused by a transfer of funds to the NBS for the needs of national debt service. Banks reacted to this situation by reducing their bids at the last tender (by Sk 11.6 billion). The share of repo tenders of the total volume of transactions decreased by 5.3%.

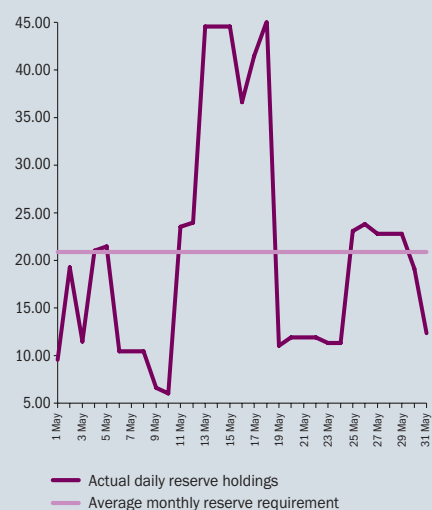
Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
4.5.2005	SRT	14	186,110	2.98	3.00	3.00
11.5.2005	SRT	14	169,888	2.98	3.00	3.00
18.5.2005	SRT	14	185,738	2.98	3.00	3.00
25.5.2005	SRT	14	158,267	2.98	3.00	3.00

Source: NBS.
1) SRT – Sterilisation repo tender.

NBS treasury bills The NBS announced one NBS-bill auction for May. Total demand reached Sk 37.5 billion, of which the NBS accepted Sk 35 billion. The average yield achieved (2.91%) was 24 basis points higher than the three-month BRIBOR rate fixed on auction-day. The share of NBS bills of the total volume increased by 8.0%.



Chart 25 Fulfilment of Reserve Requirements by Banking Sector in May 2005 (Sk billions)



Source: NBS.

In May, banks used both types of overnight transactions. The consequences of large-volume transfers between accounts held at the NBS and the Treasury and efforts to succeed at NBS-bill auctions were solved by banks through increased refinancing, reaching a maximum amount of Sk 27.3 billion, at the beginning of the month. This amount also represented a historical maximum in overnight refinancing transactions. In periods of daily liquidity surpluses, banks deposited their surplus funds with the NBS, with the largest amount being deposited on the last working day of the month (Sk 12.3 billion).

Overnight transactions

For May 2005, the amount of required minimum reserves in the banking sector was set at Sk 20.86 billion. By the end of the month, the reserve requirement had been fulfilled to 100.08%.

Reserve requirements

Developments in Money Market Interest Rate Derivatives

Trading in FRA (Forward Rate Agreement) contracts dropped to a minimum in May, when transactions were conducted on one day only. They took place in FRAs with three- and six-month maturities. The gradual

Trading in FRAs

changes in FRA prices resulted from technical corrections made in view of the current developments on the financial market.

In contrast to FRA contracts, IRS (Interest Rate Swap) contracts were traded more frequently in May. Transactions were concluded mostly with one-year to ten-year maturities. Maturities over three years recorded a fall, while maturities from one to three years showed minimum volatility. The initial drop in seven- to ten-year IRS prices was affected by an issue of seven-year government bonds. The re-opening of a government-bond issue in the second half of May left IRS prices virtually unaffected.

Trading in IRSs

The course of implicated rates was affected at the beginning of May by statements made in connection with the decision of the Bank Board concerning the key interest rates of the NBS from the end of April. Since there was a growing belief that the key rates will be raised, the price of longer-term rates increased. The fall in the slope of the yield curve was reflected in the implicated expectations of a fall of 25 basis points within a period of nine months. The shortage of daily liquidity after an NBS-bill issue and the

Implicated yield curves of BRIBOR rates

Chart 26 Daily Developments in Forward Rate Agreements Prices (% p.a.)



Source: Reuters.

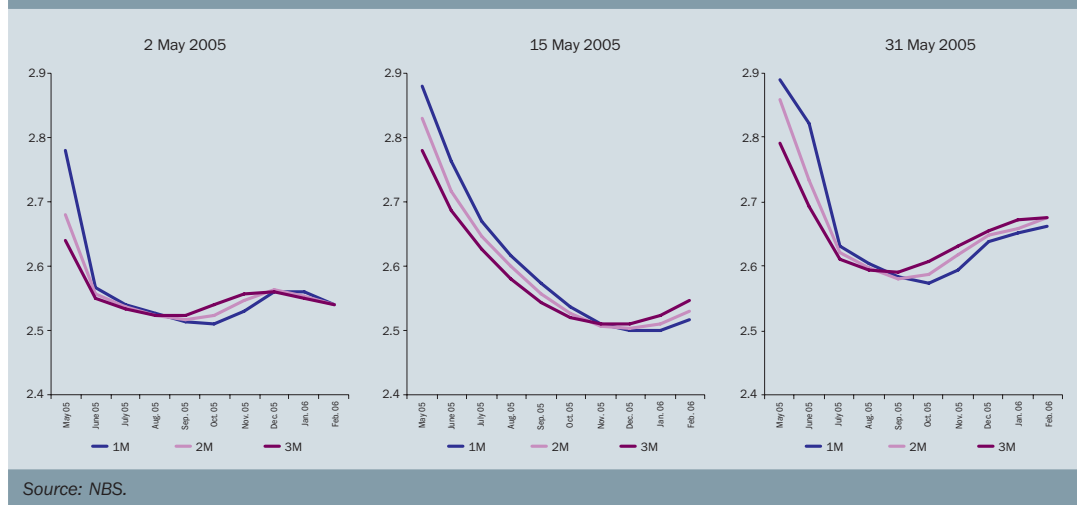
Chart 27 Daily Developments in Interest Rate Swaps Prices (% p.a.)



Source: Reuters.



Chart 28 Implied Yield Curves of BRIBOR Rates



interest of banks in the purchase of medium-term maturities, caused their price to increase. Another rise in the slope of the yield curve deepened the implicated expectations of a possible interest rate cut of 40 basis points within seven months. The Bank Board's end-of-month announcement that the key rates of the NBS will be left unchanged and the statement about a disproportionate wage growth led to an increase in the level of long-term rates, including implicated expectations reduced below the level of 35 basis points for the period of the next nine months. A comparison of FRA prices with money market rates, which were below the price of FRA contracts at the end of May, shows that there is room for a future increase in money market rates.

4.3. Customer Interest Rates in April 2005

Customer interest rates Developments in customer interest rates in April were characterised by different trends in rates for households and non-financial corporations. Lending rates for households recorded a fall, while the rates for loans to non-financial corporations increased. Interest rates on household deposits were stagnant, while deposit rates for non-financial corporations rose somewhat.

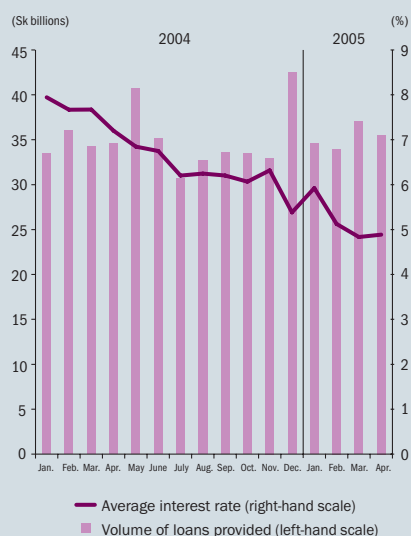
Average interest rates on new loans The average interest rate on loans to non-financial corporations rose slightly in April (by 0.06 of a percentage point), due to increases in the prices of loans with all initial rate fixation periods, except for fixation for over 10 years (a fall of 0.25 of a point). Interest rates increased significantly on loans with a fixation period of 1 to 5 years (by 0.73 of a point) and loans with a fixation period of 5 to 10 years (by 0.49 of a point).

Table 38 Average Interest Rates on New Loans to Non-Financial Corporations

	Interest rate in %				Change in % points		
	Apr. 2004	Dec. 2004	Mar. 2005	Apr. 2005	Year-on-year	against Dec. 2004	Month-on-month
Floating rate + IRF ¹⁾							
of up to 1 year inclusive	7.22	5.38	4.82	4.86	-2.36	-0.52	0.04
IRF of over 1 year							
and up to 5 years inclusive	6.75	5.74	5.05	5.78	-0.97	0.04	0.73
IRF of over 5 years							
and up to 10 years inclusive	7.24	5.20	4.97	5.46	-1.78	0.27	0.49
IRF of over 10 years	8.28	6.07	4.87	4.62	-3.66	-1.45	-0.25
Loans up to EUR 1 million	5.92	5.35	4.53	4.79	-1.14	-0.57	0.26
Loans of over EUR 1 million	6.60	4.19	3.43	3.58	-3.02	-0.62	0.15
Total	7.20	5.38	4.83	4.89	-2.31	-0.50	0.06
Total, excluding current account overdrafts	6.21	4.52	3.93	4.09	-2.12	-0.44	0.16

Source: NBS.
1) Initial rate fixation.

Chart 29 Bank Lending to Non-Financial Corporations



Source: NBS.

In a breakdown by purpose, interest rates on operating loans increased (by 0.24 of a point), while the rates for other types of loans were stagnant in April.

On a year-on-year basis, interest rates on loans to non-financial corporations dropped by 2.31 percentage points, with drops being recorded in rates for all fixation periods, especially for loans with a floating rate and an initial rate fixation (IRF) of up to 1 year.

Interest rates on new loans to households continued to fall in April. Lending rates fell month-on-month by 0.32 of a percentage point as a result of drops in interest levels for loans with all fixation periods, especially for loans with a floating rate and an IRF of up to 1 year.

In a breakdown by purpose, the sharpest drops were recorded in interest rates on mortgage loans (0.58 of a point), especially on loans with a floating rate and an IRF of up to 1 year and an IRF of over 10 years. The prices of current account overdrafts and consumer loans also fell slightly.

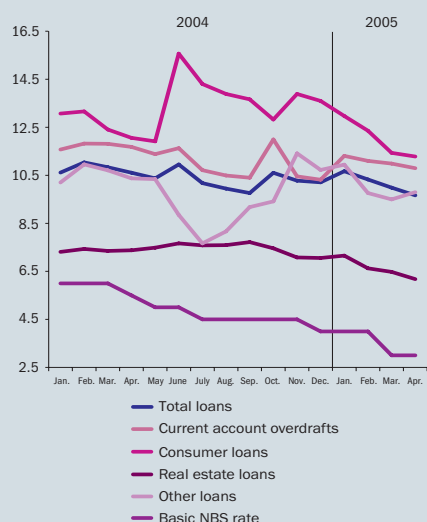
On a year-on-year basis, interest rates on loans to households fell by 0.94 of a point, mainly as a result of drops in the prices of real estate loans and current account overdrafts.

Table 39 Average Interest Rates on New Loans to Households

	Interest rate in %				Change in % points		
	Apr. 2004	Dec. 2004	Mar. 2005	Apr. 2005	Year-on-year	Against Dec. 2004	Month-on-month
Current account overdrafts	11.69	10.32	10.99	10.80	-0.89	0.48	-0.19
Consumer loans	12.06	13.60	11.44	11.28	-0.78	-2.32	-0.16
Real estate loans	7.38	7.06	6.48	6.17	-1.20	-0.88	-0.31
of which: mortgage loans	7.32	6.76	5.95	5.37	-1.95	-1.39	-0.58
Other loans	10.37	10.73	9.50	9.80	-0.58	-0.93	0.30
Total	10.61	10.21	9.99	9.67	-0.94	-0.54	-0.32
Total, excl. current account overdrafts	9.52	10.04	8.26	7.97	-1.56	-2.08	-0.29

Source: NBS.

Chart 30 Interest Rates on Loans to Households by Type (%)



Source: NBS.

The average interest rate on deposits from non-financial corporations rose slightly in April (by 0.13 of a percentage point), owing to an increase in rates for deposits with an agreed maturity of up to 1 year. Interest rates on savings deposits and deposits redeemable on demand were more or less stagnant.

Average interest rates on new deposits

On a year-on-year basis, the average interest rate on deposits from non-financial corporations fell by 1.84 percentage points, mainly due to drops in interest rates on deposits with an agreed maturity of up to 1 year and savings deposits.



Table 40 Average Interest Rates on New Deposits from Non-Financial Corporations

	Interest rate in %				Change in % points		
	Apr. 2004	Dec. 2004	Mar. 2005	Apr. 2005	Year-on-year	Against Dec. 2004	Month-on-month
Deposits payable on demand	1.58	0.89	0.76	0.72	-0.87	-0.17	-0.04
Deposits with an agreed maturity							
of up to 1 year	4.94	3.29	2.34	2.48	-2.45	-0.81	0.15
of over 2 years	2.73	2.92	-	0.70	-2.03	-2.22	-
Savings deposits redeemable at a period of notice							
of up to 3 months	3.27	2.20	1.20	1.22	-2.05	-0.98	0.02
of over 3 months	3.32	2.38	1.44	1.37	-1.95	-1.00	-0.07
Total	3.34	1.88	1.37	1.50	-1.84	-0.38	0.13

Source: NBS.

Table 41 Average Interest Rates on New Household Deposits

	Interest rate in %				Change in % points		
	Apr. 2004	Dec. 2004	Mar. 2005	Apr. 2005	Year-on-year	Against Dec. 2004	Month-on-month
Deposits payable on demand	0.97	0.58	0.44	0.43	-0.54	-0.15	-0.01
Deposits with an agreed maturity							
of up to 1 year	3.05	2.32	1.71	1.69	-1.36	-0.63	-0.02
of over 2 years	3.26	2.66	2.14	2.08	-1.18	-0.58	-0.06
Savings deposits redeemable at a period of notice							
of up to 3 months	2.96	1.79	1.10	1.07	-1.90	-0.72	-0.03
of over 3 months	2.19	1.16	0.91	0.94	-1.25	-0.22	0.03
Total	1.79	0.94	0.68	0.66	-1.13	-0.27	-0.02

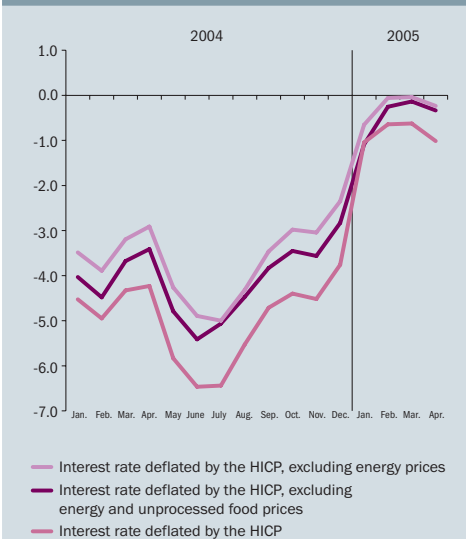
Source: NBS.

The average interest rate on household deposits (all maturities) remained virtually unchanged in April.

On a year-on-year basis, interest rates on household deposits fell by 1.13 percentage points, mainly as a result of drops in interest rates on deposits with an agreed maturity of up to 1 year and savings deposits redeemable at a period of notice of up to 3 months.

Real interest rates The real interest rate on household deposits, calculated by deflating the rate of interest on the volume of one-year household deposits by HICP inflation, reached a negative figure in April (-1.01%), which represented a fall of 0.38 of a percentage point in comparison with the previous month. This development was affected by a modest rise in inflation (HICP) and/or its stagnation (HICP excluding energy prices and HICP excluding energy and non-processed food prices), while interest rates on household deposits fell.

Chart 31 Real Interest Rates on Household Deposits (%)



Source: NBS and the Statistical Office of the SR.

ANNEXES

1. Return on Foreign Direct Investment

The National Bank of Slovakia decided to extend the balance of payments to include reinvested earnings from foreign direct investment (with effect from 2005), in accordance with the international standards.

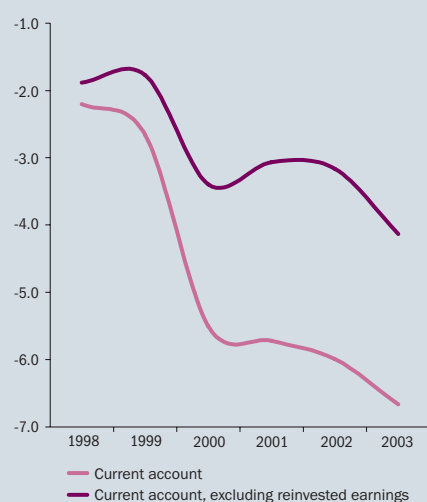
Before 2005, reinvested earnings had not been included in the balance of payments on current account. Reinvested earnings were recorded in the financial account only, under the 'foreign direct investment' item, on the basis of data reported from the corporate sector in the DEV 1-12 monthly report (annual data from this report contained values at the level of several millions and/or tens of millions of Slovak koruna).

In 2004, the NBS introduced a new annual report on foreign direct investment, in which reinvested earnings are recorded according to the principles of international accounting standards. With regard to the fact that the inflow of foreign capital into Slovakia via direct investment exceeds its outflow several

times, the use of data from this report will mean an increase in the current account deficit. Reinvested earnings will enter the balance through the capital and financial account, where foreign direct investment will increase in terms of both flow and volume, in both Slovakia and abroad.

Data from the Czech Republic, Hungary, and Estonia show that, with reinvested earnings being included in the balance of payments, the current account deficit in the years 1998 – 2003 increased by an average of 2% (Czech Republic) and 2.5% (Hungary and Estonia), while the deficit in the last three years increased by almost 3% and, in Estonia in 2003, by more than 5%. If we assume that Slovakia is lagging behind the aforementioned countries in terms of FDI by roughly three years, the application of the data under analysis with reinvested earnings being included (instead of data according to the previously applied methodology for calculating the current account deficit) is expected to cause a nearly 3% increase in the current account deficit for 2005 (the NBS assumes that the difference between the current account deficit with and without reinvested earnings will be 2.3%).

Chart 32 Current Account Developments – Czech Republic (% of GDP)



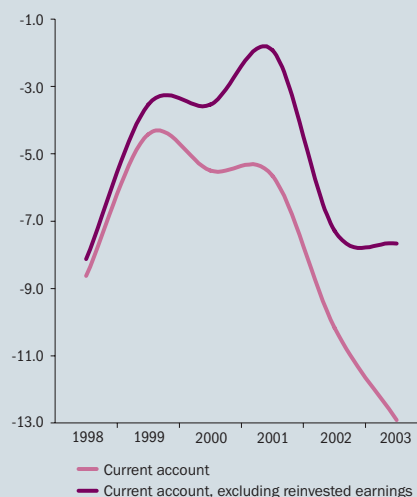
Zdroj: Central bank of the Czech Republic.

Chart 33 Current Account Developments – Hungary (% of GDP)



Zdroj: Central bank of Hungary.

Chart 34 Current Account Developments – Estonia (% of GDP)



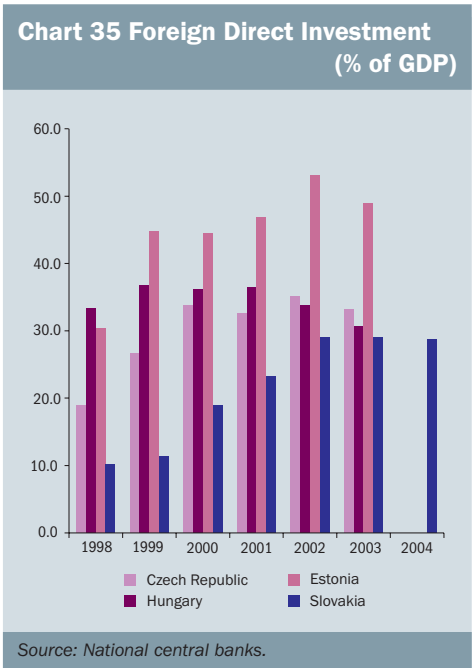
Zdroj: Central bank of Estonia.



In comparison with the neighbouring countries, the inflow of FDI into Slovakia began with a certain delay. While the ratio of FDI to GDP (the volume of FDI – capital participation without reinvested earnings) reached 30% in Slovakia in 2002, the same ratio in the Czech Republic was achieved in 1999 and in Hungary and Estonia even before 1998.

A foreign investors enters a country either through the acquisition of an existing company or by making a so-called green-field investment (building a new production plant). When the company becomes profitable, the foreign investor receives yields from its basic capital, which may be divided into reinvested earnings and dividends.

Chart 35 shows that the return on FDI (capital participation) in the Czech Republic and Estonia increased in 2003 more than four times in comparison with 1998, while the average figure for 2001–2003 hovered around the level of 13% in all three countries (according to NBS estimates, the rate of return in Slovakia will be roughly 11% in 2004).



In the following two years, foreign direct investors repatriated roughly 2% of GDP in the countries under analysis (Slovakia approached this figure in 2004). In relation to the total volume of FDI, dividend payments recorded a marked increase in Slovakia in 2004, up to 5.6%. The payment of dividends in 2004 was affected by short-term factors (increase in the profits of SPP [Slovak Gas Industry] and other energy suppliers, repatriation of earnings from the past, weak growth in EU countries, etc.). Hence, dividends are expected to grow at a slower rate in the coming years and their share in the volume of FDI is also likely to decrease somewhat (the growth in foreign direct investment in Slovakia will take place largely in green-field investments, which will generate profits only after a few years).

From the economic point of view, the recording of reinvested earnings in the balance of payments has no effect on the current external balance. On the other hand, however, it gives a more accurate picture of the function of foreign direct investment in the economy. Reinvested earnings are calculated from after-tax profits by deducting the due dividends. Apart from the volume of FDI, a country can be characterised by several other factors (the profitability of enterprises, tax system, etc.), which influence foreign direct investment. For that reason, experience from other countries can hardly be applied to the

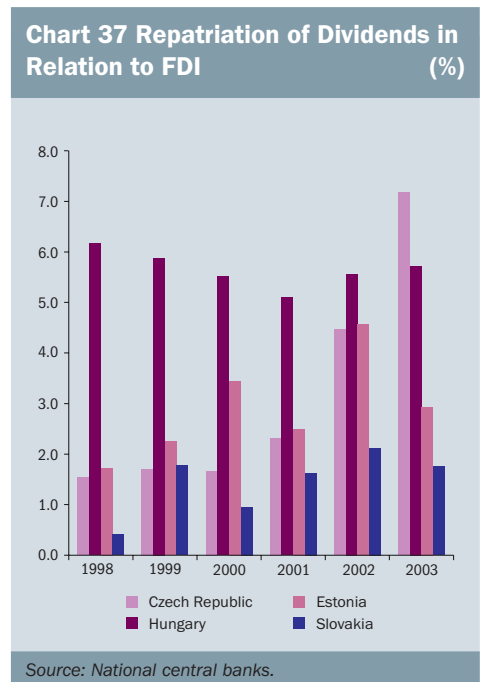
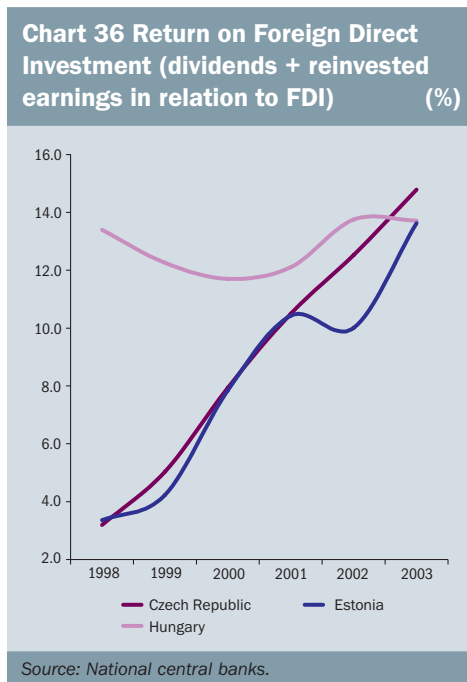


Chart 38 Reinvested Earnings in Relation to FDI (%)

Source: National central banks.

Slovak economy. Even data from the three countries under analysis give no clear picture of developments in reinvested earnings, their size in absolute terms and as a share of dividends. Data for 2001–2003, mainly from the Czech Republic and Hungary, indicate that the ratio of reinvested earnings to the volume of FDI (capital participation only) was roughly 8% and that of reinvested earnings to GDP stood at 2.6% in that period. For the time being, these ratios seem to be acceptable for the Slovak economy as well (in 2004, such ratios would bring reinvested earnings in the amount of roughly Sk 30 billion. Although forecasts indicate that there will be larger capital inflows than in previous years, this will not necessarily generate a marked increase in reinvested earnings or dividends, since the capital will be used largely in green-field investments, which yield profits only after several years.



2. Structure of the Consumer Basket in Comparison with the Baskets of Selected EU Countries

This annex contains an analysis of changes in the structure of consumer baskets applied in selected EU countries in comparison with the basket used in Slovakia. The aim of this analysis is to predict the future trends in the structure of consumption and to help in forecasting the future course of consumer prices.

For the analysis of consumer basket developments in selected countries, we selected – in view of its comparability on an international basis – the consumer basket used in calculating the Harmonised Index of Consumer Basket (HICP). Another reason behind this selection was the availability of data, not only the time series of weights (from 1996 to 2005, except for the Czech Republic and Hungary, where data are only available from 2000 and 2001 respectively), but also the structure of the basket broken down by goods and services.

The subjects of the analysis were countries selected according to comparability, in terms of economic development or size. These countries may be divided into two groups:

- 'old' member states of the EU (Greece, Portugal, Spain, and Ireland);
- 'new' member states of the EU (Czech Republic, Hungary, Poland, and Slovenia).

For comparison, Germany was also included in the analysis, as a representative of a large and highly developed economy.

The main difference between the two groups (except for the time of entry into the EU, which affects the comparability of the consumer baskets) arises from the fact that new member states have recently undergone restructuring or are still in the process of restructuring, which is also reflected in the structure of the consumer basket. The structure is affected by factors such as price deregulation, changes in excise duties (reduction to the minimum level prescribed by the EU), changes in the retail market or the market for bank loans, and developments in real wages. In the 'old' member states, changes in the structure of the consumer basket were also caused by methodological changes in the calculation of the HICP (1999–2000), whose effect cannot be identified on the basis of the data available³.

We may say that the weight of services in the consumer basket increased over the period 1996–2005 in all countries (except for Hungary, where the share of services has been on the decrease since 2001). In the first group of countries under analysis, the largest share of services was recorded in Ireland (an increase from 35.4% in 1996 to 46.2% in 2005), which is economically most developed. The lowest share of services was reported from Spain (an increase from 29.1% to 38.1%). In comparison with new member states (the second group), Slovakia has become a country with the largest share of services in the consumer basket (33.2% in 2005), from a country with the second smallest share of services in 1996 (20.9%). The country with the smallest share of services and the less developed economy is Poland (the weight of services increased from 19.4% in 1996 to 27.8% in 2005). The greatest increase in the share of services was achieved in Slovakia and thus the country approached the level of old member states more closely than the other countries (Table 42).

Table 42 Comparison of the Weights of Services in the Consumer Basket

	Weight of services in 1996 (in %)	Weight of services in 2005 (in %)	Change in % points
Greece	29.484	39.077	9.593
Portugal	28.070	38.143	10.073
Spain	29.050	38.084	9.034
Ireland	35.362	46.182	10.820
Czech Republic	27.249 ¹⁾	31.573	4.324
Hungary	29.827 ²⁾	29.202	-0.625
Poland	19.413	27.822	8.409
Slovak Republic	20.924	33.215	12.291

Source: Eurostat.
1) In 2000.
2) In 2001.

³ Since the period 1999–2000 saw marked changes in weights in all 'old' member states under analysis, we assume that these changes were probably caused by a methodological change made in this period, but we cannot confirm this fact on the basis of the data that are currently available.

Greece

During 1996–2005, Greece recorded an increase in the weight of services in the consumer basket, from 29.5% in 1996 to approximately 39.1% in 2005, primarily as a result of an increase in the share of recreation and personal services (from 11.1% to 17.5%) and other services (from 3.2% to 8.8%). Services related to transport, post and telecommunications recorded a slight fall in weight. The sharpest drop occurred in the weight of services related to dwelling (by 2.4 percentage points, to 5.9%). The increase in the weight of services took place to the detriment of commodities, especially the share of foodstuffs, while industrial goods and energy recorded a fall in weight.

Table 43 Comparison of Weights – Greece

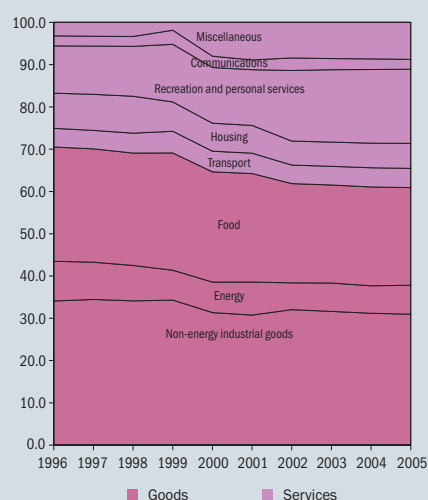
	1996	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	70.516	60.923	-9.593
Non-energy industrial goods	34.085	30.952	-3.133
Energy	9.400	6.866	-2.534
Food	27.032	23.105	-3.927
Services	29.484	39.077	9.593
Transport	4.412	4.531	0.119
Housing	8.323	5.924	-2.399
Recreation and personal services	11.162	17.537	6.375
Communications	2.413	2.318	-0.095
Miscellaneous	3.174	8.767	5.593

Source: Eurostat.

Portugal

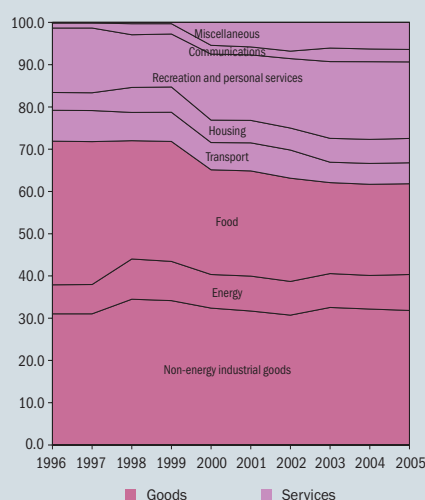
As Greece, Portugal also recorded a decrease in the weight of goods and an increase in the weight of services in 1996–2005 (from 28.1% to 38.1%). The main factor was an increase in the share of recreation and personal services and other services (their weight increased from 0.1% to 6.4%). Services related to dwelling, post and telecommunications recorded a modest increase in weight, while the share of transport-related services decreased. In the goods sector, a marked fall was recorded in the weight of foodstuffs (from 34.0% to 21.5%). The share of industrial goods and energy increased slightly.

Chart 39 Structure of the Consumer Basket – Greece (%)



Source: NBS calculations based on data from the Eurostat.

Chart 40 Structure of the Consumer Basket – Portugal (%)



Source: NBS calculations based on data from the Eurostat.



Table 44 Comparison of Weights – Portugal

	1996	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	71.930	61.857	-10.073
Non-energy industrial goods	31.040	31.849	0.809
Energy	6.860	8.486	1.626
Food	34.030	21.522	-12.508
Services	28.070	38.143	10.073
Transport	7.280	4.925	-2.355
Housing	4.210	5.764	1.554
Recreation and personal services	15.250	18.110	2.860
Communications	1.200	2.965	1.765
Miscellaneous	0.130	6.380	6.250

Source: Eurostat.

Table 45 Comparison of Weights – Spain

	1996	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	70.950	61.916	-9.034
Non-energy industrial goods	32.683	27.290	-5.393
Energy	7.542	8.711	1.169
Food	30.725	25.915	-4.810
Services	29.050	38.084	9.034
Transport	4.362	3.769	-0.593
Housing	6.550	7.037	0.487
Recreation and personal services	15.612	21.144	5.532
Communications	1.583	2.108	0.525
Miscellaneous	0.942	4.026	3.084

Source: Eurostat.

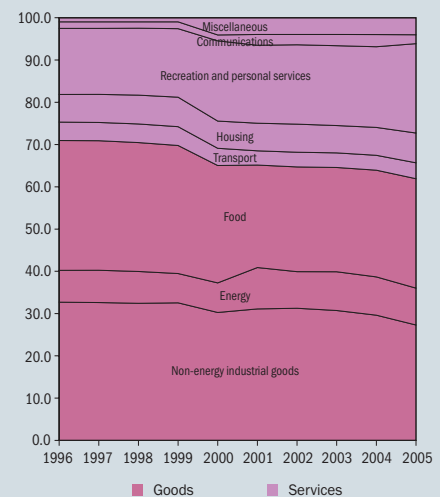
Spain

During 1996–2005, the weight of services also increased in Spain, from 29.1% to 38.1%. As in the previous two countries, the most significant increase occurred in the weight of recreation and personal services and other services (from 0.9% to 4.0%). A modest increase was also recorded in postal and telecommunications services, while the weight of services related to transport and dwelling fell. In the goods sector, the share of foodstuffs and industrial goods decreased. The weight of energy increased.

Ireland

Among the countries (old and new) under analysis, the largest share of services in the consumer basket was achieved in Ireland. The share of services increased from 35.4% to 46.2% during the years 1996–2005, with increases being recorded in the weights of all services. The share of services increased to the detriment of goods, where weights decreased in all categories.

Chart 41 Structure of the Consumer Basket – Spain (%)

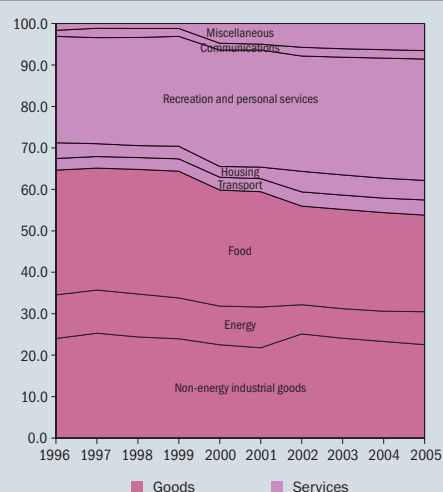


Source: NBS calculations based on data from the Eurostat.

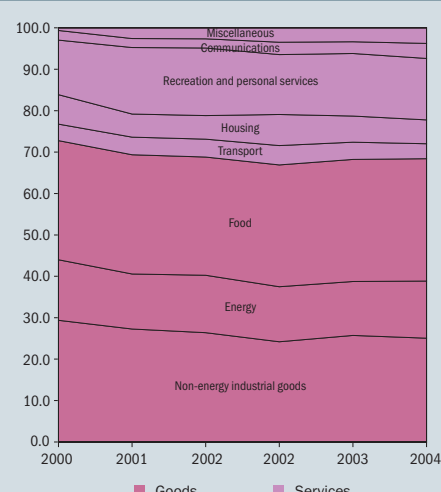
Table 46 Comparison of Weights – Ireland

	1996	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	64.638	53.818	-10.820
Non-energy industrial goods	24.034	22.546	-1.488
Energy	10.500	7.929	-2.587
Food	30.104	23.343	-6.773
Services	35.362	46.182	10.820
Transport	2.819	3.622	0.803
Housing	3.785	4.730	0.945
Recreation and personal services	25.648	29.284	3.636
Communications	1.493	1.999	0.506
Miscellaneous	1.617	6.547	4.930

Source: Eurostat.

Chart 42 Structure of the Consumer Basket – Ireland (%)


Source: NBS calculations based on data from the Eurostat.

Chart 43 Structure of the Consumer Basket – Czech Republic (%)


Source: NBS calculations based on data from the Eurostat.

Czech Republic

Although data from the Czech Republic have been available only since 2000, we may observe a steady increase in the weight of services up to 2005, from 27.2% to 31.6%. Within the services sector, recreation and personal services, postal and telecommunications services, and other services increased in weight during this period. At the same time, the weight of services related to transport and dwelling decreased. Within the goods sector, the share of industrial goods and energy decreased, while that of foodstuffs increased.

Table 47 Comparison of Weights – Czech Republic

	2000	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	72.751	68.427	-4.324
Non-energy industrial goods	29.376	25.061	-4.315
Energy	14.609	13.797	-0.812
Food	28.767	29.569	0.802
Services	27.249	31.573	4.324
Transport	4.018	3.614	-0.404
Housing	7.106	5.750	-1.356
Recreation and personal services	13.171	14.823	1.652
Communications	2.337	3.628	1.291
Miscellaneous	0.617	3.759	3.142

Source: Eurostat.



Table 48 Comparison of Weights – Hungary

	2001	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	70.173	70.798	0.625
Non-energy industrial goods	28.430	29.519	1.089
Energy	12.825	13.120	0.295
Food	28.918	28.159	-0.759
Services	29.827	29.202	-0.625
Transport	4.454	4.105	-0.349
Housing	4.909	5.668	0.759
Recreation and personal services	13.602	11.696	-1.906
Communications	4.223	5.025	0.802
Miscellaneous	2.639	2.708	0.069

Source: Eurostat.

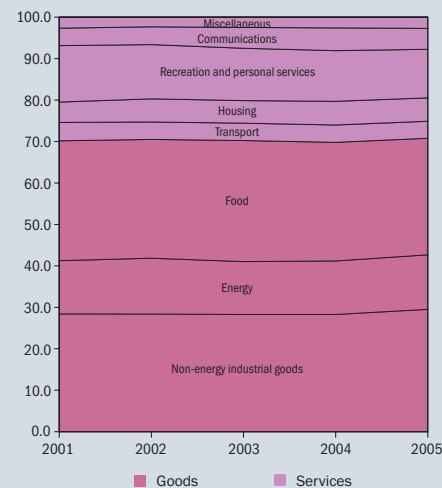
Hungary

In the case of Hungary, data have been available since 2001. Over the period until 2005, the country recorded a slight fall in the weight of services in the consumer basket (from 29.8% to 29.2%). The fall took place mainly in recreation and personal services and services related to transport, while the weight of other services increased. In the goods sector, both industrial goods and energy recorded an increase in weight. The share of foodstuffs decreased slightly.

Poland

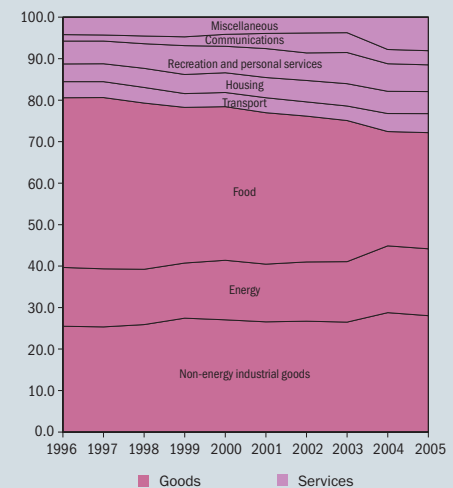
Among the countries under analysis, Poland has the lowest share of services in the consumer basket. During 1996–2005, however, the weight of services increased from 19.4% to 27.8%. The increase took place in all categories of services. Within the goods sector, a marked drop was recorded in the weight of foodstuffs (from 40.1% to 28.0%). The share of industrial goods also decreased, while the weight of energy increased.

Chart 44 Structure of the Consumer Basket – Hungary (%)



Source: NBS calculations based on data from the Eurostat.

Chart 45 Structure of the Consumer Basket – Poland (%)



Source: NBS calculations based on data from the Eurostat.

Table 49 Comparison of Weights – Poland

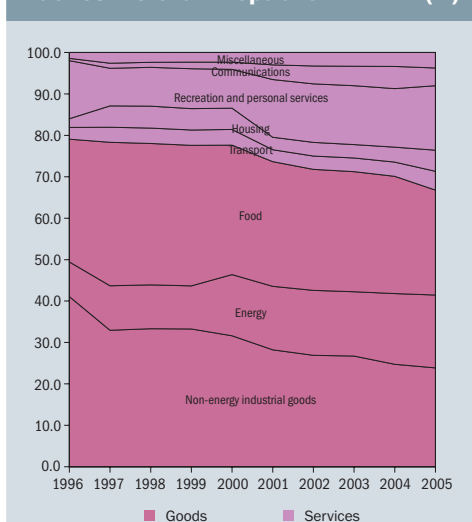
	1996	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	80.587	72.178	-8.409
Non-energy industrial goods	25.501	28.048	2.547
Energy	14.177	16.107	1.930
Food	40.910	28.023	-12.887
Services	19.413	27.822	8.409
Transport	3.867	4.585	0.718
Housing	4.296	5.288	0.992
Recreation and personal services	5.502	6.487	0.985
Communications	1.524	3.383	1.859
Miscellaneous	4.224	8.079	3.855

Source: Eurostat.

Table 50 Comparison of Weights – Slovak Republic

	1996	2005	Change in % points
TOTAL	100.00	100.00	0.000
Goods	79.076	66.785	-12.291
Non-energy industrial goods	41.079	23.887	-17.192
Energy	8.351	17.554	9.203
Food	29.646	25.344	-4.302
Services	20.924	33.215	12.291
Transport	2.832	4.527	1.695
Housing	2.101	5.126	3.025
Recreation and personal services	14.037	15.543	1.506
Communications	0.560	4.295	3.735
Miscellaneous	1.394	3.724	2.330

Source: Eurostat.

Chart 46 Structure of the Consumer Basket – Slovak Republic (%)


Source: NBS calculations based on data from the Eurostat.

Slovak Republic

In the case of Slovakia, the weight of services increased from 20.9% to 33.2% during 1996–2005, with all service categories recording an increase in weight. The steepest increases took place in services related to dwelling and in postal and telecommunications services. In the goods sector, the most significant increase occurred in the weight of energy, while the share of foodstuffs and industrial goods decreased.



Table 51 Comparison of Weights – Germany

	1996	2005	Rozdiel v perc. bodoch
TOTAL	100.00	100.00	0.000
Goods	64.248	55.951	-8.297
Non-energy industrial goods	33.721	29.549	-4.172
Energy	10.333	9.908	-0.425
Food	20.194	16.494	-3.700
Services	35.752	44.049	8.297
Transport	7.282	7.342	0.060
Housing	13.033	14.644	1.611
Recreation and personal services	11.776	12.195	0.419
Communications	2.654	2.547	-0.107
Miscellaneous	1.007	7.321	6.314

Source: Eurostat.

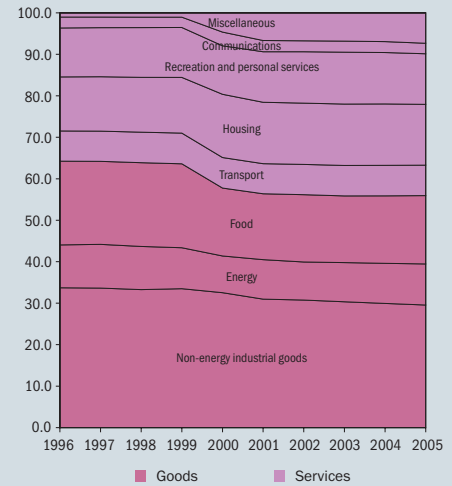
Germany

Germany, being one of the largest and most developed economies of the EU, was included in the present analysis for comparison with the two groups of countries. The share of services in Germany is close to the figure for Ireland, and increased during 1996–2005 from 35.8% to 44.0%. Increases in the weights of services were recorded in virtually all categories, but the most significant increase occurred in other services. The weight of goods dropped in all categories, mainly in industrial goods (excluding energy) and foodstuffs.

Conclusion

There is an increasing trend in the weight of services in all countries under review (both old and new member states). However, the upward trend is more apparent in the old member states (with the exception of Slovakia). Within the scope of services, increases were recorded in the weights of recreation and personal services, as well as other services, especially in the old member

Chart 47 Structure of the Consumer Basket – Germany (%)



Source: NBS calculations based on data from the Eurostat.

Chart 48 Comparison of the Weights of Services in 2005 (%)



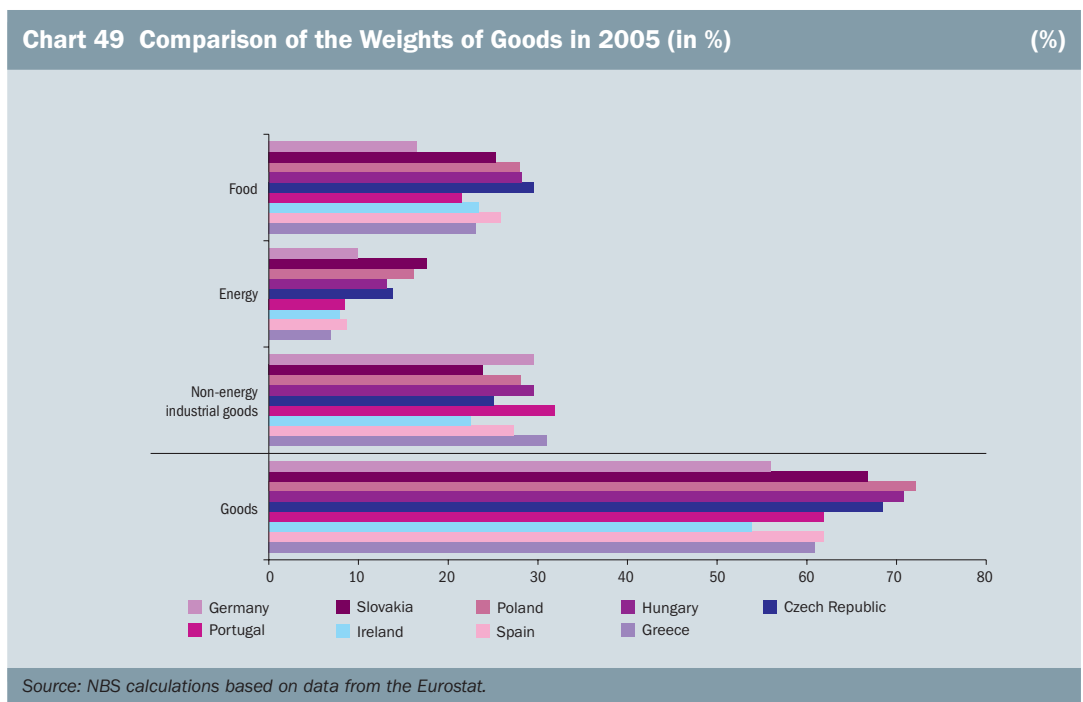
Source: NBS calculations based on data from the Eurostat.

states. Among the new member states, the largest increase in the share of the above services occurred in the Czech Republic, while Hungary recorded the most significant increase in the weight of postal and telecommunications services. In Slovakia, the most rapid increases took place in the weight of services related to dwelling and that of postal and telecommunications services. The weights of postal and telecommunications services and other services also increased in Poland.

Within the goods sector, the most noticeable fall occurred in the weigh of foodstuffs, in all countries under review (except for the Czech Republic). The share of foodstuffs decreased most significantly in Portugal and Poland. Among the old member states, Greece and Ireland recorded drops in the weights of all commodity groups. In Spain, the share of energy increased, while Portugal reported an increase in the weights of both energy and industrial goods. Among the new member states, the most significant fall in the weight of goods was recorded in Slovakia, where the share of industrial goods and foodstuffs decreased, but the weight of energy increased (probably as a result of deregulation). In Poland and Hungary, the share of foodstuffs decreased, while other commodity categories recorded an increase. The opposite trend was reported from Czech Republic, where the share of food increased and that of other goods decreased.

It is apparent that there are still significant differences in the structure of the consumer basket between the old and new member states, but there is a noticeable trend of convergence between the structure of the consumer basket used in the new member states and that applied in the old member states. At present, we have not enough data to evaluate whether or not this convergence is accelerated by entry into the EU.

If we assume that the weight structure of Slovakia's consumer basket will approach the current level of selected EU countries (Greece, Spain, Portugal) by 2008, inflation will rise by an average of 0.1 of a percentage point, owing to an increase in the weight of services and a decrease in the weight of goods.





3. Capital Market

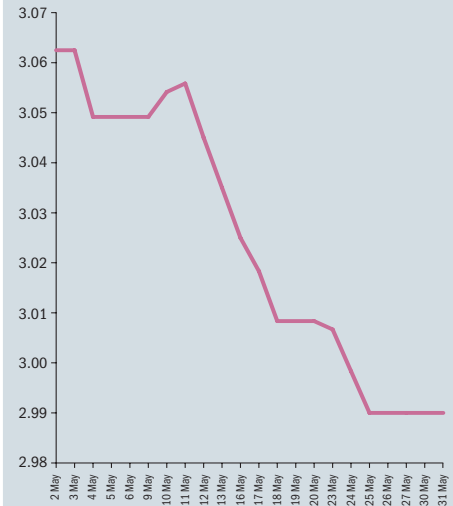
3.1. Primary Market

Government bonds Two government-bond auctions were held in May, with a maturity of 7 and 5 years. Total demand for bonds amounted to Sk 24.0 billion, 41.94% of which was accepted.

At the first auction, a new 7-year government-bond issue was opened with a zero coupon (Issue No. 205). Of the planned issue-amount (Sk 40.0 billion), bonds were sold in the amount of Sk 2.2 billion, representing 5.50% of the total demand (Sk 10.3 billion). The share of non-residents in the primary market for government bonds reached Sk 1.4 billion. The maximum accepted yield amounted to 3.50% p.a.

At the second auction, an open government-bond issue (No. 203) was re-opened for the seventh time, with a fixed coupon of 4.800% p.a. Of the total demand (Sk 13.64 billion), the issuer accepted bids from investors in the amount of Sk 7.86 billion, via the Agency for Debt and Liquidity Management (ARDAL). Demand was satisfied to 57.6%. The yields accepted at the auction ranged from 2.870% to 2.950% p.a. Yields on a similar 5-year benchmark government bond fluctuated over the course of May between 2.990% and 3.063%.

Chart 50 Five-Year Benchmark Government Bond – Issue No. 203 (%)



Source: NBS.

Yield payment and bond repayment In May, yields were paid in the total amount of Sk 1.14 billion. One issue was repaid in the amount of Sk 1.27 billion. Foreign investors received Sk 0.22 billion in yields. Compared with last year, the share of foreign investors in total yields increased by 17.83%. Domestic investors received Sk 0.92 billion and their share in total yields decreased in comparison with 2004. Bond creditors received 0.02% of the amount of yields paid this month. The share of foreign investors in nominal value repayment also decreased this year, by 8.25% compared with last year. Despite an increase in percentage terms, yields paid to domestic investors recorded a nearly threefold increase in volume.

Non-government bonds During May, two publicly negotiable non-government bond issues were floated in the amount of Sk 2.5 billion. They were mortgage bonds issued by Slovenská sporiteľňa and UniBanka.

Table 52 Yield Payments on Government Bonds

	Foreign investors		Domestic investors	
	Yield payment (in billions of Sk)	Share of the paid yields (in %)	Yield payment (in billions of Sk)	Share of the paid yields (in %)
May 2004	0.001	1.16	0.10	98.84
May 2005	0.220	18.99	0.92	81.01

Source: NBS.

Table 53 Nominal Value Repayments on Government Bonds

	Foreign investors		Domestic investors	
	Repaid nominal value (in billions of Sk)	Share of the repaid nominal value (in %)	Repaid nominal value (in billions of Sk)	Share of the repaid nominal value (in %)
May 2004	0.38	9.40	3.62	90.60
May 2005	0.01	1.15	1.26	98.85

Source: NBS.



3.2. Secondary Market

The Bratislava Stock Exchange (BCPB) was open for 22 days in May. During that period, Sk 134.5 billion was traded in 914 transactions. The volume of trading increased month-on-month by 17.1%, while the number of transactions dropped by 3.6%. The volume of price-setting transactions reached Sk 0.2 million (531 contracts) and the volume of direct transactions totalled Sk 134.3 billion (418 contracts). The volume of transactions concluded during the first five months reached 90.8% of the total volume traded in 2004.

There were 229 bond transactions totalling Sk 114.7 billion in May, of which Sk 938.4 million took place in price-setting transactions and Sk 113.7 billion in direct transactions. The market capitalisation of bonds amounted to Sk 386.0 billion (a month-on-month increase of 3.7%) on the last trading day of the month. The capitalisation of quoted bonds has grown by 4.0% since the end of April, to Sk 364.1 billion.

Bonds

The component of the Slovak Bond Index (SDX) for corporate and bank bonds closed the month at 265.848% of the nominal value (a monthly drop of 0.17%), with an average yield of 3.700% to maturity and a duration of 1.508 years. The component for government bonds rose by 0.61%, to 251.114% of the nominal value, corresponding to a yield of 3.014% and a duration of 4.435 years.

SDX index

The SDXG for the private sector, represented by government bonds, closed the month at the level of 109.733 (price component) and 116.474 (development component), with a yield of 3.294% to maturity and a duration of 4.71 years. The short-term SDXG(≤ 5) sub-index reached 107.108 (for price) and 112.655 (for development), with a yield of 2.783% to maturity and a duration of 2.667 years. The long-term SDXG(> 5) sub-index closed the month at 112.328 (for price) and 120.288 (for development), with a yield of 3.530% to maturity and a duration of 7.289 years.

SDXGroup indices

SDXG for the private sector, represented by corporate and mortgage bonds, closed the month at the level of 103.665 (price component) and 112.897 (development component), with a yield of 3.544% to maturity and a duration of 3.052 years. The value of the short-term SDXG(≤ 5) sub-index reached 102.322 (for price) and 111.883 (for development), with a yield of 3.284% to maturity and a duration of 2.04 years. The long-term SDXG(> 5) sub-index closed the month at 109.119 (for price) and 115.376 (for development), with a yield of 3.828% to maturity and a duration of 6.68 years.

On the last trading day in May, the market capitalisation of equity securities recorded a month-on-month fall of 3.9%, to Sk 168.8 billion. The actual amount of issues that had a market price at least once in the past, except for investment funds shares and participation certificates, was Sk 154.9 billion (a month-on-month decrease of 4.3%) and accounted for 91.8% of the total capitalisation of the share market. The fall in overall market capitalisation took place mostly in the market capitalisation of quoted issues, which has dropped since the end of April by 8.2%, to Sk 94.0 billion.

Shares

The SAX index closed the month at 432.98 points, representing a month-on-month fall of 6.5% (a year-on-year increase of 122.5%). The index reached a monthly maximum on 2 May (463.11 points) and a minimum on 30 May (431.48 points).

SAX index



4. Monetary Developments in the Euro Area

At its meeting on 4 May 2005 (in Berlin), the Governing Council of the 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%.

4.1. Exchange Rate Developments

At the beginning of May, the exchange rate of the euro against the US dollar hovered around the level of USD 1.29/EUR.

During May, the exchange rate of the dollar against the euro showed a tendency to appreciate, primarily as a result of news about positive developments in the US economy (e.g. a lower than expected trade deficit, upward correction in the estimated rate of GDP growth in the first quarter) and information on downward corrections in the economic forecasts of major euro-area countries (Germany and France) for the next quarters. Apart from economic factors, the exchange rate of the euro was unfavourably affected in May by a non-economic factor, resulting from the rejection of the European constitution in France at the end of the month. At the end of May, the exchange rate hovered around the level of USD 1.22/EUR.

During May, the euro weakened in relation to the US dollar by 4.14 % on a month-on-month basis. Since the first trading day of the year, the European currency has depreciated vis-à-vis the dollar by 8.71%.

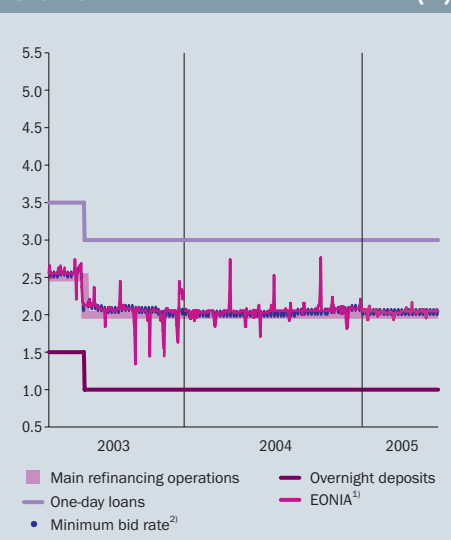
4.2. Real Economy

According to the first Eurostat estimate, the euro area economy grew in the first quarter of 2005 by 0.5% compared with the previous quarter, while increasing in comparison with the same quarter of 2004 by 1.3%. Final household consumption increased over the first quarter of 2005 by 0.3% (in the previous quarter by 0.6%), while investment declined by 0.7% (in the previous quarter by 0.8%). Exports grew by 0.2% (compared with 0.3% in the last quarter of 2004) and imports fell by 1.1% (after growing in the previous quarter by 0.9%). In the fourth quarter of 2004, euro area GDP increased by 0.2%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in April, at the level of the previous month (2.1%). The strongest year-on-year dynamics were shown by consumer prices in Luxembourg (3.7%) and Spain (3.5%). The steepest year-on-year increase took place in prices for dwelling (4.7%). Price levels fell in telecommunications (by 1.8%), recreation and culture (by 0.7%). In the same period a year earlier, consumer prices in the euro area rose by 2.0%. Eurostat foresees a year-on-year inflation rate of 2.0% in May.

During April, industrial producer prices increased year-on-year by 4.2% and month-on-month by 0.4%.

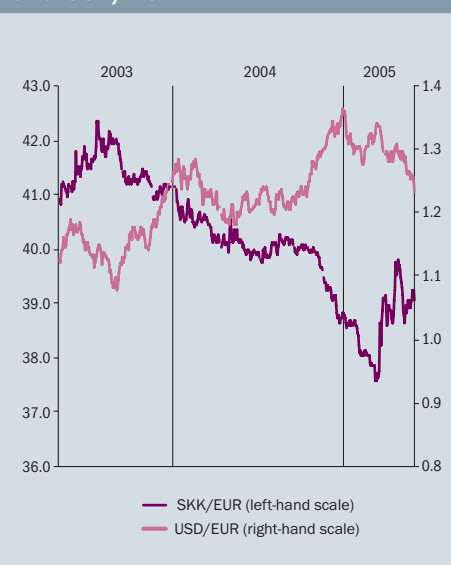
Chart 51 Key ECB Interest Rates and the EONIA (%)



Source: ECB

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).

Chart 52 Exchange Rates: SKK/EUR and USD/EUR



Source: NBS and ECB.



On a year-on-year basis, retail sales declined in April by 0.9% and in comparison with the previous month by 1.2%.

The rate of unemployment (seasonally adjusted) remained unchanged in April, at the level of the previous month (8.9%). The lowest unemployment rates were achieved in Ireland (4.3%), Luxembourg (4.6%), and Austria (4.6%). The highest unemployment rates within the euro area were recorded in Greece (10.2% in December 2004), Spain and Germany (10%). In relative terms, the most significant increases in the year-on-year unemployment rates occurred in Portugal (from 6.5% to 7.2%), Luxembourg (from 4.2% to 4.6%), and the Netherlands (from 4.6% to 5.0%). 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 4.2 billion in March 2005, compared with EUR 10.4 billion in the same period a year earlier. In comparison with the previous month, euro area exports (seasonally adjusted) remained unchanged in March, while imports increased by 1.0%.



5. Methodological Notes to Selected Indicators

5.1. Monetary Statistics

5.1.1. Statistics of Monetary Aggregates (ECB Methodology)

The methodology of the ECB is implemented on the basis of data from harmonised statements of monetary and banking statistics, which were introduced by the NBS in 2003. According to the ECB methodology, monetary aggregates were calculated in 2003 and 2004 on the basis of a harmonised balance from the 'M (NBS) 1-12 – Statistical Balance' monthly statement, from which the NBS compiles a consolidated balance for the 'monetary financial institutions' (MFI) sector. In 2003, as in the national methodology, the MFI sector was composed of the National Bank of Slovakia, commercial banks with a registered office in the SR, home savings banks (building societies), and the local branches of foreign banks. With effect from January 2004, in accordance with the ECB methodology, the MFI sector has been extended to include money market investment funds, which are now required to report to the NBS on a monthly basis (the list of all MFIs monitored by the NBS is regularly updated on the web site of the National Bank of Slovakia)⁴.

From the monthly statistical balances of resident MFIs, an aggregate balance is compiled, as a summary of statistical balances of MFIs for assets and liabilities in all currencies. Then, a consolidated balance is compiled from the aggregate balance of MFIs, through the compensation (netting) of positions between the MFIs, as a basis for the calculation of monetary aggregates and the M3 counterparts. During consolidation, the mutual relations of MFIs are excluded from the aggregate balance as follows:

- liabilities arising from issued debt securities are reduced by debt securities issued by MFIs in the holdings of MFIs;
- deposits and loans received from MFIs are reduced by receivables from MFIs;
- liabilities arising from equity securities issued are reduced by MFI shares and other equities in MFI holdings.

Table 32 Calculation of Monetary Aggregates

Methodology of the NBS	Methodology of the ECB
	<i>(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)</i>
Currency outside banks (M0)	Currency outside banks (M0)
+	+
Demand deposits (in SKK)	Daily (overnight) deposits and loans received
= Money (M1 – 'narrow money')	= M1 ('narrow money')
Time deposits (all maturities, in SKK)	+ Deposits and loans received, with an agreed maturity of up to 2 years
+	+ Deposits and loans received, at a period of notice of up to 3 months
Deposits in foreign currency	= M2 ('intermediate money')
= Quasi-money (QM)	+ repo operations
	+ shares and participation certificates of money market investment funds
	+ debt securities issued, with a maturity of up to 2 years, and other money market products
M2 money market (M1 + QM)	M3 monetary aggregate ('broad money')

The main differences between the individual methodologies are as follows:

- **definitions of monetary financial institutions:**
 - the ECB methodology uses an extended file of monetary financial institutions (MFIs), which includes the NBS, commercial banks, and money market investment funds – the deposits of

⁴ The actual list of monetary financial institutions (MFIs) and detailed methodological information on harmonised monetary and banking statistics are available on the web site of the National Bank of Slovakia (<http://www.nbs.sk>) in the section 'Harmonised Monetary and Banking Statistics' in the menu 'Banking Sector in the SR.'



money market investment funds (MMIFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;

- the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates – hence the deposits of money market investment funds (MMIFs) in commercial banks appear in the balances of commercial banks as customer deposits in financial institutions and are directly included in the M2 money supply;
- **the nature and liquidity of the resources:**
 - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits. As for maturity, the liabilities of the ECB with a maturity of more than 2 years are not included in the monetary aggregates;
 - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
- **definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they include non-negotiable securities issued by clients and held by banks, subordinated debt in the form of loans, claims related to repo operations, and tradable loans);
 - the NBS methodology uses a so-called narrow definition for loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
- **in the composition of monetary aggregates:**
 - the ECB methodology (with the deposits of MMIFs being deducted from customer deposits) covers the above-mentioned sectors and the deposits of local governments (S.1313) and social insurance funds (S.1314)⁵;
 - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
 - *non-financial corporations (S.11);*
 - *financial corporations (S.123 and S.124) – including MMIF deposits;*
 - *insurance companies and pension funds (S.125);*
 - *non-profit institutions mainly serving households (S.15);*
 - *households (S.14 - sole traders);*
 - *households (S.14 - accounts of citizens).*
- **in respect of the residence of economic entities:**
 - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
 - the NBS methodology also monitors the koruna deposits of non-residents in the monetary aggregates;
- **in respect of accrued assets and liabilities:**
 - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
 - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
- **in respect of the seasonal adjustment of time series:**
 - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data⁶.

5.1.2. Statistics of Customer Interest Rates on New Contracts (ECB Methodology)

With effect from 2005, customer interest rates on loans and deposits will be analysed in the situation reports (Monetary Surveys) according to ECB methodology (statistics since 2004). In contrast with the previously applied national methodology, a characteristic feature of the ECB methodology is the

⁵ In the methodology of the NBS, the M2 money supply excludes public sector deposits, which are monitored separately as part of net credit to the general government.

⁶ In the conditions of the NBS, the recording of seasonally adjusted data according to the methodology of the ECB is currently in the stage of preparation.



evaluation of interest rates on loans provided⁷ and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new contracts (new business). New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the client, and new contracts re-negotiated with the active participation of the client.

In a breakdown by sector, lending and deposit rates for households and non-financial corporations will be analysed separately, in the way these sectors are defined in Directive No. 63/2002⁸ of the European Central Bank, concerning interest rate statistics.

The analysis of interest rates on loans to and deposits from households and non-financial corporations is expected to provide more detailed information on the functioning of the transmission mechanism, since interest rates are analysed irrespective of the sectors that have a special position vis-à-vis the banking sector, i.e. insurance companies, pension funds, and the general government.

The methodology of the ECB makes it possible to monitor interest rates in a breakdown by initial rate fixation (IRF) and, in the case of non-financial corporations, according to the volume of loans as well. Initial rate fixation is the period for which an agreed interest rate is fixed. On the basis of IRF, loans are divided into loans with a floating rate and IRF for a period of up to 1 year inclusive, loans with IRF for a period of over 1 year and up to 5 years inclusive, and loans with IRF for a period of over 5 years and up to 10 years inclusive, and loans with IRF for a period of over 10 years. According to volume, loans to non-financial corporations are divided into loans amounting to up to EUR 1 million and loans amounting to over EUR 1 million.

Loans to households are classified by purpose as follows:

- current account overdrafts
- operation loans (only for sole traders)
- investment loans
- consumer loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans

Loans to non-financial corporations are classified by purpose as follows:

- current account overdrafts
- investment loans
- operation loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans

Classification of deposits (for both households and non-financial corporations):

- deposits payable on demand
 - demand deposits
 - overnight deposits
- deposits with agreed maturity
 - up to 1 year
 - up to 7 days
 - up to 1 month
 - up to 3 months

⁷ The term 'loan provided' is an equivalent of the term 'new loan'.

⁸ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' in the definitions in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. the population and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



- up to 6 months
- up to 1 year
- more than 1 year
 - up to 2 years
 - over 2 years
- savings deposits
 - redeemable at a period of notice of up to 3 months
 - redeemable at a period of notice of over 3 months

Interest rates on loans and deposits are calculated as a weighted arithmetical average of all interest rates on loans/deposits for each category separately. The weight of new loans represents the total amount laid down in contracts, regardless of whether the given amount is drawn within the month under review or not.

Subsidies granted to clients by third parties are not taken into account in determining the rate of interest, because subsidies are neither paid nor received by banks. For example, interest rates on mortgage loans with a government bonus were recorded last year without the government bonus.

With effect from this year, the NBS will also monitor interest rates on new loans and new deposits in euros; they will begin to be analysed when a sufficiently long time span is available for the NBS (at least 12 months).

5.2. Balance of Payments

The compilation of the balance of payments is subject to two methodological changes in 2005. One of them is a change in the methodology of calculating the compensation of employees and will affect the balance of income (employee compensation received will be increased by social contributions paid in the host country) and current transfers (social contributions will be included in current transfers paid). These changes will have no impact on the overall balance of the current account. The second change against the methodology of previous years will be the reporting of reinvested earnings as part of in the income balance. Although the inclusion of reinvested earnings in the balance of income will mean an increase in the current account deficit, reinvested earnings will exert no pressure for an external imbalance, for they will have a counterpart in foreign direct investment.





Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs

	Share of the total (in %) ¹⁾	Volume (Sk billions)												
		2004										2005		
		4	5	6	7	8	9	10	11	12	1	2	3	4
Claims of MFIs on residents	31.2	401.7	405.3	411.9	409.1	414.0	419.2	425.1	423.7	432.6	428.4	429.0	441.1	449.4
General government	1.7	28.5	28.2	27.7	27.8	28.3	27.5	27.9	27.8	36.4	25.2	24.9	24.1	24.0
Private sector	29.5	373.2	377.0	384.2	381.3	385.6	391.7	397.2	395.9	396.2	403.2	404.1	417.0	425.4
Non-financial corporations	16.8	235.9	236.7	239.4	232.3	233.8	234.8	237.9	233.9	224.1	230.1	228.9	236.9	241.6
– up to 1 year	7.1	102.2	100.3	102.7	101.2	101.9	101.4	102.9	101.1	91.5	96.2	94.6	99.9	104.1
– 1 to 5 years	4.0	61.5	61.8	60.7	57.9	57.0	57.6	56.8	57.3	57.4	57.6	57.5	56.9	54.1
– over 5 years	5.7	72.2	74.6	76.0	73.2	74.9	75.8	78.2	75.5	75.2	76.3	76.8	80.1	83.3
Financial corporations	3.1	36.6	36.6	38.0	39.0	38.8	40.7	40.0	39.3	44.1	43.2	43.0	43.9	43.7
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Households and non-profit institutions serving households	9.6	100.7	103.7	106.8	110.0	113.1	116.2	119.2	122.7	128.0	129.9	132.2	136.1	140.2
– consumer loans	1.4	14.3	14.9	15.0	15.1	15.2	15.5	16.0	16.8	17.5	19.0	18.9	19.6	20.5
– housing loans	6.4	72.0	73.8	75.7	77.5	79.5	81.6	83.2	85.1	87.6	87.8	89.5	91.0	93.1
– other loans	1.8	14.4	15.0	16.2	17.4	18.4	19.1	20.0	20.8	22.9	23.1	23.9	25.5	26.6
Securities other than shares and participation certificates issued by residents	18.6	269.0	261.0	263.9	264.7	269.7	277.3	276.5	281.4	272.0	268.6	263.4	261.9	253.1
General government	17.7	257.3	249.9	250.4	251.2	256.2	264.0	263.0	268.1	258.8	256.2	251.1	249.6	240.7
Private sector	0.9	11.7	11.1	13.5	13.5	13.6	13.3	13.5	13.3	13.2	12.4	12.3	12.4	12.4
Shares and other equities issued by private sector	0.3	3.5	3.4	3.9	3.9	3.9	3.9	4.0	4.0	4.1	4.4	4.4	4.5	4.5
Foreign assets	44.5	479.4	513.4	479.1	505.3	506.0	497.6	492.8	490.9	591.5	522.3	574.7	628.9	636.6
Fixed assets	2.4	35.7	35.7	35.6	35.5	35.6	35.6	35.6	35.6	36.6	34.8	34.6	34.5	34.5
Other assets	2.9	34.6	34.4	32.0	31.1	31.4	31.7	34.5	36.6	36.4	38.3	39.0	41.0	44.9
Deposits and loans received from the central government	7.1	151.4	189.2	166.5	157.5	160.0	159.7	154.4	156.4	125.4	125.5	97.3	99.9	98.7
Long-term financial liabilities	13.6	218.5	210.7	203.0	206.1	206.1	200.9	196.5	185.7	181.4	184.2	177.7	191.9	197.9
Deposits and loans received with an agreed maturity of over 2 years	3.7	48.8	48.4	48.5	48.7	48.5	48.2	48.0	48.2	51.8	52.9	53.5	52.7	52.7
Deposits redeemable at a period of notice of over 3 months	2.1	42.3	41.4	40.3	38.9	37.5	36.7	35.9	34.9	34.4	31.9	30.8	30.0	29.5
Debt securities issued with a maturity of over 2 years	1.0	9.5	9.8	9.9	10.0	10.0	10.5	11.2	11.6	12.3	13.6	13.9	14.2	12.5
Capital, reserves, and provisions	6.7	117.8	111.1	104.3	108.5	110.2	105.5	101.5	91.0	82.8	85.8	79.5	95.0	103.2
Foreign liabilities	21.8	116.2	125.2	107.2	132.0	132.1	129.2	136.2	134.5	253.4	183.6	257.5	307.3	298.5
Other liabilities	3.7	44.5	42.6	43.1	37.9	35.2	37.6	38.9	45.1	41.6	45.6	50.1	51.8	50.1
Surplus of liabilities among MFIs	-0.5	-1.4	0.8	-0.3	-0.1	-0.2	-0.1	-1.1	-0.7	0.4	-4.8	-5.9	-6.9	-4.1
M3	54.4	694.7	684.8	706.8	716.2	727.3	738.1	743.6	751.2	770.9	762.7	768.4	767.9	782.0
Total	100.0	1,223.8	1,253.2	1,226.3	1,249.5	1,260.5	1,265.3	1,268.5	1,272.2	1,373.1	1,296.8	1,345.1	1,411.9	1,423.1

1) In the current month.



Monetary Survey

(At current exchange rates)

(SKK billions)

	2004										2005			
	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12. ¹⁾	1.1. ¹⁾	31.1.	28.2.	31.3.	30.4.
Current SKK/USD exchange rate	34.126	32.695	32.844	33.370	33.408	32.492	31.386	29.627	28.496	28.496	29.447	28.710	29.943	30.667
Current SKK/EUR exchange rate	40.359	40.069	39.946	40.138	40.218	40.048	39.940	39.288	38.796	38.796	38.426	37.880	38.832	39.636
ASSETS														
Net foreign assets	215.1	196.1	195.2	205.0	211.8	189.4	179.2	177.9	169.5	168.9	173.4	178.4	199.1	209.1
Foreign assets	450.2	482.2	456.6	481.9	483.8	473.0	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2
Foreign liabilities	235.1	286.1	261.4	276.9	272.0	283.6	290.8	285.2	314.5	314.4	321.5	369.1	403.6	401.1
Net domestic assets	516.6	525.4	547.5	543.6	542.6	570.4	581.0	588.6	615.9	615.6	599.6	599.6	574.1	576.2
Domestic credits	680.2	680.2	701.6	701.8	714.4	724.8	734.1	735.2	755.7	770.0	762.9	766.6	776.3	777.3
Net credit to general government	300.7	296.7	311.3	314.2	322.6	326.9	330.3	333.0	354.4	368.6	355.2	357.6	354.5	346.5
- Net credit to government (excluding the NPF)	307.5	311.0	325.3	320.5	329.3	333.6	337.0	336.7	357.6	371.8	358.4	360.5	357.4	349.4
- Net credit to the National Property Fund	-6.8	-14.3	-14.0	-6.3	-6.7	-6.7	-6.7	-3.7	-3.2	-3.2	-3.2	-2.9	-2.9	-2.9
Credits to enterprises and households	379.5	383.5	390.3	387.6	391.8	397.9	403.8	402.2	401.3	401.4	407.7	409.0	421.8	430.8
Credits in Slovak koruna	303.1	302.5	304.2	301.6	306.2	311.7	314.3	319.1	318.2	318.3	322.3	326.8	333.1	332.8
- Credits to enterprises ²⁾	210.0	206.9	205.2	199.9	201.1	204.0	203.8	205.7	201.5	201.6	203.5	205.6	208.5	204.7
- Credits to households	93.1	95.6	99.0	101.7	105.1	107.7	110.5	113.4	116.7	116.7	118.8	121.2	124.6	128.1
Credits in foreign currency	76.4	81.0	86.1	86.0	85.6	86.2	89.5	83.1	83.1	83.1	85.4	82.2	88.7	98.0
LIABILITIES														
Money Supply (M2)	731.7	721.5	742.7	748.6	754.4	759.8	760.2	766.5	785.4	784.5	773.0	778.0	773.2	785.3
Money (M1)	260.8	268.0	279.2	279.7	282.8	288.7	284.8	293.4	311.3	309.6	299.4	315.7	313.1	318.6
Currency outside banks (M0)	90.9	91.9	93.2	93.8	95.4	96.3	97.6	97.8	100.5	100.4	100.5	101.5	102.8	105.2
Demand deposits	169.9	176.1	186.0	185.9	187.4	192.4	187.2	195.6	210.8	209.2	198.9	214.2	210.3	213.4
- Households	83.8	85.6	87.8	89.2	89.6	90.5	91.1	92.4	96.2	94.7	97.8	102.6	104.3	106.9
- Enterprises	84.0	89.0	96.3	94.2	95.7	99.6	94.3	100.7	113.2	113.1	98.1	107.8	103.7	103.9
- Insurance companies	2.1	1.5	1.9	2.5	2.1	2.3	1.8	2.5	1.4	1.4	3.0	3.8	2.3	2.6
Quasi-money (QM)	470.9	453.5	463.5	468.9	471.6	471.1	475.4	473.1	474.1	474.9	473.6	462.3	460.1	466.7
Time and savings deposits	385.6	368.7	368.8	379.5	381.1	378.3	377.0	374.1	386.2	386.9	385.1	381.1	381.6	388.7
- Households	234.9	232.9	230.3	228.1	225.2	224.0	222.8	221.1	222.8	223.9	222.9	218.1	213.5	210.5
- Enterprises	134.2	119.1	122.2	129.3	133.9	131.2	133.2	131.5	136.5	136.4	137.3	138.9	144.5	153.7
- Insurance companies	16.5	16.7	16.3	22.1	22.0	23.1	21.0	21.5	26.9	26.6	24.9	24.1	23.6	24.5
Foreign-currency deposits	85.3	84.8	94.7	89.4	90.5	92.8	98.4	99.0	87.9	88.0	88.5	81.2	78.5	78.0
- Households	50.7	49.7	49.4	49.3	48.7	48.3	47.8	46.1	44.4	42.5	41.4	39.8	39.4	39.5
- Enterprises	34.6	35.1	45.3	40.1	41.8	44.5	50.6	52.9	43.5	45.5	47.1	41.4	39.1	38.5
Other items net	163.6	154.8	154.1	158.2	171.8	154.4	153.1	146.6	139.8	154.4	163.3	167.0	202.2	201.1

Memorandum Items

Net foreign assets of the banking sector (excluding foreign liabilities of government)	364.5	390.2	385.8	390.9	396.6	380.8	373.1	367.5	360.0	359.3	366.7	363.7	406.9	423.8
- of which: foreign assets	450.2	482.2	456.6	481.9	483.8	473.0	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2
- of which: foreign liabilities	85.7	92.0	70.8	91.0	87.2	92.2	96.9	95.6	124.0	124.0	128.2	183.8	195.8	186.4
Net credit to the central government	403.0	408.7	427.8	426.8	432.7	439.3	440.5	440.6	446.7	-	-	-	-	-
Net credit to the general government (excluding foreign liabilities of government)	199.0	156.1	182.4	185.2	191.7	198.4	202.4	207.2	230.6	244.8	232.9	237.2	233.1	222.7
- of which: liabilities of government and NPF	416.1	418.5	417.8	417.0	395.4	409.0	409.4	422.0	456.7	412.4	398.9	376.0	373.7	365.3
- of which: claims of government and NPF	217.1	262.4	235.4	231.8	203.7	210.6	207.0	214.8	226.1	167.6	166.0	138.8	140.6	142.6
Foreign liabilities of government	101.7	140.6	128.9	129.0	130.9	128.5	127.9	125.8	123.8	123.8	122.3	120.4	121.4	123.8
Other public sector deposits in NBS ³⁾	14.4	13.6	9.5	12.0	14.6	14.6	18.3	16.6	11.6	-	8.6	9.4	3.0	3.7
Money market fund shares/units	17.0	18.3	20.2	22.3	24.7	26.7	28.4	30.7	32.7	-	36.0	39.7	42.4	44.0

1) Preliminary data, which will be replaced by definitive data from the annual financial statements of banks, by the end of the second quarter of 2005.

2) Revision of data for 2004.

3) Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS are included in Net credit to government, since 1 January 2005.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2004										2005			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
Loans in total¹⁾	8.00	7.66	7.64	7.21	7.17	7.17	7.29	7.32	5.60	6.94	6.22	6.15	6.17	
Current account overdrafts	8.75	8.56	8.38	7.86	7.90	7.74	8.08	7.75	7.48	7.72	7.08	6.62	6.60	
Operation loans	-	-	-	-	-	-	-	-	-	4.74	3.32	3.49	3.78	
Investment loans	-	-	-	-	-	-	-	-	-	5.41	4.67	5.05	5.16	
Consumer loans	12.06	11.91	15.57	14.30	13.89	13.66	12.83	13.89	13.60	12.97	12.36	11.43	11.28	
Real estate loans	7.38	7.49	7.66	7.58	7.58	7.72	7.45	7.05	7.05	7.15	6.63	6.46	6.05	
of which:														
Mortgage loans	7.32	7.50	7.42	7.48	7.44	7.66	7.38	6.67	6.76	7.12	6.34	5.96	5.37	
Construction loans	5.30	5.16	5.13	5.33	5.13	5.08	5.24	5.10	5.06	5.13	5.06	5.16	5.19	
Intermediate loans	7.61	7.64	7.64	7.54	7.60	7.60	7.58	7.58	7.45	7.46	7.27	7.22	7.21	
Other real estate loans	-	-	-	-	-	-	-	-	-	8.23	6.86	6.71	6.25	
Other loans	6.86	6.67	5.95	5.35	5.35	5.54	5.30	5.81	4.02	6.45	5.88	5.68	5.21	
Floating rate + IRF for up to 1 year incl.	8.04	7.77	7.49	7.04	7.07	7.06	7.20	7.23	5.42	6.90	6.13	6.05	6.08	
IRF for over 1 year and up to 5 years incl.	7.58	6.65	9.63	9.73	8.61	8.68	8.48	8.56	8.82	8.03	7.76	8.03	7.80	
IRF for over 5 years and up to 10 years incl.	7.55	7.42	7.44	7.40	7.02	7.39	7.18	7.06	6.55	6.87	6.44	6.35	6.45	
IRF for over 10 years	7.08	6.72	7.57	6.30	7.06	8.78	8.75	6.26	6.83	6.82	6.06	6.01	6.30	
Households														
Loans in total	10.61	10.37	10.95	10.17	9.95	9.76	10.60	10.28	10.21	10.67	10.33	9.99	9.67	
Current account overdrafts	11.69	11.38	11.63	10.71	10.50	10.40	11.99	10.46	10.32	11.31	11.10	10.99	10.80	
Consumer loans	12.06	11.91	15.57	14.30	13.89	13.66	12.83	13.89	13.60	12.97	12.36	11.44	11.28	
Real estate loans	7.38	7.49	7.66	7.58	7.59	7.72	7.46	7.08	7.06	7.15	6.63	6.48	6.17	
of which:														
Mortgage loans	7.32	7.50	7.42	7.48	7.44	7.66	7.38	6.67	6.76	7.12	6.34	5.95	5.37	
Construction loans	5.30	5.16	5.13	5.33	5.13	5.08	5.24	5.10	5.06	5.13	5.06	5.16	5.19	
Intermediate loans	7.61	7.64	7.66	7.55	7.63	7.60	7.60	7.69	7.47	7.47	7.29	7.23	7.21	
Other real estate loans	-	-	-	-	-	-	-	-	-	8.23	6.86	6.79	6.63	
Other loans	10.37	10.34	8.85	7.66	8.16	9.18	9.41	11.42	10.73	10.94	9.76	9.50	9.80	
Floating rate + IRF for up to 1 year incl.	11.12	10.84	11.14	10.31	10.16	10.00	11.23	10.43	10.12	10.72	10.35	10.07	9.70	
IRF for over 1 year and up to 5 years incl.	10.30	10.33	12.86	11.30	10.44	10.00	9.51	10.91	12.31	12.41	12.24	11.89	11.66	
IRF for over 5 years and up to 10 years incl.	7.57	7.69	7.61	7.52	7.56	7.58	7.55	7.52	7.76	7.28	7.24	7.05	6.92	
IRF for over 10 years	7.12	7.34	8.15	8.48	7.65	8.97	8.88	8.00	6.95	7.72	7.19	6.54	6.50	
Non-financial corporations														
Loans in total	7.20	6.85	6.75	6.20	6.25	6.20	6.07	6.32	5.38	5.92	5.13	4.83	4.89	
Current account overdrafts	7.93	7.69	7.45	6.81	6.90	6.85	6.66	6.80	6.31	6.46	5.68	5.20	5.18	
Operation loans	-	-	-	-	-	-	-	-	-	4.61	3.31	3.38	3.62	
Investment loans	-	-	-	-	-	-	-	-	-	5.66	4.64	4.89	4.94	
Other loans	6.21	6.09	5.88	5.24	5.24	5.22	5.08	5.40	4.52	6.10	4.71	4.22	4.23	
Loans up 1 million EUR	5.92	6.23	6.40	5.95	5.40	5.60	5.14	5.96	5.35	5.29	4.78	4.53	4.79	
Loans over 1 million EUR	6.60	5.95	5.55	4.86	5.16	5.06	5.03	5.08	4.19	4.56	3.47	3.43	3.58	
Floating rate + IRF for up to 1 year incl.	7.22	6.92	6.78	6.19	6.27	6.21	6.07	6.35	5.38	5.93	5.12	4.82	4.86	
IRF for over 1 year and up to 5 years incl.	6.75	5.92	6.22	6.56	5.90	5.00	5.79	5.62	5.74	5.54	5.56	5.05	5.78	
IRF for over 5 years and up to 10 years incl.	7.24	6.40	6.48	6.84	4.90	6.68	6.70	6.28	5.20	5.96	4.92	4.97	5.46	
IRF for over 10 years	8.28	6.09	6.88	5.59	6.21	7.93	6.05	5.63	6.07	5.76	4.95	4.87	4.62	

Note: IRF – initial rate fixation.

1) Interest rates on total loans include insurance companies, pension funds, and the general government.



Volumes of New Loans and Average Lending Rates of Commercial Banks

(National methodology)

		2004										2005			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Loans in total ¹⁾	a	94.69	93.50	103.07	91.11	98.22	99.55	100.50	105.84	141.04	98.41	98.25	99.27	92.14	
	b	7.51	8.77	8.53	8.15	8.08	7.91	8.05	8.08	7.40	7.64	6.57	6.63	7.00	
of which:															
Current account overdrafts	a	39.18	40.51	40.13	38.38	39.29	40.66	43.67	42.95	53.09	45.88	48.91	47.17	46.68	
	b	8.52	11.96	12.68	11.47	11.70	11.05	10.99	11.14	11.65	9.84	8.62	9.16	9.18	
Investment loans	a	4.02	3.93	5.97	4.42	5.21	6.44	4.10	4.78	7.25	3.14	4.65	6.43	3.60	
	b	6.91	6.52	6.07	5.85	5.56	5.46	5.73	5.65	5.02	4.94	4.38	3.85	4.52	
Operation loans	a	-	-	-	-	-	-	-	-	-	31.45	26.34	27.99	22.27	
	b	-	-	-	-	-	-	-	-	-	4.77	3.48	3.12	3.44	
Consumer loans	a	1.35	2.36	2.30	2.20	2.14	2.16	2.69	3.44	4.15	3.09	1.20	1.54	1.64	
	b	13.27	13.88	13.97	13.39	12.90	12.52	12.24	12.71	12.48	11.43	12.35	11.30	11.55	
Housing loans	a	3.39	4.09	4.37	4.65	4.69	4.89	5.05	4.88	5.07	2.90	3.14	3.58	3.99	
	b	7.17	7.37	7.16	7.30	7.54	7.59	7.52	7.46	6.93	6.27	5.76	5.90	5.92	
of which: mortgage loans															
without state bonus															
	a	0.13	0.18	0.18	0.36	0.53	0.56	0.70	0.76	0.84	0.75	0.66	0.77	0.78	
	b	7.86	7.96	7.54	7.82	7.63	7.52	6.95	6.85	6.88	6.73	6.54	6.36	5.71	
mortgage loans with state bonus – client															
	a	1.58	1.64	1.77	1.82	1.54	1.46	1.45	1.41	1.39	0.88	0.54	0.57	0.55	
	b	5.70	5.80	6.03	5.98	6.22	6.27	6.21	6.15	6.03	6.48	6.01	6.25	6.08	
mortgage loans with state bonus – bank															
	a	1.58	1.64	1.77	1.82	1.54	1.46	1.45	1.41	1.39	0.88	0.54	0.57	0.55	
	b	7.24	7.25	7.06	6.93	6.99	6.93	6.90	6.79	6.77	6.82	6.69	6.34	6.14	
construction loans															
	a	0.12	0.14	0.14	0.15	0.11	0.10	0.12	0.09	0.10	0.08	0.09	0.09	0.11	
	b	4.94	5.17	5.06	5.25	5.33	5.31	5.39	5.32	5.24	5.26	5.26	5.26	5.33	
intermediate loans															
	a	0.81	1.00	1.14	1.03	1.03	1.04	1.03	0.96	0.99	0.51	0.51	0.61	0.69	
	b	7.39	7.44	7.41	7.41	7.48	7.35	7.39	7.32	7.33	7.28	7.22	7.16	7.16	
other real estate loans															
	a	-	-	-	-	-	-	-	-	-	0.67	1.34	1.53	1.87	
	b	-	-	-	-	-	-	-	-	-	4.83	4.76	5.06	5.55	
Other loans	a	38.30	37.37	45.50	35.92	41.88	39.23	39.98	44.13	64.86	5.32	8.16	5.79	6.98	
	b	6.03	5.67	5.25	4.91	4.99	5.06	4.94	5.17	3.91	5.77	4.12	4.48	4.44	
Short-term loans															
	a	81.99	79.48	86.62	77.63	83.82	82.16	86.86	88.54	120.67	87.09	84.41	85.33	79.53	
	b	7.45	8.93	8.71	8.26	8.21	8.11	8.10	8.16	7.45	7.68	6.78	6.81	7.14	
- with a maturity of up to 7 days															
	a	47.17	50.68	56.54	30.29	38.68	33.85	36.71	40.16	52.36	35.77	40.21	31.91	29.28	
	b	7.32	9.32	9.21	6.58	6.87	6.16	6.04	5.84	5.69	5.99	5.57	4.96	5.11	
- up to 1 month															
	a	6.21	5.05	7.34	6.19	6.19	8.27	5.09	6.52	17.97	7.62	6.94	8.66	6.30	
	b	6.51	7.07	5.57	5.37	5.31	5.86	5.52	5.69	3.77	5.51	4.23	3.99	4.01	
- up to 3 months															
	a	2.63	3.54	2.85	5.93	4.19	3.05	5.90	3.14	5.24	5.59	3.67	4.36	4.20	
	b	6.36	6.30	6.09	5.37	5.41	6.26	5.49	5.53	5.36	4.91	3.58	3.48	4.44	
- up to 6 months															
	a	1.10	0.53	0.96	0.61	1.54	0.82	0.99	0.66	1.38	1.03	0.75	1.66	1.15	
	b	6.61	6.67	6.45	5.27	4.54	5.30	5.32	5.70	5.04	4.66	4.28	3.10	3.43	
- up to 12 months															
	a	24.87	19.67	18.93	34.60	33.22	36.17	38.17	38.05	43.73	37.08	32.85	38.75	38.61	
	b	8.07	8.92	8.96	10.79	10.83	10.67	10.90	11.30	11.38	10.24	9.21	9.50	9.60	
Long-term loans with a maturity of 1 to 5 years															
	a	7.95	9.09	8.69	8.12	8.56	9.67	7.40	9.92	10.64	6.83	9.76	7.08	6.88	
	b	8.25	8.17	8.18	7.86	7.58	7.17	8.11	7.98	7.80	7.31	4.83	5.70	6.09	
Long-term loans with a maturity of over 5 years															
	a	4.75	4.93	7.77	5.36	5.84	7.72	6.23	7.38	9.72	4.50	4.08	6.85	5.72	
	b	7.34	7.28	6.89	7.07	7.01	6.73	7.27	7.21	6.39	7.42	6.28	5.25	6.10	

a – Volume (SKK billions).

b – Average interest rate (%).

1) Excluding loans at zero interest rate.

Koruna Deposits and Average Deposit Rates

(National methodology)

		2004									2005			
		4	5	6	7	8	9	10	11	12	1	2	3	4
Deposits in total	a	632.70	625.53	625.03	637.29	666.03	663.68	656.28	662.96	669.70	659.78	614.32	668.07	690.90
	b	2.98	2.60	2.49	2.24	2.51	2.37	2.30	2.28	2.01	2.19	1.56	1.59	1.64
of which:														
Demand deposits	a	193.26	199.02	213.25	206.66	209.81	214.26	207.98	216.82	247.20	215.47	229.87	226.16	231.30
	b	1.19	0.95	1.10	0.78	0.96	0.86	0.76	0.76	0.83	0.81	0.56	0.48	0.48
Time deposits	a	343.00	331.33	317.69	337.71	364.97	359.66	359.65	358.21	331.22	397.33	338.66	397.12	415.53
	b	4.11	3.62	3.55	3.21	3.53	3.37	3.27	3.27	2.88	3.03	2.29	2.29	2.34
- short-term	a	323.17	310.95	296.96	316.90	344.44	338.94	339.18	337.59	311.01	332.65	273.28	332.36	351.81
	b	4.00	3.48	3.46	3.10	3.47	3.29	3.18	3.19	2.78	2.97	2.05	2.10	2.17
- overnight	a	20.89	35.06	30.83	17.59	19.24	21.78	20.77	27.20	12.09	35.42	47.87	36.09	21.22
	b	4.09	2.42	4.92	2.56	4.90	3.62	2.76	2.54	2.44	3.37	2.06	1.49	1.69
- up to 7 days	a	43.88	28.17	20.96	37.91	35.36	32.98	33.68	27.47	53.16	27.31	50.55	29.47	34.49
	b	4.19	3.51	3.27	2.75	4.24	3.55	3.00	3.24	2.79	3.14	2.02	2.01	1.91
- up to 1 month	a	163.93	146.79	143.92	159.15	180.56	186.29	186.73	193.42	156.29	183.77	86.63	183.72	214.03
	b	4.24	3.78	3.37	3.33	3.50	3.53	3.54	3.57	3.01	3.17	1.88	2.27	2.37
- up to 3 months	a	55.65	62.52	60.91	62.39	70.76	63.25	63.48	55.24	55.33	52.14	53.49	49.81	47.92
	b	3.28	3.27	2.99	2.80	2.83	2.67	2.66	2.51	2.37	2.27	2.15	1.90	1.80
- up to 6 months	a	20.03	18.99	20.01	20.30	19.59	18.77	18.52	18.41	18.29	18.62	18.36	17.00	18.18
	b	3.67	3.40	3.26	3.06	2.75	2.42	2.40	2.33	2.34	2.32	2.22	1.97	1.89
- up to 12 months	a	18.78	19.41	20.33	19.55	18.94	15.86	15.99	15.86	15.85	15.40	16.38	16.27	15.97
	b	3.81	3.81	3.62	3.46	3.38	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18
- medium-term	a	18.99	19.24	19.45	19.57	19.70	19.98	19.73	19.87	19.46	26.17	26.29	26.01	25.00
	b	5.89	5.72	4.72	4.67	4.65	4.64	4.65	4.58	4.33	3.75	3.71	3.65	3.69
- up to 2 years	a	12.78	13.41	13.58	13.66	13.52	13.65	13.29	13.38	12.99	12.87	12.88	13.14	12.18
	b	6.12	5.98	4.64	4.60	4.56	4.51	4.54	4.50	4.15	4.12	4.09	4.05	4.19
- up to 5 years	a	6.20	5.83	5.87	5.91	6.18	6.33	6.43	6.48	6.47	13.30	13.41	12.87	12.82
	b	5.42	5.14	4.91	4.83	4.85	4.93	4.88	4.75	4.70	3.40	3.34	3.25	3.21
- long-term over 5 years	a	0.84	1.14	1.27	1.24	0.82	0.75	0.75	0.76	0.76	38.51	39.09	38.74	38.71
	b	8.95	7.29	7.99	8.11	5.06	5.03	5.06	5.10	5.11	3.01	3.00	2.99	2.99
Savings deposits	a	96.44	95.18	94.09	92.92	91.25	89.76	88.64	87.93	91.27	46.98	45.79	44.80	44.07
	b	2.57	2.50	2.04	1.95	1.98	2.00	2.01	2.03	2.06	1.35	1.18	0.98	0.99
- short-term	a	40.61	39.90	39.21	38.23	37.03	36.16	35.44	34.79	34.59	34.86	33.84	32.86	32.08
	b	2.59	2.42	1.72	1.46	1.48	1.50	1.52	1.54	1.46	1.48	1.26	0.98	0.96
- medium-term	a	14.72	14.45	14.18	13.76	13.40	13.14	12.95	12.77	12.64	12.09	11.92	11.90	11.96
	b	1.85	1.83	0.79	0.78	0.89	0.89	1.01	1.01	0.69	0.70	0.98	1.01	1.09
- long-term	a	41.11	40.83	40.69	40.93	40.82	40.46	40.25	40.37	44.04	0.04	0.04	0.03	0.03
	b	2.80	2.80	2.80	2.80	2.81	2.81	2.82	2.82	2.83	0.88	0.78	0.57	0.57
Time and savings deposits	a	439.44	426.51	411.78	430.63	456.22	449.42	448.30	446.14	422.50	444.31	384.45	441.91	459.60
	b	3.77	3.37	3.21	2.94	3.22	3.09	3.01	3.02	2.70	2.85	2.16	2.15	2.21
- short-term	a	363.78	350.85	336.18	355.13	381.47	375.09	374.62	372.38	345.60	367.51	307.12	365.23	383.89
	b	3.84	3.36	3.25	2.93	3.27	3.11	3.02	3.03	2.65	2.83	1.96	2.00	2.07
- medium-term	a	33.70	33.69	33.63	33.33	33.10	33.12	32.68	32.64	32.10	38.26	38.20	37.91	36.96
	b	4.12	4.05	3.06	3.06	3.13	3.15	3.20	3.18	2.90	2.78	2.86	2.82	2.85
- long-term	a	41.95	41.97	41.97	42.17	41.65	41.21	41.00	41.13	44.79	38.55	39.13	38.78	38.75
	b	2.92	2.92	2.96	2.96	2.85	2.85	2.86	2.86	2.87	3.01	3.00	2.99	2.98

a - Volume (SKK billions).

b - Average interest rate (%).



Basic Characteristics of Interest Rates on Loans and Deposits

(National methodology)

(%, percentage points)

	li- ne	2004										2005			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Average interest rate on total credit ¹⁾	1	7.48	7.35	7.18	6.81	6.81	6.74	6.73	6.69	6.43	6.49	6.26	6.06	5.96	
Average interest rate on deposits	2	2.98	2.60	2.49	2.24	2.51	2.37	2.30	2.28	2.01	2.18	1.56	1.59	1.64	
Average interest rate on new loans ¹⁾	3	7.51	8.77	8.53	8.15	8.08	7.92	8.05	8.10	7.35	7.64	6.57	6.63	7.00	
Average interbank money market rate (1D to 12M – mid rates)	4	5.11	4.64	4.10	3.80	3.86	3.98	4.06	4.10	3.54	3.60	2.64	2.16	2.42	
Average interest rate on new short-term loans ¹⁾	5	7.45	8.93	8.72	8.26	8.21	8.12	8.10	8.18	7.44	7.68	6.78	6.81	7.14	
Average interest rate on short-term deposits	6	3.84	3.36	3.25	2.93	3.27	3.11	3.02	3.03	2.65	2.83	1.96	2.00	2.07	
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	3.61	5.57	5.46	5.33	4.94	5.01	5.08	5.15	4.79	4.85	4.82	4.81	5.07	
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	5.50	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.00	4.00	4.00	3.00	3.00	
12-month rate of inflation	9	8.00	8.30	8.10	8.50	7.20	6.70	6.60	6.30	5.90	3.20	2.70	2.50	2.70	
Year-on-year increase in industrial producer prices	10	2.20	3.00	3.10	3.00	3.70	4.00	4.70	4.50	4.30	2.80	2.10	2.60	3.50	
Real interest rate on new short-term loans (line 5 – line 10)	11	5.25	5.93	5.62	5.26	4.51	4.12	3.40	3.68	3.14	4.88	4.68	4.21	3.64	
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	-0.55	0.63	0.62	-0.24	1.01	1.42	1.50	1.88	1.54	4.48	4.08	4.31	4.44	
Average interest rate on one-year deposits	13	3.81	3.81	3.62	3.46	3.38	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18	
Real interest rate on one-year deposits (line 13 – line 9)	14	-4.19	-4.49	-4.48	-5.04	-3.82	-3.75	-3.69	-3.47	-3.19	-0.71	-0.24	-0.13	-0.52	
Nominal interest margin (line 1 – line 2)	15	4.49	4.75	4.69	4.57	4.30	4.37	4.43	4.41	4.42	4.31	4.70	4.47	4.33	
Difference between the average interest rates on new loans and total deposits (line 3 – line 2)	16	4.53	6.17	6.05	5.91	5.57	5.55	5.75	5.82	5.34	5.46	5.01	5.04	5.36	
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	2.34	4.29	4.62	4.46	4.35	4.14	4.04	4.08	3.90	4.08	4.14	4.65	4.72	
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	2.40	4.13	4.44	4.35	4.22	3.94	3.99	4.00	3.81	4.04	3.93	4.47	4.58	
Average interest rate on loans ²⁾	19	7.20	7.07	6.91	6.55	6.56	6.51	6.51	6.47	6.23	6.28	6.05	5.86	5.78	
Nominal interest margin (line 19 – line 2)	20	4.22	4.47	4.43	4.31	4.05	4.14	4.21	4.19	4.22	4.10	4.49	4.27	4.14	

1) Excluding loans at zero interest rate.

2) Including loans at zero interest rate.



Shortened Balance Sheet of Commercial Banks as at 30 April 2005

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

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
Total assets	64,513,536	1,182,377,852	29,774,525	123,007,338	56,265,459	1,326,911,638
Cash items	0	10,274,044	0	19,196	3,266,406	13,559,646
Cash in hand	0	9,378,166	0	0	3,009,108	12,387,274
Gold	0	1	0	0	0	1
Other cash items	0	895,877	0	19,196	257,298	1,172,371
Deposits with and credits to NBS, foreign issuing banks, and post office banks	0	417,731,701	0	0	3,311	417,735,012
Money reserve accounts with the NBS	0	9,530,159	0	0	0	9,530,159
Deposits, credits, and other receivables	53,091	31,445,209	8,118,882	4,797,940	11,934,691	56,243,631
Current accounts with banks	309	408,642	15,207	94,180	3,703,276	4,220,996
Credits provided	0	1,241,514	386,594	0	2,113,048	3,741,156
Time deposits with banks	587	29,701,871	3,930,311	4,702,212	5,701,219	44,035,026
Current accounts of other banks	0	0	2,162,459	2	131,950	2,294,411
Other receivables	0	30,777	1,624,311	1,546	280,751	1,937,385
Standard credits, qualified deposits, classified credits, deposits, and other receivables	52,195	62,405	0	0	4,447	14,657
of which: Short-term receivables	42	0	0	0	42	0
Interest on non-performing credits	499	631	0	0	0	132
Standard credits to customers	1,001,867	234,845,029	392,082	66,187,906	8,515,032	308,938,182
Short-term credits	462,414	40,176,475	77,427	16,662,788	3,446,029	59,900,305
Long-term credits	539,453	194,668,554	314,655	49,525,118	5,069,003	249,037,877
of which: Credits repayable in 1 to and including 5 years	424,355	71,191,989	93,309	21,220,292	2,147,040	94,228,275
Receivables from financial leasing	0	0	0	5,853	541	6,394
Other receivables from customers	5,879	2,101,461	23,643	1,761,237	924,088	4,804,550
of which: Credits for commercial claims	5,879	616,551	0	1,633,056	819,220	3,062,948
Current accounts of customers - debit balances, overdrafts	245,603	38,853,464	132,120	11,690,203	312,794	50,742,978
Standard receivables with conditions, classified credits, and other receivables from customers	24,108,120	50,024,595	402,122	18,477,573	1,690,373	46,486,543
of which: Interest due, but unpaid	2,622,359	2,642,646	2,133	38,605	2,379	63,404
Standard credits with conditions	2,236,185	23,134,932	165,101	13,015,971	1,306,161	35,385,980
Sub-standard receivables	2,083,407	7,470,160	218,646	2,739,754	360,815	8,705,968
Doubtful and controversial claims	2,215,301	3,072,851	61	1,041,289	19,275	1,918,175
Loss-making receivables	17,573,227	16,346,652	18,314	1,680,559	4,122	476,420
Receivables with reduced value	319,711	325,058	306,080	12,383	61,690	385,500
Unclassified receivables from customers	0	0	0	0	0	0
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	76,012	17,931,293	0	6,183,250	0	24,038,531
Standard credits with conditions, classified loans, and other receivables	76,012	164,688	0	298,352	0	387,028
Credits to state authorities	0	11,343,417	0	507,727	0	11,851,144
Credits to social security funds	0	291,242	0	0	0	291,242
Credits to local governments	0	6,131,946	0	5,377,171	0	11,509,117
Credits to funds	0	0	0	0	0	0
Fixed forward transactions	0	6,813,255	6,919,062	475,966	1,843,717	16,052,000
Claims in respect of money collection	0	26,720	3,013	700,165	106,582	836,480
Branches and representative offices	0	730	257,713	0	0	258,443
Receivables and other suspense accounts	1,329,248	5,896,271	20,180	399,589	17,807	5,004,599
Securities for sale and other shareholdings	203,252	38,830,024	794,836	3,326,655	4,210,443	46,958,706
Receivables from trade in securities and from securities issued by the accounting unit	0	5,948	1	65	7	6,021
Securities intended for trading	0	58,977,893	3,493,909	3,553,914	17,764,056	83,789,772
Options - purchase	0	2,217,772	682,820	71,169	7,589	2,979,350
Financial investment	1,548,674	192,722,235	8,228,062	5,341,851	5,075,652	209,819,126
Long-term funds provided to branches abroad	0	0	0	0	530,680	530,680
Tangible assets	26,815,620	50,268,304	0	0	0	23,452,684
Acquisition of tangible and intangible assets	2,362	1,944,290	0	2,423	0	1,944,351
Subordinated financial assets	0	61,568	0	0	0	61,568
Intangible assets	8,804,097	11,408,488	0	0	0	2,604,391
Inventories	0	142,341	0	0	0	142,341
Adjustments and accumulated depreciation	64,513,536	60,124,807	58,675	3,907,456	422,598	0



Shortened Balance Sheet of Commercial Banks as at 30 April 2005

(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	880,639,766	167,014,409	98,744,827	180,512,636	1,326,911,638
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	5,918,430	0	79,430	0	5,997,860
Current accounts with NBS and foreign issuing banks	1,744,150	0	0	0	1,744,150
Time deposits of NBS and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	4,174,280	0	79,430	0	4,253,710
of which: Redistribution credit	3,572,183	0	0	0	3,572,183
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	31,689,269	99,976,341	4,830,201	128,266,625	264,762,436
Current accounts with banks	0	16,838	0	2,259,384	2,276,222
Current accounts of other banks	409,328	8,609,424	94,226	285,333	9,398,311
Other payables	70,877	2,063	33,764	331,954	438,658
Credits received	1,272,577	29,043,371	0	21,242,096	51,558,044
Time deposits of other banks	29,936,487	62,304,645	4,702,211	104,147,858	201,091,201
Payables in respect of other items	0	0	0	0	0
Liabilities in respect of short selling securities	0	0	0	0	0
Deposits of customers	591,605,328	4,854,178	78,041,587	4,307,584	678,808,677
Current accounts of customers	209,830,502	2,969,234	40,915,416	2,968,502	256,683,654
Time deposits of customers	299,463,692	1,786,071	35,207,175	1,314,503	337,771,441
Savings deposits of customers	81,450,672	98,813	1,918,996	24,579	83,493,060
Certificates of deposit	860,462	60	0	0	860,522
Other liabilities to customers	11,081,419	5,590	4,083,711	1,274,924	16,445,644
Loans received from customers	7,414,050	0	0	0	7,414,050
Liabilities from financial leasing	10,758	0	0	0	10,758
Short-term securities issued by the accounting unit	6,839,857	36,291	1,611,213	2,900	8,490,261
Earmarked deposits	5,200	0	0	6,683,387	6,688,587
Other specific payables	16,097	0	1,312	0	17,409
Accounts of state authorities, local governments, and funds	109,245,993	4,782	8,155,115	13,741	117,419,631
Non-budgetary money deposits of state authorities	86,907,209	4,781	8,050,780	13,740	94,976,510
Deposits of social security funds	610,569	0	0	0	610,569
Deposits of local governments	18,773,600	1	72,974	1	18,846,576
Deposits of funds	2,954,615	0	31,361	0	2,985,976
Fixed forward transactions	4,595,258	7,421,374	441,080	2,903,402	15,361,114
Payables in respect of money collection	341,609	576	714,986	78,441	1,135,612
Branches and representative offices	304,766	11,211,807	0	36,747,825	48,264,398
Various payables, adjustment and other suspense accounts	5,337,189	31,471	232,844	23,837	5,625,341
Liabilities from trading in securities and securities issued by the accounting unit	3,510,310	1,325	18,950	23	3,530,608
Options – sale	1,278,692	1,726,171	31,657	50,306	3,086,826
Subsidies and similar funds	3,335,084	0	0	0	3,335,084
Long-term securities issued by the accounting unit	32,971,059	1,121,266	2,316	0	34,094,641
Subordinated financial liabilities	0	512,101	0	0	512,101
Reserves	6,766,120	0	99,410	102,104	6,967,634
Reserve funds and other funds allocated from profits	12,150,833	146,500	0	0	12,297,333
Registered capital	4,618,543	36,831,658	0	0	41,450,201
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,949,805	250,000	0	0	2,199,805
Own shares	-14,166	0	0	0	-14,166
Capital fund	205,409	5,490	0	0	210,899
Gains or losses from revaluation of net investments connected with shares and deposits	-2,197	0	7,897	55,017	60,717
Gains or losses from revaluation of security derivatives	1,701,543	32,909	393,118	2,520	2,130,090
Retained earnings from previous years /+/-/	26,668,869	0	0	0	26,668,869
Accumulated losses from previous years /-/-/	-1,005,184	0	0	0	-1,005,184
Profit and loss account /+/-/	5,072,935	0	0	0	5,072,935
Profit or loss in process of approval /+/-/	7,026,888	0	0	0	7,026,888

Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2004									2005			
	4	5	6	7	8	9	10	11	12	1	2	3	4
EXPENSES													
Expenses on financial operations:	94,242	119,559	134,320	149,803	164,229	177,710	192,022	210,392	234,692	19,396	35,034	58,931	79,761
Other interest	8,979	11,067	12,993	14,788	16,664	18,661	20,544	22,497	24,202	2,023	3,750	5,427	7,222
of which: Financial renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and commissions	462	588	733	870	1,004	1,139	1,281	1,470	1,592	135	270	390	625
Operations in securities	939	1,144	1,315	1,450	1,677	1,873	2,068	2,202	2,464	74	179	492	641
Interest on securities	678	852	1,033	1,284	1,484	1,687	1,903	2,119	2,383	230	432	673	891
Foreign exchange operations	39,748	51,416	57,605	64,710	71,850	77,730	83,985	92,354	106,069	8,728	15,593	31,356	43,886
Operations in derivatives	43,109	54,062	60,071	66,052	70,844	75,822	81,342	88,762	96,882	8,113	14,642	20,346	26,161
Other operations	328	430	569	649	706	797	899	987	1,100	94	166	248	336
General operating expenses	8,383	10,700	13,014	15,112	17,300	19,499	21,722	24,068	26,341	2,136	4,407	6,640	8,849
Additions to reserves and provisions	7,293	8,625	12,831	14,740	16,521	19,932	21,645	23,817	30,941	2,727	4,968	7,709	9,344
Other operating expenses	5,712	6,341	7,111	7,928	8,399	9,934	10,992	11,699	13,700	595	1,138	1,863	2,422
Extraordinary expenses	5	5	5	0	0	0	0	0	200	0	0	0	0
Income tax	422	551	611	749	857	857	1,019	1,048	1,788	96	191	367	587
Current period profit	4,490	5,511	6,942	8,262	9,518	10,167	11,061	12,347	12,287	1,446	2,702	3,748	5,073
TOTAL EXPENSES, PLUS PROFIT	120,547	151,292	174,833	196,595	216,825	238,099	258,461	283,371	319,950	26,396	48,440	79,258	106,035
INCOME													
Income from financial operations:	109,324	138,363	157,307	176,806	195,014	212,238	230,318	252,735	281,542	23,648	43,303	71,135	95,670
Income from other interest	12,511	15,894	18,982	22,085	25,179	28,342	31,409	34,570	37,660	3,306	6,231	9,284	12,489
of which: Income from financial renting	0	0	0	0	0	0	0	0	1	0	0	0	0
Income from shares and stakes	46	84	89	140	224	248	275	276	280	32	107	155	167
Income from fees and provisions	3,277	4,144	5,121	6,037	6,928	7,874	8,807	9,743	10,962	917	1,840	2,937	3,974
Income from operations in securities	1,719	1,914	2,512	2,796	3,067	3,276	3,577	4,130	5,261	661	1,229	1,397	1,601
Income from interest on securities	7,252	8,976	10,554	12,111	13,645	15,205	16,777	18,366	20,452	1,599	2,947	4,370	5,626
Income from foreign exchange operations	41,919	53,477	59,826	67,543	74,996	81,292	87,911	96,709	109,859	8,717	16,511	32,214	44,944
Income from operations in derivatives	42,374	53,587	59,864	65,670	70,480	75,425	80,919	88,217	96,246	8,330	14,258	20,523	26,509
Income from other operations	226	285	358	424	495	575	643	723	822	85	179	255	359
Use of reserves and provisions	10,160	11,715	16,098	18,163	20,051	23,801	25,795	28,068	35,248	2,663	4,919	7,751	9,679
Other operating income	1,062	1,212	1,428	1,625	1,758	2,058	2,344	2,566	3,153	82	216	372	687
Extraordinary income	0	0	0	0	0	0	0	0	0	2	3	0	0
Current period loss	0	1	0	0	1	2	4	3	7	1	0	0	0
TOTAL INCOME, PLUS LOSS	120,547	151,292	174,833	196,595	216,825	238,099	258,461	283,371	319,950	26,396	48,440	79,258	106,035



Balance of Payments of the SR for January – March 2005

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	213,637.0	7,326.4	223,734.0	7,672.6	-10,097.0	-346.3
Services	32,315.3	1,108.2	27,019.2	926.6	5,296.1	181.6
Transport	11,635.0	399.0	8,344.8	286.2	3,290.2	112.8
Tourism	9,207.4	315.8	5,158.3	176.9	4,049.1	138.9
Other services	11,472.9	393.4	13,516.1	463.5	-2,043.2	-70.1
Income	13,104.4	449.4	15,397.3	528.0	-2,292.9	-78.6
Compensation of employees	7,962.6	273.1	277.3	9.5	7,685.3	263.6
Investment income	5,141.8	176.3	15,120.0	518.5	-9,978.2	-342.2
Current transfers	11,764.0	403.4	11,112.2	381.1	651.8	22.4
CURRENT ACCOUNT	270,820.7	9,287.4	277,262.7	9,508.3	-6,442.0	-220.9
Capital account	205.7	7.1	232.3	8.0	-26.6	-0.9
Financial account	900,394.5	30,877.5	-781,918.6	-26,812.8	118,475.9	4,064.7
Direct investment	138,817.7	4,760.6	-136,001.4	-4,664.0	2,816.3	96.6
<i>Abroad (direct investor = resident)</i>	8,851.0	303.5	-9,216.2	-316.1	-365.2	-12.5
Equity capital and reinvested earnings	6.0	0.2	-336.2	-11.5	-330.2	-11.3
Other capital	8,845.0	303.3	-8,880.0	-304.5	-35.0	-1.2
<i>In the SR (recipient of dir. investment = resident)</i>	129,966.7	4,457.0	-126,785.2	-4,347.9	3,181.5	109.1
Equity capital and reinvested earnings	11,332.7	388.6	-2,727.2	-93.5	8,605.5	295.1
Other capital	118,634.0	4,068.4	-124,058.0	-4,254.4	-5,424.0	-186.0
Portfolio investment	152,931.0	5,244.5	-140,791.3	-4,828.2	12,139.7	416.3
Assets	13,829.4	474.3	-26,500.7	-908.8	-12,671.3	-434.5
Liabilities	139,101.6	4,770.3	-114,290.6	-3,919.4	24,811.0	850.9
Financial derivatives	220,840.2	7,573.4	-220,609.4	-7,565.5	230.8	7.9
Assets	93,689.9	3,213.0	-95,843.7	-3,286.8	-2,153.8	-73.9
Liabilities	127,150.3	4,360.4	-124,765.7	-4,278.7	2,384.6	81.8
Other investment	387,805.6	13,299.0	-284,516.5	-9,755.1	103,289.1	3,543.9
<i>Long-term</i>	21,838.4	748.9	-39,738.4	-1,360.8	-17,900.0	-611.9
Assets	5,359.7	183.8	-5,714.9	-196.0	-355.2	-12.2
Liabilities	16,478.7	565.1	-34,023.5	-1,164.8	-17,544.8	-599.7
<i>Short-term</i>	365,967.2	12,550.1	-244,778.1	-8,394.3	121,189.1	4,155.8
Assets	98,874.2	3,390.7	-107,917.1	-3,700.9	-9,042.9	-310.1
Liabilities	267,093.0	9,159.3	-136,861.0	-4,693.4	130,232.0	4,465.9
CAPITAL AND FINANCIAL ACCOUNT	900,600.2	30,884.6	-782,150.9	-26,820.8	118,449.3	4,063.8
ERRORS AND OMISSIONS	-	-	-	-	-1,782.1	-13.4
TOTAL BALANCE	0.0	0.0	110,225.2	3,829.4	110,225.2	3,829.4
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.2	0.0	-0.2	0.0
Foreign exchange	0.0	0.0	-110,225.0	-3,829.4	-110,225.0	-3,829.4
<i>Currency and deposits</i>	0.0	0.0	-12,626.6	-440.5	-12,626.6	-440.5
<i>Securities</i>	0.0	0.0	-97,598.4	-3,388.9	-97,598.4	-3,388.9
Bonds and notes	0.0	0.0	-20,157.5	-717.0	-20,157.5	-717.0
Money market instruments and financial derivatives	0.0	0.0	-77,440.9	-2,671.9	-77,440.9	-2,671.9
RESERVE ASSETS	0.0	0.0	-110,225.2	-3,829.4	-110,225.2	-3,829.4

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 29.160

Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in Sk millions		Type of auction auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	akcept.		issue	maturity	max.
940804001	15.1.2004	16.1.2004	8.4.2004	83	35,502	20,202	American	5.79	5.91	5.95
941405003	19.2.2004	20.2.2004	14.5.2004	84	37,360	20,000	American	5.80	5.88	5.90
940406004	11.3.2004	12.3.2004	4.6.2004	84	46,245	30,000	American	5.69	5.80	5.85
940207006	7.4.2004	8.4.2004	2.7.2004	85	31,698	20,000	American	5.29	5.34	5.42
940608007	13.5.2004	14.5.2004	6.8.2004	84	37,762	20,000	American	4.74	4.84	4.88
942708008	3.6.2004	4.6.2004	27.8.2004	84	49,193	0	American	-	-	-
942409011	1.7.2004	2.7.2004	24.9.2004	84	43,410	20,000	American	3.79	4.13	4.27
942910012	5.8.2004	6.8.2004	29.10.2004	84	50,529	20,000	American	3.74	4.07	4.10
941911014	26.8.2004	27.8.2004	19.11.2004	84	26,011	20,000	American	4.16	4.30	4.47
941712015	23.9.2004	24.9.2004	17.12.2004	84	31,115	20,000	American	3.97	4.31	4.39
942101017	28.10.2004	29.10.2004	21.1.2005	84	37,730	20,000	American	4.28	4.32	4.34
942101018	18.11.2004	19.11.2004	11.2.2005	84	41,001	20,000	American	4.05	4.14	4.18
941103019	16.12.2004	17.12.2004	11.3.2005	84	46,747	20,000	American	3.40	3.54	3.60
951504001	20.1.2005	21.1.2005	15.4.2005	84	47,662	25,000	American	3.41	3.59	3.68
950807004	14.4.2005	15.4.2005	8.7.2005	84	47,657	35,000	American	2.42	2.64	2.74
952907005	5.5.2005	6.5.2005	29.7.2005	84	37,470	35,000	American	2.70	2.91	3.00



Monetary Base of the NBS¹⁾

(SKK billions)

	2005		
	10.5.	20.5.	31.5.
SOURCES OF THE MONETARY BASE	121.09	130.37	128.29
Autonomous factors	564.58	555.99	554.65
Net foreign assets	522.48	498.79	500.05
Reserves	528.24	504.64	505.96
Foreign liabilities	5.76	5.85	5.91
Net credit to the government ²⁾	-23.61	-6.00	-3.25
Other assets net	65.71	63.20	57.85
Monetary policy factors ³⁾	-443.49	-425.63	-426.35
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	1,470.00	1,470.00	570.00
of which: in NBS portfolio	1,026.51	1,044.37	156.00
Overnight deposits of commercial banks with the NBS ⁴⁾	0.00	0.00	12.35
USE OF THE MONETARY BASE⁵⁾	121.09	130.37	128.29
Currency in circulation	115.09	118.51	115.98
Reserves of commercial banks	5.99	11.86	12.31
Required reserves	20.86	20.86	20.86
Excess reserves	-14.86	-9.00	-8.54

1) Since 1 January 2004, the Monetary Base of the NBS has been compiled at 10-day intervals.

2) Including the deposits of the SR Treasury at the NBS.

3) Including NBS treasury bills in the portfolios of commercial banks and the one-day deposits of commercial banks at the NBS.

4) With effect from April 2001, overnight sterilisation REPO operations were replaced by overnight deposits of commercial banks with the NBS.

5) Use of the Monetary Base = Reserve money = Currency in circulation + Reserves of commercial banks.



Basic Characteristics of Slovakia's Foreign Exchange Market in May 2005

	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	402.0	-	19				402.0	19
Transactions between domestic banks without foreign participation	5,070.5	65.1	261	2,648.7	34.0	1,083	68.8	0.9	46	7,788.0	1,390
Interbank forex market: NBS + transactions between domestic banks	5,070.5	61.9	261	3,050.7	37.2	1,102	68.8	0.8	46	8,190.1	1,409
Transactions between domestic and foreign banks	38,091.8	84.1	1,895	6,891.4	15.2	2,685	316.5	0.7	101	45,299.7	4,681
Foreign exchange market in the SR – total	43,162.3	80.7	2,156	9,942.1	18.6	3,787	385.35	0.7	147	53,489.8	6,090

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,740.2	22.3	1,024	4.8	0.1	2	6,030.5	77.4	363	13.1	0.2	1	7,788.5	1,390
Transactions between domestic and foreign banks	5,428.9	12.0	2,524	77.0	0.2	36	39,238.6	86.6	1,936	561.9	1.2	185	45,306.4	4,681
Foreign exchange market in the SR - excl. the NBS	7,169.1	13.5	3,548.0	81.8	0.2	38	45,269.1	85.3	2,299.0	574.9	1.1	186.0	53,094.9	6,071.0



Average Monthly Exchange Rates of the SKK

Midpoint rate	2004								2005				
	5	6	7	8	9	10	11	12	1	2	3	4	5
1 AUD	23.642	22.861	23.265	23.394	23.020	23.448	23.472	22.322	22.483	22.813	22.705	23.372	23.548
1 CYP	-	-	-	-	-	-	-	-	66.426	65.282	65.483	67.153	67.502
1 CZK	1.255	1.263	1.265	1.268	1.267	1.270	1.264	1.268	1.274	1.268	1.283	1.301	1.291
1 DKK	5.404	5.371	5.366	5.395	5.386	5.378	5.326	5.237	5.190	5.112	5.128	5.256	5.244
1 EUR	40.209	39.931	39.901	40.115	40.056	40.004	39.578	38.925	38.614	38.051	38.185	39.157	39.039
1 EEK	-	-	-	-	-	-	-	-	2.468	2.432	2.441	2.503	2.495
100 JPY	29.904	30.041	29.761	29.809	29.813	29.385	29.093	28.006	28.421	27.914	27.493	28.186	28.808
1 CAD	24.299	24.176	24.561	25.066	25.420	25.622	25.487	23.926	24.033	23.610	23.722	24.538	24.435
1 LTL	-	-	-	-	-	-	-	-	11.183	11.020	11.059	11.342	11.308
1 LVL	-	-	-	-	-	-	-	-	55.447	54.669	54.853	56.256	56.085
100 HUF	15.902	15.779	15.956	16.111	16.172	16.211	16.130	15.828	15.665	15.596	15.612	15.797	15.493
1 MTL	-	-	-	-	-	-	-	-	89.297	88.303	88.438	91.078	90.933
1 NOK	4.898	4.822	4.712	4.813	4.790	4.852	4.860	4.740	4.700	4.575	4.664	4.787	4.823
1 PLN	8.497	8.687	8.922	9.057	9.151	9.256	9.282	9.387	9.466	9.528	9.537	9.451	9.319
100 SIT	16.846	16.686	16.631	16.715	16.692	16.673	16.505	16.233	16.105	15.872	15.931	16.338	16.299
1 CHF	26.087	26.283	26.135	26.079	25.963	25.913	25.994	25.374	24.974	24.541	24.660	25.295	25.275
1 SEK	4.403	4.368	4.341	4.363	4.406	4.416	4.394	4.338	4.267	4.187	4.204	4.273	4.246
1 USD	33.498	32.888	32.512	32.939	32.825	32.081	30.532	29.074	29.348	29.259	28.885	30.249	30.672
1 GBP	59.809	60.145	59.895	59.981	58.856	57.882	56.675	56.066	55.217	55.168	55.134	57.270	57.073
1 XDR	48.622	48.214	47.901	48.257	48.056	47.419	46.163	44.756	44.785	44.383	44.132	45.689	45.994

Note: With effect from 1 January 2005 the National Bank of Slovakia has expanded its exchange list by currencies of Cyprus, Estonia, Lithuania, Latvia and Malta.

Average Quarterly Exchange Rates of the SKK

Midpoint rate	2003					2004					2005
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1
1 AUD	23.099	23.205	24.420	24.779	23.881	24.820	23.774	23.232	23.062	23.722	22.667
1 CYP	-	-	-	-	-	-	-	-	-	-	65.726
1 CZK	1.322	1.309	1.299	1.284	1.304	1.235	1.251	1.267	1.268	1.255	1.275
1 DKK	5.625	5.551	5.618	5.539	5.584	5.446	5.389	5.382	5.312	5.382	5.143
1 EUR	41.799	41.221	41.747	41.190	41.491	40.574	40.089	40.025	39.492	40.045	38.282
1 EEK	-	-	-	-	-	-	-	-	-	-	2.447
100 JPY	32.769	30.639	31.535	31.860	31.704	30.257	30.352	29.794	28.811	29.804	27.935
1 CAD	25.786	25.943	26.869	26.333	26.237	24.618	24.480	25.010	24.987	24.774	23.788
1 LTL	-	-	-	-	-	-	-	-	-	-	11.087
1 LVL	-	-	-	-	-	-	-	-	-	-	54.987
100 HUF	17.165	16.452	16.053	15.870	16.383	15.597	15.902	16.079	16.051	15.907	15.624
1 MTL	-	-	-	-	-	-	-	-	-	-	88.675
1 NOK	5.528	5.184	5.057	5.014	5.195	4.700	4.850	4.772	4.815	4.784	4.647
1 PLN	9.994	9.463	9.439	8.915	9.453	8.493	8.545	9.042	9.310	8.847	9.511
100 SIT	18.075	17.690	17.776	17.445	17.747	17.075	16.787	16.680	16.466	16.752	15.969
1 CHF	28.516	27.184	27.015	26.519	27.308	25.865	26.067	26.061	25.750	25.936	24.724
1 SEK	4.552	4.509	4.554	4.575	4.548	4.419	4.382	4.369	4.382	4.388	4.219
1 USD	38.956	36.307	37.093	34.723	36.773	32.457	33.264	32.761	30.539	32.255	29.160
1 GBP	62.470	58.757	59.750	59.055	60.012	59.630	60.107	59.595	56.865	59.049	55.172
1 XDR	53.312	50.725	51.689	50.083	51.456	48.234	48.560	48.074	46.090	47.740	44.429

Note: With effect from 1 January 2005 the National Bank of Slovakia has expanded its exchange list by currencies of Cyprus, Estonia, Lithuania, Latvia and Malta.

Inflow of Foreign Direct Investment¹⁾ into Slovakia in 1999 – 2005

(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
1999	65,637	16,729	695	83,061	1,778.15	403.92	-216.87	1,965.20
2000	83,061	97,454	-18,527	161,988	1,965.20	2,109.39	-656.33	3,418.26
2001	161,988	24,353	-4,190	182,151	3,418.26	503.71	-163.73	3,758.24
2002	182,151	174,180	-96,814	259,517	3,758.24	3,842.06	-1,118.22	6,482.08
2003	259,517	37,223	-13,941	282,799	6,482.08	1,012.24	1,096.16	8,590.48
2004 ³⁾	298,247	23,575	1,836	323,658	9,059.75	730.89	1,567.37	11,358.01
2005 ⁴⁾	322,507	1,083	331	323,921 ⁵⁾	11,317.62	37.14	-536.84	10,817.92 ⁵⁾

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
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 ³⁾	65,422	5,115	-3,893	66,644	1,987.30	158.58	192.83	2,338.71
2005	66,644	23	0	66,667 ⁵⁾	2,338.71	0.79	-113.04	2,226.46 ⁵⁾

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
1999	78,568	16,689	781	96,038	2,128.46	402.95	-259.18	2,272.23
2000	96,038	99,561	-18,458	177,141	2,272.23	2,155.00	-689.21	3,738.02
2001	177,141	61,448	-4,193	234,396	3,738.02	1,270.98	-172.80	4,836.20
2002	234,396	185,594	-100,744	319,246	4,836.20	4,093.83	-956.06	7,973.97
2003 ²⁾	319,497	39,036	-10,312	348,221	7,980.23	1,061.54	1,536.01	10,577.78
2004 ³⁾	363,669	28,690	-2,057	390,302	11,047.05	889.47	1,760.20	13,696.72
2005 ⁴⁾	389,151	1,106	331	390,588 ⁵⁾	13,656.33	37.93	-649.88	13,044.38 ⁵⁾

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) Change in methodology (higher limit for foreign exchange reporting obligation).
- 5) Data at 31 March.



Inflow of Foreign Direct Investment¹⁾ During January to March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.160									
Inflow of FDI (equity capital + reinvested earnings) in total	1,083	37.1	100.0	23	0.8	100.0	1,106	37.9	100.0
Structure of capital by investor									
United Kingdom	538	18.4	49.7	0	0.0	0.0	538	18.4	48.6
Austria	460	15.8	42.5	23	0.8	100.0	483	16.6	43.7
Czech Republic	437	15.0	40.4	0	0.0	0.0	437	15.0	39.5
Germany	400	13.7	36.9	0	0.0	0.0	400	13.7	36.2
Poland	132	4.5	12.2	0	0.0	0.0	132	4.5	11.9
USA	106	3.6	9.8	0	0.0	0.0	106	3.6	9.6
Hungary	20	0.7	1.8	0	0.0	0.0	20	0.7	1.8
South Korea	18	0.6	1.7	0	0.0	0.0	18	0.6	1.6
The Netherlands	17	0.6	1.6	0	0.0	0.0	17	0.6	1.5
Anguilla	5	0.2	0.5	0	0.0	0.0	5	0.2	0.5
Other countries	-1,050	-36.0	-97.0	0	0.0	0.0	-1,050	-36.0	-94.9
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	4	0.1	0.4	0	0.0	0.0	4	0.1	0.4
Manufacturing	608	20.9	56.1	0	0.0	0.0	608	20.9	55.0
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-132	-4.5	-12.2	0	0.0	0.0	-132	-4.5	-11.9
Wholesale and retail trade, repairs of motor vehicles	484	16.6	44.7	0	0.0	0.0	484	16.6	43.8
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-53	-1.8	-4.9	0	0.0	0.0	-53	-1.8	-4.8
Financial intermediation	380	13.0	35.1	23	0.8	100.0	403	13.8	36.4
Real estate, renting and business activities	-214	-7.3	-19.8	0	0.0	0.0	-214	-7.3	-19.3
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	6	0.2	0.6	0	0.0	0.0	6	0.2	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 region									
Bratislava region	398	13.6	36.7	23	0.8	100.0	421	14.4	38.1
Trnava region	48	1.6	4.4	0	0.0	0.0	48	1.6	4.3
Trenčín region	411	14.1	38.0	0	0.0	0.0	411	14.1	37.2
Nitra region	27	0.9	2.5	0	0.0	0.0	27	0.9	2.4
Žilina region	152	5.2	14.0	0	0.0	0.0	152	5.2	13.7
Banská Bystrica region	7	0.2	0.6	0	0.0	0.0	7	0.2	0.6
Prešov region	27	0.9	2.5	0	0.0	0.0	27	0.9	2.4
Košice region	13	0.4	1.2	0	0.0	0.0	13	0.4	1.2

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Inflow of FDI (equity capital + reinvested earnings) in total	23,575	730.9	100.0	5,115	158.6	100.0	28,690	889.5	100.0
Structure of capital by investor									
Austria	1,650	51.2	7.0	4,776	148.1	93.4	6,426	199.2	22.4
Hungary	6,222	192.9	26.4	-30	-0.9	-0.6	6,192	192.0	21.6
Czech Republic	4,601	142.6	19.5	-11	-0.3	-0.2	4,590	142.3	16.0
United Kingdom	5,856	181.6	24.8	-1,396	-43.3	-27.3	4,460	138.3	15.5
France	3,786	117.4	16.1	-136	-4.2	-2.7	3,650	113.2	12.7
Luxemburg	3,567	110.6	15.1	0	0.0	0.0	3,567	110.6	12.4
Germany	3,125	96.9	13.3	253	7.8	4.9	3,378	104.7	11.8
The Netherlands	729	22.6	3.1	18	0.6	0.4	747	23.2	2.6
Italy	692	21.5	2.9	-13	-0.4	-0.3	679	21.1	2.4
South Korea	373	11.6	1.6	0	0.0	0.0	373	11.6	1.3
Other countries	-7,026	-217.8	-29.8	1,654	51.3	32.3	-5,372	-166.5	-18.7
Structure of capital by sector									
Agriculture, hunting, and forestry	319	9.9	1.4	0	0.0	0.0	319	9.9	1.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-24	-0.7	-0.1	0	0.0	0.0	-24	-0.7	-0.1
Manufacturing	21,669	671.8	91.9	0	0.0	0.0	21,669	671.8	75.5
Electricity, gas, and water supply	-301	-9.3	-1.3	0	0.0	0.0	-301	-9.3	-1.0
Construction	567	17.6	2.4	0	0.0	0.0	567	17.6	2.0
Wholesale and retail trade, repairs of motor vehicles	7,818	242.4	33.2	0	0.0	0.0	7,818	242.4	27.2
Hotels and restaurants	-63	-2.0	-0.3	0	0.0	0.0	-63	-2.0	-0.2
Transport, storage, post and telecommunications	-8,004	-248.1	-34.0	0	0.0	0.0	-8,004	-248.1	-27.9
Financial intermediation	793	24.6	3.4	5,115	158.6	100.0	5,908	183.2	20.6
Real estate, renting and business activities	641	19.9	2.7	0	0.0	0.0	641	19.9	2.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	19	0.6	0.1	0	0.0	0.0	19	0.6	0.1
Other community, social, and personal services	141	4.4	0.6	0	0.0	0.0	141	4.4	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	14,994	464.9	63.6	5,115	158.6	100.0	20,109	623.4	70.1
Trnava region	3,833	118.8	16.3	0	0.0	0.0	3,833	118.8	13.4
Trenčín region	2,199	68.2	9.3	0	0.0	0.0	2,199	68.2	7.7
Nitra region	-174	-5.4	-0.7	0	0.0	0.0	-174	-5.4	-0.6
Žilina region	469	14.5	2.0	0	0.0	0.0	469	14.5	1.6
Banská Bystrica region	250	7.8	1.1	0	0.0	0.0	250	7.8	0.9
Prešov region	996	30.9	4.2	0	0.0	0.0	996	30.9	3.5
Košice region	1,008	31.3	4.3	0	0.0	0.0	1,008	31.3	3.5

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Inflow of Foreign Direct Investment¹⁾ 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	37,223	1,012.2	100.0	1,813	49.3	100.0	39,036	1,061.5	100.0
Structure of capital by investor									
Germany	12,282	334.0	33.0	21	0.6	1.2	12,303	334.6	31.5
Hungary	7,489	203.7	20.1	984	26.8	54.3	8,473	230.4	21.7
United Kingdom	5,945	161.7	16.0	104	2.8	5.7	6,049	164.5	15.5
The Netherlands	2,816	76.6	7.6	7	0.2	0.4	2,823	76.8	7.2
Czech Republic	2,028	55.1	5.4	-7	-0.2	-0.4	2,021	55.0	5.2
USA	1,980	53.8	5.3	-27	-0.7	-1.5	1,953	53.1	5.0
Austria	1,137	30.9	3.1	603	16.4	33.3	1,740	47.3	4.5
Denmark	1,132	30.8	3.0	0	0.0	0.0	1,132	30.8	2.9
Switzerland	998	27.1	2.7	0	0.0	0.0	998	27.1	2.6
Italy	566	15.4	1.5	142	3.9	7.8	708	19.3	1.8
Other countries	850	23.1	2.3	-14	-0.4	-0.8	836	22.7	2.1
Structure of capital by sector									
Agriculture, hunting, and forestry	296	8.0	0.8	0	0.0	0.0	296	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	13,944	379.2	37.5	0	0.0	0.0	13,944	379.2	35.7
Electricity, gas, and water supply	-546	-14.8	-1.5	0	0.0	0.0	-546	-14.8	-1.4
Construction	737	20.0	2.0	0	0.0	0.0	737	20.0	1.9
Wholesale and retail trade, repairs of motor vehicles	9,111	247.8	24.5	0	0.0	0.0	9,111	247.8	23.3
Hotels and restaurants	63	1.7	0.2	0	0.0	0.0	63	1.7	0.2
Transport, storage, post and telecommunications	332	9.0	0.9	0	0.0	0.0	332	9.0	0.9
Financial intermediation	896	24.4	2.4	1,813	49.3	100.0	2,709	73.7	6.9
Real estate, renting and business activities	1,724	46.9	4.6	0	0.0	0.0	1,724	46.9	4.4
Public administration and defence, compulsory social security	10,463	284.5	28.1	0	0.0	0.0	10,463	284.5	26.8
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Other community, social, and personal services	123	3.3	0.3	0	0.0	0.0	123	3.3	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	29,459	801.1	79.1	1,813	49.3	100.0	31,272	850.4	80.1
Trnava region	1,374	37.4	3.7	0	0.0	0.0	1,374	37.4	3.5
Trenčín region	3,339	90.8	9.0	0	0.0	0.0	3,339	90.8	8.6
Nitra region	1,510	41.1	4.1	0	0.0	0.0	1,510	41.1	3.9
Žilina region	749	20.4	2.0	0	0.0	0.0	749	20.4	1.9
Banská Bystrica region	121	3.3	0.3	0	0.0	0.0	121	3.3	0.3
Prešov region	54	1.5	0.1	0	0.0	0.0	54	1.5	0.1
Košice region	617	16.8	1.7	0	0.0	0.0	617	16.8	1.6

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ as at 31 March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.943									
Total volume of FDI (equity capital + reinvested earnings)	323,921	10,817.9	100.0	66,667	2,226.5	100.0	390,588	13,044.4	100.0
Structure of capital by investor									
The Netherlands	93,633	3,127.0	28.9	613	20.5	0.9	94,246	3,147.5	24.1
Germany	74,800	2,498.1	23.1	1,110	37.1	1.7	75,910	2,535.2	19.4
Austria	23,225	775.6	7.2	32,949	1,100.4	49.4	56,174	1,876.0	14.4
United Kingdom	4,801	160.3	1.5	24,143	806.3	36.2	28,944	966.6	7.4
Hungary	26,397	881.6	8.1	349	11.7	0.5	26,746	893.2	6.8
Italy	22,610	755.1	7.0	1,952	65.2	2.9	24,562	820.3	6.3
Czech Republic	17,232	575.5	5.3	3,486	116.4	5.2	20,718	691.9	5.3
USA	14,109	471.2	4.4	1,650	55.1	2.5	15,759	526.3	4.0
France	11,890	397.1	3.7	415	13.9	0.6	12,305	410.9	3.2
Cyprus	8,236	275.1	2.5	0	0.0	0.0	8,236	275.1	2.1
Other countries	26,988	901.3	8.3	0	0.0	0.0	26,988	901.3	6.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,670	55.8	0.5	0	0.0	0.0	1,670	55.8	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,588	86.4	0.8	0	0.0	0.0	2,588	86.4	0.7
Manufacturing	150,503	5,026.3	46.5	0	0.0	0.0	150,503	5,026.3	38.5
Electricity, gas, and water supply	41,224	1,376.7	12.7	0	0.0	0.0	41,224	1,376.7	10.6
Construction	2,625	87.7	0.8	0	0.0	0.0	2,625	87.7	0.7
Wholesale and retail trade, repairs of motor vehicles	50,918	1,700.5	15.7	0	0.0	0.0	50,918	1,700.5	13.0
Hotels and restaurants	1,903	63.6	0.6	0	0.0	0.0	1,903	63.6	0.5
Transport, storage, post and telecommunications	35,819	1,196.2	11.1	0	0.0	0.0	35,819	1,196.2	9.2
Financial intermediation	20,404	681.4	6.3	66,667	2,226.5	100.0	87,071	2,907.9	22.3
Real estate, renting and business activities	13,153	439.3	4.1	0	0.0	0.0	13,153	439.3	3.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,464	48.9	0.5	0	0.0	0.0	1,464	48.9	0.4
Other community, social, and personal services	1,650	55.1	0.5	0	0.0	0.0	1,650	55.1	0.4
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	202,236	6,754.0	62.4	66,667	2,226.5	100.0	268,903	8,980.5	68.8
Trnava region	22,812	761.8	7.0	0	0.0	0.0	22,812	761.8	5.8
Trenčín region	17,580	587.1	5.4	0	0.0	0.0	17,580	587.1	4.5
Nitra region	12,682	423.5	3.9	0	0.0	0.0	12,682	423.5	3.2
Žilina region	17,725	592.0	5.5	0	0.0	0.0	17,725	592.0	4.5
Banská Bystrica region	9,344	312.1	2.9	0	0.0	0.0	9,344	312.1	2.4
Prešov region	7,028	234.7	2.2	0	0.0	0.0	7,028	234.7	1.8
Košice region	34,514	1,152.7	10.7	0	0.0	0.0	34,514	1,152.7	8.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI (equity capital + reinvested earnings)	323,658	11,358.0	100.0	66,644	2,338.7	100.0	390,302	13,696.7	100.0
Structure of capital by investor									
The Netherlands	94,278	3,308.5	29.1	613	21.5	0.9	94,891	3,330.0	24.3
Germany	74,579	2,617.2	23.0	1,110	39.0	1.7	75,689	2,656.1	19.4
Austria	21,929	769.5	6.8	32,926	1,155.5	49.4	54,855	1,925.0	14.1
Italy	5,275	185.1	1.6	24,143	847.2	36.2	29,418	1,032.4	7.5
United Kingdom	25,879	908.2	8.0	349	12.2	0.5	26,228	920.4	6.7
Hungary	22,913	804.1	7.1	1,952	68.5	2.9	24,865	872.6	6.4
Czech Republic	16,970	595.5	5.2	3,486	122.3	5.2	20,456	717.9	5.2
USA	13,976	490.5	4.3	1,650	57.9	2.5	15,626	548.4	4.0
France	11,745	412.2	3.6	415	14.6	0.6	12,160	426.7	3.1
Cyprus	9,051	317.6	2.8	0	0.0	0.0	9,051	317.6	2.3
Other countries	27,063	949.7	8.4	0	0.0	0.0	27,063	949.7	6.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,674	58.7	0.5	0	0.0	0.0	1,674	58.7	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,549	89.5	0.8	0	0.0	0.0	2,549	89.5	0.7
Manufacturing	149,879	5,259.7	46.3	0	0.0	0.0	149,879	5,259.7	38.4
Electricity, gas, and water supply	40,952	1,437.1	12.7	0	0.0	0.0	40,952	1,437.1	10.5
Construction	2,801	98.3	0.9	0	0.0	0.0	2,801	98.3	0.7
Wholesale and retail trade, repairs of motor vehicles	51,175	1,795.9	15.8	0	0.0	0.0	51,175	1,795.9	13.1
Hotels and restaurants	1,908	67.0	0.6	0	0.0	0.0	1,908	67.0	0.5
Transport, storage, post and telecommunications	35,865	1,258.6	11.1	0	0.0	0.0	35,865	1,258.6	9.2
Financial intermediation	19,984	701.3	6.2	66,644	2,338.7	100.0	86,628	3,040.0	22.2
Real estate, renting and business activities	14,134	496.0	4.4	0	0.0	0.0	14,134	496.0	3.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,465	51.4	0.5	0	0.0	0.0	1,465	51.4	0.4
Other community, social, and personal services	1,272	44.6	0.4	0	0.0	0.0	1,272	44.6	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	201,953	7,087.1	62.4	66,644	2,338.7	100.0	268,597	9,425.8	68.8
Trnava region	23,637	829.5	7.3	0	0.0	0.0	23,637	829.5	6.1
Trenčín region	16,983	596.0	5.2	0	0.0	0.0	16,983	596.0	4.4
Nitra region	12,671	444.7	3.9	0	0.0	0.0	12,671	444.7	3.2
Žilina region	17,329	608.1	5.4	0	0.0	0.0	17,329	608.1	4.4
Banská Bystrica region	9,229	323.9	2.9	0	0.0	0.0	9,229	323.9	2.4
Prešov region	7,034	246.8	2.2	0	0.0	0.0	7,034	246.8	1.8
Košice region	34,822	1,222.0	10.8	0	0.0	0.0	34,822	1,222.0	8.9

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ 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)	282,799	8,590.5	100.0	65,422	1,987.3	100.0	348,221	10,577.8	100.0
Structure of capital by investor									
The Netherlands	91,270	2,772.5	32.3	595	18.1	0.9	91,865	2,790.6	26.4
Germany	67,881	2,062.0	24.0	852	25.9	1.3	68,733	2,087.9	19.7
Austria	18,456	560.6	6.5	30,383	922.9	46.4	48,839	1,483.6	14.0
Italy	4,320	131.2	1.5	24,143	733.4	36.9	28,463	864.6	8.2
United Kingdom	24,222	735.8	8.6	1,749	53.1	2.7	25,971	788.9	7.5
Hungary	16,062	487.9	5.7	2,005	60.9	3.1	18,067	548.8	5.2
Czech Republic	14,279	433.7	5.0	3,495	106.2	5.3	17,774	539.9	5.1
USA	12,542	381.0	4.4	1,650	50.1	2.5	14,192	431.1	4.1
France	7,826	237.7	2.8	550	16.7	0.8	8,376	254.4	2.4
Cyprus	4,693	142.6	1.7	0	0.0	0.0	4,693	142.6	1.3
Other countries	21,248	645.4	7.5	0	0.0	0.0	21,248	645.4	6.1
Structure of capital by sector									
Agriculture, hunting, and forestry	1,349	41.0	0.5	0	0.0	0.0	1,349	41.0	0.4
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	122,174	3,711.2	43.2	0	0.0	0.0	122,174	3,711.2	35.1
Electricity, gas, and water supply	40,379	1,226.6	14.3	0	0.0	0.0	40,379	1,226.6	11.6
Construction	2,842	86.3	1.0	0	0.0	0.0	2,842	86.3	0.8
Wholesale and retail trade, repairs of motor vehicles	43,974	1,335.8	15.5	0	0.0	0.0	43,974	1,335.8	12.6
Hotels and restaurants	1,932	58.7	0.7	0	0.0	0.0	1,932	58.7	0.6
Transport, storage, post and telecommunications	35,768	1,086.5	12.6	0	0.0	0.0	35,768	1,086.5	10.3
Financial intermediation	17,800	540.7	6.3	65,422	1,987.3	100.0	83,222	2,528.0	23.9
Real estate, renting and business activities	11,285	342.8	4.0	0	0.0	0.0	11,285	342.8	3.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,445	43.9	0.5	0	0.0	0.0	1,445	43.9	0.4
Other community, social, and personal services	1,142	34.7	0.4	0	0.0	0.0	1,142	34.7	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	175,230	5,322.9	62.0	65,422	1,987.3	100.0	240,652	7,310.2	69.1
Trnava region	17,877	543.0	6.3	0	0.0	0.0	17,877	543.0	5.1
Trenčín region	14,263	433.3	5.0	0	0.0	0.0	14,263	433.3	4.1
Nitra region	11,628	353.2	4.1	0	0.0	0.0	11,628	353.2	3.3
Žilina region	14,471	439.6	5.1	0	0.0	0.0	14,471	439.6	4.2
Banská Bystrica region	9,061	275.2	3.2	0	0.0	0.0	9,061	275.2	2.6
Prešov region	6,020	182.9	2.1	0	0.0	0.0	6,020	182.9	1.7
Košice region	34,249	1,040.4	12.1	0	0.0	0.0	34,249	1,040.4	9.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

**Outflow of Foreign Direct Investment¹⁾ from Slovakia in 1999 – 2005**

(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
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	655	-1,830	17,946	477.59	17.81	49.73	545.13
2004	17,946	1,501	-262	19,185	545.13	46.54	81.58	673.25
2005 ³⁾	19,086	30	160	19,276 ⁴⁾	669.78	1.03	-27.05	643.76 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
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	-29	360	527	5.96	-0.90	13.44	18.50
2005	527	0	9	536 ⁴⁾	18.50	0.00	-0.59	17.91 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
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	698	-1,839	18,142	481.64	18.98	50.47	551.09
2004	18,142	1,472	98	19,712	551.09	45.64	95.02	691.75
2005 ³⁾	19,613	30	169	19,812 ⁴⁾	688.28	1.03	-27.64	661.67 ⁴⁾

Note: The data for 2002 – 2004 are preliminary.

1) Equity capital + reinvested earnings.

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

3) Change in methodology (higher limit for foreign exchange reporting obligation).

4) Data at 31 March.


Outflow of Foreign Direct Investment¹⁾ During January to March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.160									
Outflow of FDI (equity capital + reinvested earnings) in total	30	1.0	100.0	0	0.0	100.0	30	1.0	100.0
Structure of capital by country of investment									
Belgium	22	0.8	73.3	0	0.0	0.0	22	0.8	73.3
Serbia and Montenegro	10	0.3	33.3	0	0.0	0.0	10	0.3	33.3
Czech Republic	4	0.1	13.3	0	0.0	0.0	4	0.1	13.3
Romania	-1	0.0	-3.3	0	0.0	0.0	-1	0.0	-3.3
Hungary	-2	-0.1	-6.7	0	0.0	0.0	-2	-0.1	-6.7
Ukraine	-3	-0.1	-10.0	0	0.0	0.0	-3	-0.1	-10.0
Other countries	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	7	0.2	23.3	0	0.0	0.0	7	0.2	23.3
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-2	-0.1	-6.7	0	0.0	0.0	-2	-0.1	-6.7
Wholesale and retail trade, repairs of motor vehicles	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Real estate, renting and business activities	25	0.9	83.3	0	0.0	0.0	25	0.9	83.3
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	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	24	0.8	80.0	0	0.0	0.0	24	0.8	80.0
Trnava region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Trenčín region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Nitra region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Žilina region	7	0.2	23.3	0	0.0	0.0	7	0.2	23.3
Banská Bystrica region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Prešov region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Košice region	-1	0.0	-3.3	0	0.0	0.0	-1	0.0	-3.3

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Outflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Outflow of FDI (equity capital + reinvested earnings) in total	1,501	46.5	100.0	-29	-0.9	100.0	1,472	45.6	100.0
Structure of capital by country of investment									
Czech Republic	1,254	38.9	83.5	-29	-0.9	100.0	1,225	38.0	83.2
Ethiopia	229	7.1	15.3	0	0.0	0.0	229	7.1	15.6
Cyprus	154	4.8	10.3	0	0.0	0.0	154	4.8	10.5
Ukraine	150	4.7	10.0	0	0.0	0.0	150	4.7	10.2
Russia	111	3.4	7.4	0	0.0	0.0	111	3.4	7.5
The Netherlands	73	2.3	4.9	0	0.0	0.0	73	2.3	5.0
Brazil	26	0.8	1.7	0	0.0	0.0	26	0.8	1.8
Bulgaria	18	0.6	1.2	0	0.0	0.0	18	0.6	1.2
Switzerland	8	0.2	0.5	0	0.0	0.0	8	0.2	0.5
Romania	4	0.1	0.3	0	0.0	0.0	4	0.1	0.3
Other countries	-526	-16.3	-35.0	0	0.0	0.0	-526	-16.3	-35.7
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	-51	-1.6	-3.4	0	0.0	0.0	-51	-1.6	-3.5
Manufacturing	829	25.7	55.2	0	0.0	0.0	829	25.7	56.3
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.7	0	0.0	0.0	-86	-2.7	-5.8
Wholesale and retail trade, repairs of motor vehicles	768	23.8	51.2	0	0.0	0.0	768	23.8	52.2
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	0.1	0	0.0	0.0	1	0.0	0.1
Financial intermediation	-240	-7.4	-16.0	-29	-0.9	100.0	-269	-8.3	-18.3
Real estate, renting and business activities	287	8.9	19.1	0	0.0	0.0	287	8.9	19.5
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	-5	-0.2	-0.3	0	0.0	0.0	-5	-0.2	-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	1,053	32.6	70.2	-29	-0.9	100.0	1,024	31.7	69.6
Trnava region	-46	-1.4	-3.1	0	0.0	0.0	-46	-1.4	-3.1
Trenčín region	746	23.1	49.7	0	0.0	0.0	746	23.1	50.7
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-74	-2.3	-4.9	0	0.0	0.0	-74	-2.3	-5.0
Banská Bystrica region	12	0.4	0.8	0	0.0	0.0	12	0.4	0.8
Prešov region	36	1.1	2.4	0	0.0	0.0	36	1.1	2.4
Košice region	-224	-6.9	-14.9	0	0.0	0.0	-224	-6.9	-15.2

Note: Preliminary data.

1) Equity capital + reinvested earnings.


Outflow of Foreign Direct Investment¹⁾ 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	655	17.8	100.0	43	1.2	100.0	698	19.0	100.0
Structure of capital by country of investment									
Czech Republic	800	21.8	122.1	30	0.8	69.8	830	22.6	118.9
Austria	308	8.4	47.0	0	0.0	0.0	308	8.4	44.1
United Kingdom	82	2.2	12.5	0	0.0	0.0	82	2.2	11.7
Bosnia and Herzegovina	78	2.1	11.9	0	0.0	0.0	78	2.1	11.2
USA	39	1.1	6.0	0	0.0	0.0	39	1.1	5.6
The Netherlands	21	0.6	3.2	0	0.0	0.0	21	0.6	3.0
Croatia	4	0.1	0.6	13	0.4	30.2	17	0.5	2.4
Poland	7	0.2	1.1	0	0.0	0.0	7	0.2	1.0
Switzerland	6	0.2	0.9	0	0.0	0.0	6	0.2	0.9
Equador	4	0.1	0.6	0	0.0	0.0	4	0.1	0.6
Other countries	-694	-18.9	-106.0	0	0.0	0.0	-694	-18.9	-99.4
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	-35.1	0	0.0	0.0	-230	-6.3	-33.0
Manufacturing	1,183	32.2	180.6	0	0.0	0.0	1,183	32.2	169.5
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-14	-0.4	-2.1	0	0.0	0.0	-14	-0.4	-2.0
Wholesale and retail trade, repairs of motor vehicles	20	0.5	3.1	0	0.0	0.0	20	0.5	2.9
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-108	-2.9	-16.5	0	0.0	0.0	-108	-2.9	-15.5
Financial intermediation	-14	-0.4	-2.1	43	1.2	100.0	29	0.8	4.2
Real estate, renting and business activities	-222	-6.0	-33.9	0	0.0	0.0	-222	-6.0	-31.8
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	-1	0.0	-0.2	0	0.0	0.0	-1	0.0	-0.1
Other community, social, and personal services	41	1.1	6.3	0	0.0	0.0	41	1.1	5.9
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	751	20.4	114.7	43	1.2	100.0	794	21.6	113.8
Trnava region	50	1.4	7.6	0	0.0	0.0	50	1.4	7.2
Trenčín region	-20	-0.5	-3.1	0	0.0	0.0	-20	-0.5	-2.9
Nitra region	6	0.2	0.9	0	0.0	0.0	6	0.2	0.9
Žilina region	184	5.0	28.1	0	0.0	0.0	184	5.0	26.4
Banská Bystrica region	-343	-9.3	-52.4	0	0.0	0.0	-343	-9.3	-49.1
Prešov region	110	3.0	16.8	0	0.0	0.0	110	3.0	15.8
Košice region	-83	-2.3	-12.7	0	0.0	0.0	-83	-2.3	-11.9

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ Outward as at 31 March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.943									
Total volume of FDI outward (equity capital + reinvested earnings)	19,276	643.8	100.0	536	17.9	100.0	19,812	661.7	100.0
Structure of capital by country of investment									
Czech Republic	8,699	290.5	45.1	490	16.4	91.4	9,189	306.9	46.4
United Kingdom	2,283	76.2	11.8	0	0.0	0.0	2,283	76.2	11.5
Ukraine	1,247	41.6	6.5	0	0.0	0.0	1,247	41.6	6.3
Ireland	1,169	39.0	6.1	0	0.0	0.0	1,169	39.0	5.9
Hungary	1,112	37.1	5.8	0	0.0	0.0	1,112	37.1	5.6
Luxemburg	1,110	37.1	5.8	0	0.0	0.0	1,110	37.1	5.6
Poland	839	28.0	4.4	0	0.0	0.0	839	28.0	4.2
Austria	644	21.5	3.3	0	0.0	0.0	644	21.5	3.3
Russia	475	15.9	2.5	0	0.0	0.0	475	15.9	2.4
Bosnia and Herzegovina	363	12.1	1.9	0	0.0	0.0	363	12.1	1.8
Other countries	1,335	44.6	6.9	46	1.5	8.6	1,381	46.1	7.0
Structure of capital by sector									
Agriculture, hunting and forestry	20	0.7	0.1	0	0.0	0.0	20	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,725	57.6	8.9	0	0.0	0.0	1,725	57.6	8.7
Manufacturing	8,364	279.3	43.4	0	0.0	0.0	8,364	279.3	42.2
Electricity, gas and water supply	1,383	46.2	7.2	0	0.0	0.0	1,383	46.2	7.0
Construction	398	13.3	2.1	0	0.0	0.0	398	13.3	2.0
Wholesale and retail trade, repairs of motor vehicles	1,381	46.1	7.2	0	0.0	0.0	1,381	46.1	7.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	40	1.3	0.2	0	0.0	0.0	40	1.3	0.2
Financial intermediation	2,930	97.9	15.2	536	17.9	100.0	3,466	115.8	17.5
Real estate, renting and business activities	2,998	100.1	15.6	0	0.0	0.0	2,998	100.1	15.1
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 service activities	37	1.2	0.2	0	0.0	0.0	37	1.2	0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	12,051	402.5	62.5	536	17.9	100.0	12,587	420.4	63.5
Trnava region	1,811	60.5	9.4	0	0.0	0.0	1,811	60.5	9.1
Trenčín region	1,427	47.7	7.4	0	0.0	0.0	1,427	47.7	7.2
Nitra region	37	1.2	0.2	0	0.0	0.0	37	1.2	0.2
Žilina region	567	18.9	2.9	0	0.0	0.0	567	18.9	2.9
Banská Bystrica region	1,648	55.0	8.5	0	0.0	0.0	1,648	55.0	8.3
Prešov region	560	18.7	2.9	0	0.0	0.0	560	18.7	2.8
Košice region	1,175	39.2	6.1	0	0.0	0.0	1,175	39.2	5.9

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward (equity capital + reinvested earnings)	19,185	673.3	100.0	527	18.5	100.0	19,712	691.7	100.0
Structure of capital by country of investment									
Czech Republic	8,630	302.8	45.0	481	16.9	91.3	9,111	319.7	46.2
United Kingdom	2,282	80.1	11.9	0	0.0	0.0	2,282	80.1	11.6
Ukraine	1,227	43.1	6.4	0	0.0	0.0	1,227	43.1	6.2
Ireland	1,136	39.9	5.9	0	0.0	0.0	1,136	39.9	5.8
Hungary	1,129	39.6	5.9	0	0.0	0.0	1,129	39.6	5.7
Luxemburg	1,111	39.0	5.8	0	0.0	0.0	1,111	39.0	5.6
Poland	843	29.6	4.4	0	0.0	0.0	843	29.6	4.3
Austria	649	22.8	3.4	0	0.0	0.0	649	22.8	3.3
Russia	462	16.2	2.4	0	0.0	0.0	462	16.2	2.3
Bosnia and Herzegovina	384	13.5	2.0	0	0.0	0.0	384	13.5	1.9
Other countries	1,332	46.7	6.9	46	1.6	8.7	1,378	48.4	7.0
Structure of capital by sector									
Agriculture, hunting, and forestry	20	0.7	0.1	0	0.0	0.0	20	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.7	0	0.0	0.0	1,666	58.5	8.5
Manufacturing	8,447	296.4	44.0	0	0.0	0.0	8,447	296.4	42.9
Electricity, gas, and water supply	1,230	43.2	6.4	0	0.0	0.0	1,230	43.2	6.2
Construction	407	14.3	2.1	0	0.0	0.0	407	14.3	2.1
Wholesale and retail trade, repairs of motor vehicles	1,407	49.4	7.3	0	0.0	0.0	1,407	49.4	7.1
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	43	1.5	0.2	0	0.0	0.0	43	1.5	0.2
Financial intermediation	3,412	119.7	17.8	527	18.5	100.0	3,939	138.2	20.0
Real estate, renting and business activities	2,540	89.1	13.2	0	0.0	0.0	2,540	89.1	12.9
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	13	0.5	0.1	0	0.0	0.0	13	0.5	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	11,973	420.2	62.4	527	18.5	100.0	12,500	438.7	63.4
Tmava region	1,781	62.5	9.3	0	0.0	0.0	1,781	62.5	9.0
Trenčín region	1,393	48.9	7.3	0	0.0	0.0	1,393	48.9	7.1
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	597	21.0	3.1	0	0.0	0.0	597	21.0	3.0
Banská Bystrica region	1,654	58.0	8.6	0	0.0	0.0	1,654	58.0	8.4
Prešov region	562	19.7	2.9	0	0.0	0.0	562	19.7	2.9
Košice region	1,186	41.6	6.2	0	0.0	0.0	1,186	41.6	6.0

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ 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)	17,946	545.1	100.0	196	6.0	100.0	18,142	551.1	100.0
Structure of capital by country of investment									
Czech Republic	7,301	221.8	40.7	151	4.6	77.0	7,452	226.4	41.1
United Kingdom	2,293	69.7	12.8	0	0.0	0.0	2,293	69.7	12.6
Ukraine	1,365	41.5	7.6	0	0.0	0.0	1,365	41.5	7.5
Ireland	1,212	36.8	6.8	0	0.0	0.0	1,212	36.8	6.7
Hungary	1,128	34.3	6.3	0	0.0	0.0	1,128	34.3	6.2
Luxemburg	1,113	33.8	6.2	0	0.0	0.0	1,113	33.8	6.1
Poland	794	24.1	4.4	0	0.0	0.0	794	24.1	4.4
Austria	677	20.6	3.8	0	0.0	0.0	677	20.6	3.7
Russia	403	12.2	2.2	0	0.0	0.0	403	12.2	2.2
Croatia	383	11.6	2.1	0	0.0	0.0	383	11.6	2.1
Other countries	1,277	38.8	7.1	45	1.4	23.0	1,322	40.2	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	10.5	0	0.0	0.0	1,879	57.1	10.4
Manufacturing	8,298	252.1	46.2	0	0.0	0.0	8,298	252.1	45.7
Electricity, gas, and water supply	1,226	37.2	6.8	0	0.0	0.0	1,226	37.2	6.8
Construction	388	11.8	2.2	0	0.0	0.0	388	11.8	2.1
Wholesale and retail trade, repairs of motor vehicles	1,033	31.4	5.8	0	0.0	0.0	1,033	31.4	5.7
Hotels and restaurants	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Transport, storage, post and telecommunications	34	1.0	0.2	0	0.0	0.0	34	1.0	0.2
Financial intermediation	2,763	83.9	15.4	196	6.0	100.0	2,959	89.9	16.3
Real estate, renting and business activities	1,964	59.7	10.9	0	0.0	0.0	1,964	59.7	10.8
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	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	10,902	331.2	60.7	196	6.0	100.0	11,098	337.1	61.2
Trnava region	1,935	58.8	10.8	0	0.0	0.0	1,935	58.8	10.7
Trenčín region	751	22.8	4.2	0	0.0	0.0	751	22.8	4.1
Nitra region	49	1.5	0.3	0	0.0	0.0	49	1.5	0.3
Žilina region	676	20.5	3.8	0	0.0	0.0	676	20.5	3.7
Banská Bystrica region	1,647	50.0	9.2	0	0.0	0.0	1,647	50.0	9.1
Prešov region	565	17.2	3.1	0	0.0	0.0	565	17.2	3.1
Košice region	1,421	43.2	7.9	0	0.0	0.0	1,421	43.2	7.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Symbols used in the tables

- . - Data are not yet available.
- - Data do not exist / data are not applicable.
- (p) - Preliminary data