



NÁRODNÁ BANKA SLOVENSKA

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**MONETARY SURVEY**  
**DECEMBER 2003**



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## 1. Introduction

The level of consumer prices rose by 0.2 % in December, while the prices of core inflation components increased month-on-month by 0.1%. The 12-month rate of consumer-price inflation reached 9.3%, with core inflation accounting for 2.27 percentage points. The rate of core inflation reached 3.0 % on a year-on-year basis.

According to preliminary data, the M2 money supply (at fixed exchange rates from 1 January 1993) grew month-on-month by Sk 10.7 billion in December, to Sk 729.8 billion. The year-on-year growth rate of M2 reached 7.1% in December<sup>1/</sup>, compared with 6.3% in 2003<sup>2/</sup>. Slovak-koruna deposits, as a component of the M2 monetary aggregate, grew month-on-month by Sk 13.5 billion and year-on-year by 8.0%. At current exchange rates, the money supply grew year-on-year by 4.8%.

The volume of loans to households and enterprises (at fixed exchange rates from 1 January 1993) grew month-on-month by Sk 9.2 billion in December, representing an increase of 14.6 % on a year-on-year basis. At current exchange rates, loans to households and enterprises grew year-on-year by 13.9%.

The average interest rate on new loans rose by 0.6 of a percentage point in November (to 7.7%), and the average rate for the total volume of loans by 0.1 of a percentage point (to 8.0%).

According to preliminary data, the State Budget of the SR produced a deficit of Sk 56.0 billion in 2003.

The foreign exchange reserves of the NBS (at current exchange rates) increased by USD 837.1 million in December. At the end of the month, the volume of foreign exchange reserves was 5.8 times greater than the volume of the average monthly import of goods and services to Slovakia, during the first eleven months of 2003.

In December, the National Bank of Slovakia purchased foreign exchange assets in the amount of EUR 30.0 million.

The balance of payments on current account from January to October 2003 resulted in a deficit of Sk 0.5 billion. In the same period, according to preliminary data, the capital and financial account generated a surplus of Sk 47.5 billion. From January to November, the current account and trade deficits reached Sk 0.5 billion and Sk 10.9 billion respectively.

In December, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 161.2 billion, representing an increase of Sk 2.9 billion compared with the figure for November.

On 19 December 2003, the Board of the National Bank of Slovakia (NBS) decided to lower the key interest rates of the NBS by 0.25 of a percentage point, to 6.0% for two-week repo tenders, 4.5 % for overnight sterilisation operations, and 7.5% for overnight refinancing transactions.

## 2. Inflation

### 2.1. Consumer price index

On a month-on-month basis, consumer prices rose by 0.2% in December, with regulated prices increasing by 0.2% and the prices of core inflation components by

*Slowdown in the 12-month rate of overall inflation*

<sup>1/</sup> 31.12.2003 / 31.12.2002  
<sup>2/</sup> 31.12.2003 / 1.1.2003

0.1%. The 12-month rate of consumer-price inflation reached 9.3%, compared with 9.8% in November. Core inflation accounted for 3.0%, compared with 3.1% in November. The average 12-month inflation rate for the twelve months of the year was 8.5%.

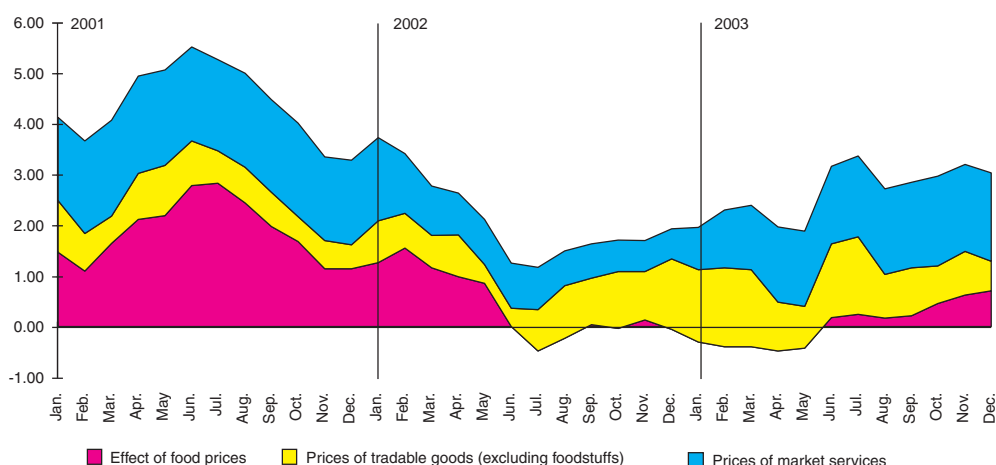
*Food prices remained a determining factor in core inflation*

The December course of core inflation was determined by food prices, which showed a record increase. Within the structure of core inflation, the prices of market services increased, while the prices of tradable goods remained unchanged.

*Continued increase in the price of processed foods*

Food prices, as a core inflation component, rose month-on-month by 0.4%, following the upward trend from the previous month. As in November, the prices of processed foods increased (by 0.9%), while those of unprocessed foods fell in December (by 0.2%). Within the structure of processed foods, the price of milk, butter, dairy products, and eggs continued to rise. However, the rate of increase slowed in comparison with the previous month. In unprocessed foods, the prices of individual items continued to follow conflicting trends in December. The prices of vegetables (including potatoes) and fruit increased, while those of meat and fish dropped. On a year-on-year basis, food prices rose by 2.7% (in November by 2.3 %). This development was primarily due to the rise in the prices of processed foods (6.2%).

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



*The price of tradable goods remained unchanged*

The prices of tradable goods remained unchanged on a month-on-month basis. The prices of tobacco, clothes, and footwear remained unchanged or increased slightly, together with the prices of goods related to the winter holidays. On the other hand, the prices of furniture, alcoholic and non-alcoholic beverages, and fuels fell slightly. Fuel prices were affected by conflicting trends in the price of oil on the world markets and the appreciation of the Slovak koruna in relation to the US dollar. On a year-on-year basis, the prices of tradable goods rose by 1.2% (in November by 1.7%).

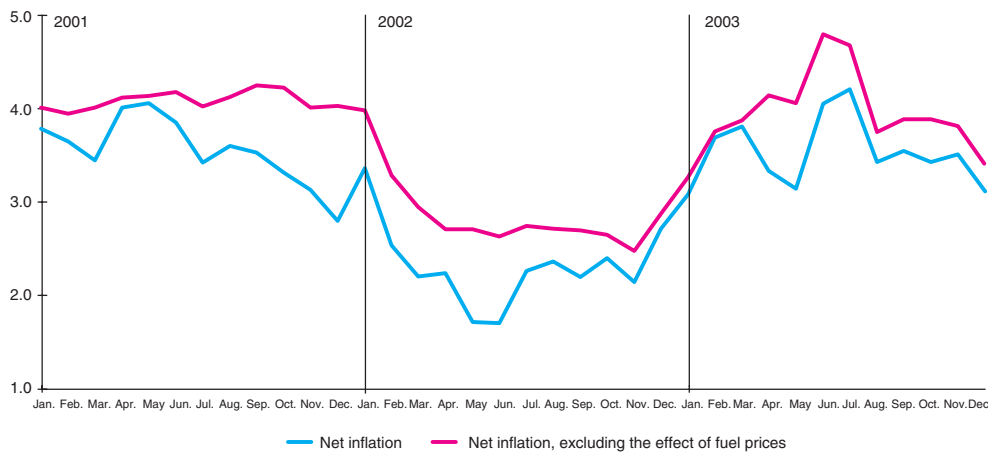
*Rise in the price of recreation services*

The prices of market services increased month-on-month by 0.1%, due primarily to a rise in prices for domestic recreation and services related to automobile repair and maintenance. On a year-on-year basis, prices for market services rose by 7.0% (in November by 6.9 %).

*Net inflation fell on a year-on-year basis*

On a month-on-month basis, the prices of net inflation components (tradable goods and market services) remained unchanged, along with the prices of tradable goods, while prices for market services increased somewhat. In December, the 12-month rate of net inflation slowed to 3.1%, from 3.4% in November, due primarily to the so-called base effect, consisting in a marked rise in the prices of cigarettes (included in tradable goods) in December 2002, prior to the expected increase in excise duties from January 2003.

**Effect of fuel prices on net inflation <sup>1/</sup> (%)**



<sup>1/</sup> Excluding the effect of changes in indirect taxes.

Net inflation, adjusted for the effect of fuel prices, reached 0.1 % on a month-on-month basis and 3.4 % on a year-on-year basis (compared with 3.8% in November). According to NBS estimates, net inflation, adjusted for the effects of fuel, tobacco, and tobacco products prices, was 0.1% in December and 4.4% on a year-on-year basis (in November 4.5 %).

*The 12-month rate of net inflation (excluding fuel and tobacco prices) fell again*

**Consumer prices in december 2003**

Structure of the consumer basket	Constant weight in %	Comparative change	
		November 2003	December 2002
<b>Total in %</b>	100.0	0.2	9.3
<b>Regulated prices in %</b>	20.7	0.2	18.7
<i>Share of total, in percentage points</i>		0.05	4.45
Impact of changes in indirect taxes on non-regulated prices - share of total, in percentage points		0.00	2.54
<b>Core inflation in %</b>	79.3	0.1	3.0
<i>Share of total, in percentage points</i>		0.11	2.27
of which: food prices in %	21.4	0.4	2.7
<i>Share of total, in percentage points</i>		0.08	0.54
<b>Net inflation (excluding the impact of changes in indirect taxes) in %</b>	58.0	0.0	3.1
<i>Share of total, in percentage points</i>		0.03	1.73

Source: Statistical Office of the SR

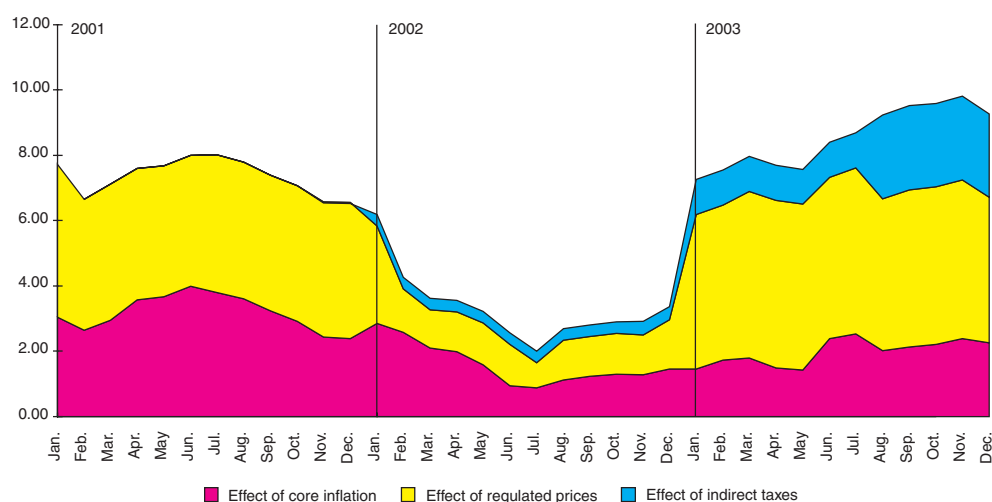
Regulated prices increased by 0.2 % in December, due to price increases in health services (new categorisation of pharmaceuticals with effect from 15 November). The previous month saw only a small portion of the increase in the price of pharmaceuticals. On a year-on-year basis, regulated prices rose by 18.7 % (in November by 20.6 %). The fall in dynamics was caused by the fact that the Statistical Office of the SR (SO SR) changed the methodology applied for the calculation of the Consumer Price Index in December. According to the new methodology, which is consistent with that of Eurostat, service prices are included in the index, when the services are consumed and not when they are paid for. As a result, the increased price of compulsory contractual vehicle insurance will be included in January 2004, instead of December 2003 (as was the case in 2002). This affected the level of year-end inflation, which fell by approximately 0.4 of a percentage point.

*Increased prices in health services*

According to the Classification of Individual Consumption by Purpose (COICOP), December saw increases in the prices of health services (3.7 %); foods and non-alcoholic beverages (0.4 %); recreation and culture (0.3%); clothes and footwear (0.2%); and miscellaneous goods and services (0.2%). Price levels fell for beverages and tobacco (by 0.3%) and furniture, household appliances, and the standard maintenance of flats (by 0.1%). Prices remained unchanged in the following categories: housing; water, electricity, gas, and other fuels; transport; post and telecommunication; education; and hotels, cafes, and restaurants.

### Structure of the 12-month inflation rate

(%)



### Evaluation of developments in consumer prices in 2003 in comparison with the 2003 revised monetary programme forecast

Comparison with the  
RMP for 2003

On a year-on-year basis, the rate of overall inflation reached 9.3%, a value within the range projected in the Revised Monetary Programme of the NBS for 2003 (RMP), in which it predicted a year-end inflation rate of 8.4 – 9.7%. Core inflation reached 3.0% at the end of the year, and was within the interval projected in the RMP (2.1 – 3.6%).

Prices developments in 2003 were determined mostly by domestic factors. Price levels were affected by administrative measures, i.e. the January increase in regulated prices and excise duties, followed by a change in VAT rates and another increase in excise duties in August. Administrative measures accounted for more than 75% of the overall price increase. These measures (especially the increase in energy prices) appeared as a secondary effect after the marked increase in the prices of market services. Another domestic factor affecting price development was the increase in the food price dynamics. External factors had a dampening effect on the rate of price increase. The appreciation of the Slovak koruna vis-à-vis the euro and the US dollar was reflected in fuel prices (which fell by 0.5% if we exclude the effect of changes in indirect taxes). The exchange rate of the koruna also had an impact on price levels in the form of low imported inflation, which led to a slowdown in dynamics of the prices of tradable goods.

Within the structure of core inflation, the actual price levels were below the projected figures in the tradable sector, due mainly to a marked year-on-year decline in the prices of tobacco and tobacco products (by more than 13%). This development probably resulted from the efforts of the producers / distributors of these products to partly offset the effect of increased excise duties.

The rate of price increase exceeded the projected figure in food prices. The increase in their dynamics was caused, on the one hand, by market-based factors, i.e. the



supply-demand imbalance for, certain agricultural commodities. On the other hand, the increase was caused by attempts on the part of primary producers to unite and exert pressure for an increase in selling prices, and attempts on the part of manufacturers to include the costs incurred in connection with the fulfilment of technological and hygienic standards in line with the EU requirements in the product prices.

**Comparison of actual developments and the RMP for the end of 2003**

	RMP for the end of 2003		Actual figures for December 2003	Difference <sup>1/</sup>
	min.	max.		
<b>Total in %</b>	8.4	9.7	9.3	0.0
<b>Regulated prices in %</b>	18.0	18.9	18.7	0.0
<i>Share of total, in percentage points</i>	4.22	4.42	4.45	0.03
Impact of changes in indirect taxes on non-regulated prices				
<i>Share of total, in percentage points</i>	2.37	2.37	2.54	0.17
<b>Core inflation in %</b>	2.1	3.6	3.0	0.0
<i>Share of total, in percentage points</i>	1.85	2.97	2.27	0.00
<b>Foodstuffs in %</b>	-0.4	2.1	2.7	0.6
<i>Share of total, in percentage points</i>	-0.06	0.44	0.54	0.10
<b>Tradable goods in %</b>	1.5	2.1	1.2	-0.3
<i>Share of total, in percentage points</i>	0.74	0.99	0.44	-0.30
<b>Market services in %</b>	6.2	8.3	7.0	0.0
<i>Share of total, in percentage points</i>	1.17	1.55	1.30	0.00
<b>Net inflation</b>	3.0	4.2	3.1	0.0
<i>Share of total, in percentage points</i>	1.91	2.53	1.73	-0.18
<b>Net inflation, excluding fuels</b>	3.0	4.2	3.4	0.0
<i>Share of total, in percentage points</i>	1.59	2.18	1.75	0.00

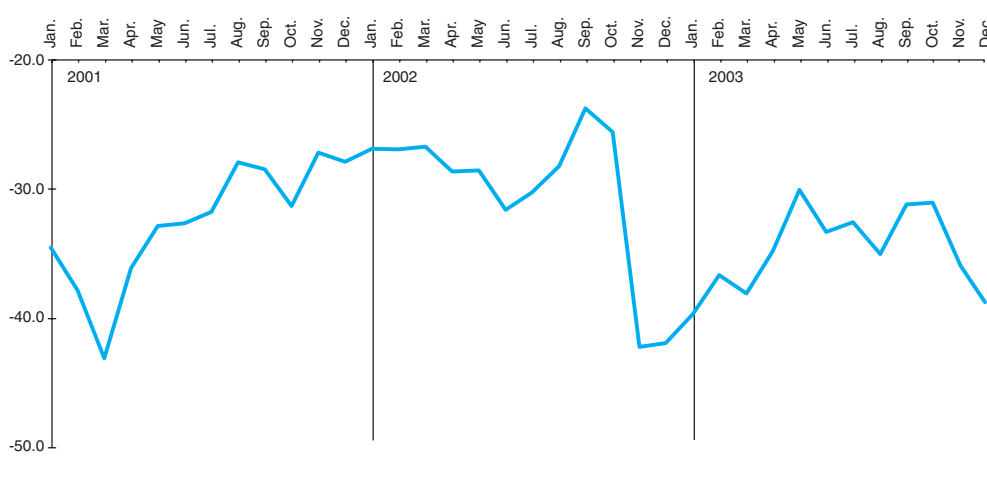
<sup>1/</sup> A negative figure indicates that the actual figure is below the lower limit of the projected range; a positive figure means that the upper limit has been exceeded.

Price developments were affected first and foremost by cost factors. With regard to a fall in real wages, demand-based pressure represented no risk in 2003.

Compared with November 2003, the index of consumer confidence deteriorated by 3.0 points (to -38.9), mainly due to increased concern that the financial situation of households may worsen. The actual value of the indicator is more favourable (by 3.0 points) than the figure for the same period a year earlier, but worse than the long-term average (by 4.5 points).

*Decline in consumer confidence*

**Index of consumer confidence**



In response to questions about the previous course of inflation, the average value of inflation (19.0%) was higher than the value of year-on-year inflation for November 2003, recorded by the Statistical Office of the SR (9.8 %). In response to questions concerning the expected rate of inflation, the respondents gave an average value of 24.6 %.

*Forecasts for the next month*

Price levels in January 2004 are expected to be mostly affected by changes in regulated prices, the introduction of uniform VAT rates, and the increased charges for compulsory contractual vehicle insurance. There is a certain degree of uncertainty about the impact of changes in VAT rates on final consumer price levels. The withdrawal of 10 and 20 heller coins from circulation is expected to leave price levels unaffected, since the rounding of prices is regulated by law.

## 2.2. Producer prices in November 2003

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

Industrial producer prices increased month-on-month by an average of 0.3% in November, due to a rise in the prices of mineral raw materials (4.5%), industrial products (0.3%), and the price of electricity, gas, steam, and hot water (0.1%).

### Producer price indices in November 2003

	Previous period = 100		Same period a year earlier = 100			
	October 2003	November 2003	October 2003	November 2003	Jan. – Nov. 2003	November 2002
Industrial producer prices	99.9	100.3	107.9	108.8	108.2	102.2
– Prices of industrial products	99.7	100.3	101.6	102.6	102.5	101.6
– Prices of mineral raw materials	98.5	104.5	102.2	106.5	103.6	109.9
– Prices of electricity, gas, steam, and hot water	100.1	100.1	118.6	118.8	117.8	103.4
Prices of construction work	100.6	100.5	105.6	105.5	105.3	105.2
Prices of building materials	100.4	100.0	103.6	103.3	103.5	103.1
Prices of agricultural products	x	x	96.0	96.2	95.0	98.2
– Prices of plant products	x	x	100.1	101.4	99.2	97.2
– Prices of animal products	x	x	93.2	93.3	93.3	98.8

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

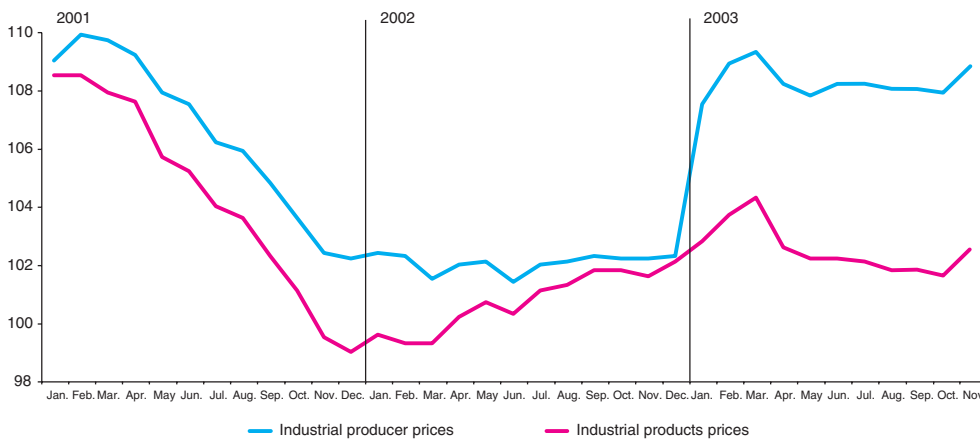
In November, as in the previous month, industrial product prices were affected mainly by the prices of refined oil products, which increased month-on-month by 2.4%. The world market price of oil has for several months been hovering above the reference band of OPEC (Organization of Petroleum Exporting Countries), as a result of OPEC's September decision reduce its oil production quotas for periods when oil consumption is expected to grow throughout the world in connection with the approaching winter season. Marked increases were also recorded in the prices of paper (0.8%) and chemical products (0.5%).

Food prices increased by an average of 0.3%, with increases being recorded in the prices of most products. The steepest increases were recorded in the prices of dairy products (0.7%), processed fruit and vegetables (0.6%), and flour and starch products (0.5%). The price increase was dampened by the prices of meat and meat products, which fell by 0.7% as a result of an excess of supply on the market.

*...accompanied by a marked increase in year-on-year dynamics*

The year-on-year rate of increase in industrial producer prices accelerated from 7.9 % in October to 8.8 % in November. Increased price dynamics were recorded in all the three sub-categories, especially in the prices of mineral raw materials (6.5%, compared with 2.2% in October) and industrial products (2.6%, compared with 1.6% in October). The prices of electricity, gas, steam, and hot water increased year-on-year by 18.8% (in October by 18.6 %).

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



A major contribution to the dynamic increase in industrial products prices was made by their marked month-on-month fall in November 2002, caused by a fall in the world-market price of oil, accompanied by the appreciation of the US dollar vis-à-vis the Slovak koruna. In addition to the price of refined oil products, the change in the trend was caused by the prices of products in other energy-intensive sectors and by food prices (mainly those of fruit, vegetables, and dairy products).

Construction prices increased month-on-month by 0.5 % and year-on-year by 5.5 % in November. The price of materials and products used in construction remained at the level of the previous month, which represented a slowdown in the year-on-year rate of increase (to 3.3%, from 3.6% in October). The prices of materials used in construction repair and maintenance work rose by 4.3%, and those of materials used in new construction, modernisation, and reconstruction projects by 3.1% (in building construction by 3.3% and in civil engineering by 2.9%).

*Construction prices*

Agricultural prices continued to fall on a year-on-year basis in November. Compared with the same period a year earlier, price levels dropped by an average of 3.8%, with the price of animal products falling by 6.7% and those of plant products increasing by 1.4%.

*Prices in agriculture*

In animal production (prices for live animals), the most significant decline was recorded in the prices of pork (20.8% on average), poultry (2.4%), and beef (2.0%). Increases in the prices of plant products were primarily found in the prices of potatoes (9.6%) and cereals (3.2%).

### 3. Factors affecting the course of inflation

#### 3.1. Monetary aggregates

The monetary aggregates followed a standard course in December, when the M2 money supply continued to grow. The main source of growth was again the intense lending activity of domestic banks and increased spending in the public sector. As in the previous month, net credit to the Government recorded a relatively marked increase in December, primarily due to the increased budget deficit.

##### **Money supply (M2)**

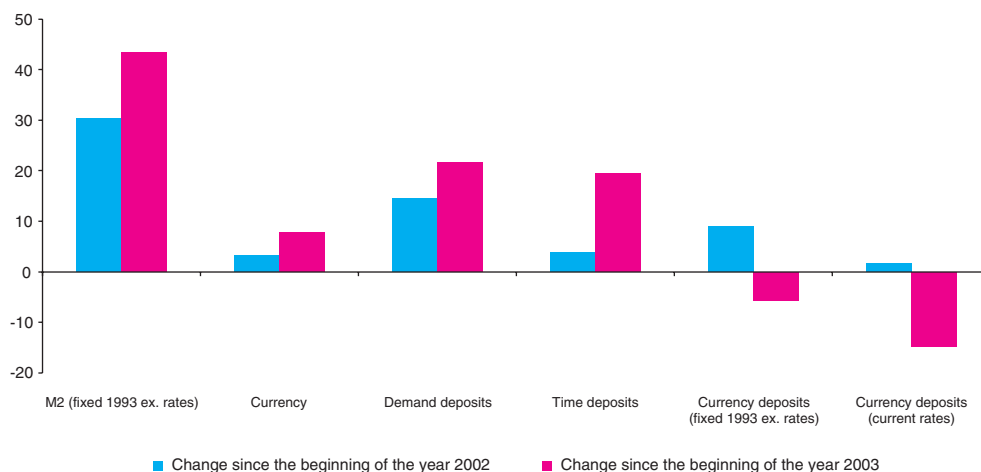
According to preliminary data, the M2 money supply (at fixed 1993 exchange rates) grew month-on-month by Sk 10.7 billion in December, to Sk 729.8 billion. The trend

*Moderate fall in the 12-month dynamics of M2*

of moderate slowdown in the year-on-year dynamics of M2 in the 4th quarter of 2003 continued in December, when the rate of growth slowed in comparison with the previous month by 0.2 of a percentage point, to 7.1%. Over the course of 2003, the money supply increased by a total of Sk 43.4 billion (6.3%)<sup>3/</sup>.

The increase in the M2 money supply in 2003 (Sk 43.4 billion at fixed 1993 exchange rates) took place in koruna deposits and currency in circulation, while foreign-currency deposits had – in contrast with 2002 – a downward effect on the money supply. In 2002, the money supply grew by a total of Sk 30.3 billion (at fixed 1993 exchange rates).

### Development of the M2 Money supply components (Sk billions)



The slowdown in the rate of growth in the money supply in 2003 was primarily caused by demand deposits, whose year-on-year dynamics weakened by 6.8 percentage points. Of the money supply components, demand deposits showed the strongest growth in 2003 (17.0 % on average). Despite a month-on-month slowdown in year-on-year dynamics, currency in circulation continued to grow at a relatively stable rate, which has been hovering around the 10.1 % level since February. Time deposits recorded an increase in year-on-year dynamics in December, and were characterised by a relatively stable course in the second half of 2003. Deposits in foreign currency continued to decline on a year-on-year basis in December (at fixed 1993 exchange rates), at a faster rate than in the previous month. At current exchange rates, the year-on-year rate of decline in foreign-currency deposits virtually remained at the November level.

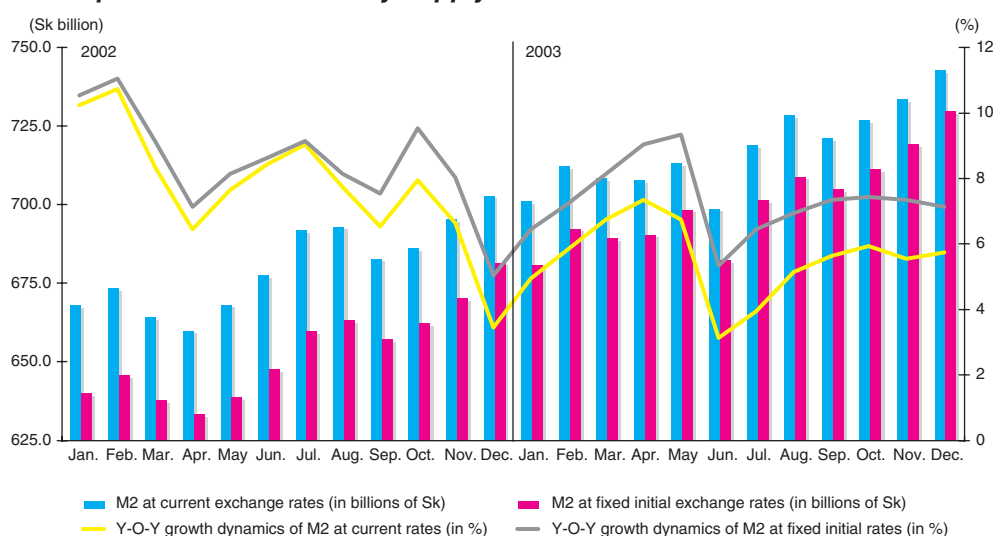
<sup>3/</sup> During the evaluation of the year-on-year dynamics of the money supply and its individual components in December 2003, differences arose depending on the basis of comparison applied, i.e. 31 December 2002 or 1 January 2003. This difference (amounting to Sk 4.9 billion in the case of M2 between 31.12.2002 and 1.1.2003) is mainly ascribed to the adoption of a new bookkeeping system which took effect in 2003).

**Development of the M2 Money Supply**

	Month-on-month change (Sk billions)			Year-on-year change (%)			Change since the beginning of the year (Sk billions)
	November 2003	December 2003 <sup>*</sup>	December 2002	November 2003	December 2003 <sup>*</sup>	Year 2003 <sup>*</sup>	
<b>At fixed 1993 exchange rates:</b>							
Money Supply [M2]	8.0	10.7	11.4	7.3	7.1	6.3	43.4
Money [M1]	5.7	12.5	19.1	16.5	12.5	11.9	29.5
Currency outside banks [M0]	1.5	0.4	1.1	10.3	9.4	9.4	7.9
Demand deposits	4.2	12.1	18.0	20.0	14.1	13.2	21.6
Quasi-money [QM]	2.3	-1.9	-7.7	2.6	4.0	3.2	13.9
Time deposits	0.7	1.4	-6.4	4.5	6.8	5.5	19.6
Foreign-currency deposits	1.6	-3.3	-1.3	-5.0	-7.4	-6.7	-5.7
Koruna deposits	4.9	13.5	11.6	9.0	9.1	8.0	41.2
- households	-1.1	1.8	6.5	1.4	-0.1	-0.6	-2.0
- enterprises (inc. insurance cos.)	6.0	11.7	5.1	22.1	25.0	22.5	43.2
<b>At current exchange rates:</b>							
Money Supply [M2]	6.6	9.3	7.6	5.5	5.7	4.8	34.3
Foreign-currency deposits	0.2	-4.6	-5.1	-13.6	-13.8	-13.9	-14.8

<sup>\*</sup>/ Preliminary data

At current exchange rates, the money supply recorded a smaller month-on-month increase (Sk 9.3 billion) than at fixed 1993 exchange rates, and amounted to Sk 742.8 billion, while its year-on-year dynamics increased slightly in comparison with November (by 0.2 of a percentage point, to 5.7%, compared with 4.8% at the beginning of the year). At current exchange rates, the money supply grew year-on-year by Sk 34.3 billion.

**Development of the M2 Money supply**

**Loans to households and enterprises**

The volume of loans to households and enterprises (at fixed 1993 exchange rates) continued to grow in December, by Sk 9.2 billion on a month-on-month basis, to Sk 378.5 billion. The year-on-year dynamics of bank lending increased in

*Continued increase in the 12-month dynamics of bank lending*

comparison with the previous month by 1.6 percentage points, to 14.6%. In the course of 2003, loans to households and enterprises grew in volume by a total of Sk 47.3 billion, while the increase in loans over the 2nd half of the year exceeded the figure for the 1st half by more than 2.5 times.

The December increase in loans to households and enterprises took place for the most part, as in the previous month, in koruna loans to enterprises (Sk 5.3 billion). Koruna loans to households continued to grow at a moderate rate (by Sk 2.2 billion) as during the rest of the 2nd half of 2003, as well as loans in foreign currency (by Sk 1.7 billion).

At current exchange rates, the year-on-year rate of growth in bank lending accelerated by 2.0 percentage points, to 13.9%. By the end of December, the volume of bank loans had grown in absolute terms by a total of Sk 46.3 billion (13.5%).

### ***Fiscal developments, net credit to the Government***

*Marked increase in net credit to the Government*

According to preliminary data, the volume of net credit to the Government (based on fixed 1993 exchange rates) increased month-on-month by Sk 13.8 billion in December, to Sk 293.7 billion.

*Current budgetary performance*

Current budgetary performance deteriorated in comparison with the previous month by Sk 13.2 billion in December, when budget revenues (Sk 29.5 billion) were well exceeded by expenditures (Sk 42.7 billion). At the end of December, the State Budget showed a deficit of Sk 56.0 billion (according to preliminary data), with budget revenues totalling Sk 233.1 billion and expenditures Sk 289.1 billion.

In addition to the marked increase in the budget deficit, the debtor position of the public finance sector was increased by a deterioration in the net position of state authorities and regional self-governments. On the other hand, the internal position of the Government was lowered by an increase in the extra-budgetary funds of the MF SR deposited in the NBS and the extra-budgetary funds of state authorities deposited in commercial banks.

According to preliminary data, net credit to the Government increased over the course of 2003 by Sk 47.4 billion at fixed 1993 exchange rates (at current rates by Sk 42.4 billion).

*Decline in the creditor position of the FNM*

The creditor position of the National Property Fund (FNM) vis-à-vis the banking sector fell month-on-month by Sk 4.2 billion, to Sk 3.1 billion. The marked year-end fall resulted mainly from the shift of part of the FNM's funds to state financial assets and the payment of government guarantees.

*Primary market for Treasury bills*

In December, the Ministry of Finance of the SR (MF SR) placed two issues of Treasury bills on the market in an American-style auction, with unlimited issue amounts and an undetermined minimum price. The auctions were held in line with the 'Issuing Schedule for the 4th Quarter', except for a reduction in the maturities of both issues in the interest of debt portfolio diversification. In December, Treasury bills in the total amount of Sk 4.1 billion, with an average annual yield of 5.65% (7 base points higher than in the previous month) were placed on the market. The last issue planned for 2003 was cancelled by the issuer, since there was no need for further Treasury bills to cover the budget deficit.

### ***Net foreign assets***

*Decrease in net foreign assets*

Net foreign assets (at fixed 1993 exchange rates) decreased, according to preliminary data, by Sk 9.7 billion in December, to Sk 153.7 billion. Foreign assets

increased by Sk 11.7 billion and foreign liabilities by Sk 21.4 billion. On the foreign assets side, there was an increase in the foreign exchange reserves of the NBS resulting mostly from its repo operations, offset on the foreign liabilities side by an increase in the short-term liabilities of the NBS. Thus, the overall position of net foreign assets was affected, for the most part, by a decrease in the short-term foreign assets of commercial banks and a moderate increase in their short-term liabilities.

The foreign exchange reserves of the NBS (at fixed 1993 exchange rates) grew in comparison with the previous month by Sk 12.4 billion, mainly as a result of NBS repo operations.

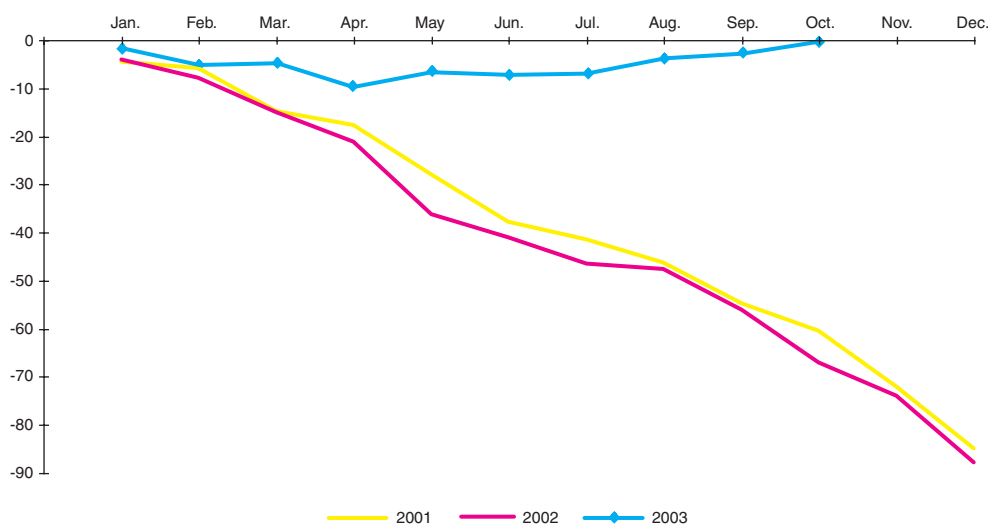
### 3.2. Foreign trade

#### Balance of payments from January to October 2003

Over the first ten months of the year, the balance of payments on current account resulted in a deficit of Sk 0.5 billion. The year-on-year decrease in the shortfall (Sk 66.9 billion) was primarily due to a reduction in the trade deficit and continued improvement in the balance of current transfers. The income balance also improved as a result of a change in methodology. The only item to record a year-on-year decline in its positive balance since the beginning of the year, was the services balance.

Current account

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



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

	January – October 2003	January – October 2002
Balance of trade	-10.4	-73.7
Exports	664.2	538.8
Imports	674.6	612.5
Services balance	5.8	17.1
Income balance	-3.8	-16.0
of which: income from investment	-17.2	-16.4
Current transfers	7.9	5.2
Current account in total	-0.5	-67.4

*Balance of trade* The trade balance resulted in a deficit of Sk 10.4 billion. On a year-on-year basis, exports grew at a faster rate (23.3 %; 52.6 % in USD and 27.3 % in EUR) than imports (10.1 %; 36.4 % in USD and 17.7 % in EUR).

*Exports* The year-on-year increase in exports took place mostly in automobiles, motor vehicle components and accessories, machinery and equipment, iron and steel, furniture, and electrical machines and equipment. Marked decline in exports was recorded in clothes, organic chemicals, paper, and paper board.

*Imports* In imports, the steepest year-on-year increases were recorded in motor vehicle components and accessories, electrical machines and equipment, machines and instruments (including automobile engines), plastic goods (mainly automobile accessories), rubber (mainly tyres), and in iron and steel products.

	Exports from	Year-on-year	Imports from	Year-on-year
	January to October 2003	change	January to October 2003	change
	Sk billions	Sk billions	Sk billions	Sk billions
Raw materials	44.6	1.6	93.4	-1.4
Chemicals and semi-finished goods	207.3	12.3	205.4	15.6
Machinery and transport equipment	321.1	105.5	230.5	38.3
Finished products	91.2	6.0	145.3	9.6
Total	664.2	125.4	674.6	62.1

*Services balance* Over the first ten months of the year, trade in services resulted in a surplus of Sk 5.8 billion, representing a year-on-year decrease of Sk 11.3 billion (or Sk 6.3 billion, if we exclude the effect of change in the methodology applied for calculating the compensation of employees, which is reflected partly in expenses on tourism). The decrease in the positive balance of services took place predominantly in transport services, where a fall in receipts from the transit of gas was accompanied by an increase in expenses on freight transport, especially road haulage. In September and October, receipts from tourism recorded smaller increases, which caused a slowdown in the growth rate in this category.

*Balance of income and current transfers* The deficit in the balance of income diminished on a year-on-year basis, by Sk 12.2 billion (to Sk 3.8 billion), as a result of the change in the methodology applied for determining the compensation of employees (over the first ten months, Sk 13.0 billion was added). If we leave the change in methodology out of consideration, the balance of income would deteriorate by Sk 0.8 billion, due to increased interest payments on portfolio investments. The increase in the positive balance of current transfers (by Sk 2.7 billion) was affected by a decline in transfers abroad, by natural persons and corporate entities.

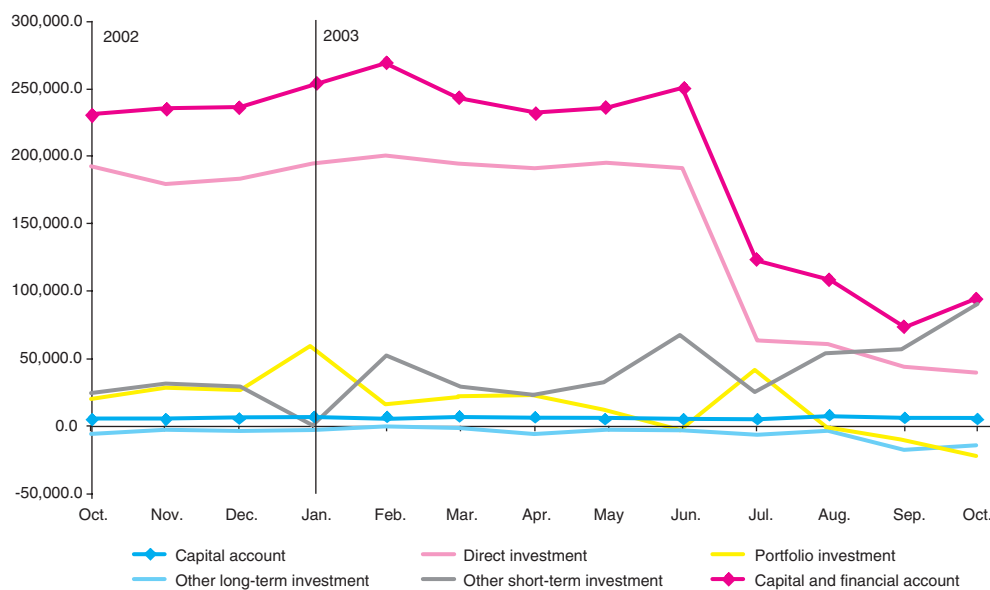
*Capital and financial account* The capital and financial account resulted in a surplus of Sk 47.5 billion. The inflow of funds took the form of direct and other short-term investment, while portfolio investments, financial derivatives, and other long-term investments recorded an outflow.

*Foreign direct investment* Foreign direct investment in net terms (the difference between FDI by foreign investors in Slovakia and FDI by Slovak investors abroad) amounted to Sk 19.3 billion. Since the beginning of the year, the capital interest of foreign investors in Slovakia has increased by Sk 27.5 billion (of which an additional payment for the privatisation of the Slovak Gas Industry accounted for Sk 2.6 billion, income from the privatisation of the Eastern Slovakia Power Company Sk 5.4 billion, and an additional payment for the privatisation of the Western Slovakia Power Company Sk 1.4 billion). Non-privatisation activities accounted for Sk 18.1 billion. Of this amount, 55 % was absorbed in industry (the production of coke, refined oil products, foods, and metal goods) and 29% in trade and business services.



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

(Sk millions)



The balance of portfolio investments resulted in a deficit of Sk 28.6 billion. The outflow of funds took place mostly on the assets side, where the purchase of foreign securities in the banking and corporate sectors continued. An outflow of funds was also recorded on the liabilities side, where the excess of repayments over drawings of government eurobonds was only partly offset by an inflow of funds from the sale of Sk-denominated government bonds.

*Portfolio investment*

Other investments resulted in a positive balance of Sk 54.0 billion, partly due to an inflow of short-term capital. The increase in short-term capital in the banking sector (by Sk 39.0 billion) was generated by intense transactions between parent banks based abroad and their branch offices in the SR (increase in other short-term liabilities). The inflow of short-term funds (Sk 40.0 billion) into the government sector (including the NBS) took place through NBS repo operations.

*Other investments*

The outflow of long-term capital was caused by the excess of repayments over drawings of loans in the corporate and government sectors.

The foreign exchange reserves of the NBS increased by Sk 46.3 billion, i.e. USD 1.1 billion (excluding exchange rate differentials).

*Foreign exchange reserves*
**Balance of payments adjusted for the activities  
of the government and the NBS**

(Sk billions)

	January – October 2003	
	Actual <sup>1/</sup>	Adjusted <sup>2/</sup>
Current account	-0.6	5.1
Capital and financial account	47.5	-16.4
of which: FDI in Slovakia – capital participation	27.5	18.1
Other items (not included elsewhere)	-0.6	-0.6
Interventions by the NBS	x	-25.9
Change in the net foreign assets of commercial banks (- increase)	x	37.8
Change in NBS reserves (- increase)	-46.3	x

<sup>1/</sup> Original balance of payments structure, i.e. effect of receipts and payments on NBS reserves.

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

From January to October 2003, the revised current account (excluding interest received / paid by the Government and NBS and effected cross-border payments via the NBS) generated a surplus of more than Sk 5 billion. The deficit in the revised capital and financial account increased to Sk 16.4 billion (due to the excess of repayments over drawings of financial credits and the increased provision of short-term trade credits in connection with export). The deficit in the capital and financial account and the sale of foreign currency to the Central Bank on the interbank foreign exchange market, led to a decrease in the net foreign assets of commercial banks.

### **External debt of Slovakia at 31 October 2003**

*Gross external debt* On 31 October 2003, the total external debt of the SR stood at USD 16,735.4 million (EUR 14,311.2 million), representing an increase of USD 1,348.8 million in comparison with the previous month.

The growth in total gross foreign debt was caused, for the most part, by repo transactions in foreign securities from the NBS portfolio (a month-on-month increase of USD 1,009.4 million), a concurrent increase in foreign liabilities in the commercial sector, and a depreciation in the exchange rate of the USD against the EUR.

The foreign debt of commercial banks increased in comparison with the previous month by USD 392.7 million, of which short-term debt accounted for USD 279.7 million. The increase in the indebtedness of commercial banks took place in both long-term deposits and short-term transactions, with the most significant increase being recorded in other short-term liabilities (transactions between the branch offices of foreign banks with their parent companies abroad). The foreign debt of enterprises increased month-on-month by USD 243.1 million, due to growth in import commitments.

At the end of October, per-capita gross foreign debt stood at USD 3,111. By the end of the month, the share of short-term debt in the country's total gross external debt had decreased, from 38.8% in September to 44.5%. This increase resulted from NBS operations, which do not represent a classical short-term capital, the inflow of which is affected by exchange and/or interest rate developments.

### **External debt of the SR**

	in millions of USD			in millions of EUR		
	1.1.2003	30.9.2003	31.10.2003	1.1.2003	30.9.2003	31.10.2003
Total external debt of the SR	13,107.3	15,386.5	16,735.4	12,577.5	13,473.9	14,311.2
1) Long-term external debt	8,870.7	9,412.8	9,280.7	8,512.1	8,242.8	7,936.4
Government and NBS <sup>1/</sup>	3,740.2	3,941.1	3,632.6	3,589.1	3,451.2	3,106.4
Commercial banks	164.8	150.5	263.5	158.1	131.8	225.3
Entrepreneurial entities	4,965.6	5,321.2	5,384.6	4,764.9	4,659.8	4,604.6
2) Short-term external debt	4,236.6	5,973.7	7,454.7	4,065.4	5,231.1	6,374.9
Government and NBS	0.0	103.4	1,124.9	0.0	90.5	962.0
Commercial banks	1,289.5	2,298.9	2,578.6	1,237.4	2,013.1	2,205.1
Entrepreneurial entities	2,947.1	3,571.5	3,751.2	2,828.0	3,127.5	3,207.8
Foreign assets	14,127.4	16,732.1	18,031.7	13,556.5	14,652.2	15,419.7
Net external debt	-1,020.2	-1,345.6	-1,296.3	-979.0	-1,178.3	-1,108.5
SKK/USD and SKK/EUR rates:	40.036	36.055	35.368	41.722	41.173	41.359
USD/EUR cross exchange rate:	1.042	1.142	1.169			

<sup>1/</sup> Including government agencies and municipalities.

*Net external debt* The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. USD 16.7 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and

foreign assets, i.e. USD 18.0 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.3 billion (creditor position) at the end of October.

### Current developments

During the first eleven months of 2003, Slovakia's foreign trade resulted in a deficit of Sk 10.9 billion, which was Sk 72.3 billion less than in the same period a year earlier. On a year-on-year basis, exports grew by 23.6 % (52.4 % in USD and 27.4 % in EUR) and imports by 10.1 % (35.8 % in USD and 13.5 % in EUR).

*Balance of trade*

In November, foreign trade resulted in a deficit of Sk 0.5 billion, representing an improvement of Sk 9.0 billion compared with the figure for November 2002.

Despite a month-on-month decline in November (Sk 2.2 billion), exports reached Sk 75.7 billion, i.e. the second largest volume in 2003. The month-on-month decline in exports took place mostly in automobile components, mineral fuels, and clothes. Imports also recorded a month-on-month fall in November (Sk 2.1 billion). Slight declines in imports was recorded, in small amounts, in a wide range of products, but mainly in pharmaceuticals, plastics, iron products, etc.

The total year-on-year increase in exports over the eleven months under review (Sk 141.4 billion) continued to be dominated by the export of motor vehicles, machines and electrical equipment, iron and steel, and furniture. The exports of clothes and organic chemicals recorded a marked decrease.

*Exports*

EXPORTS	Exports from January to November 2003	Share in total exports	Year-on-year zmena	Proportion of the change
	Sk billions	in %	Sk billions	in %
Raw materials	48.7	6.5	1.2	0.2
Chemicals and semi-finished goods	228.5	30.9	13.3	2.2
Machinery and transport equipment	361.5	48.9	119.7	20.0
Finished goods (agricultural + industrial)	101.2	13.7	7.2	1.2
Exports in total	739.9	100.0	141.4	23.6

The year-on-year increase in imports (Sk 69.1 billion) took place mostly in motor vehicle components and accessories, electrical and measuring instruments, machines and machine components (including automobile engines); plastic goods (mainly automobile accessories); and in iron, steel, and rubber products. These commodities were in large part imported in connection with the expansion of production in the automobile industry.

*Imports*

IMPORTS	Imports from January to November 2003	Share in total imports	Year-on-year change	Proportion of the change
	Sk billions	in %	Sk billions	in %
Raw materials	103.2	13.7	-1.4	-0.2
Chemicals and semi-finished goods	227.3	30.3	17.3	2.5
Machinery and transport equipment	257.7	34.3	43.1	6.3
Finished products	162.6	21.7	10.1	1.5
of which:				
Agricultural and industrial goods	94.1	12.6	2.8	0.4
Automobiles	23.2	3.1	0.5	0.1
Machines and electrical consumer goods	45.3	6.0	6.8	1.0
Imports in total	750.8	100.0	69.1	10.1

**Effect of oil / gas prices and the exchange rate of the Slovak koruna on imports and exports from January to November 2003**

	Exports		Imports	
	Cumulative year-on-year change			
	Sk billions	in %	Sk billions	in %
Actual figures in Sk	141.4	23.6	69.1	10.1
Fixed exchange rate	176.2	29.4	119.0	17.5
Fixed price of oil and gas	143.3	23.9	70.4	10.3
Fixed exchange rate and fixed price of oil and gas	178.1	29.7	120.3	17.7

With regard to the impact of oil prices on the exports and imports of oil and oil products, the decrease in the price of oil in Sk (6%) and increase in the price of gas in Sk (4.3%) had a negligible effect on the size of the trade deficit (an increase of Sk 0.6 billion in the deficit).

*Services balance* The next current account component, the services balance, recorded a marked decrease in the positive balance, which was caused by developments in all its components. The sharpest decline took place in the surplus of transport services, where a decrease in receipts (mainly from the transit of gas) was accompanied by an increase in expenses (on freight transport). In contrast with the previous months, receipts from foreign tourists recorded a smaller increase in November (due partly to the appreciation of the koruna vis-à-vis the EUR, and in particular the USD). The drop in receipts and growth in expenses (expenses on tourism increased by Sk 5.5 billion in connection with the change in the methodology applied for determining the compensation of employees) were responsible for the fact that net income from foreign tourism over the first 11 months of 2003 remained below the level of the same period a year earlier. The increase in the negative balance of 'other services in total' took place mostly in the insurance, financial, and computer engineering services.

*Income balance* The change in the methodology applied for the calculation of employee compensation (causing an increase of Sk 14.0 billion in income) contributed to the year-on-year improvement in the negative balance of income, from Sk 17.8 billion to Sk 3.0 billion. The negative balance of income from investment diminished somewhat (by Sk 0.8 billion), due to the growth in income from NBS reserves and the decline in the amount interest paid on loans, the positive effect of which exceeded the growth in interest paid on koruna-denominated government bonds as a result of the methodology change.

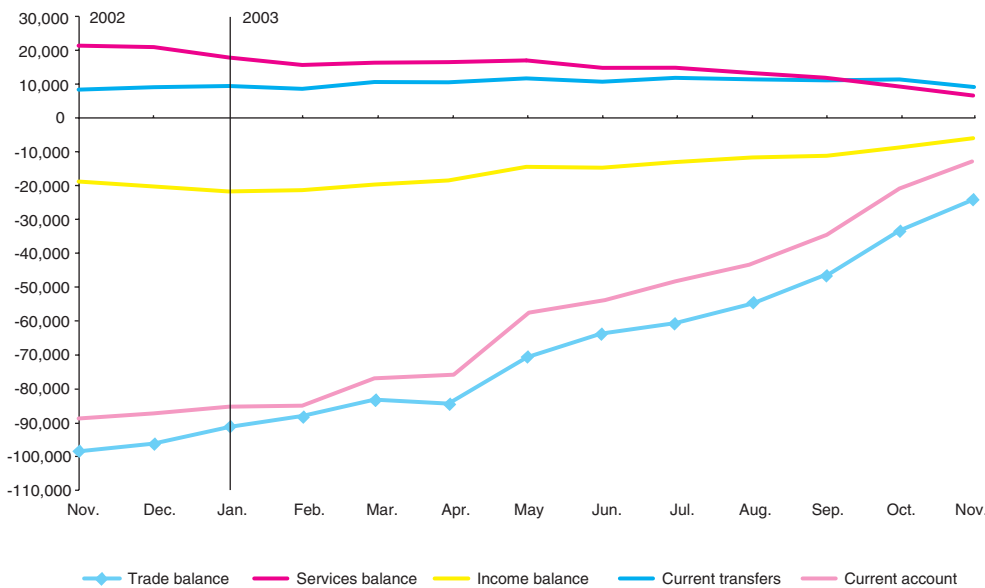
The overall effect of the change in methodology on the current account was positive (Sk 2.0 billion). Net income from the compensation of employees caused the current account deficit to diminish by Sk 6.0 billion, while interest paid on government bonds increased the deficit by Sk 4.0 billion.

For the first time since December 1995, the current account resulted in a surplus of Sk 0.5 billion, representing a year-on-year improvement of Sk 74.3 billion.

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

	January – November 2003	January – November 2002
Balance of trade	-10.9	-83.2
Exports	739.9	598.5
Imports	750.8	681.7
Services balance	6.0	19.7
Income balance	-3.0	-17.8
of which: income from investment	-17.5	-18.4
Current transfers	8.4	7.5
Current account in total	0.5	-73.8

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



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

	Monthly data										
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
Trade balance <sup>1/</sup>	-720	-2,288	-2,838	-5,959	2,265	601	-3,549	1,790	665	-387	-484
Services balance	-611	-821	2,060	1,045	210	446	1,435	747	766	547	134
Income balance	-1,083	149	-178	-574	-824	-2,758	610	830	-1,122	1,122	800
Current transfers	782	371	1,373	1,151	968	574	1,612	-57	362	738	537
Current account	-1,632	-2,588	417	-4,337	2,619	-1,137	108	3,310	671	2,019	987

	Moving 12-month cumulative data											
	Dec. 02	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
Trade balance <sup>1/</sup>	-96,627	-91,717	-88,622	-83,968	-84,967	-71,197	-64,401	-61,248	-55,016	-46,538	-33,028	-23,668
Services balance	20,652	18,725	15,923	16,070	16,569	16,713	14,556	14,476	12,645	11,600	9,375	6,919
Income balance	-20,690	-21,712	-21,237	-20,063	-18,697	-15,036	-14,827	-13,620	-12,297	-11,086	-8,520	-5,976
Current transfers	8,765	9,043	8,782	10,194	10,585	11,234	10,571	11,452	10,861	11,247	11,429	9,612
Current account	-87,900	-85,661	-85,154	-77,767	-76,511	-58,286	-54,101	-48,940	-43,808	-34,778	-20,744	-13,113

<sup>1/</sup> Monthly reports on foreign trade in 2003 (Statistical Office of the SR) – compiled in November.

At the end of the year, the total foreign exchange reserves of the NBS stood at USD 12,149.0 million, representing an increase of USD 837.1 million compared with the figure for the end of November. The month-on-month increase was due to a surplus in the balance of receipts and expenses (USD 433.4 million), accompanied by positive exchange rate differentials resulting from a change in the USD/EUR cross rates in the period under review (USD 403.7 million). At the end of 2003, the volume of foreign exchange reserves was 5.8 times greater than the volume of the average monthly imports of goods and services to Slovakia, during the first eleven months of the year.

Total foreign exchange reserves

The average monthly exchange rate of the Slovak koruna to the US dollar appreciated on a month-on-month basis in December (by 4.6%), primarily due to developments in the EUR/USD cross rate. In comparison with December 2002, the

Nominal effective exchange rate of the Slovak koruna (NEER)

rate appreciated by an average of 18.3%. The 12-month dynamics of the nominal effective exchange rate (NEER)<sup>4/</sup> reached 3.2 % in December.

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

The year-on-year dynamics of the real effective exchange rate (REER) followed a downward trend in November. The year-on-year REER index appreciated by 10.8% on the basis of the CPI, by 10.0%, on the basis of the PPI, and by 3.7% on the basis of industrial products prices.

The following table contains a comparison of cumulative REER changes on the basis of CPI, PPI, and PPI manufacturing since the beginning of 2002 and 2003. The accelerated appreciation of the REER index in 2003 was caused mostly by the deregulation of energy prices, which accounts for approximately 6 to 7 percentage points in the case of REER based on CPI and PPI.

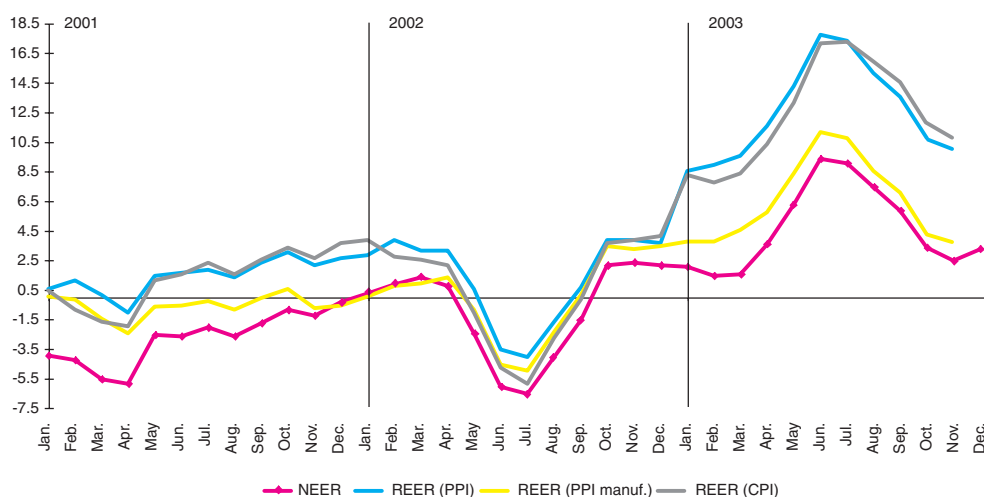
#### **Cumulative NEER and REER dynamics since the beginning of the year (%)**

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)
2002	2.1	4.1	3.6	3.4
2003 <sup>1/</sup>	3.2	10.6	10.2	4.0

*1/ The dynamics of the REER and NEER indices are for the first 11 and 12 months of 2003 respectively.*

#### **Year-on-year dynamics of the NEER and REER Indices**

*(based on CPI, PPI, and PPI manufacturing, for 9 trading partners, in %)*



### **3.3. Real Economy**

#### **Current developments**

##### **Production and receipts**

*The rate of growth in industrial production slowed*

The year-on-year growth in industrial production slowed month-on-month in November. The rate of growth was affected by a slowdown in industrial production

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

and the continuing decline in electricity generation / distribution, gas and water supply, and in mineral raw materials extraction.

In manufacturing, production grew at a slower rate, particularly in the key sectors. In November, half of the year-on-year increase from October was achieved in the manufacture of transport vehicles and the rate of growth slowed in the electrical industry, the rubber industry (including the production of plastics), and in the production of metals and metals goods. On the other hand, renewed growth was recorded in the paper industry, including printing and publishing (after seven months of decline), and in the manufacturing of machines and equipment. Production fell below the figure for the same period a year earlier in the production of coke, refined oil products, and nuclear fuels, and a long-term decline in production (lasting since February 2003) continued in the chemical industry. For the fifth consecutive month, a decline was recorded in the food industry, which includes beverage and tobacco production.

Compared with October, the construction sector recorded a slowdown in year-on-year dynamics in November. The rate of growth in domestic production slowed, in both new construction, reconstruction, and modernisation projects and in repair and maintenance work. Production in construction projects abroad continued to grow, as in previous months, at a fast rate.

*Slower growth  
in construction*

	Sk millions (current prices)		Indices			
	November 2003	cumulative since beginning of the year	Oct. 2003	Nov. 2003	Nov. 2002	Jan.– Nov. 2003
			Oct. 2002	Nov. 2002	Nov. 2001	Jan.– Nov. 2002
<b>Production:</b>						
Index of industrial production <sup>1/2/</sup>	.	.	106.2	104.1	110.3	105.8
of which:						
Mineral raw materials extraction	.	.	94.1	95.7	120.0	95.0
Manufacturing	.	.	109.8	106.8	114.1	108.2
Electricity, gas, and water supply	.	.	89.0	91.9	93.3	95.7
Construction <sup>2/</sup>	9,140	82,714	108.0	106.1	108.0	105.4
of which:						
Construction in Slovakia	8,747	78,611	106.4	105.2	107.6	103.5
Construction abroad	393	4,103	166.4	129.3	118.6	161.5
<b>Receipts from own-output and goods:</b>						
Industry in total <sup>3/</sup>	124,540	1,214,452	110.8	109.8	108.6	111.3
Construction <sup>2/</sup>	14,035	123,649	112.4	108.5	108.5	107.9
Retail trade <sup>3/</sup>	29,225	287,150	95.0	96.7	101.7	94.3
Sale and maintenance of vehicles, retail sale of fuels <sup>3/</sup>	12,513	118,066	97.3	104.9	103.8	101.1
Transport, storage <sup>3/</sup>	7,702	77,113	102.5	105.9	98.1	95.6
Real estate, leasing, and business services <sup>3/</sup>	12,695	119,722	100.8	92.6	93.8	95.1

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

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

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

The year-on-year decline in retail sales receipts continued in November, due to a persistent drop in receipts in non-specialised retail shops. Receipts in the other key segments of retail sales – pharmaceuticals, cosmetics, and other specialised retail shops – continued to grow dynamically for the fourth consecutive month, while receipts in retail trade in foodstuffs and tobacco products remained, for the first time this year, above the level of the previous year.

*Receipts from services*

After falling for four months, receipts from the sale and maintenance of motor vehicles and the retail sale of fuels increased by 4.9% (at constant prices) in

comparison with the same period a year earlier. Growth in receipts was achieved in all key trade segments, including the retail sale of fuels. The steepest year-on-year increases in receipts were recorded in activities focussing on the sale, repair, and maintenance of motor vehicles.

After October, the November receipts of transport organisations from own-output and goods were again higher than in the same period a year earlier. The growth in receipts took place in railway transport and in secondary and auxiliary services, which accounts for a substantial portion of the receipts of transport organisations, while receipts in other road transport continued to fall in November.

After recording an increase in October, the receipts of real estate, leasing, and other business service organisations were, as in previous months, lower than a year earlier in November.

### **Wages and unemployment**

*Nominal wages* In November, the year-on-year rate of growth in the average monthly nominal wage again slowed in most sectors in comparison with October. Nominal wages were lower than a year earlier in post and telecommunications and in hotels and restaurants. Wage development in these sectors was considerably affected by the high basis of comparison in the previous year.

In the first eleven months of the year, the average nominal wage grew at a slower rate than in the same period a year earlier in most sectors, except construction and post & telecommunications, where wage dynamics increased somewhat. The wage increase in posts and telecommunications took place predominantly in telecommunications, where nominal wage dynamics had long been higher than in other sectors.

*Real wages* From January to November, the average real monthly wage remained below the level of the same period a year earlier in most sectors, except real estate, leasing, business, and other services. In addition to the slowdown in nominal wage dynamics, real wages were affected by the continued increase in average consumer prices, the rate of which for January to November accelerated by 5.2 percentage points on a year-on-year basis, to 8.5%.

### **Wage development by sector (index, same period of the previous year = 100)**

	Average monthly nominal wage				Average monthly real wage			
	November		January - November		November		January - November	
	2002	2003	2002	2003	2002	2003	2002	2003
Industry	104.6	105.2	107.5	106.5	101.7	95.8	104.0	98.2
Construction	105.2	101.7	104.0	104.4	102.2	92.6	100.7	96.2
Retail trade	98.8	105.0	104.2	103.5	96.0	95.6	100.8	95.4
Wholesale trade	109.5	102.4	109.8	106.2	106.4	93.3	106.3	97.9
Real estate, leasing, business, and other services	110.5	106.8	111.7	109.3	107.4	97.3	108.1	100.7
Transport	110.6	107.7	108.8	107.4	107.5	98.1	105.3	99.0
Post and telecom.	105.3	93.6	106.5	107.1	102.3	85.2	103.0	98.7
<i>Consumer prices</i>	<i>102.9</i>	<i>109.8</i>	<i>103.3</i>	<i>108.5</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>

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

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

The data on wage development from July to September was updated by the Statistical Office on 9 December 2003.

*Wages and labour productivity* The favourable trend in the relationship between wages and labour productivity, based on receipts from own-output and goods, continued in November.



If we compare the development of nominal wages and nominal labour productivity based on receipts from own-output and goods over the eleven months under review, the rate of growth in productivity exceeded the rate of wage increase in the wholesale trade and post & telecommunications, while transport recorded a slowdown in labour productivity. In sectors, where productivity is monitored in real terms, favourable development was recorded in industry, construction, and the retail trade. In real estate, leasing, and other public services, however, labour productivity continued to fall, while real wages increased slightly.

**Wages, labour productivity, and employment from January to November 2003**  
(index, same period of the previous year = 100)

	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and telecom.
Wages							
- nominal	106.5	104.4	106.5	103.5	109.3	107.4	107.1
- real	98.2	96.2	97.9	95.4	100.7	99.0	98.7
Labour productivity							
- nominal	.	.	119.6	.	.	104.8	112.9
- real	110.8	101.8	.	102.9	98.8	.	.
Productivity minus wages (percentage point)							
- nominal	.	.	13.1	.	.	-2.6	5.8
- real	12.6	5.6	.	7.5	-1.9	.	.
Number of employees	100.5	103.6	76.0	91.6	97.7	91.2	96.2

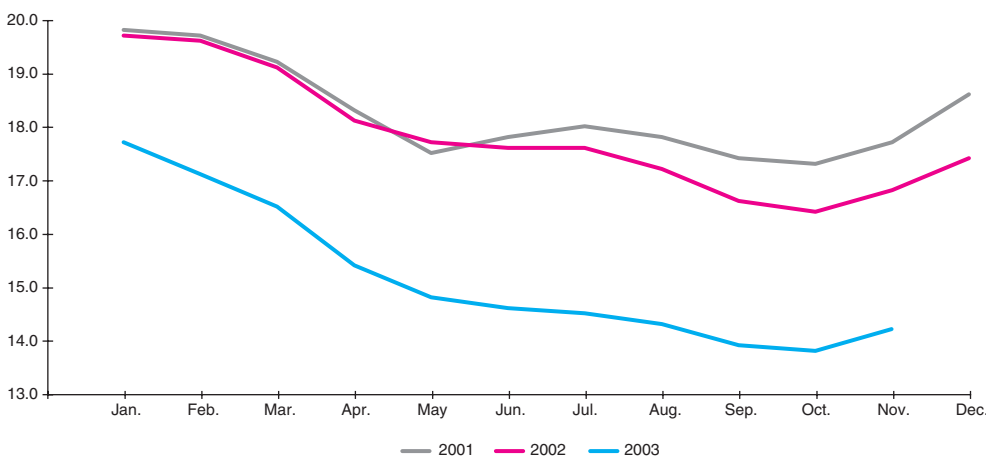
Note: Labour productivity is based on receipts from own-output and goods (in the construction sector, on the volume of production).

By the end of November, the total number of registered unemployed had increased in comparison with October by 13,156, to 407,000. The rate of unemployment, based on the number of registered unemployed, rose by 0.44 of a percentage point, to 14.2%, which was 2.6 percentage points less than in the same period a year earlier.

Unemployment

In November, the number of registered unemployed well exceeded the October minimum, which was caused primarily by seasonal effects. Traditionally, the majority of people signing on a labour offices were unskilled agricultural and industrial workers. The month under review saw the second largest increase in the number of new unemployed since the beginning of the year and a very low number of persons were removed from the registers. The number of unemployed per vacancy stood at 24 in November, compared with 29 in the same period a year earlier.

**Rate of registered unemployment (%)**



The relatively long average period of registration persisted in November, but decreased slightly in comparison with October, to 12.68 months (compared with 13.8 months in November 2002). The long-term unemployed still accounted for about 50% of the total number of people out of work.

## 4. Monetary developments

### 4.1. Foreign exchange market

#### Foreign exchange operations

By the end of December, the exchange rate of the Slovak koruna to the euro had depreciated by 0.5% (from SKK/EUR 40,969 to SKK/EUR 41,161), while the average rate remained unchanged. In relation to the US dollar, the koruna strengthened by 4.3% (from SKK/USD 34,383 to SKK/USD 32,920), while appreciating in average terms by 4.6%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 133.65 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

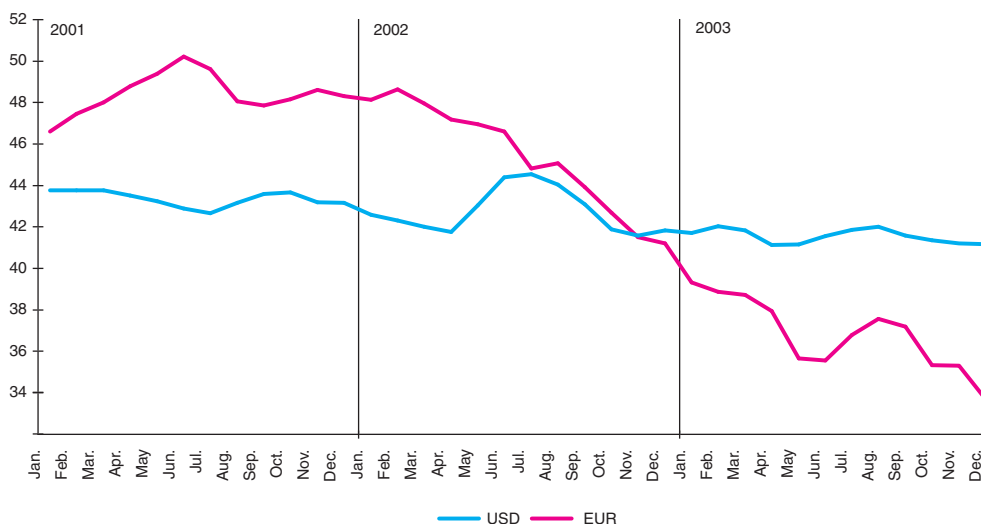
In December, the National Bank of Slovakia purchased foreign exchange assets in the amount of EUR 30.0 million.

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

	Month-on-month change	$\frac{\text{Ø Dec. 2003}}{\text{Ø Dec. 2002}}$	$\frac{\text{Ø (Jan. – Dec.) 2003}}{\text{Ø (Jan. – Dec.) 2002}}$
SKK/EUR	+0.5	-1.5	-2.8
SKK/USD	-4.3	-18.3	-18.9

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

#### Average monthly exchange rate of the SKK



#### Interbank foreign exchange market

The volume of trading on the interbank foreign exchange market totalled USD 32,628.6 million, representing an increase of 9.2 % compared with the figure for November (USD 29,866.4 million). Of the total volume of trading, 92.6% took place in swap transactions, which were conducted mainly in USD (86.0%). Spot transactions accounted for 7.3% of the total turnover (95.2% of the deals were in EUR). The average daily turnover on the spot market reached USD 119.08 million and the average volume per transaction amounted to USD 1.74 million.

The volume of transactions between domestic commercial banks fell from USD 6,994.8 million to USD 6,874.4 million. Most trading took place in USD (83.2%, compared with 85.2% in November), followed by EUR (15.8%, compared with 14.4% in November) and other currencies (1.0%).

Transactions between domestic banks accounted for 21.1% of the total volume of trading on the interbank foreign exchange market (compared with 23.4% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 90.0% (92.3% in November) and spot transactions 10.0% (7.7% in November).

The volume of trading between domestic and foreign banks increased by 12.4 %, from USD 22,871.6 million to USD 25,716.4 million. Most trading was again conducted in USD (79.0%, compared with 80.5% in November), followed by EUR (12.2%, compared with 11.9% in November), and other currencies (8.9%). Trading between domestic and foreign banks still accounted for 78.9% of the country's foreign exchange market.

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (93.4%, compared with 92.9% in November), while spot transactions accounted for 6.6% (7.0% in November). The share of forward dealings on the forex market was negligible.

#### 4.2. Money market and monetary policy implementation

At a meeting on 19 December, the Bank Board decided to cut the key interest rates of the NBS by 0.25 of a percentage point. In line with this decision, the rate for two-week repo tenders was lowered to 6.00%, the rate for overnight refinancing operations to 7.50%, and that for overnight sterilisation transactions to 4.50% (with effect from 22 December).

*Cut in key interest rates*

Average interbank market rates with a maturity of one day to three months fell in December; six-month and twelve-month rates increased, and the price of nine-month deposits remained unchanged. The moderate increase in rates for six- to twelve-month deposits in the first half of December was caused by forward rate agreements (FRA). Later, the price of these rates increased as a result of growth in demand for government bonds on the secondary market and the resulting attempt to cover the interest rate risk through interest rate swaps (IRS), but this had no effect on the quotation of money market rates. In the second half of December, the yield curve reacted to the change in key NBS rates with a decrease. One-month to three-month rates recorded an adequate drop, while those for maturities over six months fell to a lesser extent. After the NBS had published its 2004 Monetary Programme, proposing a further reduction in the amount of required reserves (by Sk 6.4 billion), banks increased their attempts to make deposits with longer maturities, which led to a drop in their price. On the whole, money market interest rates followed a balanced course in December, due partly to the stabilisation of foreign exchange markets in neighbouring countries.

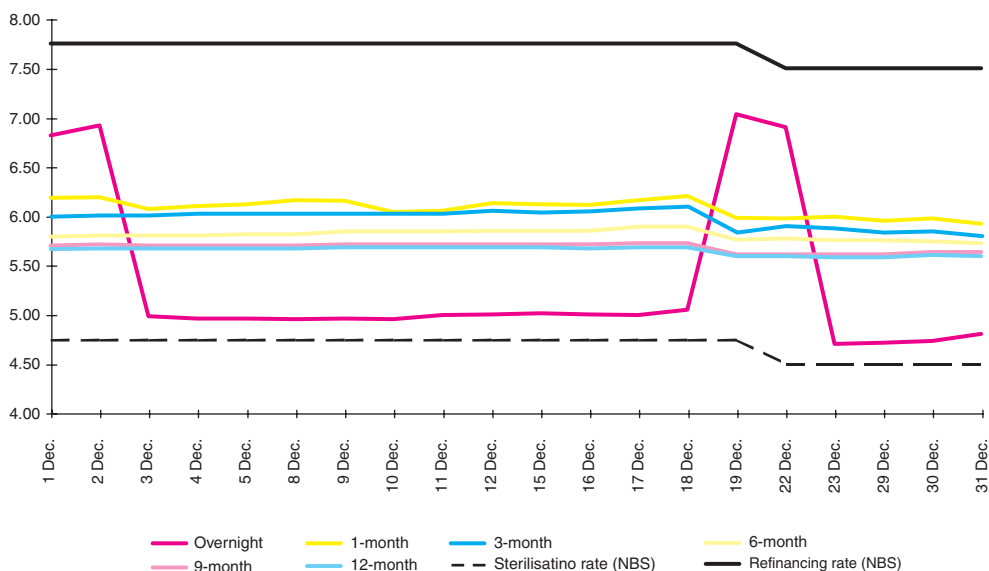
*Development of interbank market rates*

The total volume of trading on the interbank money market grew in comparison with the previous month by 10.8%, to Sk 1.189 billion. Of this amount, swap operations accounted for 51.4% and deposit transactions 48.7%. Reference banks accounted for 88.5% of the total turnover (91.8% in November). Non-resident and domestic bank transactions accounted for 59.7% and 40.3% of the total trading volume respectively.

The average daily volume of liquidity sterilised on the money market increased by Sk 2.9 billion in December, to Sk 161.2 billion. In December, as opposed to the rest of the year, banks attempted to maintain a higher surplus of daily liquidity. The level

of liquidity in the banking sector was increased by the release of funds from the other balance accounts of the NBS (Sk 5.1 billion in cumulative terms, mainly from the deposits of regional self-governments and state funds), a liquidity inflow via the balance of current budget revenues and expenditures (Sk 2.9 billion)<sup>5/</sup>, and by central bank interventions on the foreign exchange market (Sk 1.2 billion).

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



A downward effect on liquidity was exerted by securities (issue and repayment of government securities, including yield payments on government bonds), which drained liquidity from commercial banks in the amount of Sk 3.2 billion, and by a seasonal increase in the volume of currency in circulation (Sk 1.7 billion in cumulative terms), which is typical for December.

On 31 December 2003, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 271.8 billion (including the deposits of the Ministry of Finance and the FNM at the NBS).

### Average daily effect of individual NBS interventions on the level of bank liquidity (Sk millions)

	O/N repos	O/N deposits	NBS bills	REPO tenders
November 2003	+284	-2,542	-31,700	-124,292
December 2003	+26	-8,419	-38,258	-114,584

The NBS announced five repo tenders for December (they accounted for 71.1% of its sterilisation position). The bank bids were accepted by the NBS in full. Compared with the amount due, banks significantly reduced their bids in the first tender (by Sk 11.5 billion), in fear of a shortage of daily liquidity. They again made reduced bids in the third and fourth tenders, due to preference for investing in NBS bills.

<sup>5/</sup> In comparison with the month-on-month increase in the budget deficit in December (by Sk 13.2 billion), the balance of current budget revenues and expenditures in relation to commercial banks amounted to only Sk 2.9 billion in favour of expenditures. The difference was connected with the fact that a substantial portion of the total budget expenditure was directed in December to accounts at the NBS (i.e. outside the banking sector), which mitigated the effect of December's unfavourable budgetary performance on bank liquidity.

**Tenders in December 2003**

Date of tender	Type of tender <sup>1/</sup>	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
3.12.2003	SRT	14	59,736	6.24	6.24	6.25
10.12.2003	SRT	13	61,224	6.24	6.25	6.25
17.12.2003	SRT	14	58,157	6.24	6.24	6.25
23.12.2003	SRT	15	39,613	5.99	5.99	6.00
31.12.2003	SRT	14	66,776	5.99	6.00	6.00

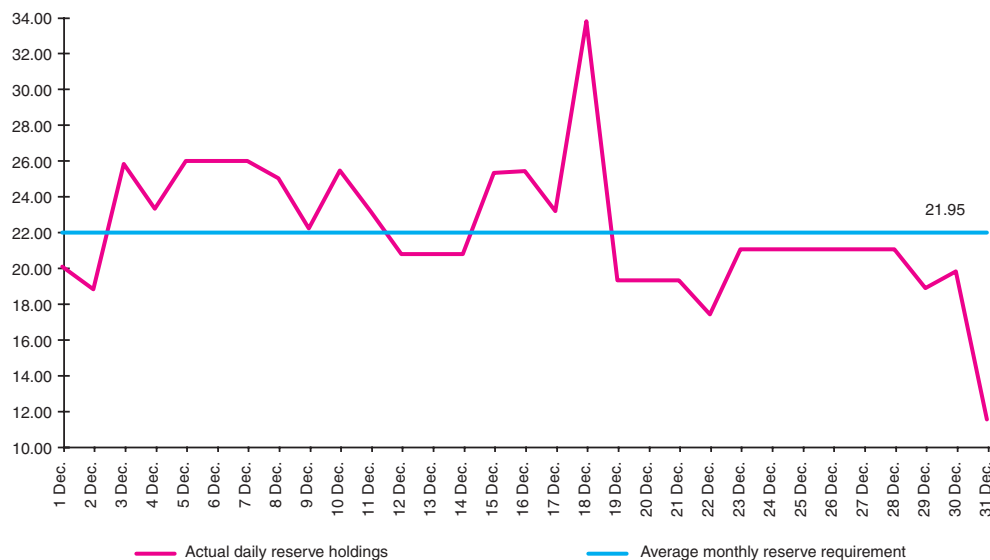
<sup>1/</sup> SRT – sterilisation repo tender  
 RRT – refinancing repo tender

The NBS announced two auctions in NBS bills for December. At the first auction, demand for NBS bills with a yield to maturity (84 days) reached Sk 36.1 billion, representing an increase of Sk 15.2 billion compared with the amount due. The NBS reduced the amount accepted to Sk 30 billion. The second auction also attracted increased interest, with demand totalling Sk 19.6 billion (an increase of Sk 10 billion). The bids of banks were accepted by the NBS in full. At the second auction, the NBS reduced the maturity of bills to 73 days so that the two issues had a common due date. The reason for the selection of a non-standard maturity, was the initial uncertainty in connection with the approval of the tax reform. The growth in the volume of issued NBS bills increased the average daily share of sterilisation, to 23.7% (from 20.0% in November). The reform of the taxation of yields on bills increased their attractiveness, which led to growth in interest in NBS bills even on the part of banks, which had not previously invested in bills.

The required minimum reserve level in the banking sector was set at Sk 21.9 billion. By the end of the month, it had been fulfilled to 100.26 %. The reserve requirements were met by all banks in December.

*Required reserves*

**Fulfilment of reserve requirements (Sk billions)**



**4.3. Customer interest rates in November 2003**

After falling and/or stagnating in October, average interest rates increased on both deposits and loans in November, as a reaction to the cut in key NBS interest rates (by 0.25 of a percentage point) at the end of September. This interrupted the overall downward trend in interest levels in 2003.

*Customer interest rates in November*

The average interest rate on new loans rose by 0.6 of a percentage point, to 7.7% in November, due to an increase in rates for new short-term loans (by 0.7 of

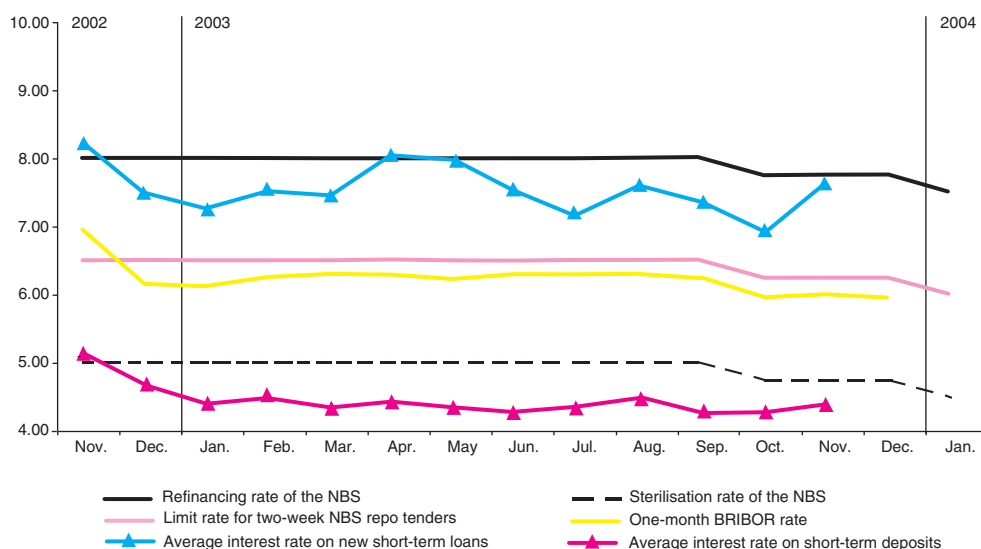
*Rise in interest rates on new loans*

a percentage point, to 7.6%). The steepest increase took place in interest rates on loans with a maturity of up to 7 days (1.1 of a percentage point, to 7.4 %). The price of medium-term loans fell by 0.1 of a percentage point (to 8.9%), while that of long-term loans remained unchanged (7.0%).

*Rise in interest rates on the volume of loans*

The average interest rate on the total volume of loans rose month-on-month by 0.1 of a percentage point, to 8.0 %. Increases were recorded in rates for all maturities: the rates for short- and medium-term loans rose by 0.1 of a percentage point (to 8.1% and 9.0% respectively) and that for long-term loans by 0.2 of a percentage point (to 7.2%).

**Development of selected interest rates <sup>1/</sup>** (%)



<sup>1/</sup> With effect from 30 October 2002, the limit rate for standard two-week repo tenders was reduced. A further cut in key NBS interest rates was approved from 18 November 2002; both interest rate cuts are illustrated in the graph for November. The interest rate reduction with effect from 26 September 2003 is illustrated in the graph for October, and the cut with effect from 22 December 2003 is illustrated in the graph from January 2004.

*Increase in interest rates on deposits*

The cut in key interest rates at the end of September had no effect on average interest rates on deposits even in the second month after the change. After stagnating in October, the average deposit rate increased in November by 0.1 of a percentage point, to 3.3%. The same increase was recorded in interest rates on demand and time deposits (to 1.5% and 4.6% respectively), while savings deposits remained unchanged (at 2.9%).

Interest rates on short-term deposits rose by 0.2 of a percentage point (to 4.6%), while the average rate for medium-term deposits fell by 0.4 of a percentage point (to 5.1%) and that for long-term deposits by 0.2 of a percentage point (to 8.5%).

The real interest rate on one-year deposits fell by 0.4 of a percentage point in November, to -5.9% (negative figure). This was due to a rise in the 12-month rate of inflation (by 0.2 of a percentage point), accompanied by a fall in the average rate for one-year deposits (by 0.2 of a percentage point).

(%)

Average interest rate on 1-year deposits in November 2003		3.9	Real interest rate
Year-on-year inflation rate in November 2003	ex post	9.8	-5.9

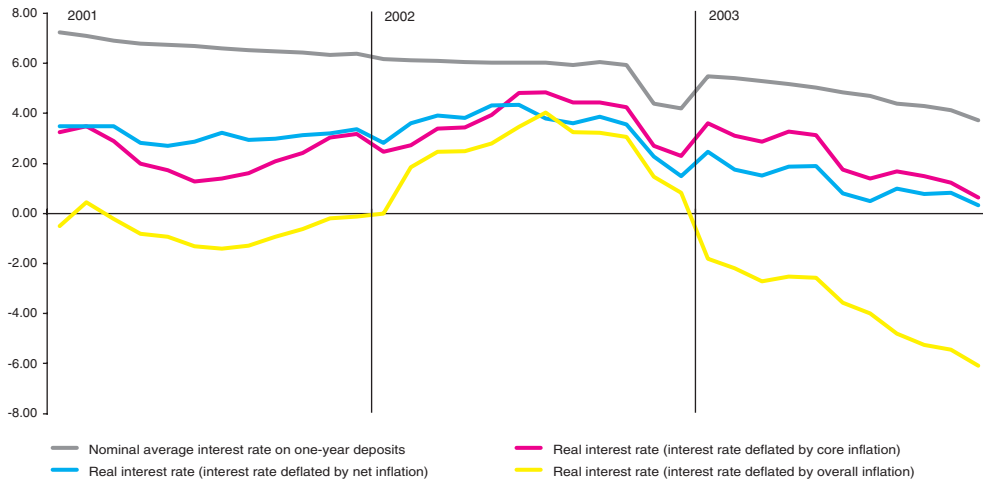
If we compare the average interest rate on one-year deposits in November 2002 (due in November 2003) with the 12-month rate of inflation in November 2003, the real interest rate on one-year deposits becomes -5.5% (negative figure).

(%)

Average interest rate on 1-year deposits in November 2002	4.3	Real interest rate
Year-on-year inflation rate in November 2003	9.8	-5.5

**Real interest rates on one-year deposits**

(%)



If the rate of interest on one-year deposits is deflated by core and/or net inflation, the value of the real interest rate for November becomes positive (0.6 % and/or 0.3% respectively).

The activities of non-resident entities on the domestic money market, which are monitored by the NBS, have long focussed on transactions in government securities, mainly in government bonds. Other operations, such as the placement of koruna deposits by non-residents with Slovak banks, seem to be less attractive. While the koruna deposits of foreign banks virtually doubled in 2002, they followed a relatively volatile course of development in 2003 (at the level of Sk 7.2 to 19.4 billion).

*Deposits of non-residents*

The deposits of non-resident banks in Slovak koruna increased month-on-month by Sk 2.5 billion and year-on-year by Sk 2.0 billion in December. The koruna deposits of non-resident customers fell month-on-month by Sk 0.8 billion, while growing year-on-year by Sk 1.1 billion.

The volume of government securities held by non-residents (government bonds and Treasury bills in total) increased month-on-month by Sk 2.5 billion in December, while the volume of Treasury bills in the portfolios of non-residents remained unchanged.

*Government securities held by non-residents*

**Sk held by non-residents**

(in billions of Sk)

	2002	2003						
	31. 12.	30. 6.	31. 7.	31. 8.	30. 9.	31. 10.	30. 11.	31. 12.
Koruna liabilities	15.8	18.9	13.3	11.8	13.2	11.9	17.3	19.0
of which: banks	12.0	15.1	8.7	7.7	9.4	7.4	11.5	14.0
non-bank customers	3.8	3.8	4.6	4.1	3.7	4.5	5.8	5.0
Government securities	19.4	32.8	79.7	31.1	42.3	31.4	31.8	34.3
of which: Government bonds	19.4	32.8	79.7	31.1	42.3	30.9	31.3	33.8
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5
<b>TOTAL</b>	<b>35.2</b>	<b>51.7</b>	<b>93.0</b>	<b>42.9</b>	<b>55.5</b>	<b>43.3</b>	<b>49.1</b>	<b>53.3</b>





## **Annexes**



## 1. Capital market

### 1.1. Primary market

In line with the Issuing Schedule for the 2nd Half of 2003, the Ministry of Finance of the SR planned one issue of government bonds for December. The auction was not accepted, since investors demanded higher interest rates than the issuer was willing to accept.

*Government bonds*

In December, total yield payments on government bonds amounted to Sk 0.75 billion, of which foreign investors received Sk 0.65 billion (86.66%) and domestic investors Sk 0.09 billion (12.0%). Yields payments to bond creditors amounted to Sk 0.6 million. No issue fell due in December, so there was no nominal-value repayment.

*Yield payment  
and bond repayments*

December saw two issues of publicly negotiable non-government bonds, in the total amount of Sk 10.7 billion.

*Non-government bonds*

### 1.2. Secondary market

In December (17 trading days), the total volume of trading on the Bratislava Stock Exchange (BCPB) reached Sk 204.9 billion in 2,919 transactions, involving 1.7 million equity and 1.2 million debt securities. The volume of transactions increased to 4.3 times the figure for November. In 2003, the total volume of transactions on the BCPB floor reached Sk 1.1 billion. Price-setting transactions amounted to Sk 45.5 billion (22.2% of the total volume). Non-resident investors accounted for 39.0% of the total volume traded in December, of which 39.9% were composed of purchases and 38.1% of sales.

Debt securities recorded 480 transactions totalling Sk 203.2 billion. Trading in government bonds accounted for 97.4 %, i.e. Sk 197.9 billion (in 348 transactions) of the total volume of bond contracts. This represented an increase of 4.3 times the figure for the previous month. The market for quoted securities was dominated by government bonds, Issue Nos. 187 and 142, and the second and fourth issue of HZL Slovenská sporiteľňa. Most trading took place in government bonds, Issue No. 191.

*Bonds*

In the market-maker system, eight transactions involving government bonds (Issue No. 188) and corporate bonds (B.O.F 04 a Železiarne Podbrezová 02) were concluded, in the total amount of Sk 20.9 billion. The market capitalisation of bonds amounted to Sk 331.9 billion (a month-on-month decrease of 1.2%) on the last trading day of the month. The capitalisation of quoted bonds dropped month-on-month by 1.4%, to Sk 286.0 billion.

The component of the Slovak Bond Index (SDX) for corporate and bank bonds closed the month at 238.92 % of the nominal value (a monthly increase of 0.3 %), with an average yield of 7.27 % to maturity and a duration of 1.55 years. The SDX component for government bonds increased by 0.8 %, to 217.25% of the nominal value, corresponding to a yield of 5.35% and a duration of 3.5 years.

*SDX index*

Shares were traded in the total amount of Sk 1.7 billion (in 2,439 transactions), representing a month-on-month fall of 37.4% in terms of volume. In the market-maker system, no transactions were concluded on the BCPB floor in December. By the last trading day of December, the market capitalisation of equity securities had increased by 0.6 % month-on-month, to Sk 110.9 billion.

*Shares*

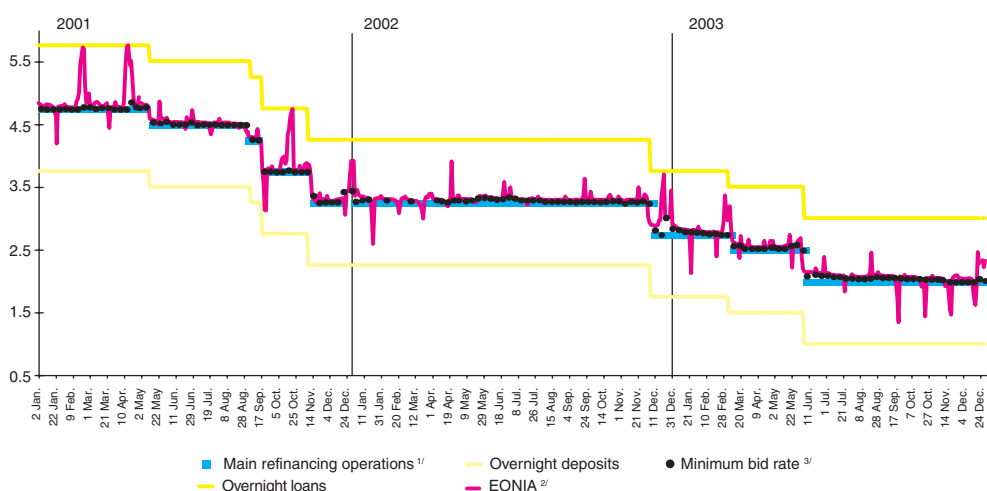
The Slovak Share Index (SAX) opened the month at 176.70 points, representing a moderate appreciation (0.23%) in comparison with the figure for the end of November. The SAX index closed the month at 177.62 points, with a year-on-year appreciation of 26.9%.

*SAX index*

## 2. Monetary developments in the euro area

At its December meeting (04.12.03), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.00 %, the rate for overnight loans at 3.00 %, and that for overnight deposits at 1.00 %.

### Key ECB interest rates and the EONIA (%)



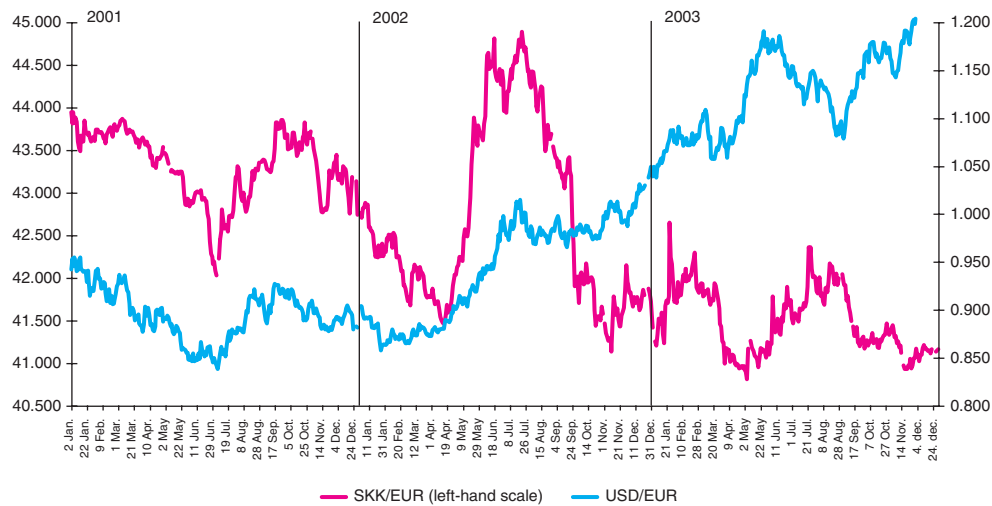
1/ Since 28 June 2000, the main refinancing operations have been conducted by variable rate tenders (the rate for main refinancing operations determined by the ECB defines the minimum rate, at which commercial banks place their bids).  
 2/ Euro OverNight Index Average (EONIA) – overnight reference rate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

### 2.1. Exchange rate developments

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

Developments on the foreign exchange markets in December were determined by the macro-economic indicators. The dollar weakened throughout the month, despite an increase in labour productivity in the USA and an upturn in economic activity in the production sector. The depreciation of the dollar was due in large part to an increase in America's trade deficit and a decline in the inflow of foreign capital into the US financial market.

### Exchange rates: SKK/EUR and USD/EUR



During December, the euro appreciated in relation to the US dollar by 5.1 % on a month-on-month basis. Since the first trading day of the year, the single European currency has appreciated vis-à-vis the dollar by 20.9 %.

## 2.2. Real economy

According to the second Eurostat estimate, the euro area economy grew in the third quarter of 2003 by 0.4%, compared with the second quarter. Final household consumption increased by 0.1% in the 3rd quarter (compared with 0.1% in the 2nd quarter of 2002), while investment declined by 0.3% (compared with 0.6% in the previous quarter). Exports grew by 2.0% in the second quarter (after falling by 0.9% in the previous quarter), while imports declined by 0.1% (compared with 0.3% in the previous quarter). In the second quarter of 2003, euro area GDP decreased by 0.1% in comparison with the previous quarter.

The 12-month rate of inflation in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose to 2.2% in November, from 2.0% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Ireland (3.3%), Spain (2.9%), and Italy (2.8%); the lowest in Finland (1.2%), Austria (1.3%), and Germany (1.3%). The steepest increases took place in the price of alcohol and tobacco (7.6%), education (3.2%), hotel and restaurant services (3.0%) and foodstuffs (3.0%). Price levels fell in telecommunications (by 0.5%). In the same period a year earlier, consumer prices in the euro area rose by 2.2%. Eurostat foresees a year-on-year inflation rate of 2.1% in December.

In October, the seasonally adjusted volume of euro area industrial production grew year-on-year by 0.9% and month-on-month by 1.1%. A year-on-year decrease was recorded in the production of consumer durables (2.6%) and non-durables (0.6%). In euro area industrial production, the strongest year-on-year growth took place in Ireland (11.5%), and the sharpest year-on-year decline in Belgium (4.8%).

In November, industrial producer prices increased year-on-year by 1.4% and month-on-month by 0.1%.

Retail sales remained unchanged on a year-on-year basis in October, while falling in comparison with the previous month by 0.5%.

The rate of unemployment (seasonally adjusted) remained unchanged in November, at the level of the previous month (8.8%). The lowest unemployment rates were recorded in Luxembourg (3.9%), the Netherlands (4.0% in October), Austria (4.5%), and Ireland (4.6%). Spain remained the country with the highest rate of unemployment in the euro area (11.3%). In relative terms, the most significant increase in the year-on-year unemployment rate has occurred in the Netherlands (from 2.9% to 4.0% in October) and Luxembourg (from 3.1% to 3.9%). On a year-on-year basis, unemployment fell in Italy (from 8.9% to 8.4% in October), Spain (from 11.5% to 11.3%), and Finland (from 9.0% to 8.9%). In the same period a year earlier, the unemployment rate in the euro area stood at 7.8%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 9.7 billion in October, the same figure as in the corresponding period a year earlier. On a year-on-year basis, euro area exports fell by 3% in October, while imports increased by 3%. According to revised figures, foreign trade in the euro area resulted in a surplus of EUR 9.2 billion.



## 3. Tables

## Selected indicators of economic and monetary development in the SR

	Unit	2002	2003											
		12	1	2	3	4	5	6	7	8	9	10	11	12
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1/2/</sup>	Sk billion	748.4 <sup>7/</sup>	-	-	180.7 <sup>7/</sup>	-	-	378.8 <sup>7/</sup>	-	-	581.3 <sup>7/</sup>	-	-	.
Year-on-year change in GDP <sup>3/</sup>	%	4.4 <sup>7/</sup>	-	-	4.1 <sup>7/</sup>	-	-	3.9 <sup>7/</sup>	-	-	4.0 <sup>7/</sup>	-	-	.
Unemployment rate <sup>4/</sup>	%	17.5	17.7	17.1	16.5	15.4	14.8	14.6	14.5	14.3	13.9	13.8	14.2	.
Consumer prices <sup>3/</sup>	%	3.4	7.3	7.6	8.0	7.7	7.6	8.4	8.7	9.2	9.5	9.6	9.8	9.3
<b>BALANCE OF TRADE <sup>2/7/</sup></b>														
Exports (fob)	Sk million	651,256	53,948	110,861	175,383	235,975	305,058	375,333	445,647	511,969	585,164	663,755	739,885	.
Imports (fob)	Sk million	747,883	54,841	115,066	182,340	249,521	315,802	385,035	459,151	523,709	596,267	674,526	750,789	.
Balance	Sk million	-96,627	-893	-4,205	-6,957	-13,546	-10,744	-9,702	-13,504	-11,740	-11,103	-10,771	-10,904	.
<b>BALANCE OF PAYMENTS <sup>2/</sup></b>														
Current account	Sk million	-87,900.5	-1,804.8	-5,355.2	-4,914.6	-9,881.1	-6,725.3	-7,421.2	-7,193.1	-3,687.3	-2,718.5	-550.1	.	.
Capital and financial account	Sk million	234,308.9	15,334.0	35,531.9	12,089.6	7,354.0	18,473.3	28,991.8	34,462.9	20,673.7	8,635.5	47,531.6	.	.
Overall balance	Sk million	160,596.0	14,022.8	32,876.9	12,414.7	4,172.9	12,002.0	20,725.7	31,729.3	23,517.8	12,160.4	46,323.8	.	.
<b>FOREIGN EXCHANGE RESERVES <sup>4/7/</sup></b>														
Foreign exchange reserves in total	US\$ million	10,380.6	11,354.0	11,592.3	11,120.3	10,930.0	11,516.1	11,549.0	12,109.9	11,383.9	11,282.8	12,899.2	12,698.2	.
Foreign exchange reserves of NBS	US\$ million	9,195.5	9,797.6	10,315.8	9,758.3	9,703.0	10,419.8	10,487.5	10,842.5	10,266.9	10,271.9	11,409.2	11,311.9	12,149.0
<b>GROSS EXTERNAL DEBT <sup>4/</sup></b>														
Total gross external debt	US\$ billion	13.2	14.5	14.3	13.9	14.2	15.4	15.3	16.6	14.6	15.4	16.7	.	.
External debt per capita	US\$	2,452	2,704	2,658	2,576	2,638	2,854	2,850	3,084	2,717	2,860	3,111	.	.
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5/</sup>	SKK/USD	41.137	39.252	38.953	38.663	37.885	35.586	35.491	36.729	37.490	37.116	35.273	35.234	33.604
Money supply [M2] <sup>4/ 6/</sup>	Sk billion	681.6	680.8	693.0	689.4	690.4	698.3	682.3	701.5	708.8	705.0	711.2	719.2	729.8 <sup>7/</sup>
Year-on-year change in M2 <sup>3/ 6/</sup>	%	4.7	6.4	7.3	8.1	9.0	9.3	5.3	6.4	6.9	7.3	7.4	7.3	6.3 <sup>7/</sup>
Loans to households and enterprises <sup>4/ 6/</sup>	Sk billion	330.0	332.4	336.1	338.0	339.6	341.0	344.1	349.8	353.4	357.7	362.1	369.3	378.5 <sup>7/</sup>
<b>STATE BUDGET <sup>2/ 4/</sup></b>														
Revenue	Sk billion	220.3	22.3	31.8	46.4	67.8	79.1	100.9	127.7	147.1	163.4	186.8	203.6	233.1
Expenditure	Sk billion	272.0	24.0	44.8	64.2	91.6	109.6	128.5	158.8	180.2	201.1	227.2	246.4	289.1
Balance	Sk billion	-51.7	-1.7	-13.0	-17.8	-23.8	-30.6	-27.6	-31.2	-33.1	-37.7	-40.4	-42.8	-56.0
<b>PRIMARY MARKET</b>														
Average interest rate														
one-year deposits	%	4.13	5.44	5.35	5.23	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88	.
short-term loans	%	8.94	9.03	8.49	8.55	8.51	8.28	8.33	8.22	8.27	8.13	8.01	8.06	.
short-term loans, drawn	%	7.50	7.27	7.53	7.46	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.60	.
<b>MONEY MARKET</b>														
Interest rates set by the Bank Board of NBS with effect to														
Basic interest rate of the NBS (until 31 December 2002 Discount rate)	%	20.12.2002	31.1.2003	28.2.2003	31.3.2003	30.4.2003	31.5.2003	30.6.2003	31.7.2003	31.8.2003	30.9.2003	31.10.2003	30.11.2003	31.12.2003
Overnight transactions	%	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00
- for sterilisation	%	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.75	4.75	4.75	4.50
- for refinancing	%	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.75	7.75	7.75	7.50
Limit rate of NBS for standard 2-week repo tenders	%	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00
Bratislava Interbank Offered Rates (BRIBOR)														
overnight	%	5.44	6.10	6.04	5.65	6.61	6.70	5.92	5.48	5.94	5.97	5.27	6.40	5.32
1-week	%	6.26	6.26	6.43	6.32	6.52	6.47	6.39	6.30	6.38	6.35	5.93	6.25	5.99
2-week	%	6.35	6.31	6.46	6.40	6.48	6.44	6.44	6.38	6.42	6.38	6.03	6.23	6.06
1-month	%	6.33	6.27	6.40	6.42	6.42	6.36	6.42	6.43	6.43	6.38	6.09	6.14	6.08
2-month	%	6.21	6.12	6.31	6.39	6.31	6.16	6.34	6.40	6.39	6.33	6.04	6.06	6.04
3-month	%	5.99	5.99	6.24	6.38	6.25	6.04	6.26	6.39	6.37	6.28	5.98	6.00	5.98
6-month	%	5.78	5.69	5.90	6.05	5.94	5.56	5.93	6.16	6.26	6.16	5.84	5.80	5.81
9-month	%	5.66	5.55	5.79	5.93	5.79	5.42	5.70	6.03	6.04	6.01	5.74	5.68	5.68
12-month	%	5.55	5.44	5.66	5.83	5.72	5.34	5.63	5.95	5.96	5.93	5.65	5.63	5.65

1/ Constant prices, average for 1995

2/ Cumulative since the beginning of the year

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

4/ Figure for the end of the period

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

6/ At fixed exchange rates from 1 January 1993

7/ Change in methodology with effect from 1 January 2002

\*/ Preliminary data

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

**Monetary survey**

(At fixed exchange rates from 1 January 1993)

(Sk billions)

	2002		2003											
	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12. <sup>1/</sup>
Fixed exchange rate SKK/USD	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899
Fixed exchange rate SKK/EUR	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912
<b>ASSETS</b>														
Net foreign assets	176.6	176.8	163.4	172.4	181.1	165.8	160.3	159.7	127.7	159.7	144.9	168.8	163.4	153.7
Foreign assets	331.2	339.1	365.9	370.9	357.9	345.3	346.5	354.1	372.2	360.6	345.6	391.4	379.0	390.7
Foreign liabilities	154.6	162.3	202.5	198.5	176.8	179.5	186.2	194.4	244.5	200.9	200.7	222.6	215.6	237.0
Net domestic assets	504.9	509.6	517.4	520.0	508.3	524.6	538.0	522.6	573.8	549.1	560.1	542.4	555.8	576.1
Domestic credit	572.4	573.9	568.6	580.1	584.4	591.6	602.7	602.5	609.6	620.3	628.5	634.3	641.9	669.1
Net credit to general government	245.3	246.3	245.6	255.0	257.5	263.0	271.9	265.5	267.4	274.3	276.9	278.7	279.9	293.7
Net credit to central government	331.2	331.1	332.6	343.9	349.1	357.4	365.9	362.5	365.4	369.1	373.6	377.2	377.9	390.2
Net credit to National Property Fund	-3.1	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1
Credit to households and enterprises	330.2	331.2	332.4	336.1	338.0	339.6	341.0	344.1	349.8	353.4	357.7	362.1	369.3	378.5
Credit in Slovak koruna	286.6	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	319.4
- Credit to enterprises	225.3	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	235.4
- Credit to households	61.3	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	84.0
Credit in foreign currency	43.6	43.1	43.3	45.4	46.5	47.6	49.0	48.7	50.8	52.2	54.1	55.8	57.4	59.1
<b>LIABILITIES</b>														
Liquid liabilities [M2]	681.5	686.4	680.8	692.4	689.4	690.4	698.3	682.3	701.5	708.8	705.0	711.2	719.2	729.8
Money [M1]	246.1	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9
Currency outside banks [M0]	84.2	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	92.1
Demand deposits	161.9	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	184.8
- Households	73.1	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	.
- Enterprises	85.5	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	.
- Insurance companies	3.3	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	.
Quasi-money [QM]	435.4	439.0	445.9	448.3	448.5	448.0	453.5	433.6	449.6	452.6	448.1	452.5	454.8	452.9
Fixed-term deposits	350.1	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.9
- Households	250.4	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	.
- Enterprises	82.0	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	.
- Insurance companies	17.7	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	.
Foreign-currency deposits	85.3	84.7	82.2	80.2	80.1	81.6	78.4	75.8	79.9	79.9	79.6	80.7	82.3	79.0
- Households	54.0	55.6	55.0	53.2	51.7	51.8	50.0	48.4	47.7	47.7	48.1	48.3	47.7	.
- Enterprises	31.3	29.1	27.2	27.0	28.4	29.8	28.4	27.4	32.2	32.2	31.5	32.4	34.6	.
Other items net	67.5	64.3	51.2	60.1	76.1	67.0	64.7	79.9	35.8	71.2	68.4	91.9	86.1	93.0

**Selected items of the Monetary Survey – analytical time series (adjustment ex ante)<sup>1/2/</sup>**

Net foreign assets	179.6	179.8	166.5	175.5	-	-	-	-	-	-	-	-	-	-
Net credit to general government	252.7	253.7	253.0	262.4	-	-	-	-	-	-	-	-	-	-
Credit to households and enterprises	476.2	477.2	478.4	482.1	-	-	-	-	-	-	-	-	-	-

**Selected items of the Monetary Survey – analytical time series (adjustment ex post)<sup>1/2/</sup>**

Net foreign assets	176.6	176.8	163.4	172.4	-	-	-	-	-	-	-	-	-	-
Net credit to general government	245.3	246.3	245.6	255.0	-	-	-	-	-	-	-	-	-	-
Credit to households and enterprises	330.2	331.2	332.4	336.1	-	-	-	-	-	-	-	-	-	-

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

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

\*/ Preliminary data



**Monetary survey**

(At fixed exchange rates)

(Sk billions)

	2002		2003											
	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.1/
Fixed exchange rate SKK/USD	48.467	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036
Fixed exchange rate SKK/EUR	42.760	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722
<b>ASSETS</b>														
Net foreign assets	249.5	227.1	218.1	228.4	237.1	221.7	220.1	221.4	190.3	222.2	207.2	231.2	226.2	212.7
Foreign assets	451.6	414.6	445.8	454.8	438.5	423.7	426.0	438.7	458.6	445.8	427.4	479.0	464.4	478.4
Foreign liabilities	202.1	187.5	227.7	226.4	201.4	202.0	205.9	217.3	268.3	223.6	220.2	247.8	238.2	265.7
Net domestic assets	464.2	481.3	484.1	484.8	473.2	490.0	498.6	480.6	532.0	507.4	518.5	501.0	514.3	538.2
Domestic credit	615.0	604.9	599.5	611.6	615.7	623.2	631.3	631.0	638.6	649.4	657.9	664.1	674.2	702.2
Net credit to general government	272.2	266.6	265.8	275.1	277.2	282.8	288.2	281.9	283.7	290.4	292.8	294.6	297.9	311.7
Net credit to central government	358.1	351.4	352.7	364.0	368.9	377.1	382.2	378.8	381.7	385.3	389.4	393.1	396.0	408.2
Net credit to National Property Fund	-3.1	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1
Credit to households and enterprises	345.9	341.9	343.1	347.5	349.6	351.4	353.3	356.2	362.5	366.4	371.2	376.0	383.6	393.6
Credit in Slovak koruna	286.6	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	319.4
- Credit to enterprises	225.3	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	235.4
- Credit to households	61.3	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	84.0
Credit in foreign currency	59.3	53.8	54.0	56.8	58.1	59.4	61.3	60.8	63.5	65.2	67.6	69.7	71.7	74.2
LIABILITIES														
Liquid liabilities [M2]	713.7	708.4	702.2	713.2	710.3	711.7	718.7	702.0	722.3	729.6	725.7	732.2	740.5	750.9
Money [M1]	246.1	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9
Currency outside banks [M0]	84.2	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	92.1
Demand deposits	161.9	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	184.8
- Households	73.1	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	.
- Enterprises	85.5	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	.
- Insurance companies	3.3	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	.
Quasi-money [QM]	467.6	461.0	467.3	469.1	469.4	469.3	473.9	453.3	470.4	473.4	468.8	473.5	476.1	474.0
Fixed-term deposits	350.1	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.9
- Households	250.4	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	.
- Enterprises	82.0	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	.
- Insurance companies	17.7	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	.
Foreign-currency deposits	117.5	106.7	103.6	101.0	101.0	102.9	98.8	95.5	100.7	100.7	100.3	101.7	103.6	100.1
- Households	74.3	70.0	69.3	67.0	65.2	65.3	63.1	60.9	60.1	60.1	60.6	60.9	60.1	.
- Enterprises	43.2	36.7	34.3	34.0	35.8	37.6	35.7	34.6	40.6	40.6	39.7	40.8	43.5	.
Other items net	150.8	123.6	115.4	126.8	142.5	133.2	132.7	150.4	106.6	142.0	139.4	163.1	159.9	164.0

**Selected items of the Monetary Survey – analytical time series (adjustment ex ante)**<sup>1/2/</sup>

Net foreign assets	254.6	232.2	223.3	233.7	-	-	-	-	-	-	-	-	-	-
Net credit to general government	279.6	274.0	273.2	282.5	-	-	-	-	-	-	-	-	-	-
Credit to households and enterprises	491.9	487.9	489.1	493.5	-	-	-	-	-	-	-	-	-	-

**Selected items of the Monetary Survey – analytical time series (adjustment ex post)**<sup>1/2/</sup>

Net foreign assets	249.5	227.1	218.1	228.4	-	-	-	-	-	-	-	-	-	-
Net credit to general government	272.2	266.6	265.8	275.1	-	-	-	-	-	-	-	-	-	-
Credit to households and enterprises	345.9	341.9	343.1	347.5	-	-	-	-	-	-	-	-	-	-

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

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

\*/ Preliminary data

**Monetary survey**

(At current exchange rates)

(Sk billions)

	2002	2003												
	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12. <sup>7</sup>
Current exchange rate SKK/USD	40.036	40.036	38.856	38.770	38.627	37.317	35.212	36.509	36.571	38.550	36.055	35.368	34.383	32.920
<b>ASSETS</b>														
Net foreign assets	228.5	227.1	216.3	225.4	231.8	211.0	204.5	209.6	179.4	219.3	193.2	215.4	205.4	192.7
Foreign assets	417.4	414.6	442.9	451.1	431.2	409.4	407.2	424.1	445.5	442.3	410.4	459.9	440.3	450.4
Foreign liabilities	188.9	187.5	226.6	225.7	199.4	198.4	202.7	214.5	266.1	223.0	217.2	244.5	234.9	257.7
Net domestic assets	474.4	481.4	484.8	486.8	476.7	496.8	508.8	489.1	539.6	509.2	527.7	511.5	528.1	550.1
Domestic credit	603.4	605.0	598.4	610.7	613.5	618.2	626.2	628.3	636.3	649.1	653.2	659.4	667.6	694.2
Net credit to general government	265.6	266.6	265.2	274.7	275.9	279.8	286.1	281.0	283.1	290.6	290.9	293.0	295.6	309.0
Net credit to central government	351.4	351.4	352.1	363.5	367.5	374.1	380.1	378.0	381.1	385.5	387.6	391.6	393.7	405.5
Net credit to National Property Fund	-3.1	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1
Credit to households and enterprises	340.9	342.0	342.6	347.0	348.7	349.4	350.3	354.4	360.8	365.9	368.4	372.9	379.3	388.3
Credit in Slovak koruna	286.6	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	319.4
- Credit to enterprises	225.3	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	235.4
- Credit to households	61.3	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	84.0
Credit in foreign currency	54.3	53.9	53.5	56.3	57.2	57.4	58.3	59.0	61.8	64.7	64.8	66.6	67.4	68.9
LIABILITIES														
Liquid liabilities [M2]	702.9	708.5	701.1	712.2	708.5	707.8	713.3	698.7	719.0	728.5	720.9	726.9	733.5	742.8
Money [M1]	246.1	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9
Currency outside banks [M0]	84.2	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	92.1
Demand deposits	161.9	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	184.8
- Households	73.1	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	.
- Enterprises	85.5	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	.
- Insurance companies	3.3	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	.
Quasi-money [QM]	456.8	461.1	466.2	468.1	467.6	465.4	468.5	450.0	467.1	472.3	464.0	468.2	469.1	465.9
Fixed-term deposits	350.1	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.9
- Households	250.4	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	.
- Enterprises	82.0	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	.
- Insurance companies	17.7	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	.
Foreign-currency deposits	106.7	106.8	102.5	100.0	99.2	99.0	93.4	92.2	97.4	99.6	95.5	96.4	96.6	92.0
- Households	67.5	70.1	68.5	66.3	64.0	62.8	59.6	58.8	58.1	59.5	57.7	57.7	56.0	.
- Enterprises	39.2	36.7	34.0	33.7	35.2	36.2	33.8	33.4	39.3	40.1	37.8	38.7	40.6	.
Other items net	129.0	123.6	113.6	123.9	136.8	121.4	117.4	139.2	96.7	139.9	125.5	147.9	139.5	144.1

**Selected items of the Monetary Survey – analytical time series (adjustment ex ante)**<sup>1/2/</sup>

Net foreign assets	232.7	231.3	220.5	229.6	-	-	-	-	-	-	-	-	-	-
Net credit to general government	273.0	274.0	272.6	282.1	-	-	-	-	-	-	-	-	-	-
Credit to households and enterprises	486.9	488.0	488.6	493.0	-	-	-	-	-	-	-	-	-	-

**Selected items of the Monetary Survey – analytical time series (adjustment ex post)**<sup>1/2/</sup>

Net foreign assets	228.5	227.1	216.3	225.4	-	-	-	-	-	-	-	-	-	-
Net credit to general government	265.6	266.6	265.2	274.7	-	-	-	-	-	-	-	-	-	-
Credit to households and enterprises	340.9	342.0	342.6	347.0	-	-	-	-	-	-	-	-	-	-

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

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

\*/ Preliminary data

**Money supply (M2)**

(At fixed exchange rates from 1 January 1993)

(Sk billions)

	1. 1. 2003	30. 11. 2003	31. 12. 2003 <sup>*</sup>	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)
Money supply [M2]	686.4	719.2	729.8	10.6	1.5	43.4	6.3
Money [M1]	247.4	264.4	276.9	12.5	4.7	29.5	11.9
Currency outside banks [M0]	84.2	91.7	92.1	0.4	0.4	7.9	9.4
Demand deposits	163.2	172.7	184.8	12.1	7.0	21.6	13.2
Quasi-money [QM]	439.0	454.8	452.9	-1.9	-0.4	13.9	3.2
Time deposits	354.3	372.5	373.9	1.4	0.4	19.6	5.5
Foreign-currency deposits	84.7	82.3	79.0	-3.3	-4.0	-5.7	-6.7
Slovak-crown deposits	517.5	545.2	558.7	13.5	2.5	41.2	8.0
- Households	325.1	321.3	323.1	1.8	0.6	-2.0	-0.6
- Enterprises (incl. insurance co.)	192.4	223.9	235.6	11.7	5.2	43.2	22.5

\* / Preliminary data

**Developments in loans**

(Sk billions)

	30. 11. 2003	31. 12. 2003 <sup>1/</sup>	Change
<b>Loans in total (in Sk and foreign currency)</b>	391.2	401.5	10.3
<b>- Loans in Slovak koruna</b>	313.7	320.8	7.1
of which			
- Entrepreneurial sector	212.1	217.7	5.5
- Public administration	16.6	16.3	-0.4
- Households	81.8	84.0	2.2
- Other <sup>1/</sup>	3.1	2.8	-0.3
<b>- Loans in foreign currency <sup>2/</sup></b>	77.5	80.7	3.2

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

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

\*/ Preliminary data

**Developments in deposits**

(Sk billions)

	30. 11. 2003	31. 12. 2003 <sup>1/</sup>	Change
<b>Deposits in total (in Sk and foreign currency)</b>	804.5	811.2	6.7
<b>- Deposits in Slovak koruna</b>	703.0	714.1	11.1
of which			
- Entrepreneurial sector	207.9	221.1	13.2
- Public administration	157.8	155.4	-2.3
- Households	321.3	323.1	1.8
- Other <sup>1/</sup>	16.0	14.5	-1.5
<b>- Deposits in foreign currency <sup>2/</sup></b>	101.6	97.1	-4.4

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

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

\*/ Preliminary data

**Balance of payments of the SR from January to October 2003**

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	Sk million	US\$ million	Sk million	US\$ million	Sk million	US\$ million
<b>Goods</b>	664,157.0	17,846.0	674,577.0	18,126.0	-10,420.0	-280.0
<b>Services</b>	98,291.9	2,641.1	92,467.9	2,484.6	5,824.0	156.5
Transport	41,098.0	1,104.3	27,138.8	729.2	13,959.2	375.1
Tourism	26,866.1	721.9	18,244.1	490.2	8,622.0	231.7
Other services	30,327.8	814.9	47,085.0	1,265.2	-16,757.2	-450.3
<b>Income</b>	29,620.7	795.9	33,450.2	898.8	-3,829.5	-102.9
Compensation of employees	13,870.0	372.7	456.4	12.3	13,413.6	360.4
Income from investment	15,750.7	423.2	32,993.8	886.5	-17,243.1	-463.3
<b>Current transfers</b>	16,074.3	431.9	8,198.9	220.3	7,875.4	211.6
<b>CURRENT ACCOUNT</b>	808,143.9	21,715.0	808,694.0	21,729.7	-550.1	-14.8
<b>Capital account</b>	5,677.0	152.5	2,739.3	73.6	2,937.7	78.9
<b>Financial account</b>	1,933,613.6	52,047.2	-1,889,019.7	-50,840.7	44,593.9	1,206.5
Direct investment	383,358.3	10,300.9	-364,058.1	-9,782.3	19,300.2	518.6
<i>Abroad (direct investor = resident)</i>	12,965.1	348.4	-13,770.8	-370.0	-805.7	-21.6
Equity capital and reinvested earnings	704.1	18.9	-1,124.8	-30.2	-420.7	-11.3
Other capital	12,261.0	329.5	-12,646.0	-339.8	-385.0	-10.3
<i>In the SR (recipient of dir. investment = resident)</i>	370,393.2	9,952.5	-350,287.3	-9,412.3	20,105.9	540.2
Equity capital and reinvested earnings	31,064.2	834.7	-3,572.3	-96.0	27,491.9	738.7
Other capital	339,329.0	9,117.8	-346,715.0	-9,316.3	-7,386.0	-198.5
Portfolio investment	284,469.7	7,643.7	-313,083.6	-8,412.6	-28,613.9	-768.9
Assets	65,026.2	1,747.3	-89,794.0	-2,412.8	-24,767.8	-665.5
Liabilities	219,443.5	5,896.5	-223,289.6	-5,999.8	-3,846.1	-103.3
Financial derivatives	136,503.4	3,667.9	-136,638.5	-3,671.5	-135.1	-3.6
Assets	52,153.9	1,401.4	-53,032.7	-1,425.0	-878.8	-23.6
Liabilities	84,349.5	2,266.5	-83,605.8	-2,246.5	743.7	20.0
Other investment	1,129,282.2	30,434.7	-1,075,239.5	-28,974.3	54,042.7	1,460.4
<i>Long-term</i>	83,904.2	2,255.9	-96,545.3	-2,594.2	-12,641.1	-338.3
Assets	20,502.4	551.1	-9,869.5	-265.2	10,632.9	285.9
Liabilities	63,401.8	1,704.8	-86,675.8	-2,329.0	-23,274.0	-624.3
<i>Short-term</i>	1,045,378.0	28,178.8	-978,694.2	-26,380.1	66,683.8	1,798.7
Assets	354,261.1	9,519.1	-368,591.0	-9,904.1	-14,329.9	-385.0
Liabilities	691,116.9	18,659.8	-610,103.2	-16,476.0	81,013.7	2,183.8
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	1,939,290.6	52,199.8	-1,891,759.0	-50,914.3	47,531.6	1,285.5
<b>ERRORS AND OMISSIONS</b>	x	x	x	x	-657.7	-194.1
<b>TOTAL BALANCE</b>	-84,481.0	-2,302.7	130,804.8	3,379.3	46,323.8	1,076.6
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.4	0.0	-0.4	0.0
Foreign exchange assets	84,481.0	2,302.7	-130,804.4	-3,379.3	-46,323.4	-1,076.6
<i>Deposits</i>	0.0	0.0	-53,253.7	-1,391.6	-53,253.7	-1,391.6
<i>Securities</i>	84,481.0	2,302.7	-77,550.7	-1,987.7	6,930.3	315.0
Bonds and bills of exchange	0.0	0.0	-77,550.7	-1,987.7	-77,550.7	-1,987.7
Money market instruments and financial derivatives	84,481.0	2,302.7	0.0	0.0	84,481.0	2,302.7
<b>RESERVE ASSETS</b>	84,481.0	2,302.7	-130,804.8	-3,379.3	-46,323.8	-1,076.6

Note: Preliminary data

Applied rate of exchange: US\$ 1 = Sk 37.216

**Inflow of foreign direct investment <sup>1/</sup> into the SR in 1997 – 2003**

(flows and stocks)

**Corporate sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997	39,771	6,986	-258	46,499	1,246.94	207.82	-117.88	1,336.88
1998	46,499	17,248	1,890	65,637	1,336.88	489.42	-48.13	1,778.17
1999	65,637	16,729	695	83,061	1,778.17	403.92	-216.87	1,965.22
2000	83,061	97,454	-18,527	161,988	1,965.22	2,109.39	-656.33	3,418.28
2001	161,988	24,353	-5,545	180,796	3,418.28	503.71	-191.68	3,730.31
2002	180,796	171,985	-102,959	249,822	3,730.31	3,793.65	-1,284.00	6,239.96
2003 <sup>3/</sup>	249,822	23,969	-8,959	264,832 <sup>4/</sup>	6,239.96	639.92	465.36	7,345.24 <sup>4/</sup>

**Banking sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997 <sup>2/</sup>	11,388	234	-14	11,608	357.05	6.96	-30.27	333.74
1998	11,608	1,334	-11	12,931	333.74	37.85	-21.28	350.31
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 <sup>3/</sup>	59,980	1,468	892	62,340 <sup>4/</sup>	1,498.15	39.19	191.68	1,729.02 <sup>4/</sup>

**Total**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997 <sup>2/</sup>	51,159	7,220	-272	58,107	1,603.99	214.78	-148.15	1,670.62
1998	58,107	18,582	1,879	78,568	1,670.62	527.27	-69.41	2,128.48
1999	78,568	16,689	781	96,038	2,128.48	402.95	-259.18	2,272.25
2000	96,038	99,561	-18,458	177,141	2,272.25	2,155.00	-689.21	3,738.04
2001	177,141	61,448	-5,548	233,041	3,738.04	1,270.98	-200.75	4,808.27
2002	233,041	183,399	-106,889	309,551	4,808.27	4,045.42	-1,121.84	7,731.85
2003 <sup>3/</sup>	309,802	25,437	-8,067	327,172 <sup>4/</sup>	7,738.11	679.11	657.04	9,074.26 <sup>4/</sup>

Note: The data for 2001 – 2003 are preliminary.

1/ Equity capital + reinvested earnings

2/ Change in methodology - inclusion of capital in Sk

3/ New accounting standards for banks

4/ Data at 30 September

**Inflow of foreign direct investment <sup>1/</sup> in Slovakia during January to September 2003**

	Corporate sector		Banking sector		Total	
	Sk million	%	Sk million	%	Sk million	%
<b>Inflow of foreign capital in total</b>	23,969	100.0	1,468	100.0	25,437	100.0
<b>Structure of investors by country</b>						
Germany	9,297	38.8	37	2.5	9,334	36.7
Hungary	7,139	29.8	933	63.6	8,072	31.7
United Kingdom	2,442	10.2	321	21.9	2,763	10.9
The Netherlands	2,396	10.0	-3	-0.2	2,393	9.4
Italy	405	1.7	681	46.4	1,086	4.3
Czech Republic	665	2.8	-25	-1.7	640	2.5
Belgium	467	1.9	0	0.0	467	1.8
Switzerland	432	1.8	0	0.0	432	1.7
USA	173	0.7	-1	-0.1	172	0.7
Denmark	58	0.2	0	0.0	58	0.2
Other countries	495	2.1	-475	-32.4	20	0.1
<b>Structure of investment by sector</b>						
Agriculture, hunting, and forestry	4	0.0	0	0.0	4	0.0
Mineral raw materials	86	0.4	0	0.0	86	0.3
Manufacturing	9,034	37.7	0	0.0	9,034	35.5
Electricity, gas, and water supply	9,360	39.1	0	0.0	9,360	36.8
Construction	258	1.1	0	0.0	258	1.0
Wholesale and retail trade, repairs of motor vehicles	4,638	19.3	0	0.0	4,638	18.2
Hotels and restaurants	0	0.0	0	0.0	0	0.0
Transport, storage, and telecommunications	291	1.2	0	0.0	291	1.1
Financial intermediation	351	1.5	1,468	100.0	1,819	7.2
Real estate, leasing, and business activities	19	0.1	0	0.0	19	0.1
Health and social care	9	0.0	0	0.0	9	0.0
Other community, social, and individual services	-82	-0.4	0	0.0	-82	-0.2
Private households with employees	1	0.0	0	0.0	1	0.0
Extra-territorial organizations and associations	0	0.0	0	0.0	0	0.0
<b>Structure of investment by region</b>						
Bratislava region	17,040	71.1	1,468	100.0	18,508	72.8
Trnava region	658	2.7	0	0.0	658	2.6
Trenčín region	351	1.5	0	0.0	351	1.4
Nitra region	318	1.3	0	0.0	318	1.3
Žilina region	361	1.5	0	0.0	361	1.4
Banská Bystrica region	-5	0.0	0	0.0	-5	0.0
Prešov region	112	0.5	0	0.0	112	0.4
Košice region	5,134	21.4	0	0.0	5,134	20.1

Note: Preliminary data

1/ Equity capital + reinvested earnings

Volume of foreign direct investment <sup>1/</sup> in Slovakia as at 30 September 2003

Exchange rate applied: US\$ 1 = Sk 36.055	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	264,832	7,345.2	100.0	62,340	1,729.0	100.0	327,172	9,074.2	100.0
<b>Structure of investors by country</b>									
Germany	78,594	2,179.8	29.7	828	23.0	1.3	79,422	2,202.8	24.3
The Netherlands	54,642	1,515.5	20.6	592	16.4	0.9	55,234	1,531.9	16.9
Austria	18,946	525.5	7.2	27,223	755.0	43.7	46,169	1,280.5	14.1
Italy	3,931	109.0	1.5	24,143	669.6	38.7	28,074	778.6	8.6
United Kingdom	22,271	617.7	8.4	1,896	52.6	3.0	24,167	670.3	7.4
France	22,714	630.0	8.6	550	15.3	0.9	23,264	645.2	7.1
Hungary	15,406	427.3	5.8	2,000	55.5	3.2	17,406	482.8	5.3
Czech Republic	12,535	347.7	4.7	3,458	95.9	5.5	15,993	443.6	4.9
USA	10,424	289.1	3.9	1,650	45.8	2.6	12,074	334.9	3.7
Cyprus	7,391	205.0	2.8	0	0.0	0.0	7,391	205.0	2.3
Other countries	17,978	498.6	6.8	0	0.0	0.0	17,978	498.6	5.5
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	703	19.5	0.3	0	0.0	0.0	703	19.5	0.2
Mineral raw materials	1,488	41.3	0.6	0	0.0	0.0	1,488	41.3	0.5
Manufacturing	121,834	3,379.1	46.0	0	0.0	0.0	121,834	3,379.1	37.2
Electricity, gas, and water supply	38,844	1,077.4	14.7	0	0.0	0.0	38,844	1,077.4	11.9
Construction	1,846	51.2	0.7	0	0.0	0.0	1,846	51.2	0.6
Wholesale and retail trade, repairs of motor vehicles	39,604	1,098.4	15.0	0	0.0	0.0	39,604	1,098.4	12.1
Hotels and restaurants	1,613	44.7	0.6	0	0.0	0.0	1,613	44.7	0.5
Transport, storage, and telecommunications	34,090	945.5	12.9	0	0.0	0.0	34,090	945.5	10.4
Financial intermediation	13,341	370.0	5.0	62,340	1,729.0	100.0	75,681	2,099.0	23.1
Real estate, leasing, and business activities	8,932	247.7	3.4	0	0.0	0.0	8,932	247.7	2.7
Health and social care	1,426	39.6	0.5	0	0.0	0.0	1,426	39.6	0.4
Other community, social, and individual services	1,111	30.8	0.4	0	0.0	0.0	1,111	30.8	0.3
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of investment by region</b>									
Bratislava region	174,937	4,851.9	66.1	62,340	1,729.0	100.0	237,277	6,581.0	72.5
Trnava region	13,736	381.0	5.2	0	0.0	0.0	13,736	381.0	4.2
Trenčín region	9,023	250.3	3.4	0	0.0	0.0	9,023	250.3	2.8
Nitra region	8,564	237.5	3.2	0	0.0	0.0	8,564	237.5	2.6
Žilina region	13,069	362.5	4.9	0	0.0	0.0	13,069	362.5	4.0
Banská Bystrica region	8,260	229.1	3.1	0	0.0	0.0	8,260	229.1	2.5
Prešov region	5,804	161.0	2.2	0	0.0	0.0	5,804	161.0	1.8
Košice region	31,439	872.0	11.9	0	0.0	0.0	31,439	872.0	9.6

Note: Preliminary data

1/ Equity capital + reinvested earnings



**Volume of foreign direct investment <sup>1/</sup> in Slovakia as at 31 December 2002**

Exchange rate applied: US\$ 1 = Sk 40.036	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	249,822	6,239.9	100.0	59,729	1,491.9	100.0	309,551	7,731.8	100.0
<b>Structure of investors by country</b>									
Germany	77,378	1,932.7	31.0	827	20.7	1.4	78,205	1,953.4	25.3
The Netherlands	49,101	1,226.4	19.7	587	14.7	1.0	49,688	1,241.1	16.1
Austria	18,735	468.0	7.5	26,487	661.6	44.3	45,222	1,129.5	14.6
Italy	3,492	87.2	1.4	23,541	588.0	39.4	27,033	675.2	8.7
France	22,105	552.1	8.8	550	13.7	0.9	22,655	565.9	7.3
United Kingdom	19,186	479.2	7.7	1,598	39.9	2.7	20,784	519.1	6.7
Czech Republic	13,362	333.7	5.3	3,485	87.0	5.8	16,847	420.8	5.4
USA	10,549	263.5	4.2	1,650	41.2	2.8	12,199	304.7	3.9
Hungary	8,252	206.1	3.3	1,000	25.0	1.7	9,252	231.1	3.0
Cyprus	7,132	178.1	2.9	0	0.0	0.0	7,132	178.1	2.3
Other countries	20,530	512.8	8.2	4	0.1	0.0	20,534	512.9	6.6
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	715	17.9	0.3	0	0.0	0.0	715	17.9	0.2
Mineral raw materials	1,510	37.7	0.6	0	0.0	0.0	1,510	37.7	0.5
Manufacturing	113,197	2,827.4	45.3	0	0.0	0.0	113,197	2,827.4	36.6
Electricity, gas, and water supply	38,847	970.3	15.5	0	0.0	0.0	38,847	970.3	12.5
Construction	1,872	46.8	0.7	0	0.0	0.0	1,872	46.8	0.6
Wholesale and retail trade	33,134	827.6	13.3	0	0.0	0.0	33,134	827.6	10.7
Hotels and restaurants	1,613	40.3	0.6	0	0.0	0.0	1,613	40.3	0.5
Transport, storage, and telecommunications	33,676	841.1	13.5	0	0.0	0.0	33,676	841.1	10.9
Financial intermediation	13,045	325.8	5.2	59,729	1,491.9	100.0	72,774	1,817.7	23.5
Real estate, leasing, and business activities	9,269	231.5	3.7	0	0.0	0.0	9,269	231.5	3.0
Health and social care	1,418	35.4	0.6	0	0.0	0.0	1,418	35.4	0.5
Other community, social, and individual services	1,430	35.7	0.6	0	0.0	0.0	1,430	35.7	0.5
Extra-territorial organizations and bodies	96	2.4	0.0	0	0.0	0.0	96	2.4	0.0
<b>Structure of investment by region</b>									
Bratislava region	161,911	4,044.1	64.8	59,729	1,491.9	100.0	221,640	5,536.0	71.6
Trnava region	12,168	303.9	4.9	0	0.0	0.0	12,168	303.9	3.9
Trenčín region	8,954	223.6	3.6	0	0.0	0.0	8,954	223.6	2.9
Nitra region	8,212	205.1	3.3	0	0.0	0.0	8,212	205.1	2.7
Žilina region	12,241	305.7	4.9	0	0.0	0.0	12,241	305.7	4.0
Banská Bystrica region	8,271	206.6	3.3	0	0.0	0.0	8,271	206.6	2.7
Prešov region	5,694	142.2	2.3	0	0.0	0.0	5,694	142.2	1.8
Košice region	32,371	808.5	13.0	0	0.0	0.0	32,371	808.5	10.5

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> in Slovakia as at 31 December 2001**

Exchange rate applied: US\$ 1 = Sk 48.467	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	180,796	3,730.3	100.0	52,245	1,077.9	100.0	233,041	4,808.2	100.0
<b>Structure of investors by country</b>									
Germany	52,045	1,073.8	28.8	833	17.2	1.6	52,878	1,091.0	22.7
The Netherlands	46,349	956.3	25.6	2,688	55.5	5.1	49,037	1,011.8	21.0
Austria	20,491	422.8	11.3	20,072	414.1	38.4	40,563	836.9	17.4
Italy	3,692	76.2	2.0	21,155	436.5	40.5	24,847	512.7	10.7
USA	12,327	254.3	6.8	1,653	34.1	3.2	13,980	288.4	6.0
Czech Republic	8,597	177.4	4.8	3,460	71.4	6.6	12,057	248.8	5.2
United Kingdom	6,994	144.3	3.9	1,815	37.4	3.5	8,809	181.8	3.8
Hungary	8,666	178.8	4.8	0	0.0	0.0	8,666	178.8	3.7
Belgium	5,215	107.6	2.9	0	0.0	0.0	5,215	107.6	2.2
France	3,897	80.4	2.2	517	10.7	1.0	4,414	91.1	1.9
Other countries	12,523	258.4	6.9	52	1.1	0.1	12,575	259.5	5.4
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	687	14.2	0.4	0	0.0	0.0	687	14.2	0.3
Mineral raw materials	1,545	31.9	0.9	0	0.0	0.0	1,545	31.9	0.7
Manufacturing	102,114	2,106.9	56.5	0	0.0	0.0	102,114	2,106.9	43.8
Electricity, gas, and water supply	518	10.7	0.3	0	0.0	0.0	518	10.7	0.2
Construction	1,853	38.2	1.0	0	0.0	0.0	1,853	38.2	0.8
Wholesale and retail trade	24,820	512.1	13.7	0	0.0	0.0	24,820	512.1	10.7
Hotels and restaurants	1,610	33.2	0.9	0	0.0	0.0	1,610	33.2	0.7
Transport, storage, and telecommunications	31,584	651.7	17.5	0	0.0	0.0	31,584	651.7	13.6
Financial intermediation	7,147	147.5	4.0	52,245	1,077.9	100.0	59,392	1,225.4	25.5
Real estate, leasing, and business activities	7,597	156.7	4.2	0	0.0	0.0	7,597	156.7	3.3
Health and social care	79	1.6	0.0	0	0.0	0.0	79	1.6	0.0
Other community, social, and individual services	1,168	24.1	0.6	0	0.0	0.0	1,168	24.1	0.5
Extra-territorial organizations and bodies	74	1.5	0.0	0	0.0	0.0	74	1.5	0.0
<b>Structure of investment by region</b>									
Bratislava region	94,179	1,943.2	52.1	52,245	1,077.9	100.0	146,424	3,021.1	62.8
Trnava region	10,276	212.0	5.7	0	0.0	0.0	10,276	212.0	4.4
Trenčín region	7,099	146.5	3.9	0	0.0	0.0	7,099	146.5	3.0
Nitra region	7,626	157.3	4.2	0	0.0	0.0	7,626	157.3	3.3
Žilina region	10,316	212.8	5.7	0	0.0	0.0	10,316	212.8	4.4
Banská Bystrica region	8,180	168.8	4.5	0	0.0	0.0	8,180	168.8	3.5
Prešov region	5,531	114.1	3.1	0	0.0	0.0	5,531	114.1	2.4
Košice region	37,589	775.6	20.8	0	0.0	0.0	37,589	775.6	16.1

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Outflow of foreign direct investment<sup>1/</sup> from Slovakia in 1997 – 2003**

(flows and stocks)

**Corporate sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997	3,614	3,170	-615	6,169	113.31	94.30	-30.25	177.36
1998	6,169	4,883	1,345	12,397	177.36	138.56	19.93	335.85
1999	12,397	739	-404	12,732	335.85	17.84	-52.45	301.24
2000	12,732	975	1,515	15,222	301.24	21.10	-1.13	321.21
2001	15,222	3,441	2,728	21,391	321.21	71.17	48.97	441.35
2002	21,391	333	-2,758	18,966	441.35	7.35	25.03	473.73
2003 <sup>3/</sup>	18,966	-449	-579	17,938 <sup>4/</sup>	473.73	-11.99	35.78	497.52 <sup>4/</sup>

**Banking sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997 <sup>2/</sup>	1,502	0	-202	1,300	47.09	0.00	-9.72	37.37
1998	1,300	-7	299	1,592	37.37	-0.20	5.95	43.12
1999	1,592	-17,110	15,587	69	43.12	-413.12	371.62	1.62
2000	69	99	21	189	1.62	2.14	0.21	3.97
2001	189	8	1	198	3.97	0.17	-0.07	4.07
2002	198	0	-34	164	4.07	0.00	0.01	4.08
2003 <sup>3/</sup>	162	41	-9	194 <sup>4/</sup>	4.05	1.09	0.24	5.38 <sup>4/</sup>

**Total**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1997 <sup>2/</sup>	5,116	3,170	-817	7,469	160.40	94.30	-39.97	214.73
1998	7,469	4,876	1,644	13,989	214.73	138.36	25.88	378.97
1999	13,989	-16,371	15,183	12,801	378.97	-395.28	319.17	302.86
2000	12,801	1,074	1,536	15,411	302.86	23.24	-0.92	325.18
2001	15,411	3,449	2,729	21,589	325.18	71.34	48.90	445.42
2002	21,589	333	-2,792	19,130	445.42	7.35	25.04	477.81
2003 <sup>3/</sup>	19,128	-408	-588	18,132 <sup>4/</sup>	477.78	-10.90	36.02	502.90 <sup>4/</sup>

Note: The data for 2001 – 2003 are preliminary.

1/ Equity capital + reinvested earnings

2/ Change in methodology - inclusion of capital in Sk

3/ New accounting standards for banks

4/ Data at 30 September

**Outflow of foreign direct investment <sup>1/</sup> from Slovakia during January to September 2003**

	Corporate sector		Banking sector		Total	
	Sk millions	%	Sk millions	%	Sk millions	%
<b>Outflow of foreign direct investment in total</b>	-449	100.0	41	100.0	-408	100.0
<b>Structure of investment by country</b>						
Bosnia and Herzegovina	73	-16.3	0	0.0	73	-17.9
Ukraine	40	-8.9	0	0.0	40	-9.8
Czech Republic	-14	3.1	30	73.2	16	-3.9
Croatia	4	-0.9	11	26.8	15	-3.7
Brazil	10	-2.2	0	0.0	10	-2.5
Poland	7	-1.6	0	0.0	7	-1.7
Switzerland	6	-1.3	0	0.0	6	-1.5
Liechtenstein	1	-0.2	0	0.0	1	-0.2
Austria	1	-0.2	0	0.0	1	-0.2
USA	-2	0.4	0	0.0	-2	0.5
Other countries	-575	128.1	0	0.0	-575	140.9
<b>Structure of investment by sector</b>						
Agriculture, hunting, and forestry	0	0.0	0	0.0	0	0.0
Mineral raw materials	-7	1.6	0	0.0	-7	1.7
Manufacturing	-7	1.6	0	0.0	-7	1.7
Electricity, gas, and water supply	0	0.0	0	0.0	0	0.0
Construction	81	-18.0	0	0.0	81	-19.9
Wholesale and retail trade, repairs of motor vehicles	-53	11.8	0	0.0	-53	13.0
Hotels and restaurants	0	0.0	0	0.0	0	0.0
Transport, storage, and telecommunications	-128	28.5	0	0.0	-128	31.4
Financial intermediation	17	-3.8	41	100.0	58	-14.2
Real estate, leasing, and business activities	-352	78.3	0	0.0	-352	86.3
Health and social care	0	0.0	0	0.0	0	0.0
Other community, social, and individual services	0	0.0	0	0.0	0	0.0
Private households with employees	0	0.0	0	0.0	0	0.0
Extra-territorial organizations and bodies	0	0.0	0	0.0	0	0.0
<b>Structure of investors by region</b>						
Bratislava region	-510	113.6	41	100.0	-469	115.0
Trnava region	-38	8.4	0	0.0	-38	9.3
Trenčín region	-19	4.2	0	0.0	-19	4.6
Nitra region	5	-1.1	0	0.0	5	-1.2
Žilina region	165	-36.7	0	0.0	165	-40.4
Banská Bystrica region	-3	0.7	0	0.0	-3	0.7
Prešov region	-7	1.5	0	0.0	-7	1.7
Košice region	-42	9.4	0	0.0	-42	10.3

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Outflow of foreign direct investment <sup>1/</sup> from Slovakia as at 30 September 2003**

Exchange rate applied: US\$ 1 = Sk 36.055	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Outflow of foreign direct investment in total</b>	17,938	497.5	100.0	194	5.4	100.0	18,132	502.9	100.0
<b>Structure of investment by country</b>									
Czech Republic	6,673	185.1	37.2	151	4.2	77.8	6,824	189.3	37.6
United Kingdom	2,401	66.6	13.4	0	0.0	0.0	2,401	66.6	13.2
Ukraine	1,589	44.1	8.9	0	0.0	0.0	1,589	44.1	8.8
Ireland	1,232	34.2	6.9	0	0.0	0.0	1,232	34.2	6.8
Luxembourg	1,180	32.7	6.6	0	0.0	0.0	1,180	32.7	6.5
Hungary	1,125	31.2	6.3	0	0.0	0.0	1,125	31.2	6.2
Poland	817	22.7	4.6	0	0.0	0.0	817	22.7	4.5
Austria	681	18.9	3.8	0	0.0	0.0	681	18.9	3.8
Russia	471	13.1	2.6	0	0.0	0.0	471	13.1	2.6
Bosnia and Herzegovina	402	11.1	2.2	0	0.0	0.0	402	11.1	2.2
Other countries	1,367	37.9	7.6	43	1.2	22.2	1,410	39.1	7.8
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	54	1.5	0.3	0	0.0	0.0	54	1.5	0.3
Mineral raw materials	2,192	60.8	12.2	0	0.0	0.0	2,192	60.8	12.1
Manufacturing	7,469	207.2	41.6	0	0.0	0.0	7,469	207.2	41.2
Electricity, gas, and water supply	1,257	34.9	7.0	0	0.0	0.0	1,257	34.9	6.9
Construction	439	12.2	2.4	0	0.0	0.0	439	12.2	2.4
Wholesale and retail trade, repairs of motor vehicles	887	24.6	4.9	0	0.0	0.0	887	24.6	4.9
Hotels and restaurants	295	8.2	1.6	0	0.0	0.0	295	8.2	1.6
Transport, storage, and telecommunications	36	1.0	0.2	0	0.0	0.0	36	1.0	0.2
Financial intermediation	3,000	83.2	16.7	194	5.4	100.0	3,194	88.6	17.6
Real estate, leasing, and business activities	1,865	51.7	10.4	0	0.0	0.0	1,865	51.7	10.3
Health and social care	24	0.7	0.1	0	0.0	0.0	24	0.7	0.1
Other community, social, and individual services	420	11.6	2.3	0	0.0	0.0	420	11.6	2.3
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava region	12,017	333.3	67.0	194	5.4	100.0	12,211	338.7	67.3
Trnava region	1,884	52.3	10.5	0	0.0	0.0	1,884	52.3	10.4
Trenčín region	851	23.6	4.7	0	0.0	0.0	851	23.6	4.7
Nitra region	54	1.5	0.3	0	0.0	0.0	54	1.5	0.3
Žilina region	1,132	31.4	6.3	0	0.0	0.0	1,132	31.4	6.2
Banská Bystrica region	555	15.4	3.1	0	0.0	0.0	555	15.4	3.1
Prešov region	468	13.0	2.6	0	0.0	0.0	468	13.0	2.6
Košice region	977	27.1	5.4	0	0.0	0.0	977	27.1	5.4

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Outflow of foreign direct investment <sup>1/</sup> from Slovakia as at 31 December 2002**

Exchange rate applied: US\$ 1 = Sk 40.036	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Outflow of foreign direct investment in total</b>	18,966	473.7	100.0	164	4.1	100.0	19,130	477.8	100.0
<b>Structure of investment by country</b>									
Czech Republic	6,813	170.2	35.9	131	3.3	79.9	6,944	173.4	36.3
United Kingdom	2,642	66.0	13.9	0	0.0	0.0	2,642	66.0	13.8
Ukraine	1,702	42.5	9.0	0	0.0	0.0	1,702	42.5	8.9
Hungary	1,388	34.7	7.3	0	0.0	0.0	1,388	34.7	7.3
Ireland	1,331	33.2	7.0	0	0.0	0.0	1,331	33.2	7.0
Luxembourg	1,182	29.5	6.2	0	0.0	0.0	1,182	29.5	6.2
Poland	932	23.3	4.9	0	0.0	0.0	932	23.3	4.9
Austria	692	17.3	3.6	0	0.0	0.0	692	17.3	3.6
Russia	493	12.3	2.6	0	0.0	0.0	493	12.3	2.6
Croatia	324	8.1	1.7	0	0.0	0.0	324	8.1	1.7
Other countries	1,467	36.6	7.7	33	0.8	20.1	1,500	37.5	7.8
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	59	1.5	0.3	0	0.0	0.0	59	1.5	0.3
Mineral raw materials	2,393	59.8	12.6	0	0.0	0.0	2,393	59.8	12.5
Manufacturing	7,820	195.3	41.2	0	0.0	0.0	7,820	195.3	40.9
Electricity, gas, and water supply	1,288	32.2	6.8	0	0.0	0.0	1,288	32.2	6.7
Construction	465	11.6	2.5	0	0.0	0.0	465	11.6	2.4
Wholesale and retail trade	963	24.1	5.1	0	0.0	0.0	963	24.1	5.0
Hotels and restaurants	299	7.5	1.6	0	0.0	0.0	299	7.5	1.6
Transport, storage, and telecommunications	164	4.1	0.9	0	0.0	0.0	164	4.1	0.9
Financial intermediation	3,243	81.0	17.1	164	4.1	100.0	3,407	85.1	17.8
Real estate, leasing, and business activities	1,841	46.0	9.7	0	0.0	0.0	1,841	46.0	9.6
Health and social care	25	0.6	0.1	0	0.0	0.0	25	0.6	0.1
Other community, social, and individual services	406	10.1	2.1	0	0.0	0.0	406	10.1	2.1
Private households with employees	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
<b>Structure of investors by region</b>									
Bratislava region	12,864	321.3	67.8	164	4.1	100.0	13,028	325.4	68.1
Trnava region	2,056	51.4	10.8	0	0.0	0.0	2,056	51.4	10.7
Trenčín region	897	22.4	4.7	0	0.0	0.0	897	22.4	4.7
Nitra region	51	1.3	0.3	0	0.0	0.0	51	1.3	0.3
Žilina region	959	24.0	5.1	0	0.0	0.0	959	24.0	5.0
Banská Bystrica region	574	14.3	3.0	0	0.0	0.0	574	14.3	3.0
Prešov region	506	12.6	2.7	0	0.0	0.0	506	12.6	2.6
Košice region	1,059	26.5	5.6	0	0.0	0.0	1,059	26.5	5.5

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Outflow of foreign direct investment <sup>1/</sup> from Slovakia as at 31 December 2001**

Exchange rate applied: US\$ 1 = Sk 48.467	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Outflow of foreign direct investment in total</b>	21,391	441.4	100.0	198	4.1	100.0	21,589	445.4	100.0
<b>Structure of investment by country</b>									
Czech Republic	8,594	177.3	40.2	156	3.2	78.8	8,750	180.5	40.5
United Kingdom	3,157	65.1	14.8	18	0.4	9.1	3,175	65.5	14.7
Ukraine	2,048	42.3	9.6	0	0.0	0.0	2,048	42.3	9.5
Luxembourg	1,434	29.6	6.7	0	0.0	0.0	1,434	29.6	6.6
Hungary	1,342	27.7	6.3	0	0.0	0.0	1,342	27.7	6.2
Ireland	1,326	27.4	6.2	0	0.0	0.0	1,326	27.4	6.1
Croatia	632	13.0	3.0	24	0.5	12.1	656	13.5	3.0
Russia	583	12.0	2.7	0	0.0	0.0	583	12.0	2.7
Poland	485	10.0	2.3	0	0.0	0.0	485	10.0	2.2
Austria	397	8.2	1.9	0	0.0	0.0	397	8.2	1.8
Other countries	1,393	28.7	6.5	0	0.0	0.0	1,393	28.7	6.5
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	190	3.9	0.9	0	0.0	0.0	190	3.9	0.9
Mineral raw materials	2,515	51.9	11.8	0	0.0	0.0	2,515	51.9	11.6
Manufacturing	7,954	164.1	37.2	0	0.0	0.0	7,954	164.1	36.8
Electricity, gas, and water supply	1,893	39.1	8.8	0	0.0	0.0	1,893	39.1	8.8
Construction	453	9.3	2.1	0	0.0	0.0	453	9.3	2.1
Wholesale and retail trade	871	18.0	4.1	0	0.0	0.0	871	18.0	4.0
Hotels and restaurants	2	0.0	0.0	0	0.0	0.0	2	0.0	0.0
Transport, storage, and telecommunications	163	3.4	0.8	0	0.0	0.0	163	3.4	0.8
Financial intermediation	3,840	79.2	18.0	198	4.1	100.0	4,038	83.3	18.7
Real estate, leasing, and business activities	2,791	57.6	13.0	0	0.0	0.0	2,791	57.6	12.9
Health and social care	25	0.5	0.1	0	0.0	0.0	25	0.5	0.1
Other community, social, and individual services	693	14.3	3.2	0	0.0	0.0	693	14.3	3.2
Private households with employees	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava region	13,694	282.5	64.0	198	4.1	100.0	13,892	286.6	64.3
Trnava region	2,075	42.8	9.7	0	0.0	0.0	2,075	42.8	9.6
Trenčín region	958	19.8	4.5	0	0.0	0.0	958	19.8	4.4
Nitra region	88	1.8	0.4	0	0.0	0.0	88	1.8	0.4
Žilina region	682	14.1	3.2	0	0.0	0.0	682	14.1	3.2
Banská Bystrica region	263	5.4	1.2	0	0.0	0.0	263	5.4	1.2
Prešov region	613	12.6	2.9	0	0.0	0.0	613	12.6	2.8
Košice region	3,018	62.3	14.1	0	0.0	0.0	3,018	62.3	14.0

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Average lending rates of commercial banks**

(%)

Interest rate on:	2002		2003										
	11	12	1	2	3	4	5	6	7	8	9	10	11
1. TOTAL VOLUME OF LOANS <sup>1/</sup>	9.14	8.79	8.43	8.26	8.26	8.23	8.13	8.12	8.04	8.02	7.98	7.87	8.04
A) Loans by sector													
of which:													
a) Enterprise sector	9.36	8.95	8.63	8.44	8.44	8.42	8.22	8.24	8.17	8.18	8.10	7.98	8.08
- Public sector	9.57	8.88	8.58	8.28	8.34	8.35	8.09	8.09	8.08	8.07	8.06	7.90	7.95
- Private sector (incl. cooperatives)	9.54	9.13	8.93	8.76	8.72	8.62	8.51	8.53	8.44	8.37	8.37	8.27	8.34
- Under foreign control	8.56	8.53	7.85	7.81	7.79	7.95	7.65	7.67	7.63	7.63	7.42	7.28	7.39
b) Households	8.13	8.05	7.49	7.45	7.50	7.45	7.68	7.65	7.55	7.48	7.50	7.49	7.65
B) Loans by term													
of which:													
- Short-term	9.42	8.94	9.03	8.49	8.55	8.51	8.28	8.33	8.22	8.27	8.13	8.01	8.06
- Medium-term	9.71	9.47	9.05	9.10	9.09	9.10	9.00	9.01	8.94	8.88	8.99	8.93	8.96
- Long-term	8.42	8.11	7.42	7.40	7.39	7.35	7.33	7.29	7.24	7.21	7.11	7.02	7.23
2. NEW LOANS IN TOTAL <sup>1/</sup>	8.49	7.85	7.44	7.61	7.62	8.12	8.06	7.64	7.28	7.69	7.45	7.10	7.68
A) Loans by sector													
of which:													
a) Enterprise sector	8.25	7.65	7.28	7.51	7.47	7.95	7.90	7.46	7.04	7.52	7.20	6.80	7.46
- Public sector	8.81	7.65	7.34	7.80	7.68	7.64	7.83	7.80	7.56	7.69	7.61	7.00	7.78
- Private sector (incl. cooperatives)	9.38	9.00	8.52	8.93	8.89	8.87	8.55	8.65	8.15	8.85	8.14	8.10	8.36
- Under foreign control	7.28	6.53	6.55	6.71	6.54	7.35	7.48	6.79	6.40	6.76	6.76	6.19	7.10
b) Households	11.52	9.94	9.36	9.39	9.68	10.36	9.99	9.52	9.42	9.73	10.25	9.81	9.78
B) Loans by term													
of which:													
- Short-term	8.23	7.50	7.27	7.53	7.46	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.60
- Medium-term	10.10	9.90	9.29	8.97	9.03	8.97	8.99	9.15	8.92	9.04	8.87	9.04	8.93
- Long-term	9.22	8.42	7.44	6.98	7.29	7.33	7.08	6.88	7.15	7.12	7.06	6.95	6.98

1/ Excluding loans at zero interest rate



**Volumes of new loans and average lending rates of commercial banks**

		2002		2003										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Loans in total	a	57.60	68.31	67.82	81.69	80.42	77.94	72.78	87.35	93.17	86.61	89.59	85.45	83.44
	b	8.49	7.85	7.43	7.60	7.61	8.11	8.06	7.63	7.28	7.69	7.45	7.09	7.69
Overdrafts on current accounts	a	1.06	1.22	8.72	11.31	11.10	12.68	11.90	13.17	13.35	14.29	14.86	14.89	14.69
	b	11.41	11.66	9.39	10.11	9.80	9.89	9.63	9.74	8.99	9.90	9.38	9.26	9.13
Investment loans	a	-	-	4.10	1.86	5.77	2.80	3.19	3.65	3.07	2.38	2.84	2.95	2.35
	b	-	-	8.36	8.68	8.67	8.71	8.27	8.72	8.47	8.46	7.56	7.96	7.92
Consumer loans - households	a	0.67	0.48	0.43	0.30	0.36	0.39	0.64	1.03	1.02	1.05	1.30	1.76	1.59
	b	18.09	12.23	12.27	13.19	17.61	17.10	14.27	12.64	12.89	14.33	13.81	12.75	12.72
Other loans	a	4.26	4.51	52.77	66.41	60.92	60.14	54.40	66.63	73.08	65.59	67.81	62.85	60.96
	b	9.23	9.32	6.95	7.08	6.98	7.59	7.56	7.01	6.79	7.04	6.85	6.30	7.08
of which:														
- mortgage loans	a	0.31	0.06	0.03	0.03	0.13	0.03	0.07	0.09	0.13	0.08	0.31	0.46	0.39
	b	8.69	9.98	9.32	9.37	8.55	9.13	6.87	7.10	8.07	8.08	7.81	7.69	7.81
- mortgage loans with state bonus	a	0.95	1.19	1.14	1.08	1.17	0.90	0.96	1.60	1.65	1.57	1.16	1.26	1.11
	b	8.27	7.98	4.97	4.90	5.14	5.40	5.44	5.31	5.11	5.17	5.10	5.25	5.23
- home savings bank loans	a	0.12	0.12	0.12	0.11	0.08	0.09	0.09	0.11	0.10	0.13	0.39	0.16	0.14
	b	5.60	5.46	5.52	5.68	6.02	6.09	6.12	6.24	5.85	5.53	7.06	5.77	5.98
- intermediary loans	a	0.55	0.66	0.51	0.42	0.50	0.50	0.57	0.61	1.04	0.79	0.71	1.05	0.89
	b	7.79	7.70	7.65	7.65	7.23	7.17	7.14	7.12	7.43	7.45	7.49	7.39	7.26
Short-term loans	a	48.18	56.14	59.32	73.77	69.06	68.27	63.80	77.15	82.72	76.92	80.14	74.80	72.53
	b	8.23	7.49	7.26	7.52	7.46	8.04	8.00	7.53	7.15	7.61	7.35	6.92	7.63
- with a maturity of up to 7 days	a	-	-	30.99	39.89	35.96	33.00	30.30	46.35	50.62	48.50	54.73	51.16	48.21
	b	-	-	6.63	6.67	6.54	7.51	7.80	6.90	6.40	7.20	6.91	6.26	7.38
- up to 1 month	a	-	-	10.37	8.11	10.83	9.12	11.16	7.52	8.26	8.80	4.88	4.75	4.50
	b	-	-	7.42	8.00	8.00	8.12	7.74	8.17	8.18	7.88	7.81	7.49	7.74
- up to 3 months	a	-	-	5.78	8.19	5.43	5.96	5.40	5.16	5.46	3.83	3.87	3.45	4.13
	b	-	-	7.25	7.51	8.07	8.00	7.76	7.73	7.49	7.61	7.76	7.66	7.22
- up to 6 months	a	-	-	1.76	2.54	1.72	2.03	1.73	2.18	2.62	1.24	1.71	0.80	0.86
	b	-	-	7.88	7.41	7.31	8.30	7.66	8.14	7.96	8.72	7.68	7.55	7.24
- up to 12 months	a	-	-	10.43	15.03	15.12	18.16	15.21	15.94	15.76	14.56	14.95	14.64	14.83
	b	-	-	8.90	9.52	9.06	8.95	8.71	8.91	8.74	8.76	8.69	8.83	8.55
Long-term loans with a maturity of 1 to 5 years	a	6.55	8.59	5.24	5.69	8.40	7.45	6.63	6.92	6.64	5.97	6.24	6.89	7.89
	b	10.09	9.90	9.29	8.97	8.95	8.97	8.99	9.14	8.92	9.04	8.87	9.03	8.61
Long-term loans with a maturity of over 5 years	a	2.87	3.58	3.26	2.24	2.96	2.22	2.35	3.29	3.81	3.72	3.22	3.76	3.02
	b	9.22	8.42	7.44	6.98	7.29	7.33	7.08	6.88	7.15	7.12	7.06	6.95	6.91

a - Volume (Sk billion)  
 b - Average interest rate (%)

## Volumes of koruna deposits and average deposit rates

		2002		2003										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Deposits in total	a	552,662	556,337	551,221	563,157	561,062	562,346	572,542	560,708	575,286	579,267	577,913	583,743	588,403
	b	3.88	3.45	3.40	3.42	3.32	3.40	3.31	3.23	3.29	3.41	3.22	3.17	3.26
of which:														
Demand deposits	a	167,981	189,735	176,188	175,927	174,831	177,380	177,772	184,141	185,481	185,994	189,904	190,541	195,379
	b	1.69	1.64	1.77	1.63	1.56	1.66	1.53	1.52	1.53	1.65	1.48	1.37	1.49
Time deposits	a	384,681	366,602	262,237	274,447	274,912	276,190	286,644	268,910	283,133	286,596	282,793	289,074	289,717
	b	4.84	4.39	4.68	4.72	4.60	4.72	4.58	4.54	4.60	4.76	4.53	4.48	4.60
- short-term	a	-	-	251,542	263,905	264,105	265,381	275,900	258,134	272,406	276,053	272,424	278,720	279,320
	b	-	-	4.60	4.66	4.54	4.66	4.53	4.47	4.55	4.72	4.47	4.43	4.57
- overnight deposits	a	-	-	5,607	5,859	17,743	6,383	6,796	16,162	16,491	4,846	17,489	5,246	4,687
	b	-	-	4.54	5.51	4.68	5.59	4.64	4.59	4.68	6.29	4.45	4.28	5.87
- up to 7 days	a	52,528	30,311	44,602	46,994	30,560	43,244	52,054	27,875	31,585	35,673	28,027	40,819	44,399
	b	4.67	4.04	4.38	4.88	4.38	5.06	4.63	4.42	4.59	5.50	4.43	4.52	5.43
- up to 1 month	a	98,604	103,415	100,148	112,718	111,484	117,815	114,373	116,547	124,375	130,948	130,331	133,243	131,935
	b	5.09	4.51	4.54	4.70	4.67	4.82	4.73	4.73	4.82	4.90	4.82	4.71	4.69
- up to 3 months	a	71,702	68,372	58,134	56,655	62,887	58,520	61,629	59,426	62,944	67,966	60,209	63,975	64,041
	b	5.64	4.95	4.37	4.02	4.14	4.01	4.15	4.12	4.20	4.24	4.06	4.13	4.07
- up to 6 months	a	35,658	34,845	23,307	23,385	24,447	23,009	22,314	20,227	19,228	19,591	19,081	18,900	17,739
	b	5.96	5.59	5.17	4.86	4.53	4.21	3.93	3.70	3.70	3.70	3.67	3.63	3.60
- up to 1 year	a	52,888	52,145	19,745	18,293	16,984	16,410	18,733	17,896	17,782	17,029	17,286	16,536	16,519
	b	4.34	4.13	5.44	5.35	5.23	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88
- medium-term	a	-	-	9,258	9,629	9,792	9,990	9,722	9,739	9,698	9,507	9,323	9,293	9,312
	b	-	-	6.37	5.95	5.96	5.86	5.52	5.83	5.76	5.61	5.61	5.46	5.08
- up to 2 years	a	22,988	23,501	2,877	2,838	2,830	2,577	2,367	2,323	2,244	2,200	2,172	2,155	2,499
	b	2.86	2.77	5.64	5.52	5.42	5.27	5.18	5.12	5.07	4.79	4.66	4.54	4.30
- up to 5 years	a	1,299	1,351	6,381	6,791	6,962	7,413	7,355	7,416	7,454	7,307	7,151	7,138	6,813
	b	6.68	6.47	6.70	6.14	6.18	6.07	5.63	6.06	5.97	5.86	5.90	5.73	5.37
- long-term	a	-	-	1,437	914	1,016	819	1,022	1,037	1,029	1,036	1,046	1,061	1,085
	b	-	-	7.18	9.50	8.91	9.02	8.86	8.76	8.79	8.75	8.69	8.66	8.53
- over 5 years	a	36,709	40,366	1,437	914	1,016	819	1,022	1,037	1,029	1,036	1,046	1,061	1,085
	b	3.10	3.00	7.18	9.50	8.91	9.02	8.86	8.76	8.79	8.75	8.69	8.66	8.53
Savings deposits	a	-	-	112,796	112,783	111,319	108,777	108,125	107,657	106,671	106,678	105,216	104,129	103,308
	b	-	-	2.99	3.03	2.93	2.89	2.87	2.87	2.86	2.85	2.86	2.85	2.86
- short-term	a	-	-	51,316	50,772	50,605	49,005	48,484	48,429	48,159	47,737	47,149	46,581	45,966
	b	-	-	3.35	3.39	3.25	3.20	3.15	3.18	3.16	3.13	3.14	3.13	3.14
- medium-term	a	-	-	22,846	22,386	21,936	21,282	20,983	20,698	20,355	20,045	19,582	19,125	18,742
	b	-	-	2.50	2.52	2.31	2.23	2.22	2.23	2.21	2.19	2.21	2.23	2.26
- long-term	a	-	-	38,634	39,625	38,778	38,490	38,658	38,529	38,157	38,896	38,486	38,424	38,600
	b	-	-	2.86	2.85	2.84	2.84	2.83	2.83	2.83	2.83	2.83	2.83	2.83
Short-term (time and savings) <sup>1/</sup>	a	315,249	292,749	302,858	314,677	314,710	314,386	324,384	306,563	320,565	323,789	319,573	325,300	325,285
	b	5.13	4.64	4.39	4.46	4.33	4.43	4.32	4.26	4.34	4.48	4.27	4.25	4.37
Medium-term (time and savings) <sup>1/</sup>	a	32,724	33,487	32,104	32,015	31,727	31,272	30,706	30,437	30,053	29,552	28,904	28,417	28,054
	b	3.96	3.83	3.62	3.55	3.43	3.39	3.27	3.38	3.35	3.29	3.31	3.28	3.20
Long-term (time and savings) <sup>1/</sup>	a	36,709	40,366	40,070	40,538	39,794	39,309	39,680	39,566	39,186	39,933	39,532	39,485	39,685
	b	3.10	3.00	3.01	3.00	3.00	2.97	2.99	2.99	2.98	2.98	2.98	2.99	2.99

a - volume (Sk million)

b - average interest rate ( %)

1/ Consistent with the previous time series.

**Basic characteristics of interest rates on loans and deposits**

(%)

	Line	2002		2003										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Average interest rate on total credit <sup>1/</sup>	1	9.14	8.79	8.43	8.26	8.26	8.23	8.13	8.12	8.04	8.02	7.98	7.87	8.04
Average interest rate on deposits	2	3.88	3.45	3.40	3.42	3.32	3.40	3.31	3.23	3.29	3.41	3.22	3.17	3.26
Average interest rate on new loans	3	8.49	7.85	7.44	7.61	7.62	8.12	8.06	7.64	7.28	7.69	7.45	7.10	7.68
Average interbank money market rate (1D to 12M – mid rates)	4	6.56	5.76	5.80	5.97	5.97	6.09	5.92	5.98	6.02	6.13	6.10	5.70	5.88
Average interest rate on new short-term loans	5	8.23	7.49	7.27	7.53	7.46	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.60
Average interest rate on short-term deposits	6	5.13	4.64	4.39	4.46	4.33	4.43	4.32	4.26	4.34	4.48	4.27	4.25	4.37
Difference between average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	3.10	2.85	2.88	3.07	3.13	3.62	3.68	3.27	2.81	3.14	3.09	2.68	3.23
Basic interest rate of the NBS (until 31 December 2002 Discount rate)	8	8.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25
12-month rate of inflation	9	2.90	3.40	7.30	7.60	8.00	7.70	7.60	8.40	8.70	9.20	9.50	9.60	9.80
Year-on-year increase in industrial producer prices	10	2.20	2.30	7.50	8.90	9.30	8.20	7.80	8.20	8.20	8.00	8.00	7.90	8.80
Real interest rate on new short-term loans (line 5 – line 10)	11	6.03	5.19	-0.23	-1.37	-1.84	-0.15	0.20	-0.67	-1.05	-0.38	-0.64	-0.97	-1.20
Difference between average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	5.33	4.09	-0.03	-0.07	-0.54	0.35	0.40	-0.87	-1.55	-1.58	-2.14	-2.67	-2.20
Average interest rate on one-year deposits	13	4.34	4.13	5.44	5.35	5.23	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88
Real interest rate on one-year deposits (line 13 – line 9)	14	1.44	0.73	-1.86	-2.25	-2.77	-2.58	-2.63	-3.62	-4.05	-4.86	-5.27	-5.53	-5.92
Nominal interest margin (line 1 – line 2)	15	5.26	5.34	5.03	4.84	4.94	4.83	4.82	4.89	4.75	4.61	4.76	4.70	4.78
Difference between average interest rates on new loans and total deposits (line 3 – line 2)	16	4.61	4.40	4.04	4.19	4.30	4.72	4.75	4.41	3.99	4.28	4.23	3.93	4.42
Difference between average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	1.67	1.73	1.47	1.56	1.49	1.96	2.08	1.61	1.17	1.60	1.23	0.83	1.72
Difference between average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	1.93	2.09	1.64	1.64	1.65	2.03	2.14	1.72	1.30	1.67	1.32	1.00	1.80
Average interest rate on loans including the rate of 0% <sup>2/</sup>	19	8.53	8.24	7.91	7.73	7.73	7.74	7.64	7.65	7.60	7.58	7.54	7.45	8.00
Nominal interest margin (line 19 – line 2)	20	4.65	4.79	4.51	4.31	4.41	4.34	4.33	4.42	4.31	4.17	4.32	4.28	4.74

1/ Excluding unpaid interest

2/ Including unpaid interest

**Monetary-policy instruments**

	As at 1 January 2003	Change over the year 2003	As at 1 January 2004	Change over the year 2004
1. Interest rates set by the Bank Board of the NBS for:				
Basic interest rate of the NBS <sup>1/</sup>	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	
Interest rates for overnight transactions				
for sterilisation	5.00%	26 Sep. 4.75% 22 Dec. 4.50%	4.50%	
for refinancing	8.00%	26 Sep. 7.75% 22 Dec. 7.50%	7.50%	
limit rate of the NBS for standard 2-week repo tenders	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	
2. Reserve requirements	3%		2%	
3. Exchange rate regime	Floating rate  Reference currency: EUR		Floating rate  Reference currency: EUR	

1/ Until 31 December 2002 Discount rate

**Basic characteristics of Slovakia's foreign exchange market in December 2003**

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume US\$ million	Number of transactions
	US\$ million	%		US\$ million	%		US\$ million	%			
NBS	-	-	-	36.6	-	1	-	-	-	36.6	1
Transactions between domestic banks without foreign participation	5,719.5	83.2	408	1,088.1	15.8	474	68.1	1.0	55	6,875.6	937
Interbank foreign exchange market: NBS + transactions between domestic banks	5,719.5	82.7	408	1,124.6	16.3	475	68.1	1.0	55	6,912.2	938
Transactions between domestic and foreign banks	20,304.9	79.0	1,499	3,127.3	12.2	860	2,284.2	8.9	49	25,716.4	2,408
Foreign exchange market in the SR - total	26,024.4	79.8	1,907	4,251.9	13.0	1,335	2,352.3	7.2	104	32,628.6	3,346

	SPOT			FORWARD			SWAP			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume US\$ million	Number of transactions
	US\$ million	%		US\$ million	%		US\$ million	%			
Transactions between domestic banks without foreign participation	690.1	10.0	507	0.0	0.0	0	6,184.3	90.0	430	6,874.4	937
Transactions between domestic and foreign banks	1,691.5	6.6	858	15.4	0.1	7	24,007.0	93.4	1,543	25,713.9	2,408
Foreign exchange market in the SR - without the NBS	2,381.6	7.3	1,365	15.4	0.0	7	30,191.3	92.6	1,973	32,588.2	3,345

**Average monthly exchange rates of the SKK**

Midpoint rate	2002	2003											
	12	1	2	3	4	5	6	7	8	9	10	11	12
1 AUD	23.173	22.862	23.145	23.291	23.021	23.020	23.557	24.345	24.452	24.473	24.433	25.193	24.783
1 CZK	1.342	1.323	1.327	1.317	1.297	1.309	1.322	1.312	1.300	1.282	1.291	1.287	1.274
1 DKK	5.625	5.604	5.648	5.624	5.529	5.534	5.589	5.621	5.641	5.590	5.557	5.531	5.527
1 EUR	41.776	41.652	41.979	41.776	41.055	41.092	41.502	41.788	41.932	41.516	41.288	41.134	41.130
100 JPY	33.650	33.060	32.626	32.613	31.604	30.326	30.016	30.958	31.504	32.230	32.189	32.243	31.119
1 CAD	26.388	25.449	25.719	26.187	25.903	25.693	26.220	26.681	26.830	27.125	26.612	26.793	25.576
100 HUF	17.687	17.351	17.126	17.017	16.712	16.727	15.941	15.826	16.121	16.246	16.163	15.877	15.527
1 NOK	5.721	5.682	5.574	5.331	5.241	5.220	5.094	5.035	5.080	5.061	5.018	5.016	5.007
1 PLN	10.482	10.244	10.089	9.653	9.533	9.501	9.360	9.407	9.597	9.319	8.997	8.908	8.828
100 SIT	18.164	18.055	18.142	18.031	17.670	17.633	17.765	17.828	17.843	17.651	17.519	17.422	17.382
1 CHF	28.422	28.497	28.605	28.451	27.484	27.122	26.959	27.002	27.210	26.835	26.676	26.386	26.464
1 SEK	4.596	4.538	4.586	4.534	4.481	4.489	4.555	4.547	4.541	4.574	4.588	4.572	4.563
1 USD	41.137	39.252	38.953	38.663	37.885	35.586	35.491	36.729	37.490	37.116	35.273	35.234	33.604
1 GBP	65.130	63.366	62.863	61.198	59.594	57.721	58.948	59.723	59.879	59.651	59.113	59.447	58.616

**Average quarter exchange rates of the SKK**

Midpoint rate	2002					2003				
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q3	Q4	year
1 AUD	24.937	25.822	24.404	23.302	24.615	23.099	23.205	24.420	24.779	23.881
1 CZK	1.330	1.411	1.451	1.353	1.387	1.322	1.309	1.299	1.284	1.304
1 DKK	5.685	5.780	5.901	5.615	5.746	5.625	5.551	5.618	5.539	5.584
1 EUR	42.249	42.967	43.834	41.710	42.699	41.799	41.221	41.747	41.190	41.491
100 JPY	36.389	36.882	37.378	34.084	36.193	32.769	30.639	31.535	31.860	31.704
1 CAD	30.212	30.119	28.543	26.612	28.869	25.786	25.943	26.869	26.333	26.237
100 HUF	17.308	17.688	17.878	17.410	17.574	17.165	16.452	16.053	15.870	16.383
1 NOK	5.405	5.714	5.918	5.696	5.685	5.528	5.184	5.057	5.014	5.195
1 PLN	11.680	11.580	10.747	10.431	11.107	9.994	9.463	9.439	8.915	9.453
100 SIT	19.053	19.083	19.289	18.191	18.907	18.075	17.690	17.776	17.445	17.747
1 CHF	28.670	29.335	29.951	28.429	29.103	28.516	27.184	27.015	26.519	27.308
1 SEK	4.611	4.694	4.748	4.587	4.660	4.552	4.509	4.554	4.575	4.548
1 USD	48.170	46.862	44.544	41.787	45.335	38.956	36.307	37.093	34.723	36.773
1 GBP	68.716	68.408	68.980	65.620	67.939	62.470	58.757	59.750	59.055	60.012

**Average monetary base of the NBS**

(Sk billions)

	2002	2003											
	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>SOURCES OF THE MONETARY BASE</b>	123.05	115.52	116.08	118.71	118.16	118.11	118.39	118.67	119.92	121.67	122.05	123.40	126.56
Autonomous factors	262.69	268.20	273.70	285.68	285.82	277.86	280.92	281.50	289.32	289.39	287.40	281.70	287.80
Net foreign assets	352.78	355.86	365.94	363.39	354.61	360.05	358.86	363.34	368.74	364.87	355.05	360.82	365.36
Reserves	370.42	373.30	396.75	393.45	369.40	370.25	370.77	384.78	389.32	395.85	388.81	405.80	396.43
Foreign liabilities	17.64	17.44	30.81	30.06	14.79	10.21	11.91	21.43	20.57	30.99	33.76	44.98	31.07
Net credit to Government	-30.29	-28.78	-28.84	-17.62	-15.16	-33.55	-26.15	-23.60	-19.95	-19.76	-19.14	-30.48	-34.96
Other assets net	-59.80	-58.89	-63.40	-60.09	-53.63	-48.64	-51.79	-58.24	-59.47	-55.72	-48.50	-48.64	-42.60
Monetary policy factors <sup>1/</sup>	-139.63	-152.67	-157.62	-166.97	-167.67	-159.75	-162.53	-162.83	-169.40	-167.72	-165.35	-158.31	-161.24
Loan to commercial banks (excl. redistribution loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bills of exchange	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Holdings of securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00
Treasury bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other government securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00
Central Bank (NBS) bills	226.18	194.48	272.75	201.40	272.42	202.20	247.70	234.41	225.36	264.92	194.50	251.70	188.26
of which: in NBS portfolio	94.61	48.44	118.85	38.27	105.53	47.86	90.37	75.35	57.46	101.69	31.06	95.94	35.44
Overnight deposits of banks with NBS	8.06	6.63	3.72	3.84	0.78	5.42	5.21	3.77	1.50	4.49	2.16	2.54	8.42
<b>USE OF THE MONETARY BASE <sup>2/</sup></b>	123.05	115.52	116.08	118.71	118.16	118.11	118.39	118.67	119.92	121.67	122.05	123.40	126.56
Currency in circulation	95.22	94.21	94.48	97.27	96.79	96.67	97.15	97.33	98.46	99.57	100.14	101.37	104.56
Reserves of commercial banks	27.83	21.32	21.60	21.44	21.37	21.43	21.24	21.34	21.47	22.10	21.91	22.03	22.00
Required reserves	27.75	21.28	21.44	21.41	21.32	21.40	21.20	21.31	21.40	22.06	21.86	21.93	21.95
Excess reserves	0.08	0.04	0.16	0.03	0.05	0.03	0.04	0.02	0.07	0.03	0.05	0.10	0.06

1/ Including NBS bills in the portfolios of commercial banks and overnight deposits of banks with the NBS.

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

**Shortened balance sheet of commercial banks as at 30 November 2003**  
*(Banks and branches of foreign banks operating in the SR in total)*

(Sk thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
<b>Total assets</b>	62,963,058	871,842,485	32,335,900	99,393,183	53,846,943	994,455,453
Cash items	0	9,912,783	39	43,483	3,280,706	13,237,011
Cash in hand	0	9,198,213	0	0	3,105,630	12,303,843
Gold	0	0	0	0	0	0
Other cash items	0	714,570	39	43,483	175,076	933,168
Deposits with and credits to NBS, foreign banks of issue, and post office banks	0	134,188,228	0	0	147	134,188,375
Money reserve accounts with the NBS	0	17,474,617	0	0	0	17,474,617
Deposits, credits, and other receivables	319,034	32,427,779	9,923,499	9,181,180	29,017,829	80,231,253
Current accounts with banks	0	526,134	129,110	103,097	3,770,765	4,529,106
Credits provided	0	676,406	0	0	691,327	1,367,733
Time deposits with banks	0	31,127,822	6,469,517	9,071,708	24,129,184	70,798,231
Current accounts of other banks	0	1	3,312,216	6	5	3,312,228
Other receivables	0	44,756	0	6,369	169,292	220,417
Standard credits, qualified deposits, classified credits, deposits, and other receivables	319,034	52,660	12,656	0	257,256	3,538
of which: Short-term receivables	165,258	0	12,656	0	152,602	0
Interest on non-performing credits	649	708	0	0	882	941
Standard credits to customers	0	204,004,195	930,490	45,799,988	5,741,029	256,475,702
Short-term credits	0	52,800,221	824,618	12,844,773	2,313,385	68,782,997
Long-term credits	0	151,203,974	105,872	32,955,215	3,427,644	187,692,705
of which: Credits repayable in 1 to 5 years, incl.	0	68,141,919	81,915	16,131,845	1,778,257	86,133,936
Other receivables from customers	0	6,582,526	13,972	1,811,387	485,315	8,893,200
of which: Credits for commercial claims	0	1,818,295	11,168	1,677,934	386,386	3,893,783
Current accounts of customers - debit bal., overdrafts	0	20,609,491	327,747	5,551,012	95,184	26,583,434
Standard receivables with conditions, classified loans, and other receivables from customers	27,248,129	67,853,968	1,241,903	14,355,461	1,418,369	57,621,572
of which: Interest due, but unpaid	5,161,580	5,169,919	30,419	50,976	19,937	109,671
Standard credits with conditions	0	37,094,969	794,029	10,244,370	1,203,788	49,337,156
Sub-standard receivables	1,336,380	4,180,405	430,207	1,831,539	24,340	5,130,111
Doubtful and controversial claims	1,207,203	2,750,811	235	544,134	38	2,088,015
Loss-making receivables	24,704,546	23,827,783	17,432	1,735,418	190,203	1,066,290
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	2,598	8,853,597	0	2,502,595	0	11,353,594
Standard credits with conditions, classified loans, and other receivables	2,598	545,979	0	0	0	543,381
Credits to state authorities	0	2,673,921	0	913,784	0	3,587,705
Credits to social security funds	0	0	0	0	0	0
Credits to local governments	0	5,065,945	0	1,588,811	0	6,654,756
Credits to funds	0	567,752	0	0	0	567,752
Fixed forward transactions	0	3,558,977	1,916,960	677,728	67,227	6,220,892
Claims in respect of money collection	0	191,422	38	269,690	65,278	526,428
Branches and representative offices	0	619	4,875,795	701	3,607,960	8,485,075
Receivables and other suspense accounts	1,092,068	4,599,533	31,145	187,546	49,386	3,775,542
Securities for sale and other shareholdings	399,331	32,938,884	2,605,048	2,819,455	1,815,623	39,779,679
Receivables from trade in securities and for securities issued by the accounting unit	0	3,490,051	0	8,708	1,585	3,500,344
Securities intended for trading	0	76,102,917	1,514,455	7,168,186	2,751,377	87,536,935
Options - purchase	0	146,370	53,451	7,502	1,087	208,410
Financial investments	1,456,108	187,323,567	8,900,610	8,987,859	3,493,768	207,249,696
Long-term funds provided to branches abroad	0	0	0	0	518,905	518,905
Tangible assets	24,585,764	48,929,672	0	0	0	24,343,908
Acquisition of tangible and intangible assets	1,609	3,168,374	748	20,702	0	3,188,215
Subordinated financial assets	0	60,031	0	0	1,436,168	1,496,199
Intangible assets	7,858,417	9,231,070	0	0	0	1,372,653
Inventory	0	193,814	0	0	0	193,814
Adjustments and accumulated depreciation	62,963,058	60,015,910	74,170	2,345,656	527,322	0



**Shortened balance sheet of commercial banks as at 30 November 2003**  
*(Banks and branches of foreign banks operating in the SR in total)*

(Sk thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
<b>Total liabilities</b>	738,483,885	64,604,348	112,427,416	78,939,804	994,455,453
Deposits and credits to NBS and foreign banks of issue, and postal checking accounts	11,199,720	0	204,097	0	11,403,817
Current accounts with NBS and foreign issuing banks	1,897,170	0	0	0	1,897,170
Time deposits of NBS and and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	9,302,550	0	204,097	0	9,506,647
of which: Redistribution credit	6,995,787	0	0	0	6,995,787
Refinancing repo credit	879,787	0	0	0	879,787
Deposits, credits, and other liabilities	34,561,657	12,040,997	9,366,671	23,177,441	79,146,766
Current accounts with banks	0	0	0	942,946	942,946
Current accounts of other banks	526,728	5,985,218	107,137	601,352	7,220,435
Other payables	2,027,871	764	170,293	550,410	2,749,338
Credits received	593,509	0	0	6,294,663	6,888,172
Time deposits of other banks	31,413,549	6,055,015	9,089,241	14,788,070	61,345,875
Payables in respect of other items	37,209	0	0	0	37,209
Payables in respect of securities	0	0	0	0	0
Deposits of customers	535,367,292	4,974,712	96,622,153	4,173,502	641,137,659
Current accounts of customers	169,869,106	2,632,170	46,039,922	3,108,685	221,649,883
Time deposits of customers	261,169,142	2,234,164	47,952,046	1,049,212	312,404,564
Savings deposits of customers	103,129,270	105,019	2,622,169	15,605	105,872,063
Certificates of deposit	1,199,774	3,359	8,016	0	1,211,149
Other liabilities to customers	10,478,042	5,211	3,477,255	31,608	13,992,116
Credits received from customers	4,076,409	0	0	0	4,076,409
Short-term securities issued by the accounting unit	1,657,553	7,008	598,030	0	2,262,591
Earmarked deposits	238,000	0	0	0	238,000
Other specific payables	44,078	0	0	0	44,078
Accounts of state authorities, local governments, and funds	43,746,472	0	756,792	0	44,503,264
Extra-budgetary money deposits of state authorities	6,803,143	0	606,403	0	7,409,546
Deposits of social security funds	21,619,202	0	51,324	0	21,670,526
Deposits local governments	11,143,009	0	69,788	0	11,212,797
Deposits of funds	4,181,118	0	29,277	0	4,210,395
Fixed forward transactions	3,990,491	2,220,724	674,298	194,621	7,080,134
Payables in respect of money collection	687,893	473	254,212	44,648	987,226
Branches and representative offices	429,158	8,771,440	0	49,359,033	58,559,631
Various payables, adjustment and other suspense accounts	5,102,006	193,227	244,052	49,960	5,589,245
Liabilities from trading in securities and securities issued by the accounting unit	565,778	51	72,885	0	638,714
Options - sale	84,400	118,019	2,244	9,639	214,302
Subsidies and similar funds	3,329,826	0	0	0	3,329,826
Long-term securities issued by the accounting unit	16,421,046	0	140	0	16,421,186
Subordinated financial liabilities	0	60,031	0	0	60,031
Reserves	18,937,154	0	154,587	141,772	19,233,513
Reserve funds and other funds allocated from profits	9,689,681	46,500	0	0	9,736,181
Registered capital	5,460,938	33,331,638	0	1,650,000	40,442,576
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,789,817	0	0	0	1,789,817
Own shares	-125,201	0	0	0	-125,201
Capital of mutual funds (unit trusts)	0	0	0	0	0
Other capital funds	205,083	5,490	0	0	210,573
Gains or losses from revaluation of net investments connected with shares and deposits	-130,574	-15,752	0	107,580	-38,746
Gains or losses from revaluation of security derivatives	0	0	0	0	0
Gains or losses from revaluation of assets and liabilities	0	0	0	0	0
Retained earnings from previous years +/-	23,259,151	0	0	0	23,259,151
Accumulated losses from previous years -/-	-2,996,887	0	0	0	-2,996,887
Profit and loss account +/-, -/	10,377,693	0	0	0	10,377,693
Profit or loss in process of approval +/-, -/	0	0	0	0	0

**Monthly profit and loss account of commercial banks**  
(Banks and branches of foreign banks operating in the SR in total)

(Sk millions)

	2002		2003										
	11	12	1	2	3	4	5	6	7	8	9	10	11
<b>EXPENSES</b>													
Expenses on financial operations:	138,413	155,244	21,988	37,039	55,577	75,649	94,535	114,895	131,401	145,562	169,182	188,093	206,671
Other interest <sup>1/</sup>	-	-	2,346	4,468	7,228	9,505	11,744	13,867	15,858	17,968	20,054	22,137	24,218
Charges and commissions <sup>1/</sup>	-	-	133	225	380	1,202	1,296	1,460	1,551	1,660	1,803	1,919	2,116
Leasing expenses <sup>1/</sup>	-	-	9	0	0	0	0	0	0	0	0	0	0
Operations in securities <sup>1/</sup>	-	-	394	824	1,471	1,732	1,988	2,359	2,806	3,101	3,586	4,227	4,732
Interest on securities <sup>1/</sup>	-	-	422	636	787	944	1,127	1,095	1,313	1,481	1,652	1,840	2,006
Foreign exchange operations	101,963	115,814	8,092	14,303	20,089	28,467	33,568	43,325	50,238	54,599	67,283	75,181	82,611
Operations in derivatives <sup>1/</sup>	-	-	10,486	16,383	25,321	33,365	44,282	52,186	58,878	65,916	73,894	81,780	89,940
Other operations	1,829	2,258	106	201	302	435	530	604	757	835	909	1,008	1,048
General operating expenses	20,769	24,380	1,689	3,540	5,576	7,576	9,644	11,796	13,923	15,927	18,128	20,314	22,416
Additions to reserves and provisions	17,163	26,117	1,098	2,065	8,070	9,032	11,486	14,169	15,618	17,166	19,012	20,058	21,107
Other operating expenses	9,287	11,683	574	1,058	1,409	4,631	5,694	6,365	7,259	8,164	8,752	9,617	9,899
Extraordinary expenses	474	604	6	9	12	14	15	16	16	17	17	18	27
Income tax	277	350	-5	68	73	91	119	382	455	503	557	591	617
Profit for the period	10,044	12,539	1,500	3,027	3,502	4,126	5,314	6,213	6,946	8,079	9,217	9,662	10,429
<b>TOTAL EXPENSES, PLUS PROFIT</b>	<b>196,426</b>	<b>230,916</b>	<b>26,849</b>	<b>46,806</b>	<b>74,220</b>	<b>101,119</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>
<b>INCOME</b>													
Income from financial operations:	173,180	197,326	25,684	44,599	65,416	88,884	111,281	134,922	154,390	171,894	198,784	220,676	242,216
Income from other interest <sup>1/</sup>	-	-	3,054	5,812	8,823	11,720	15,633	18,595	21,515	24,649	27,692	30,755	33,896
Income from charges and provisions <sup>1/</sup>	-	-	664	1,302	2,019	2,768	3,505	4,355	5,191	5,859	6,653	7,474	8,211
Income from shares and stakes <sup>1/</sup>	-	-	0	70	161	54	65	77	87	100	292	381	388
Income from leasing <sup>1/</sup>	-	-	2	0	0	0	0	0	0	0	0	0	0
Income from operations in securities <sup>1/</sup>	-	-	778	1,477	1,948	2,481	3,116	2,765	2,590	2,905	3,239	3,322	3,445
Income from interest on securities <sup>1/</sup>	-	-	2,149	4,092	5,997	8,127	9,135	11,358	13,189	14,800	16,454	18,186	19,754
Income from foreign exchange operations	106,324	120,504	8,446	14,885	21,229	30,162	36,433	45,832	52,897	57,135	70,811	79,205	87,035
Income from operations in derivatives <sup>1/</sup>	-	-	10,495	16,772	25,049	33,237	43,069	51,627	58,531	66,014	73,136	80,760	88,906
Income from other operations	1,461	1,774	96	188	190	335	327	313	390	432	508	593	582
Use of reserves and provisions	21,240	30,249	1,069	2,023	8,572	11,883	14,366	16,802	18,426	20,429	22,672	23,935	24,800
Other operating income	1,110	1,286	87	158	224	338	1,144	2,097	2,768	3,072	3,382	3,700	4,081
Extraordinary income	794	1,359	5	7	8	14	15	16	16	16	16	17	18
Loss for the period	102	697	4	18	0	0	0	0	20	7	11	25	51
<b>TOTAL INCOME, PLUS LOSS</b>	<b>196,426</b>	<b>230,916</b>	<b>26,849</b>	<b>46,806</b>	<b>74,220</b>	<b>101,119</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>

1/ The absence of data is due to the preparation of an amendment to the Decree of Ministry of Finance of the SR for 2003, specifying the details of accounting procedures and a skeleton chart of account for banks and branches of foreign banks.

*Symbols used in tables*

- . – figure not yet available
- x – no entry for logical reasons
- – figure did not appear



