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Memorandum on the Foreign Trade Régime

The following Memorandum on the Foreign Trade Régime has been received from the Ministry for Foreign Affairs of Slovenia. It is recalled that at the Council meeting on 14 July 1992 (C/M/258, pages 3-5) there was widespread support for the suggestion that the accession procedures for Slovenia should be carried out as expeditiously as possible. In order that the matter may be examined promptly by the Working Party (L/7049), contracting parties are requested to communicate to the secretariat by 29 October 1992 any questions they may wish to put concerning the matters dealt with in the Memorandum for transmission to the Slovenian authorities.

TABLE OF CONTENTS

	PAGE
FOREWORD	3
I. CHARACTERISTICS OF SLOVENE ECONOMY	4
1.1. Summary and General Assessment of Economic Trends of the Slovenian Economy in 1991 and 1992	4
1.2. Restructuring of the Slovenian Economy	5
1.3. General Guidelines of the Economic Program of the Government of Slovenia	6
II. MAIN FEATURES OF SLOVENE FOREIGN TRADE	7
2.1. Commodity and Geographical Structure of Foreign Trade	7
2.2. Balance of Payments	8
2.3. External Debt	9
III. TRADE POLICY	9
3.1. Foreign Exchange Regime and Exchange Rate Policy	9
3.1.1. Law on Foreign Exchange Business	9
3.1.2. Law on Credit Transactions with Foreign Countries	11
3.2. Instruments of Foreign Trade Regulations and Basic Legal Provisions	12
3.2.1. Law on Foreign Trade Transactions	12
3.2.2. Tariff and Customs System	18
3.2.3. Other Non-Tariff Measures	25
3.3. Preferential Treatment	25
3.4. Measures against Unfair Trade Practices	26
3.5. Protection of Industrial Property	26
3.6. Procurement for State Reserves	27
3.7. Internal Taxes Levied on Products	27
3.8. Subsidies	29
IV. FOREIGN INVESTMENT IN SLOVENIA	31
V. ECONOMIC AND INTERNATIONAL TRADE RELATIONS OF SLOVENIA	31
VI. INSTITUTIONAL ORGANIZATION OF SLOVENIAN FOREIGN TRADE	32
VII. SLOVENIA'S POSITION CONCERNING THE SCHEDULE OF CONCESSIONS AND OTHER OBLIGATIONS OF THE FORMER SFRY IN THE FRAMEWORK OF GATT	33
STATISTICAL TABLES	34-56

FOREWORD

The preparation of this Memorandum on the Foreign Trade Regime of the Republic of Slovenia forms part of the activities relating to negotiations for GATT accession. The memorandum will serve as a basis for discussion in the Working Party on the Accession of the Republic of Slovenia, established by the GATT Council at its meeting on 14 July 1992.

The Memorandum includes a brief account of characteristics of the Slovene economy (Chapter I) and the main features of Slovene foreign trade (Chapter II). The current trade policy (Chapter III) is given more detailed treatment especially on the fields of foreign exchange regime and exchange rate policy, instruments of foreign trade regulations and basic legal provisions, preferential treatment, measures against unfair trade practices, protection of industrial property, procurement for State reserves, internal taxes levied on products and subsidies. Reference is also made to the foreign investments in Slovenia (Chapter IV), economic and trade relations of Slovenia (Chapter V) and institutional organization of Slovenian foreign trade. The final chapter (Chapter VII) briefly describes the Slovenian position concerning the schedule of concessions and other obligations of the former SFRY in the framework of GATT.

The Memorandum describes measures and legal provisions in force at the time of its preparation. It should be noted, however, that some of these measures are currently under revision, in order to adapt them to the objectives of the economic reform program that the Government of the Republic of Slovenia has initiated. Therefore, Slovenia will inform contracting parties, in a timely manner, through the GATT secretariat, of any new measures adopted in relation to the matters covered in the Memorandum.

I. CHARACTERISTICS OF SLOVENE ECONOMY

1.1. Summary and General Assessment of Economic Trends of the Slovene Economy in 1991 and 1992

Economic events in 1991 were characterized by a double transition - into an independent state and into a free market economy, and by a number of external shocks which even a very strong economy could not bear without negative effects. Loss and closing of markets in the states of former Yugoslavia, the war in Croatia and Bosnia and Herzegovina, the interruption of transport and other infrastructure links, the confiscation of the property of Slovenian companies in Serbia and, not least, the unselective sanctions and abolishment of GSP treatment against Yugoslavia had affected economic situation in Slovenia in a very negative way.

In the first half of 1992, the results of Slovenian economy are still not very encouraging, although there are signs of improvement in some branches of economy which are, however, not yet evident from the comparison with the same period of the previous year, since there was a sharp downturn in the second half of last year. Decrease in industrial production, characteristic of the year 1991, still continues, the volume of production in the period January to June was reduced by 16 %, all kinds of consumption are in decrease; the population compensated for the 28% wage reduction by spending their savings on consumer goods. The unemployment rate is as high as 11.7 %. The inflation, however, has a tendency to decrease in the last months from monthly 23% in October 1991 to 2.1% in June, 2.0% in July and 1.4% in August 1992.

The decrease in sales/exports¹ to the republics of former Yugoslavia has a negative influence on general economic activities and economic situation in Slovenia. The Slovenian commodity exchange with the republics of former Yugoslavia was being reduced throughout the year 1991 and was practically completely interrupted after Slovenia gained monetary independence in October 1991. According to the data available, Slovenian sales/exports to former Yugoslav republics were reduced from 25 % of total sales/exports in the year 1990, to 11 % in the last quarter of 1991, and to about 6 % in the year 1992. The volume of purchase/imports from former Yugoslav republics was reduced from 23 % to 13 %. The main shock of the loss of markets, although painful, is thus behind Slovenian economy. Due to the war in Bosnia and

1 These term means that all sales are divided in three categories: sales on domestic market (Slovenia), sale to other ex Yugoslav republics - exports after independence, and sales on foreign markets - exports.

Herzegovina and to the UN sanctions against Serbia and Montenegro, the only markets still left to Slovenia are those of Croatia and Macedonia. Slovenia has thus no alternative in either short or long term than a predominant orientation towards West and East European and American markets, as well as to the markets of developing countries. General economic indicators of Slovene economy are presented in Table No. 1.

1.2. Restructuring of the Slovenian Economy

Important structural shifts have been noted in the Slovenian economy at the end of the eighties and in the beginning of the nineties which indicate that the economy has gradually been adapting to new market and system change. Structurally, it is approaching developed economies which are characterized by an economic structure with a large share of service activities, a more equal distribution of companies by size and a great dynamics of the establishment and closure of companies.

A reduction in the share of industry and an increase in the importance of the service sector is clearly evident from the structure of added value by branches of activities (NACE classification). The share of service sector, including trade, tourism, and catering, finance, business and state services is as high as 54 % (only 45 % in 1987). Within the industrial sector (mining, manufacturing industry, electrical energy, gas and water supply, and construction industry), the share of added value of which amounted to 41 % (45 % in 1987), the most obvious drop has been noted in the construction and processing industries and mining. (Tables No. 2 and 3).

In recent years, there has also been a visible change in the ownership structure of the Slovenian economy, almost exclusively on account of newly founded private firms, since the Law on Privatisation of the existing social enterprises has still not been adopted, but it is in the Slovene Parliament in its final procedure for adopting. Of 13,309 active firms at the end of 1991, 75 % were private, 19 % social² and 5.6 % mixed. These companies employ 2.7 % of the entire work force, create 7.3 % of the total income, and their business assets account for 2.8 % of the total business assets of the Slovenian economy. Mixed companies have become much more important: their share of employment increased last year from 8.2 % to 9.4 %, their share of total income from 12.4 % to 14.3 % and their share of business assets from 8.6 % to 9.8 %. Nevertheless, total business results still predominantly depend on socially owned companies which have generated 78 % of total income in the economy and employed 88 % of work force.

2 According to the Yugoslav constitution of 1974, these enterprises do not belong to the state but are viewed as "social property", for which rights of disposal are unclear. In fact, part III, article 4 of the Constitution, contains the provisions that nobody has the right of property over the social means of production and correspondingly the right to dispose of them.

The change in the size structure of companies is closely connected with the ownership changes. The gap of small scale economy which is competitive in some areas and complementary to large enterprises in others, is gradually being filled in. The number of active small firms (with up to 50 employees) doubled last year to 11,582 and employed 36,569 workers or 6.1 % of all employed. Small companies created 13.3 % of all income and no less than 38 % of the capital accumulation of the entire economy. There was also a decisive positive shift in the medium sized company sector, above all in the increased share of employment and in export earnings. The economic crisis and the introduction of elements of a free market economy affected mostly large enterprises which greatly reduced the number of employed, and also diminished their share of income and exports, and all together generated less capital accumulation than small companies.

Number of companies by ownership and origin of capital are shown in the following table:

	1990 31.12.	1991 31.12.	1992 31.3.
Total	14,597	23,348	26,629
Ownership:			
Social	1,752	2,515	2,684
Private	12,261	19,698	22,677
Cooperative	146	114	115
Mixed	438	1,021	1,153
Origin of capital:			
Domestic	14,159	22,424	25,442
Foreign	87	147	272
Mixed	351	777	915

Source: Statistical Office of the Republic of Slovenia

1.3. General Guidelines of the Economic Program of the Government of Slovenia

The Republic of Slovenia obtained full autonomy in the field of the implementation of its economic policies after the declaration of independence.

The Government of Slovenia intends to implement the following economic program in 1992:

- Transformation of the economic system and the system of social³ ownership into an economic system of private ownership. Political agreement (of all parties in the Parliament) has been achieved that the Slovene economy must be privatised within the next three years. The Law on Privatisation has begun assembly procedures and it is expected to be adopted in the near future.

- Reduction of costs per unit of production which will improve the competitiveness of companies in foreign and open domestic markets.
- Conducting policies of a strong and stable national currency in order to strengthen its position abroad.
- Conducting restrictive wage policies and ensuring greater employment, social stability and better competitiveness on international markets.
- Ensuring economic and financial conditions for accelerated and profitable exports on the basis of active exchange rate policies of the domestic currency, together with a reduction of import and customs restrictions.
- Attempting to maintain continuity in trade with other republics of former Yugoslavia on the basis of a free trade under signed FTA or unilaterally declared free trade.
- Encouraging the inflow of foreign capital into Slovenia.
- Improving liquidity and financial conditions in the economy (restructuring of companies, banks and of the state budget).
- Encouraging domestic savings.
- Accelerating the development of small scale industry.
- Encouraging the technological renovation of companies.
- Membership in international financial institutions (IMF, WB, EBRD) and cooperation with international financial markets.

II. MAIN FEATURES OF SLOVENE FOREIGN TRADE

2.1. Commodity and Geographical Structure of Foreign Trade

In 1991, Slovenian visible exports amounted to 3,855 million US\$ and the exports of services to 1,050 million US\$, whereas its imports of goods amounted to 4,140 million US\$ and the imports of services to 414 million US\$. The major part of the Slovenian foreign trade exchange is realized with the countries of the European Community, representing 69 % of its exports and 62 % of its imports.

Other economic groups have a minor share in the Slovenian commodity exchange (e.g. EFTA 11 %, other developed countries 6 %, East European countries 11 % and developing countries 5 %). (Tables No. 4, 5, 6)

One of the characteristics of the Slovenian foreign trade exchange is that, especially in the last few years, it concentrated only on a few important states. Consequently, one half of the Slovenian exports are realized with three countries - Italy, Germany and France. The importance of the so-called traditional industries, such as textile, footwear and wood industry, has recently diminished; on the other hand, technologically more demanding industries (electrical industry, production of vehicles, industry of basic chemical products) have gained in importance and have become the main basis for increased exports. (Table no. 7)

2.2. Balance of payments

After a period of increase over more than ten years, the exports of goods decreased by about 6.5 % in 1991. The decrease of imports, being twice as rapid as that of exports, the balance of trade improved, whereas the deficit in foreign trade exchange was halved in comparison with previous year and amounted to 285 million US\$.

Considering all the events which affected Slovenia last year, export results can be estimated successful, especially taking into account the fact that the drop in exports can mainly be attributed to the loss of exports in only four or five industrial branches. The most drastic drop was recorded in machine-building industry, which was mainly oriented to the East European markets, followed by raw material processing industry (iron and non-ferrous metallurgy, basic chemistry) which underwent developmental and business crisis last year. On the other hand, the share in total exports of vehicles, electric appliances, apparatuses, and processing of chemicals increased considerably in spite of the reduced production.

Imports have become more expensive due to high devaluation by the introduction of the domestic currency in October 1991 and a drop in domestic demand was also recorded. These facts have brought about a modification in the structure of imports. Thus the share of raw materials and semi-manufactures increased from 63 % in 1990 to 72 % in 1991, whereas the share of consumer goods decreased (from 19 % to 17 %) but the most drastic drop was recorded in the share of equipment (from 18 % to 10 %).

The consequences of shocks from the year 1991 were felt not only in the foreign trade exchange but also in the service sector. The income from non-factor services has been reduced by almost 40 % in comparison with the previous year, which is mainly due to the transport services fall off and to the halved influx from tourism. The surplus in the service exchange was still high enough to show a surplus in the balance of trade and services amounting to 3.8 % of the gross national product.

The foreign trade and service exchange show even better results in the year 1992, the exports gradually attain the level reached in the last few years and recession in imports gradually diminishes. Along with these trends, the foreign currency solvency increases from month to month and the foreign exchange reserves which amounted to about 200 million US\$ at the time of declaration of independence have increased to about 900 million US\$ in the last few months which is an impediment to the consistency of the monetary stabilization policy. (Tables no. 8 and 9)

2.3. External Debt

The total Slovenian debt amounts to about 1.7 billion US\$, the share of private and government creditors being fairly equal. The structure of debt is as follows: debt to international monetary organizations amounts to 528 million US\$, to governmental institutions 235 million US\$, to private institutions 189 million US\$, refinancing to governments amounts to 284 million US\$ and refinancing to commercial banks 458 million US\$. Slovenia will, within the framework of the succession of states balance of former Yugoslavia, assume also a suitable part of non-identified obligations of former Yugoslavia and of obligations taken over directly by the Federation as it was agreed, on condition that it will also participate in sharing of foreign currency reserves. According to the data available, these obligations amount to 3.8 billion US\$; (Table No. 10: External debt)

III. TRADE POLICY

3.1. Foreign Exchange Regime and Exchange Rate Policy

3.1.1. Law on Foreign Exchange Business

The Republic of Slovenia has established its own and independent monetary system, and within this framework also its own foreign exchange system which introduces a single foreign exchange market regime with the central function of a foreign exchange market. By adoption of the Law on Foreign Exchange Business and the Law on Credit Transactions with Foreign Countries, the Republic of Slovenia has abolished the administrative regulation of foreign trade operations through the foreign exchange régime.

Total liberalization has been introduced in the field of the foreign exchange system, since no foreign exchange restrictions are imposed on economic subjects with regard to payment transfer abroad, and foreign currency can be freely purchased and sold on the foreign exchange market, and there is no prescribed obligation for repatriation sources from current transactions. If the claims from such transactions are not paid within one year period, the entity is obliged to register such claims as credit arrangement.

Internal Convertibility of Domestic Currency

The present Law on Foreign Exchange Business, which entered into force on 25 June 1991, is based on the so-called system of the internal convertibility of the domestic currency (Tolar) in relation to foreign convertible currencies.

The internal convertibility of the domestic currency is based on the following principled rules:

- (a) Residents (legal entities resident in Slovenia and physical entities with permanent residence in Slovenia, as well as foreign legal and physical entities performing activities on the territory of the Republic of Slovenia) settle their obligations towards foreign partners in foreign currencies or in domestic currency through authorized banks;
- (b) Residents shall sell off foreign currencies, resulting from received payments for exports, to the authorized banks within two days after the received payments, as far as they have not used the right of immediate payment abroad;
- (c) Residents shall have their accounts nominated only in domestic currency, exceptionally, they can also have foreign exchange accounts for the fulfilment of the following obligations:
 - 1. performance of capital investment works abroad,
 - 2. transactions involving brokerage in foreign trade,
 - 3. agency, shipping, and tourist-agency transactions and transactions involving credit cards issued abroad,
 - 4. registration fees and other similar payments for the organization of international professional, sports, and other public events, on the basis of money orders to domestic legal persons which are not involved in business for profit (societies, funds, humanitarian and disabled persons organizations, etc.)
 - 5. drawing of foreign currency funds from credits granted by international organizations in order to meet the obligations of domestic users of credits to foreign contractors who were chosen on the basis of international bidding in connection with these credits,
 - 6. performance of the activities of an enterprise or a part of an enterprise in a free zone,
 - 7. the sale of foreign goods from consignment warehouses,
 - 8. foreign currency investments in a domestic enterprise by a foreign person.
- (d) Authorized banks sell foreign currencies to residents on the foreign exchange market. By free purchase of foreign currencies, residents can cover their foreign obligations, in connections with all current transactions (payment of imported goods, services and other non-capital transactions).
- (e) A permit is necessary for export of capital abroad; there are, however, at present no special restrictions with regard to the issuing of the same. The permits have to be issued for the purpose of controlling the export of capital.

There is also a special foreign exchange market for citizens. This foreign exchange market enables citizens to buy and sell foreign currencies in authorized banks and private exchange offices.

Unlike companies, citizens may deposit foreign currency into their own foreign currency accounts or on foreign currency savings books with authorized banks.

Domestic Currency Exchange Rate

All transactions concerning the purchase and sale of the foreign currency means of payment are carried out on the foreign exchange market. The foreign exchange rates are freely formed on this market. The Bank of Slovenia provides for the stability of the domestic currency by purchase and sale on the foreign exchange market. On performing this task, the Bank of Slovenia is completely independent also from the Slovene Government.

Within the framework of the domestic exchange rate, the Bank of Slovenia endeavours to lead a policy of a long term stable Tolar exchange rate. In order to attain this objective, it leads a restrictive monetary policy.

The rate of Tolar in relation to foreign currencies and to ECU is formed on the foreign exchange market with respect to the fluctuations in exchange rate in the international stock exchange, to which it is adapted.

The Bank of Slovenia publishes the exchange rate list every working day, till 16 hours.

The rate of Tolar on the special foreign exchange market for citizens is formed on the basis of offer and demand and may deviate from the exchange rate formed on the foreign exchange market (between banks and on the Stock Exchange of Ljubljana).

3.1.2. Law on Credit Transactions with Foreign Countries

The following are the most important characteristics of the law:

Companies, entrepreneurs and other legal entities may borrow money abroad in their own name and on their own account, whenever the foreign creditor does not demand a special guarantee as insurance for the fulfilment of the liability. In the event that a guarantee from an authorized bank has been requested, the bank issuing the guarantee names the conditions, based on the credit rating of the borrower.

- Banks may borrow abroad and endorse credits to foreign parties after having obtained appropriate authorization of the Bank of Slovenia for such kind of activity, pertaining to the Law on Banks and Saving Banks.
- The Republic of Slovenia can conclude credit arrangements and issue guarantees on the basis of special laws which are passed by the Assembly individually for every deal and in which the source of credit repayment and sources shall be specifically determined.
- Credits which have been approved by international organizations shall be drawn in accordance with the Act on the Ratification of International Treaties and the Act on Guarantees and Super-Guarantees.
- Domestic economic entities may grant credits to foreign parties for the export of goods and for other purposes under conditions determined by the Bank of Slovenia.

By the adoption of its own laws on credit transactions with foreign countries and on foreign exchange operations, the Republic of Slovenia is abolishing the administrative regulation of foreign trade relations through the foreign exchange regime.

3.2. Instruments of Foreign Trade Regulations and Basic Legal Provisions

3.2.1. Law on Foreign Trade Transactions

The Republic of Slovenia has full autonomy in the implementation of foreign trade transactions.

Based on that decision, all powers for the shaping and execution of foreign trade relations and policy were transferred from the federal government of former Yugoslavia by the adoption of the Constitutional Law by which the Republic of Slovenia has enacted also the basic Yugoslav Law on Foreign Trade Transactions as a law of the Republic of Slovenia.

The Republic of Slovenia has not changed the contents of the Yugoslav law; it merely took over all the powers and authorities in this domain.

The essential contents of the Law on Foreign Trade Transactions, in force in Slovenia, are as follows:

- The subjects of foreign trade are companies and other legal entities and entrepreneurs that perform economic activities in accordance with the Law on Companies.
- Subjects may perform foreign trade transactions if they fulfil the precondition that it shall be explicitly defined in the establishment or association act of the company that the company performs foreign trade transactions and is registered for the performance of its activity at the appointed Court.
- The Law determines and regulates the form of import and export of goods, special forms of transactions in foreign trade (long-term industrial cooperations, barter transactions, re-export), services in foreign trade, temporary import and export, establishment of companies, banks and other organizations abroad by Slovenian legal entities.
- The value of imports on the basis of a long-term industrial cooperation agreement shall at least equal the value of effected exports. Imports and exports are liberalized in the scope of approved specifications.
- Contracts on long term production cooperation, including any changes and supplements, shall be entered into the Register of contracts at the Ministry for Foreign Affairs. The goods which are traded within the such cooperation are not exempt from regime restrictions (quotas and permits); therefore, a consent to imports shall be obtained from the Ministry for Foreign Affairs, which then remains in force for the entire term of the contract. In this case the GATT rules of non-discrimination and national treatment (Articles I. and III. of GATT) are fully applied.

Performance of Economic Activities Abroad

- Economic activities abroad may be performed by all companies and other legal entities as well as by their associations, banks and insurance companies.
- Economic activities abroad may be performed through companies, representative offices, business units, banks, financial organizations and insurance companies by capital investments into foreign companies, by entrusting foreign legal persons with the performance of such business and by other forms in accordance with the laws of the countries in which the activities are performed.

- The Law also stipulates the conditions for investment made by our economic entities abroad, e.g.: founder or co-founder of a company, bank connection, financial, insurance, and other organizations abroad must provide control over financial operations of the company abroad. The Law further defines the resources which Slovenian legal entity may use for investments abroad and to which purpose the profits out of foreign investments may be used. The domestic enterprise or other legal entity, respectively, is obliged to notify the Ministry for Foreign Affairs of the investment and provide the data on assets, purpose of the investment, and person who is responsible for the investment on the part of the investor. The investment is registered in the special register by the Ministry for Foreign Affairs of the Republic of Slovenia.
- Domestic legal entities may further found or open business units and representative offices abroad, i.e. such units which do not have the status of a legal person and are constituent parts of the domestic legal entity. Domestic legal entities shall notify the Ministry for Foreign Affairs of the Republic of Slovenia of such cases.
- The Law acknowledges the annual financial statement of the company abroad that has been prepared in accordance with that country's regulations (as stipulated in the Law on Accounting of that country); the Slovenian investor shall submit a copy to the competent Social Accountancy Service in the Republic of Slovenia.
- The Law allows use of generated profits for further investment into companies on the basis of the appropriate agreements on investment.
- The provisions which refer to the establishment of companies and representative offices abroad also apply to banking and to financial and insurance business performed by the Slovene companies founded abroad.

Acquisition and Assignment of Rights to Industrial Property

In the Section on the acquisition and assignment of industrial property rights and know-how, the Law stipulates that such contracts, concluded between domestic organizations and foreign parties, shall impose no restrictions on the domestic organizations with regard to use, improvement, completing and further development of the acquired patents and know-how or with regard to the purchases or use of raw materials, semi-manufactures, spare parts and equipment; furthermore, the contract shall not forbid the domestic organization to export products and services to specified countries, except to countries in which the holder of the patent and know-how (the licensor) has the exclusive right to manufacture the products or perform the services, or in which he has granted exclusive rights; and it shall not oblige the domestic organization to pay compensation for the use of patent and know-how after the expiry of the contract.

The contracts shall be submitted to the Ministry for Foreign Affairs which shall check whether the contract is in compliance to the Law. If it is, the contract is entered into the Registry and becomes valid on the date of registration. This means that all contracts are treated equally regardless on country of origin of the foreign partner and that all fiscal obligations are equal as for Slovenian residents. In this case the GATT rules of non-discrimination and national treatment (Articles I. and III. of GATT) are fully taken into consideration.

Countertrade

Countertrade, i.e. foreign trade barter transactions (exports of goods and services are paid through imports of goods and services), may be performed - subject to a specific permit issued by the Ministry for Foreign Affairs - if the exports are destined to the countries having problems with balance of payments or when the payment for exports cannot be effected in any other way.

It was the purpose of the Law to obtain primarily foreign currency cash influx from the exports of goods and services, and exports may be only exceptionally compensated through countersupplies of goods and services.

The Republic of Slovenia implements the stipulations of the Law with regard to permits; there are, however, no problems for the companies to obtain these permits, because Slovenia is, at the moment, not faced with BOP problem. This means that all contracts are treated equally regardless on country of origin of the foreign partner and that all fiscal obligations are equal for Slovenian residents. In this case the GATT rules of non-discrimination and national treatment (Articles I. and III. of GATT) are fully taken into consideration.

Special permits, issued by the Ministry for Foreign Affairs, are also stipulated by the Law for re-export business. Since the control over such transactions and payments, related to them, has been carried out by other appropriate authorities of the Republic of Slovenia (Customs Authorities and the Bank of Slovenia), the permits have been abolished in practice.

Within the framework of constructing a new legal system, the Government and/or the Ministry for Foreign Affairs has prepared a draft of the new Law on Foreign Trade which is to replace the temporarily adopted ex Yugoslav law. The Draft Law on Foreign Trade has been adopted by the Assembly of Parliament of the Republic of Slovenia (final stage of passing the law) and it is expected to be definitely adopted within a short time.

The purpose of the new Law is to simplify foreign trade transactions and, above all, to abolish all unnecessary permits for and obstacles to foreign trade transactions, as well as registration of contracts which commercial entities conclude with foreign partners, especially such contracts or transactions for which control has already been assured through other bodies or establishments, such as the Bank of Slovenia and Customs Authorities.

The need for a greater deregulation of foreign trade is also dictated by market economy, the continually increasing private initiative and Slovenian desire to be more intensively included in international economic affairs and European integration processes.

The new Law on Foreign Trade represents only a temporary solution and will be gradually abolished. The areas which it covers will be transferred to other appropriate regulations, when they are suitably reformed.

The Law means a greater deregulation of foreign trade, as well as a simplification of foreign trade transactions, since it determines only those matters which must be settled in a free market system. As this Law represents only a temporary solution, some of its provisions have been retained from the valid Law on Foreign Trade which, at this moment, would not be sensible or possible to change or rearrange.

The new Law on Foreign Trade transactions determines the following fields and issues:

Special forms of transactions in foreign trade

This part of the Law determines only those issues which represent an exception to the general rules of trade (long-term production cooperation, temporary import of equipment in leasing arrangements, sales of goods from duty-free shops).

The Law provides a definition of long-term production cooperation which should serve companies as a guide and help in making such contracts, and the authorities as a criterion for the registration of contracts. The registration has been envisaged, above all to provide legal security and unchanged conditions for commercial activities during the implementation of contracts, such as assuring of unchanged import regime during the fulfilment of such contracts if the subject of contract is the exchange of goods regulated by QQ (quantity quotas) regimes of import, or payment through special current account, which can both be secured only through the registration of contracts.

Special provisions of exports and imports

The Law adopts some provisions of the valid Law which are necessary in relation to exports and imports in connection with some transactions, such as the free import of goods which represent an investment by a foreigner, free import of equipment which was used in the execution of construction works abroad, as well as special provisions on the regime of imports and exports of goods to and from free and customs zones. These provisions will also be determined through the new customs law in the future, and are included in this law only pending the adoption of the mentioned new law.

Temporary imports and exports and other provisions on imports and exports

Under this section, the Law adopts the system from the existing law with regard to temporary imports and exports. Pending some clearer and more concise legislation in the field of standardization, tests, and technical and quality standards the provisions of this law shall be retained, which determine that imported goods must comply with the prescribed requirements in this field.

Performance of economic activities abroad

This part of the Law determines the resources which may be used for investments abroad as well as the control over taking of assets out of the country, like many countries control the outflow of capital to a certain extent either by issuing permits for taking capital out of the country or merely by recording it.

Slovenian law envisages that permits for taking assets out of the country will be issued by the Ministry of Finance under the condition that the domestic organisation has settled all its obligations to the state and shows positive business results. In comparison to the existing solutions, the new law provides the possibility of purchasing foreign currency for each investment abroad - and not just for the initial one.

Promotion of export of goods and services

Mechanisms and measures for promoting the export of goods and services have been foreseen, such as tax refund and return of customs duties and other charges, as well as other measures of economic and development policies.

The essential changes of the new law in comparison to the existing one are the following:

- Abolition of foreign trade registration. Trade as an activity will no longer be divided into domestic and foreign trade or transactions in foreign trade. This eliminates the need of special regulations on foreign trade activities. Trade as an activity, comprising both domestic and foreign transactions, will be determined by the Law on Trade which is now in the process of adoption in the Assembly of the Republic of Slovenia.
- Abolition of permits for compensatory trade and reexport.
- Abolition of obligatory recording of contracts on executing construction projects abroad and of awarding such contracts to foreign contractors in Slovenia, as well as of agency, consignment and service agreements. Further cancelled is the obligation of exclusive and general agencies.
- The acquisition and assignment of industrial property rights and know-how, as well as the protection of good name and unfair competition will no longer be stipulated by this law. The issues related to the acquisition and assignment

(licensing) of industrial property rights and know-how are determined by the Law on Industrial Property, unfair competition will be determined by the Law on Protection of Competition.

Furthermore, the Government of the Republic of Slovenia is establishing the Export Insurance and Finance Corporation of Slovenia (against non-commercial and commercial risks, on crediting and refinancing of long-term export projects, etc.) which will enable Slovenian exporting companies more efficient access to foreign markets and assure more equal financial conditions in comparison with foreign competitors.

3.2.2. Tariff and Customs System

Customs system

Upon declaring independence, the Republic of Slovenia has taken over into its national legal system the Customs Law of former Yugoslavia which, together with the equally assumed Law on Customs Tariff and the new adopted Law on Customs Service, forms the legal framework of the Slovenian customs system.

The provisions of the Customs Law have remained unchanged and only the powers of the former federal authorities have been transferred to the appropriate republican ministries and/or other administrative authorities. Slovenia decided to include the unmodified Law into its own legal system in order to ensure undisturbed movement of goods over border lines, guided by the wish to keep the continuity of legal regulations. At the same time, preparatory activities for the creation of a new customs law started. By the new law, the Slovenian customs system should get closer to contemporary regulations of developed European countries, simplify customs procedures and, to an even higher degree, include the provisions of agreed rules in regard to customs procedures and smooth flow of goods over customs border lines.

In particular, the following provisions of the Customs Law should be pointed out:

- Time of charging and payment of customs duties

The customs duties are charged in accordance with the regulations which were in effect on the date of entry of goods into the customs territory of the Republic of Slovenia. The goods are not treated as imported into the customs territory of the Republic of Slovenia if they are brought into a free customs zone or bonded warehouse. In this event, the customs duties are charged and paid when the goods leave the free customs zone or bonded warehouse and enter the other customs territory of the Republic of Slovenia.

- Customs valuation

The Republic of Slovenia implements the Customs Law adopted in former Yugoslavia in 1976, last amended in 1990, for the administrative arrangement of customs matters. The customs values of goods, i.e. the customs basis, is determined on the internationally accepted principles in the following Acts:

1. The General Agreement on Tariffs and Trade
2. The Convention on Customs Value of Goods and
3. The Agreement on the Implementation of Article VII of GATT and the Protocol to the Agreement on the Implementation of Article VII of GATT.

- Uniform tariff rate

Irrespective of tariff rates imposed by the Law on Tariff Rates, a uniform tariff rate of 15 % may be charged for dutiable goods which are imported by individuals for their own personal needs.

- Customs exemptions and reliefs

Irrespective of tariff rates as stipulated in the Law on Tariff Rates, some goods are exempt from customs duties under specific conditions. In principle, duty-exemptions are bound to the person who is importing particular goods regardless of the origin of goods. In this case the GATT rules of non-discrimination and national treatment (Articles I. and III. of GATT) are fully taken into consideration. For example, the following are exempt from payment of customs duties:

- * passengers from abroad - for articles of personal use which they are carrying with them
- * foreign diplomatic and consular representatives and diplomatic missions, as well as international organizations - according to the Vienna Conventions on diplomatic and consular relations
- * citizens of the Republic of Slovenia and foreign citizens who have been granted the permit for permanent residence or refuge in Slovenia - for the household equipment and business inventories if they will operate private business
- * some republican administrative bodies/authorities
- * disabled persons - for orthopaedic appliances and equipment used for the performance of the activity for which disabled persons were trained
- * rehabilitation centres and institutions - for articles used for rehabilitation and help to invalids or otherwise disabled persons
- * humanitarian organizations - for goods which they receive from abroad in the course of their activities
- * cultural, artistic, scientific and similar institutions - for goods needed in the performance of their activities

- * equipment and other goods intended for the exchange of goods and equipment damaged in natural disasters or wars
- * humanitarian aid.

It shall be noted that the Republic of Slovenia, although its formal legal status in a number of international agreements on customs exemptions and reliefs had not yet been regulated, fully respects the provisions of all those conventions and agreements which former Yugoslavia has signed or to which it was a party prior to 26 June 1991. Just to mention a few of them: Customs Convention on Temporary Importation of Packaging, Customs Convention on Temporary Importation of Professional Equipment, Customs Convention on Reliefs in the Importation of Goods for Exhibitions or Use at Exhibitions, Fairs, Congresses or similar Events, Protocol to the UNESCO Agreement on Importation of Goods of Educational, Scientific and Cultural Importance.

- Tariff Concessions for the Promotion of Foreign Trade

In order to encourage foreign investments into the Slovenian industry, the equipment which is imported as foreign investment in kind is exempt from customs duties if the contract on joint venture has been concluded for at least five years' term and the contribution of the foreign investor in the company exceeds 20 %.

Conditionally exempt from customs duties are raw and production materials which are used in export production. The imposed condition is that the goods produced of imported materials must be exported not later than within one year after the importation of such materials. In some cases, when dictated by the process of manufacturing, this term may be extended.

Based on the provisions of the Customs Law, the Government of the Republic of Slovenia can define the criteria for introducing of customs quotas, and on that basis approve the imports of goods exempt from customs duties or at a tariff rate which is lower than the one imposed by the Law on Customs Tariffs. Such exemption and lowering can be and are only on the basis of MFN treatment. The Government may further determine preferential tariff rates based on international agreements and GATT regulations for goods from less developed countries.

Customs Tariff

The Law on Customs Tariff is a systematic listing of goods which are subject to customs duties on importation and at rates which vary from "duty free" to 25 %. For certain goods the customs tariff includes the institute of a "tariff quota" which means that for such goods duty shall not be paid or shall be paid at a lower rate than defined by the customs tariff. Considering all reliefs and tariff quotas, the actually paid customs duties in the past year amounted to around 12 %. Reliefs and decreases of tariff quotas are applying to certain goods regardless of the origin of the goods or the country from which they are imported (Article I of GATT).

Tariff rates

The tariff rates determined in the inherited Yugoslav Law on Customs Tariffs do not represent autonomous tariff rates but they specify the most favoured nation rates only. They apply to goods originating in the GATT contracting countries and other countries which grant m.f.n. treatment to Slovene goods. The average tariff rates by chapters of customs tariff are presented in the table No. 11.

The autonomous rates, applicable to imports originating in the countries other than those mentioned above, are established at a 70 % higher level than the m.f.n. level. The Republic of Slovenia grants the most favoured nation treatment to the goods originating from all foreign countries. The MFN clause will be granted to Taiwan autonomously in September 1992, since Taiwan has already granted that allowance to Slovenia.

Non-customs taxes

Apart from customs formality tax amounting to 1 %, an equalization tax is paid on import in order to balance the tax charges on imported goods (this is a temporary measure and will remain in force for one year). Similarly, a special import tax (7.5%) should be paid on import of alcoholic drinks and cigarettes (a temporary measure for a period of one year).

An equalization tax balancing the tax charges on imported goods amounts to 8.5 %; a 1 % tax is foreseen for numerous exceptions, such as: imports of raw materials and semi-manufactures not produced in Slovenia, imports of raw materials and semi-manufactures imported within the framework of long-term production cooperation, imports of sources of energy, imports of equipment not manufactured in Slovenia, imports of aircraft and ships, imports of some agricultural products, raw materials for leather, wood and textile industry and imports of certain iron and steel products.

This tax is not paid on import of goods exempt from duties and on import of medicines not produced in the Republic of Slovenia. All reductions and reliefs can be applied for individual goods, regardless of the origin of the same (respecting the principle of non-discrimination).

Both non-customs import duties were inherited from the regulations of the former SFRY, whereby a special import tax (7.5%) on all goods, with the exception of cigarettes and alcoholic drinks was abolished.

Export duties

Export duty was introduced as a temporary measure in order to repeal the disturbances on the domestic market in the supply of certain raw materials, i.e. wood, some kinds of unworked wood (export tax amounting to 15 % of the customs value) and worked wood (amounting to 10 %), as well as in export of certain metal waste (amounting to 25 %).

Refund of indirect import duties

In accordance with Article 76 of the Law on Foreign Trade Transactions the companies and other legal entities (exporters) have the right to refund of indirect tax and customs duty incorporated in the price of some intermediate goods and components utilized in the earlier stages of manufacturing process. The amount of this reimbursement is set up between 0.01 % and 4.69 % which depends on the sector. Only agricultural products have a somewhat higher rate of refund, between 8 and 21 %.

Tariff nomenclature

In the Law on Customs Tariff, the goods have been classified according to Harmonized System Nomenclature which has been adopted by former Yugoslavia and is now also being applied by the Republic of Slovenia.

Temporary import of goods

Goods may be imported on temporary basis for the purpose of finishing (manufacturing, finishing and processing) under the condition that they have been supplied by the foreign party who ordered the operations or has been registered for commissioning in international trade. Temporary import may be granted for a maximum 6 months' period and, in specific cases, it may be extended up to 2 years by the Customs Office.

Goods may also be temporarily imported for repair or for the purpose of manufacturing goods for export, among others raw materials, auxiliary material and aids, semi-finished products, equipment and production material for the completion of construction works abroad, tools and instruments for installation of imported equipment, articles for presentation and testing purposes, goods which are exhibited in international fairs and other events.

Temporarily imported may also be articles for commission sale, articles for gambling, cultural, art, sports and other events, packaging material, transport protective and other accessories, equipment for foreign representative offices (for as long as they exist), vehicles, equipment, yachts, other sailing boats and trailers which are imported by a company registered for renting such equipment. Further items of temporary import are moulds, models, technical documentation, machines, apparatus and instruments intended for production of export products, equipment on lease, machinery for construction projects abroad, machines and apparatus for training, medical care and rehabilitation of disabled persons, assets for prevention of direct epidemic danger and other catastrophes, special rolling stock for testing of railway tracks, equipment, means of transportation and sailing units intended for oil, gas, coal, metal and non-metal resources research.

The company that has temporarily imported goods may also temporarily import parts for technical and engineering servicing of such goods, as well as for the purposes of exchange, maintenance, repair and service. Temporary import is allowed also for individuals - domestic and foreign persons who enter the country for a limited period of time (next to articles of personal use also any articles which might be needed during their temporary stay, and equipment for performing their activity).

Free Trade Zones and Customs Zones

The Free-Trade and Customs Zones Law was also transferred into the Slovenian legal system from the former Yugoslav legislation. Like other regulations, these will be changed and the procedure for the adoption of the new Slovene Law on Free Zones is under way.

The existing Law draws a distinction between Free-Trade Zones for the manufacture of goods and performance of services earmarked for export, performance of foreign trade, banking and other financial operations, insurance of property and life, reinsurance and performance of tourist services, and Customs Zones in which the operations of storage, transshipment and preparing of goods for the market may be performed.

Both Free-Trade and Customs Zones are a constituent part of the customs territory of the Republic of Slovenia. However, a specific customs regime is being applied for these zones, including simplified customs procedures. There are no restrictions which are otherwise imposed in foreign trade, the users of free trade zones are exempt from taxes on gains achieved in the free zone, etc. The imports into a Free-Trade or Customs Zone are exempt from customs duties; these become due only if and when the goods are transferred to the other customs territory of the Republic of Slovenia.

The founder must obtain approval of the Government of the Republic of Slovenia for the establishment of the Free-Trade or Customs Zone. Any zone may begin to operate only after the Republican Customs Authorities establish that all conditions necessary for customs supervision of goods which are in the zone, or imported into the zone and exported therefrom, have been satisfied.

For the time being, six free-trade and customs zones are in operation in the Republic of Slovenia - in the port of Koper, in Se`ana, Ljubljana, Maribor, Celje and Nova Gorica.

Organization of border services in the Republic of Slovenia

Upon achieving independence on 26 June 1991, the Republic of Slovenia took over the responsibility, in addition to the customs services, of all other border inspection services which cooperate in the inspection of particular sorts of import, export and transit of goods. These are the border veterinary, phytopathological, sanitary and market inspection agencies.

In order to ensure the continuity of work of these services and the unhindered movement of goods across the Slovene border, the provisions for the inspection of goods remained unchanged after having been taken into Slovene competence, as did the procedures and other elements of these services. There were also no essential changes in the personnel of these services, since the employment of former federal inspectors was simply transferred to the appropriate republican body.

In addition to their internal regulations, the services respected a number of international bilateral and multilateral Conventions in their work. Irrespective of the formally still unresolved status of the Republic of Slovenia with respect to these Conventions, Slovenia has respected and strictly applied them in practice since 26 June 1991. Along with the arranging of its formal status to these Conventions, the Republic of Slovenia has also initiated procedures for obtaining membership in international organizations. Slovenia was thus accepted as a member of the Office International des Epizooties in the spring of 1992; the Republic of Slovenia has also initiated procedures for the membership in European and Mediterranean organizations for the protection of plants.

In 1992, the competent services of the Republic of Slovenia started preparing new legislation in the field of the organization of some border services, which will enable more effective supervision over the trade of particular kinds of goods and respect for the needs of international trade for rapid and unimpeded cross-border movement of goods. Thereby, the greatest possible respect for the International Convention on the Harmonization of Border Control of goods, as well as legislative experience of neighbouring countries, was taken into consideration.

In addition to taking over existing border inspection services, the Republic of Slovenia also had to ensure appropriate control of goods flow over the Slovene-Croatian border, where such inspection had not been performed before. As early as 8 October 1991, after the expiry of the moratorium on the implementation of the Independence Acts of the Republic of Slovenia, 36 border crossings began to operate along this border, at which primarily customs inspection was carried out. Other controls - veterinary, phytopathological and sanitary - were carried out in the interior of the country. The next step was the establishment of border veterinary and phytopathological stations on the Slovene-Croatian border and the transfer of these controls from within the country to the border crossings. For the moment, there are eight veterinary and eight phytosanitary border stations operating on this border. The entry of goods which are subject to phytosanitary and veterinary controls is prohibited at border crossings which do not have such stations. The sanitary controls which are primarily intended to control goods which are imported for distribution and retail sale within the Republic of Slovenia continue to be performed within the country or at customs offices at the point of entry.

3.2.3. Other Non-Tariff Measures

On the basis of the Law on Foreign Trade Transactions, the Government of the Republic of Slovenia adopted the Decree on Classification of Goods in the Form of Import and Export which further greatly liberalizes the import of goods. (Table no. 12)

Quotas

Individual goods from the Customs Tariff are classified under the following regimes: Free import (LB), quantity quotas (QQ) and regime of permits (D). Over 98% of imported goods have now been classified under liberalized import regime (LB), which means that only 355 tariff items out of 7,220 tariff items, or 4.9% are on the regime of quantity quotas. (These quantity quotas apply only to some products in the field of agriculture and textile industry the import of which has similarly been restricted also in developed countries.) Import quotas per year are determined by the Government and then allocated through appropriate associations of economic entities within the Chamber of Commerce. All economic entities, whose imports are on quotas, participate in the allocation of quotas on the principle of equality, which means that also foreign economic entities, regardless of their national origin or origin of goods, have equal access and possibilities for exporting goods to the Republic of Slovenia within the determined quotas, after having concluded commercial contracts with Slovenian importers. In the determination and allocation of quotas, the regulations of GATT Agreement are being considered.

Licensing

For the purpose of control, restrictive regime of import and export in the form of permits has been retained for specific groups of goods which are under international conventions subject to special control of states i.e.: drugs, halogenous hydrocarbons noxious to ozonesphere, explosives, certain pyrotechnic products, precious metals, coins, tanks and other armoured motor cars, arms and ammunition (see Table 12). Also in this case the Republic of Slovenia is performing the regulations of GATT Agreement about procedures for import permits, which were accepted already by the former SFRY.

No restrictions or quotas are imposed for the export of basic resources of goods and raw materials as well as other kinds of goods (with the exception of goods which are subject to state control under international conventions).

3.3. Preferential Treatment

Preferential treatment on the bases of GSP

Since independence, the Republic of Slovenia has ensured that it receives preferential treatment (GSP treatment) as applied prior to independence which means the following countries: United States of America, Norway, Finland, Sweden, Canada, Austria, Taiwan, the EC Member States, the Czech and Slovak Federative Republic, Australia.

Preferential treatment for all Republics of former Yugoslavia

The Republic of Slovenia has established a preferential system for all republics of former Yugoslavia. Goods imported from the republics of former Yugoslavia are exempt from all customs duties and other levies, except an administrative tax up to 1 % of the value of goods.

The Republic of Slovenia has thus abolished all quotas for the import of goods from other republics.

Slovenia is attempting to arrange trade with the republics of former Yugoslavia on the basis of a free trade area. Slovenia has thus already concluded agreements on economic cooperation with the Republic of Croatia and the Republic of Macedonia, the essential content of which is in fact the establishment of a free trade area. A similar agreement has been in preparation with the Republic of Bosnia and Herzegovina, before the break-out of the war in this Republic. In relation to the fact that, within former SFRY, the Republic of Slovenia was part of the unified economic territory of the SFRY, the re-establishing of a free trade area on this territory is in accordance with Article XXIV, para. 11 of GATT.

3.4. Measures against unfair trade practice

The Law on Fair Competition is in the drafting stage and shall, in conformity with the Article VI of GATT define the basic ground for further regulation of anti-dumping procedures and a control institution for supervision of possible dumping and damage in trade, i.e. an Office for Fair Competition.

3.5. The protection of the Industrial Property

On 11 March 1992, the Assembly of the Republic of Slovenia passed the Law on Industrial property, published in Official Gazette No. 13/92, dated 20.3.1992, which took effect on 4.4.1992. With this law, all appropriate and effective measures for the protection and exercise of patents, trademarks, service marks and models, which are in conformity with all existing international conventions in this area, are guaranteed. They also take into account the recommendations proposed by the USA in the framework of GATT and WIPO for future conventions and agreements which are being drafted. This also means that full recognition of the principle of "national treatment," scope of protection of patents and trademarks are adequate and considerably broader than the scope of protection recognized by Yugoslavia.

The protection of copyrights, including the protection of computer programs, has already been regulated with the implementation of the 1978 Federal Law on copyright, redrafted in 1990 as the Law of the Republic of Slovenia.

This law also regulates efficient legal means for the enforcement of these rights. The Republic of Slovenia will, in the shortest time possible, take care of the official approval of its continued membership in the Paris and Bern Convention and in other major conventions administered by WIPO.

The Republic of Slovenia is currently preparing to pass the still lacking legislation in the area of intellectual property, particularly the legislation on semiconductor design.

3.6. Procurement for State reserves

The republican Directorate for Goods Reserves arranges the formation and storage of republican goods reserves. The task of the Directorate is to ensure the procurement and replacement of basic foodstuffs, non-foodstuffs, raw and reproduction materials, which are urgently needed for unhindered functioning of the society. It organizes and supervises the construction and renovation of storage facilities which are required for its work.

The republican goods reserves are divided into permanent and market reserves. The primary function of the goods reserves is in the creation of permanent reserves which are intended above all for meeting the needs in the event of war and of major natural disasters. Market reserves are deliberate investments for preventing major upheavals and irregularities on the market. In the event of war or the direct threat of war, market reserves become part of the permanent reserves.

Goods for the goods reserves are purchased with funds which are guaranteed from the republican budget, which are directly available or obtained through bank credits. The purchase, sale and replacement of permanent reserves is carried out by public tender or invitations to bid. The purchase and sale may also take place without public tenders or invitations to bid if the main elements of the purchase are determined with the consent of the Ministry of Trade.

Goods intended for the creation of market reserves are bought and sold on the market in which the Directorate acts as a business entity.

The Directorate is a government agency which acts in the framework of the Ministry of Trade and has the status of a legal person.

Apart from the Directorate of National Reserves there are no State trading enterprises in the sense of Article XVII of GATT.

3.7. Internal Taxes Levied on Products

1. There is a single rate tax which is applied at the point of retail sale. It is a single phase tax in contrast to multiphase taxes, or value added taxes, which Slovenia envisages introducing at a later stage.

Turnover tax is paid on domestic goods and services and on imports insofar as such import is intended for final consumption, including also its temporary import. In this case the principle of national treatment is strictly observed and applied (Article III of GATT). Therefore, there is no higher tax rate or any other internal tax rate for imported goods.

Exports are not taxed.

Slovenia has four internal tax rates: 5 %, 10 %, 20 % (general rate) and 32 % for products, and 0.1 %, 3 %, 5 % (general rate) and 20 % for services.

The turnover tax rates are reduced for foodstuffs, children's wear, and increased for oil derivatives, tobacco products and alcohol. (There are also some deviations with services from the general 5 % rate, e.g. 0.1 % for payments through bills of exchange and 20 % for telephone services).

Turnover tax is not paid:

on goods sold in duty free shops or when this has been foreseen by international agreements; on equipment and raw material used in free zones for export production; on goods which are exempt from customs duties and which are imported by heads and envoys of foreign countries, international organizations and diplomatic and consular missions, and goods sold to diplomatic missions on terms of reciprocity; on personal baggage of travellers arriving from abroad; on goods which are bought by or donated to Caritas or the Red Cross; on goods which are bought by handicapped or similar organizations, organizations which have been established to eliminate the effects of natural disasters; on equipment, apparatus and orthopaedic appliances and similar products which are intended for disabled persons; on medicines, food and milk for babies; on equipment which is considered capital investment by domestic or foreign legal entities in a domestic or existent legal entity.

This tax is not paid on services:

in export of services; on issuing of securities; on insurance of the transport of passengers and goods by rail and by urban and suburban public transport; on use of services carried out by health-care or by humanitarian organizations, etc.

2. Tax paid by companies on gross profit amounts to 30 %.
3. Obligatory contributions which companies must pay for:
 - Pension Fund
 - Social Insurance
 - Unemployment Fund

The contributions are calculated on the basis of gross pay.

4. Personal income tax paid by individuals

Income tax is calculated, e.g.

on income below 80 % of average income	12 %
80 % - 160 %	12% + 22 %
160 % - 240 %	34% + 15 %
240 % and more	59% + 30 %

- (a) basic tax reliefs:
 - in the first year of operation 100 %
 - in the second year of operation 66 %
 - in the third year of operation 33 %
- (b) Tax on gross profit in particular regions which are considered as less developed (stipulated by special criteria) is reduced:
 - in the first three years of operation 100 %
 - in the fourth year 50 %
 - in the following years 25 %
- (c) The profit tax base is reduced by 50 % for companies which have shown losses in the previous year.
- (d) The profit tax base may be reduced by 20 % for a period of four years for new investment.
- (e) Tax on Profit may be reduced by 23 % on the personal income of unemployed workers.

3.8. Subsidies

The Republic of Slovenia grants no direct or indirect subsidies which are aimed at increasing exports of any product from Slovenia.

The only financial measures related to export concern exclusively refunding customs duties to the exporters and indirect taxes on inputs incorporated in the price of the exported products, or exempting them from these charges.

Granted are only direct and indirect subsidies for production. Direct subsidies from the budget of the Republic of Slovenia in 1991 represented 2,9% of GDP; in the 1992 budget projections are reduced to 1,9% of GDP.

Indirect subsidies include unpaid taxes and contributions, unpaid electricity bills and non-performing bank loans to the enterprise sector.

The excessive amount of indirect subsidies is to a large extent the result of a critical economic situation last year, which required emergency measures to prevent widespread bankruptcy on too a large a scale. With a gradual normalization of the economic situation and with the expected enactment of some laws in the near future (particularly the bankruptcy law, the company law, and privatization law), the time has come to abandon the short policy of bankruptcy prevention and to start implementing the policy of enterprises restructuring and bank rehabilitation.

Table: Direct subsidies to the business sector
As a percentage of GDP

	1991	1992 proj.
A. Central Government		
SUBSIDIES	1.70	0.86
Subsidies to agriculture	0.39	0.34
Coverage of losses in the railway company	0.94	0.16
Stocks of foodstuffs	0.10	0.18
Subsidies to suppliers of basic foodstuffs	0.14	0.09
Subsidies to brown coal mines	0.13	0.08
INTERVENTIONS	0.55	0.48
Retraining of workers in uranium and coal mines	0.03	0.03
Subsidies for closing down of Krško nuclear power plant and nuclear waste treatment	0.02	0.01
Programs for restructuring of industrial enterprises	0.18	0.13
Entrepreneurship promotion	0.03	0.06
Promotion of tourism	0.01	0.03
Promotion of environmentally safe technologies	0.00	0.01
Promotion of technological development of companies	0.08	0.13
Other	0.20	0.09
EXPORT PROMOTION	0.60	0.24
INTEREST RATE SUBSIDIES IN AGRICULTURE	0.09	0.36
Central government total	2.94	1.94
B. Local governments		
SUBSIDIES	0.60	....
C. Central and local governments total		
	3.54	....

IV. FOREIGN INVESTMENT IN SLOVENIA

Since 1991 Slovenia has the Law on Foreign Investments which was passed at the federal level into its legal system. On the basis of the Law on the implementation of the Basic Constitutional Document on the Independence and Sovereignty (official Gazette No. 1/91-1). The following were the two essential reasons:

- The law is rather liberal and reflects international standards both in terms of contents and terminology.
- Taking over the existing law should provide for the continuity in legal regulation in the transition period pending the adoption of the new law on companies.

The essential characteristics of the Law on Foreign Investments are the following:

1. Foreign capital enjoys full "national treatment".
2. Foreign investors are free to invest in any economic activity, with the exception of:

production and distribution of arms and military equipment, railway and air transport, communications and telecommunications, publishing and public media. Investments in insurance companies and banks are regulated by separate laws.

Foreign investors are free to acquire Slovenian companies in whole or parts thereof.

The Law on foreign investments determines, protects and guarantees to foreign investors the following rights:

- right to management
- right to profit and its free transfer
- right to repatriation of invested capital in contractual joint ventures
- right to the proportional share of the net property of the company which a foreign investor has founded or co-founded and which ceased to operate.

(Table no. 13)

V. ECONOMIC AND INTERNATIONAL TRADE RELATIONS OF SLOVENIA

An important element ensuring unhindered exportation and trade in general is the conclusion of new trade and economic agreements with individual States and groups of States.

As early as 1991, an Agreement on Economic, Scientific, Technical, Cultural and Educational Cooperation was concluded with the Russian Federation and Belarus, together with appropriate protocols on trade. Further trade and economic agreements have also been signed with

Hungary, Austria and Albania; and an agreement with the Czech and Slovak Federation has been initialled. Further agreements have been prepared on economic cooperation with Bulgaria, Romania, Poland, Ukraine and Portugal, and trade agreements with Lithuania, India, Egypt, South Africa, as well as the agreement on long-term supply of natural gas to the Republic of Slovenia from the Russian Federation.

Slovenia has signed the Declaration on cooperation with EFTA member countries which will enable Slovenia to begin negotiations on an Agreement on a free trade zone. In July 1992 started negotiations with the European Community on concluding an Agreement on cooperation which, in the transitional period pending the agreement on association, will give Slovenia at least as favourable terms of trade as Slovenian goods have enjoyed so far.

Furthermore, the Slovene Government is preparing bilateral and multilateral agreements on the protection of foreign investment and on precluding double taxation.

VI. INSTITUTIONAL ORGANIZATION OF SLOVENIAN FOREIGN TRADE

One of the duties of the Government of the Republic of Slovenia is to adopt measures in the field of economic policy including foreign trade policy. Several Ministries participate in preparation and implementation of the foreign trade policy, the Ministry for Foreign Affairs, however, has the leading role. The latter is in charge of the following fields:

- preparation of guidelines for foreign trade policy,
- conclusion of multilateral and bilateral trade agreements,
- creation of foreign trade policies in cooperation with other Ministries - Ministry of Agriculture, Ministry of Industry, Ministry of Trade, Ministry of Finance and Chamber of Economy of the Republic of Slovenia,
- granting approvals for special forms of foreign trade exchange (cooperation, barter transactions...), founding of mixed companies, foreign investments and companies owned by foreigners.

Apart from the Ministry for Foreign Affairs, the following Ministries are involved in the preparation of measures and their implementation in the field of foreign trade:

- Ministry of Agriculture - cooperates in preparation of foreign trade policy- especially import policy in the field of agriculture (import taxes, quantitative restrictions on imports),
- Ministry of Finance - cooperates in preparation of Customs Law, Law on Customs Tariff, credit policy and foreign debt policy
- Bank of Slovenia, as an independent institution, is in charge of controlling and supervising the implementation of the adopted policy in the field of Tolar exchange rate, credit policy and debt policy. Those policies are independently approved and determined by the Bank of Slovenia, in the framework of its highest body - The Council of Bank of Slovenia.

**VII. SLOVENIA'S POSITION CONCERNING THE SCHEDULE OF CONCESSIONS AND
OTHER OBLIGATIONS OF THE FORMER SFRY IN THE FRAMEWORK OF GATT**

The Republic of Slovenia is, according to the conclusions of the Badinter Commission on Yugoslavia, an successor to the rights and obligations of the SFRY on an equal footing with all other republics of former Yugoslavia, therefore Slovenia suggests that the inherited Yugoslav list of customs concessions be transferred to the Protocol on the Accession of the Republic of Slovenia to GATT and all GATT agreements signed by Yugoslavia: Agreement on Interpretation and Application of Articles VI, XVI, XXIII of GATT, Agreement on Implementation of Article VII of GATT, Agreement on Implementation of Article VI of GATT, Geneva (1967) Protocol to the GATT, Agreement on Implementation of Article VI of GATT, Geneva (1979) Protocol to the GATT, Agreement on Import Licensing Procedures, Agreement on Technical Barriers to Trade, Arrangement regarding Bovine Meat, Arrangement regarding International Trade in Textiles, Protocol extending the Arrangement regarding International Trade in Textiles.

At the same time, the Republic of Slovenia allows for the possibility of solving certain problems through bilateral talks.

Table 1:

SLOVENIA

KEY ECONOMIC INDICATORS
(in millions of US dollars unless noted)

	1989	1990	1991	1992 proj
<u>Domestic economy</u>				
Population (millions)	1,999	1,998	2,002	2,003
Population growth rate (%)	-0.0	-0.1	+0.2	+0.0
GDP (in million tolar)	34,805	197,029	345,770e	
Nominal GDP (in mio USD) 1	12,064	17,400	12,540e	
Nominal GDP per capita (in USD) 1	6,030	8,660	6,280e	
Real GDP in tolar (% change)	-3.6	-2.6	-12.0e	-3.5
Consumer Price Index (% change)	1,285	552	115	
<u>Production and Employment</u>				
Unemployment rate (annual average)	2.9	4.7	8.1	11.6
Industrial production (% change)	1.1	-10.5	-12.4	-10
Industrial capacity utilization	79.0	74.9	n.a.	
<u>Balance of payments</u>				
Exports (f.o.b.)	3,382	4,118	3,860	4,490
Imports (c.i.f.)	3,201	4,727	4,141	4,600
Trade balance	+ 181	- 609	- 281	-110
Current account balance		+ 680	+ 225	+690 2
Foreign direct investment (new) 3	n.a.	4.3	64.8	
Foreign debt (year end)	n.a.	1,954	1,866	
Debt service paid	n.a.	344	394	
Debt service owed	n.a.	380	435	
Debt service ratio in % 4	n.a.	5.8	7.9	
Foreign exchange reserves (year end) 5	n.a.	316	401	
Average exchange rate (tolars/USD) 1	2.885	11.320	27.571	
Tourism receipts/expenditures	n.a.	848/-46	375/-8	

- 2 -

- e Estimate
- 1 Conversion from tolar into dollars with the average annual official exchange rate.
- 2 Balance of goods and non-factor services
- 3 Largely under-estimated due to poor quality data.
- 4 Total debt service (principal repayments and interest payments on long-term debt plus reductions in the stock and interest payments made on short-term debt) / Exports of goods, exports of factor and non-factor services, and receipts of unrequited transfers.
- 5 Gross central bank plus banking sector foreign exchange reserves.

Sources: Bank of Slovenia, Statistical Office of Republic of Slovenia.

TABLE 2 : GROSS DOMESTIC PRODUCT BY SECTOR

	1987	1988 million K din current prices by activity principle	1989 K din current prices by principle	1990	1991 est. mill. SLT by establishment principle	1991 est. prices Jan.1992 principle	1992 est.	Real growth rates 1992
A.Agriculture,forestry,and hunting	35.8	108.9	1,513.7	10,324.4	20,268	43,090	41,797	-3
B.Fishing	0.3	0.4	7.2	137.8	236	502	487	-3
C.Mining	14.1	34.2	283.8	1,918.7	3,963	8,425	8,425	0
D.Manufacturing	319.5	1,013.1	12,823.4	65,099.2	112,306	238,763	210,111	-12
E.Electricity, gas and water supply	21.9	71.2	756.7	5,424.3	16,052	34,127	34,127	0
F.Construction	58.1	144.4	1,584.2	9,192.6	14,413	30,642	30,029	-2
G.Wholesale and retail trade, repair of motor vehicles	78.5	214.6	2,391.8	17,570.2	28,727	61,074	56,188	-6
H.Hotels and restaurants	19.4	55.1	755.4	3,782.0	7,047	14,982	17,978	20
I.Transport and communication	63.5	186.9	2,203.2	11,982.4	22,180	47,155	45,740	-3
J.Financial intermediation	26.7	91.8	1,208.5	8,529.2	37,467	79,655	80,398	
- imputed bank service	17.8	62.3	751.1	5,640.7	32,623	69,356	70,100	1
- other activities	8.9	29.5	457.4	2,888.5	4,844	10,298	10,298	0
K.Real estate and business services	71.4	220.0	3,130.4	19,029.1	34,343	73,013	73,013	0
L.Public administration and defense	22.9	72.6	1,227.9	5,969.9	11,122	23,645	24,828	5
M.Education	27.2	75.3	1,290.9	6,924.5	11,405	24,247	25,450	5
N.Health and social work	36.7	99.0	1,985.0	9,377.7	15,376	32,689	35,958	10
O.Other community and pers.services	24.7	76.7	1,135.0	4,511.9	8,423	17,907	17,550	-2
1. TOTAL VALUE ADDED	820.7	2,464.2	32,297.1	179,773.9	343,326	729,915	702,080	-3.6
2. Less: Imputed bank service	17.8	62.3	751.1	5,640.7	32,623	69,357	70,100	1
3. Import duties	41.8	150.8	1,213.7	9,733.4	12,555	26,692	33,000	24
4. Indirect taxes	60.5	165.1	2,045.3	13,162.4	22,510	47,856	44,020	-8
GROSS DOMESTIC PRODUCT (1 - 2 + 3 + 4)	905.2	2,717.8	34,805.0	197,029.0	345,770	735,107	709,000	-3.5

Source: For the period 1987-1990: "Statistical information" No.86 and No.291: Statistical Office of Republic of Slovenia.

For 1991 : estimates of Institute of Macroeconomic Analysis and Development and Statistical Office of Slovenia: based on financial statements for 1991 (by establishment principle).

NACE-Rev.1 classification of sectors.

TABLE 3: STRUCTURE OF GROSS DOMESTIC PRODUCT BY SECTOR

	- current prices - structure in %					
	1987	1988	1989	1990	1991 est.	1992 proj.
	by activity principle			by establishment principle		
A.Agriculture and forestry,hunting	4.0	4.0	4.3	5.2	5.9	5.9
B.Fishing	0.0	0.0	0.0	0.1	0.1	0.1
C.Mining	1.6	1.3	0.8	1.0	1.1	1.2
D.Manufacturing	35.3	37.3	36.8	33.0	32.5	29.6
E.Electricity, gas and water supply	2.4	2.6	2.2	2.8	4.6	4.8
F.Construction	6.4	5.3	4.6	4.7	4.2	4.2
G.Wholesale and retail trade, repair of motor vehicles	8.7	7.9	6.9	8.9	8.3	7.9
H.Hotels and restaurants	2.1	2.0	2.2	1.9	2.0	2.5
I.Transport and communication	7.0	6.9	6.3	6.1	6.4	6.5
J.Financial intermediation	2.9	3.4	3.5	4.3	10.8	11.3
- imputed bank service	2.0	2.3	2.2	2.9	9.4	9.9
- other activities	1.0	1.1	1.3	1.5	1.4	1.5
K.Real estate and business services	7.9	8.1	9.0	9.7	9.9	10.3
L.Public administration and defense	2.5	2.7	3.5	3.0	3.2	3.5
M.Education	3.0	2.8	3.7	3.5	3.3	3.6
N.Health and social work	4.1	3.6	5.7	4.8	4.4	5.1
O.Other community and pers.services	2.7	2.8	3.3	2.3	2.4	2.5
1. TOTAL VALUE ADDED	90.7	90.7	92.8	91.2	99.3	99.0
2. Less: Imputed bank service	2.0	2.3	2.2	2.9	9.4	9.9
3. Import duties	4.6	5.5	3.5	4.9	3.6	4.7
4. Indirect taxes	6.7	6.1	5.9	6.7	6.5	6.2
GROSS DOMESTIC PRODUCT (1 - 2 + 3 + 4)	100.0	100.0	100.0	100.0	100.0	100.0

Source: see note in TABLE 1.

TABLE 4 : EXPORTS AND IMPORTS OF GOODS AND SERVICES

	1986	1987	1988	1989	1990	1991	1992 proj.
MILLION US \$:							
1. Exports of goods *)	2150.0	2755.0	3278.0	3408.0	4118.0	3855.0	4490.0
2. Exports of services	849.0	1091.0	1530.0	1680.0	1695.0	1050.0	1300.0
3. EXPORTS TOTAL (1+2)	2999.0	3846.0	4808.0	5088.0	5813.0	4905.0	5790.0
4. Imports of goods *)	2181.0	2716.0	2913.0	3216.0	4727.0	4140.0	4600.0
5. Imports of services	341.0	470.0	537.0	560.0	493.0	414.0	500.0
6. IMPORTS TOTAL (4+5)	2522.0	3186.0	3450.0	3776.0	5220.0	4554.0	5100.0
BALANCE							
7.1. Goods and services (3-6)	477.0	660.0	1358.0	1312.0	593.0	351.0	690.0
7.2. Goods (1-4)	-31.0	39.0	365.0	192.0	-609.0	-285.0	-110.0
8. Exports to imports ratio in % (1:4)	98.6	101.4	112.5	106.0	87.1	93.1	97.5
PERCENTAGE CHANGE AT ANNUAL RATE :							
1. Exports of goods	1.9	12.8	19.0	4.0	20.8	-6.4	16.0
2. Exports of services	7.1	3.3	40.2	9.8	0.9	-38.1	24.0
3. EXPORTS TOTAL (1+2)	3.3	10.2	25.0	5.8	14.2	-15.6	18.0
4. Imports of goods	5.1	4.8	7.3	10.4	47.0	-12.4	11.0
5. Imports of services	-0.3	4.2	14.3	4.3	-12.0	-16.0	21.0
6. IMPORTS TOTAL (4+5)	4.3	4.7	8.3	9.4	38.2	-12.8	12.0

*) Temporary exports and imports for processing excluded.

TABLE 5 : FOREIGN TRADE BY GEOGRAPHICAL AREA

	1986	1987	1988	1989	1990	1991
EXPORTS, FOB *)						
VALUE IN MILLION US \$	2150.0	2644.0	3460.0	3408.0	4118.0	3859.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
BY REGION						
Developed industrial countries	56.3	68.6	67.0	67.6	73.0	79.7
East European countries	33.1	22.9	24.9	24.4	20.5	14.1
Developing countries	10.6	8.5	8.1	8.0	6.5	6.2
Europe	80.9	83.9	84.0	84.6	86.8	87.0
EEC	41.3	52.9	51.3	51.3	57.9	64.4
EFTA	6.8	8.5	8.1	9.0	8.5	8.6
CMEA	32.5	22.4	24.4	24.2	20.4	14.0
BY COUNTRY						
West Germany	14.9	18.3	17.8	17.8	22.2	26.7 **)
Italy	13.4	18.5	19.9	19.1	18.2	19.3
France	6.4	8.6	8.1	7.6	9.8	11.2
Soviet Union	17.6	10.9	10.5	13.7	13.3	8.1 ***)
Austria	3.8	5.2	5.2	5.2	5.4	5.8
United States of America	6.1	5.3	6.1	5.2	4.6	4.3
Others	37.8	33.2	32.4	31.4	26.5	24.6
IMPORTS, CIF *)						
VALUE IN MILLION US \$	2181.0	2590.0	3087.0	3216.0	4727.0	4136.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
BY REGION						
Developed industrial countries	69.6	77.1	75.1	77.6	80.8	82.0
East European countries	25.1	18.8	19.4	17.3	13.0	12.8
Developing countries	5.3	4.1	5.5	5.1	6.2	5.2
Europe	85.5	86.7	86.6	86.4	84.0	86.1
EEC	49.8	55.4	54.5	56.9	58.3	60.2
EFTA	11.0	13.0	13.2	12.5	13.2	13.7
CMEA	24.5	18.3	18.9	17.0	12.5	12.2
BY COUNTRY						
West Germany	23.2	24.9	23.4	24.4	23.2	24.5 **)
Italy	12.2	14.3	14.4	14.1	15.8	16.2
France	7.9	10.2	8.6	10.8	11.7	11.6
Soviet Union	6.8	8.0	8.9	8.2	9.0	9.1 ***)
Austria	10.7	7.3	8.4	7.9	6.4	7.1
United States of America	5.6	5.1	3.9	4.1	4.0	3.5
Others	33.6	30.2	32.4	30.5	29.9	28.0

*) Temporary exports and imports for processing excluded.

**) With new regions.

***) Ex Soviet Union republics.

Source : Statistical Office of Republic of Slovenia.

Direction of Trade

EXPORTS TO:	1989	1990	1991	Jan. - June 1992	May 1992	June 1992
Millions of US Dollars						
TOTAL EXPORTS¹	3,382	4,118	3,860	1,950.5	304.3	380.7
EEC	1,748	2,382	2,484	1,356.8	214.6	268.3
Belgium	29	34	36	18.8	4.1	3.5
Denmark	15	22	20	10.7	1.7	2.7
France	261	402	432	286.9	44.8	52.9
Greece	24	29	22	8.0	1.5	1.7
Ireland	4	9	8	3.1	0.6	0.6
Italy	651	775	744	377.6	59.2	76.1
Luxembourg	0	1	1	0.6	0.0	0.1
Netherlands	46	55	54	29.7	4.5	7.8
Portugal	1	2	4	2.3	0.5	0.5
Spain	12	22	26	14.3	2.7	2.8
United Kingdom	97	116	107	59.8	7.8	12.9
Germany ²	607	914	1,030	544.9	87.2	106.6
EFTA	308	349	331	186.2	30.1	33.8
Austria	178	223	223	138.4	22.1	24.2
Finland	9	12	10	5.1	0.3	0.8
Iceland	1	0	0	0.0	-	-
Liechtenstein	1	1	1	0.2	0.0	0.0
Norway	7	11	10	4.6	0.5	1.6
Sweden	42	51	45	17.7	3.0	3.2
Switzerland	71	52	41	20.2	4.2	4.0
Former USSR	469	546	312	73.2	9.2	13.0
German Dem.Republic ²	107	64	-	-	-	-
Poland	87	59	115	28.5	3.6	6.4
Czechoslovak fed.	55	82	59	32.8	5.2	7.1
Hungary	82	62	37	25.8	4.6	4.4
Romania	18	14	8	2.9	0.4	0.4
Bulgaria	16	11	10	4.2	0.5	0.8
Albania	2	3	2	0.3	0.0	0.0
Malta	1	1	1	0.6	0.1	0.1
Cyprus	4	3	6	4.3	0.4	0.4
Turkey	9	16	18	12.2	2.8	2.1
Iran	29	36	45	19.7	4.0	4.6
Iraq	44	21	0	0.0	-	0.0
Saudi Arabia	12	14	16	17.0	1.9	2.4
India	18	19	6	1.3	-0.1	0.1
China	6	3	2	0.2	-	0.0
Taiwan	1	2	4	2.6	0.3	0.9
Hong Kong	2	2	2	1.7	0.1	0.4
Thailand	6	8	5	1.9	0.2	0.5
Malaysia	3	6	7	1.4	0.2	0.3
Korea	3	6	7	3.3	0.8	0.5
Japan	13	15	18	6.6	1.3	1.9
Other Asia	55	49	40	23.0	2.6	6.0
Algeria	24	31	3	2.7	0.3	0.2
Libya	8	6	3	0.4	-	0.2
Egypt	19	23	29	12.2	1.2	2.1
Other Africa	33	32	51	13.1	1.4	2.3
USA	176	191	164	84.8	13.5	15.9
Canada	22	27	26	12.9	2.0	2.3
Argentina	2	2	1	1.3	0.1	0.3
Brasil	1	1	1	0.3	0.0	0.1
Other America	19	8	22	7.8	1.4	1.5
Australia	15	18	20	7.3	1.1	1.1
Other countries	1	2	1	0.6	0.1	0.2

Direction of Trade (continued)

IMPORTS FROM:	1989	1990	1991	Jan. - June 1992	May 1992	June 1992
Millions of US Dollars						
TOTAL IMPORTS ¹	3,201	4,727	4,141	1,784.3	340.7	347.7
EEC	1,829	2,756	2,489	1,059.2	199.7	209.1
Belgium	49	64	62	22.2	3.5	3.8
Denmark	13	20	17	6.6	1.7	1.1
France	349	552	481	226.0	35.6	40.7
Greece	5	23	4	0.8	0.3	0.1
Ireland	12	7	7	2.5	0.4	0.6
Italy	454	746	669	290.3	55.7	63.7
Luxemburg	4	2	1	0.8	0.4	0.0
Netherlands	67	89	90	34.5	6.5	6.2
Portugal	2	8	10	7.2	1.8	3.1
Spain	21	52	57	24.0	5.8	4.8
United Kingdom	69	94	75	28.0	5.2	6.0
Germany ²	785	1,098	1,015	416.2	82.7	79.0
EFTA	405	625	565	276.9	49.8	55.3
Austria	264	426	379	201.8	36.6	39.5
Finland	7	11	15	8.2	1.5	2.0
Iceland	0	1	1	0.0	0.0	0.0
Liechtenstein	4	6	7	1.5	0.1	0.2
Norway	6	8	6	1.7	0.2	0.3
Sweden	52	66	57	29.1	5.5	6.9
Switzerland	72	107	100	34.6	5.8	6.3
Former USSR	255	301	293	95.3	25.9	14.7
German Dem. Republic ²	45	35	-	-	-	-
Poland	73	59	21	8.0	1.3	1.6
Czechoslovak fed.	79	99	108	49.3	9.3	13.5
Hungary	67	77	64	55.5	9.7	13.6
Romania	13	9	7	2.6	0.4	0.5
Bulgaria	13	8	15	10.7	0.3	0.2
Albania	1	1	5	1.0	0.1	0.0
Malta	0	0	0	0.2	0.1	0.0
Cyprus	2	3	3	1.3	0.3	0.2
Turkey	22	29	17	7.0	1.0	1.1
Iran	0	55	14	0.3	0.0	0.1
Iraq	2	23	0	0.1	0.0	0.1
Saudi Arabia	0	0	0	0.2	0.1	0.1
India	5	4	5	4.1	0.7	1.0
China	11	26	22	7.8	1.8	1.8
Taiwan	4	23	21	6.8	1.4	1.3
Hong Kong	7	19	14	3.1	0.5	0.8
Thailand	21	16	13	4.1	0.8	0.6
Malaysia	10	9	8	2.6	0.7	0.6
Korea	14	59	49	7.5	1.2	1.7
Japan	44	128	108	31.7	6.9	6.4
Other Asia	24	31	29	14.1	2.1	2.5
Algeria	1	0	0	15.9	2.6	2.5
Libya	0	-	9	6.6	-	-
Egypt	8	7	7	3.4	0.5	0.8
Other Africa	37	22	14	7.0	1.4	0.9
USA	131	188	145	61.2	12.5	9.9
Canada	17	18	12	9.1	4.9	0.8
Argentina	1	11	8	3.7	0.5	0.2
Brasil	23	36	40	9.0	1.3	2.1
Other America	18	19	20	8.0	1.9	1.7
Australia	30	25	16	7.9	1.0	0.5
Other countries	1	4	1	0.4	0.1	0.0

Source: Until 1990: Statistical Office of RS. 1991 and following: Customs Office of RS, provisional computation in Bank of Slovenia. - ¹ Actual export and import aggregates may deviate slightly from direction of trade totals. - ² FRG and GDR until 1990, Germany total 1991 and following.

Merchandise Trade

	EXPORTS	IMPORTS				BALANCE
		Total	Capital goods	Intermediate	Consumption	
Millions of US Dollars						
1986	2,454	2,603	507	1,864	232	-149
1987	2,762	2,725	570	1,852	302	37
1988	3,278	2,913	499	2,093	321	365
1989	3,382	3,201	584	2,224	394	181
1990	4,118	4,727	841	2,997	889	-609
1991	3,860	4,141	432	2,991	718	-281
1990: 1	233	273	52	180	41	-40
2	288	268	36	194	37	20
3	388	391	63	260	68	-3
4	390	419	71	272	76	-29
5	374	373	56	248	69	1
6	426	468	77	308	83	-42
7	341	318	50	208	60	23
8	293	384	60	248	77	-91
9	277	316	44	207	65	-39
10	330	558	156	312	90	-228
11	379	430	66	257	107	-51
12	399	529	102	311	116	-130
1991: 1	238	388	65	224	99	-150
2	419	479	53	337	90	-60
3	333	335	25	243	68	-2
4	283	357	32	258	68	-74
5	364	388	34	276	78	-24
6	253	289	21	209	58	-35
7	303	220	18	166	36	83
8	308	330	32	259	39	-22
9	244	210	16	162	32	34
10	434	460	52	340	68	-25
11	272	247	21	197	30	24
12	408	437	63	322	52	-29
1992: 1	193	166	9	141	17	27
2	326	203	11	168	25	123
3	390	380	40	292	47	10
4	356	346	26	265	56	10
5	304	341	39	242	60	-36
6	381	348	34	244	70	33
1-6	1,951	1,784	158	1,353	274	166

Source: Until 1990: Statistical Office of RS, Federal Statistical Office. 1991 and following: Customs Office of RS, provisional computation in Bank of Slovenia. Trade with former Yugoslav republics not included. Data do not include temporary imports and exports (for processing etc).
1992: all figures provisional and based on latest update of series; a considerable correction has been made in the export figure for May 1992 (exports to states of former USSR).

Merchandise Trade with Former Yugoslav Republics

	Total rest of former Yugoslavia			Of which: Croatia		
	Exports	Imports	Balance	Exports	Imports	Balance
1991: 10	31	15	16	...	...	...
11	99	47	52	...	...	...
12	199	166	33	...	...	...
1992: 1	95	74	21	34	30	5
2	146	81	66	60	45	15
3	196	169	27	88	88	0
4	171	124	46	92	68	23
5	108	107	1	78	77	1
6	114	103	10	91	82	8
1-6	829	658	171	443	390	54

Source: Customs Office of RS, provisional computation in Bank of Slovenia.
1992: all figures provisional and based on latest update of series.

Non-factor Services

	BALANCE	Transport			Travel			
		Balance	Export	Import	Balance		Export	
						Tourism		Tourism
Millions of US Dollars								
1988	984.87	149.82	395.22	-245.41	587.18	617.99	619.36	619.36
1989	948.71	150.18	392.50	-242.32	620.08	653.93	657.84	657.84
1990	1,203.07	244.56	512.15	-267.59	810.91	847.79	857.00	857.00
1991	636.79	204.17	357.15	-152.98	317.70	366.92	374.71	374.71
1991:								
1	51.12	20.34	31.08	-10.74	18.65	22.22	23.74	23.74
2	46.03	18.44	32.91	-14.47	15.38	21.03	21.26	21.26
3	76.75	28.69	44.71	-16.02	19.86	23.77	23.97	23.97
4	58.62	26.55	44.09	-17.54	21.47	26.00	26.49	26.49
5	50.89	26.20	41.06	-14.86	22.73	27.03	28.82	28.82
6	47.05	18.52	33.20	-14.67	18.25	22.44	23.91	23.91
7	44.73	15.61	24.76	-9.16	20.10	22.27	22.33	22.33
8	36.56	8.70	26.37	-17.67	34.38	37.55	37.80	37.80
9	60.74	22.24	28.70	-6.46	27.80	32.58	32.75	32.75
10	40.45	12.45	25.29	-12.84	23.18	28.51	28.78	28.78
11	54.24	4.25	19.35	-15.10	36.46	40.84	41.00	41.00
12	69.63	2.17	5.64	-3.46	59.44	62.44	63.86	63.86
1992:								
1	56.08	4.28	9.02	-4.74	43.97	43.74	45.65	45.65
2	45.89	7.01	10.28	-3.27	29.79	33.03	34.38	34.38
3	76.00	8.46	22.74	-14.28	41.26	45.14	45.43	45.43
4	57.70	6.67	21.92	-15.25	43.30	47.90	48.97	48.97
5	58.53	5.72	21.31	-15.59	41.07	46.16	47.72	47.72

	Travel (continued)		Processing			Other		
	Import		Balance	Export	Import	Balance	Export	Import
		Tourism						
	Millions of US Dollars							
1988	-32.18	-1.37	118.34	123.22	-4.87	129.53	199.73	-70.20
1989	-37.76	-3.91	120.73	128.55	-7.82	57.73	173.49	-115.76
1990	-46.09	-9.21	156.07	162.28	-6.21	-8.47	163.77	-172.24
1991	-57.01	-7.79	127.17	152.81	-25.64	-12.24	165.88	-178.12
1991:								
1	-5.09	-1.52	15.20	16.30	-1.10	-3.07	14.60	-17.67
2	-5.88	-0.23	13.48	16.40	-2.92	-1.27	12.44	-13.72
3	-4.11	-0.20	15.62	16.38	-0.75	12.58	27.42	-14.84
4	-5.02	-0.47	6.37	11.23	-4.86	4.22	20.25	-16.03
5	-6.09	-1.79	7.68	11.35	-3.67	-5.73	14.70	-20.42
6	-5.66	-1.47	10.28	11.37	-1.10	-0.00	10.17	-10.17
7	-2.23	-0.06	9.47	10.60	-1.12	-0.44	7.30	-7.74
8	-3.42	-0.25	7.86	10.82	-2.95	-14.40	12.10	-26.49
9	-4.95	-0.17	11.76	12.94	-1.18	-1.06	14.78	-15.84
10	-5.60	-0.27	9.30	11.77	-2.46	-4.48	6.84	-11.32
11	-4.55	-0.16	7.96	9.97	-2.02	5.58	13.50	-7.91
12	-4.43	-1.22	12.19	13.69	-1.50	-4.17	11.79	-15.97
1992:								
1	-1.68	-1.91	11.75	12.15	-0.40	-3.91	12.02	-15.93
2	-4.58	-1.34	14.78	15.00	-0.21	-5.70	10.20	-15.89
3	-4.17	-0.29	17.25	17.87	-0.62	9.03	26.34	-17.31
4	-5.66	-1.07	12.53	12.60	-0.07	-4.80	15.49	-20.27
5	-6.66	-1.56	11.78	12.58	-0.79	-0.04	18.27	-18.32

Provisional data. Excluding transactions with former Yugoslav republics.

TABLE 7: FOREIGN TRADE BY MAIN COMMODITY GROUP

	- million US \$					
	1986	1987	1988	1989	1990	1991
EXPORTS, FOB						
TOTAL	2150	2755	3278	3408	4117	3859
Food and live animals	127	206	212	224	188	196
Beverages and tobacco	23	22	24	20	28	22
Crude materials, except fuels	63	99	113	112	121	108
Mineral fuels, lubricants and related materials	11	12	4	6	5	15
Animal and vegetable oils, fats	1	2	3	2	2	2
Chemicals and related products	217	243	290	353	365	317
Manufactured goods classified by material	552	773	959	1003	1154	1102
Machinery and transport equipment	795	954	1123	1158	1571	1459
Miscellaneous manufactured products	361	433	549	529	674	637
Commodities and transactions not classified elsewhere	0	1	1	1	9	1
IMPORTS, CIF						
TOTAL	2181	2715	2914	3216	4726	4141
Food and live animals	88	97	121	140	287	252
Beverages and tobacco	7	1	2	4	18	19
Crude materials, except fuels	272	293	344	414	444	343
Mineral fuels, lubricants and related materials	152	137	164	158	341	363
Animal and vegetable oils, fats	5	3	4	8	12	11
Chemicals and related products	405	522	604	556	681	635
Manufactured goods classified by material	363	496	554	642	856	759
Machinery and transport equipment	768	1025	954	1090	1671	1441
Miscellaneous manufactured products	96	140	166	203	402	317
Commodities and transactions not classified elsewhere	5	1	1	1	14	1

Source : Statistical Office of Republic of Slovenia.

Table 8:

Balance of Payments (Transactions Basis)

	1988	1989	1990	1991	1992 1st quarter
Millions of US Dollars					
A. Current Account	1,384.15	1,106.09	680.33	224.88	328.53
1. Trade balance	365.24	181.15	-609.00	-285.76	188.62
1.1. Exports f.o.b.	3,277.85	3,382.49	4,118.00	3,854.75	941.68
1.2. Imports c.i.f.	-2,912.61	-3,201.34	-4,727.00	-4,140.50	-753.06
2. Non-factor services	984.87	948.71	1,203.07	636.79	177.97
2.1. Receipts	1,337.53	1,352.37	1,695.20	1,050.54	261.06
2.2. Expenditure	-352.66	-403.66	-492.13	-413.75	-83.09
3. Factor services	-95.64	-121.17	-47.78	-175.76	-52.86
3.1. Receipts	24.39	25.32	58.88	41.96	11.85
3.2. Expenditure	-120.03	-146.48	-106.66	-217.72	-64.71
4. Unrequited transfers	129.68	97.40	134.04	49.61	14.79
4.1. Private	106.30	71.64	87.17	15.07	4.77
4.2. Official	23.38	25.76	46.87	34.54	10.01
B. Direct Investment and Other					
Long-term Capital	35.41	25.79	123.88	-13.81	-25.52
1. Direct investments	-5.38	-14.35	-2.12	41.33	4.14
1.1. Foreign in Slovenia	-0.23	2.98	4.33	64.87	1.74
1.2. Domestic abroad	-5.16	-17.33	-6.46	-23.53	2.40
2. Portfolio investments	0.23	0.10	2.54	...	-15.13
3. Other long-term capital	40.57	40.04	123.46	-55.14	-14.53
3.1. Resident official sector ¹	...	...	64.46	13.88	-1.05
Liabilities	...	...	64.46	13.88	-1.05
Disbursements	...	...	75.78	23.22	-
Repayments	...	...	-11.32	-9.35	1.05
Claims	...	...	-	0.00	-
3.2. Deposit money banks	57.88	-16.87	-10.94	-37.36	-12.07
Liabilities	57.25	21.65	-2.96	-23.89	-14.19
Disbursements	89.58	69.08	65.06	46.00	7.56
Repayments	-32.32	-47.43	-68.02	-69.89	-21.75
Claims	0.63	-38.52	-7.99	-13.47	2.13
3.3. Other resident sectors ¹	-17.31	56.66	69.94	-31.67	-1.41
Liabilities	-17.31	77.25	61.91	-39.20	-14.51
Disbursements	150.47	200.56	169.96	78.34	6.43
Repayments	-167.78	-123.31	-108.05	-117.54	-20.94
Claims	...	-20.56	8.03	7.53	13.10
Disbursements	...	-91.43	-76.43	-62.62	-1.02
Repayments	...	70.85	84.46	70.16	14.12
C. Short-term Capital	-211.39	-57.29	-196.76*	-225.08	-226.45
1.1. Resident official sector	...	...	...	...	...
1.2. Deposit money banks	-245.93	-127.18	195.35	-65.97	-56.78
Liabilities	-199.21	397.38	10.72	-57.94	-6.68
Claims	-46.73	-524.56	184.63	-8.02	-50.10
1.3. Other resident sectors	34.55	69.90	-392.12*	-159.12	-169.66
Liabilities	-61.32	-79.51	6.98	-2.56	14.07
Claims	95.86	149.41	-399.09*	-156.55	-183.73
D. Exceptional Financing	...	...	...	-	-
E. Net Errors and Omissions:²	-1,203.04	-1,102.21	-602.83*	102.82	9.75
F. Counterpart Items	-7.75	-2.23	-3.03	0.60	0.18
G. Change in External Position					
of Central Bank	2.62	29.85	-1.59	-89.41	-86.49
International reserves	-	-	-	-118.85	-86.51
Short-term liabilities	-	-	-	-	-
Other assets	2.62	29.85	-1.59	29.44	0.03
Long-term liabilities	-	-	-	-	-

Provisional data. Excluding transactions with former Yugoslav republics.

Minus sign (-) indicates imports or surplus of imports over exports in current transactions, export of capital in capital transactions, and growth of assets in Central bank position.

¹ For 1988 and 1989, Official sector data is included in Other sectors. - ² For 1988 through 1990, Errors and omissions include sales of claims on clearing accounts to the National Bank of Yugoslavia, and NBY purchases of foreign currency through Slovenian exchange offices.

	Banking sector			Bank of Slovenia foreign exchange reserves	Total foreign exchange reserves (1 + 4)
	Foreign exchange reserves	Short-term debt	Net reserves (1 - 2)		
	1	2	3	4	5
Millions of US Dollars at end of month					
1991:					
January	269.7	173.1	96.6	-	269.7
February	234.1	171.1	63.0	-	234.1
March	266.9	160.3	106.6	-	266.9
April	203.9	126.0	77.9	-	203.9
May	200.4	125.5	74.9	-	200.4
June	173.1	146.1	27.0	-	173.1
July	187.0	133.0	54.0	-	187.0
August	191.7	140.6	51.1	-	191.7
September	204.0	153.2	50.8	-	204.0
October	221.4	142.4	79.0	15.8	237.2
November	225.0	133.8	138.5	47.3	272.3
December	282.0	97.7	184.3	118.9	400.9
1992:					
January	267.9	65.6	202.3	132.9	400.8
February	294.9	79.4	215.5	159.3	454.2
March	340.5	87.5	253.0	207.2	547.7
April	373.6	81.6	292.0	241.1	614.7
May	422.4	85.1	337.3	280.3	702.7
June	499.5	90.4	409.1	325.3	824.8

External Debt

	1990	1991	31.5.1992
Millions of US Dollars, unless otherwise indicated			
1. SUMMARY DEBT DATA			
TOTAL DEBT STOCKS (EDT) ¹	1,954	1,866	1,781
Long-term debt (LDOD)	1,813	1,765	1,696
Public and publicly guaranteed	1,391	1,357	1,320
Private nonguaranteed	422	408	376
Use of IMF credit ²	-	-	-
Short-term debt	141	101	85
Interest arrears on LDOD	0	3	3
TOTAL DEBT FLOWS			
Disbursements	314	146	57
Long-term debt	314	146	57
IMF purchases	-	-	-
Principal repayments	189	236	89
Long-term debt	188	196	73
IMF repurchases	-	-	-
Net flows	125	-90	-32
Interest payments (INT)	155	158	58
Long-term debt (LINT)	143	148	54
IMF charges	-	-	-
Short-term debt	12	10	4
Net transfers	-30	-248	-9)
Total debt service (TDS)	344	394	147
Long-term debt (LTDS)	331	344	127
IMF	-	-	-
Short-term debt	13	50	20
2. MAJOR ECONOMIC AGGREGATES			
Exports of goods & services (XGS)	5,959	4,962	2,196
Imports of goods & services (MGS)	5,326	4,772	1,700
International reserves (RES)	316	401	703
Current account balance	680	225	513
3. PRINCIPAL RATIOS			
TOTAL EXTERNAL DEBT (%)			
EDT/XGS	32.8	37.6	...
TDS/XGS	5.8	7.9	...
INT/XGS	2.6	3.2	...
RES/EDT	16.3	21.5	39.5
RES/MGS (months)	0.7	1.0	...
Short-term / EDT	7.2	5.4	4.8
Concessional / EDT	0.2	0.1	0.1
Multilateral / EDT	27.4	28.1	29.6
LONG-TERM DEBT (%)			
LDOD/XGS	30.4	35.6	...
LTDS/XGS	5.6	6.9	...
LINT/XGS	2.4	3.0	...
RES/LDOD	17.6	22.7	41.5
4. LONG-TERM DEBT			
DEBT OUTSTANDING (LDOD)	1,813	1,765	1,696
Public and publicly guaranteed	1,391	1,357	1,320
Official creditors	909	884	859
Multilateral	535	525	528
Concessional:	-	-	-
- IDA	-	-	-
Nonconcessional	535	525	528
- IBRD	102	107	117
Bilateral ⁶	373	358	331
Concessional	4	2	1
Private creditors	482	472	461
Bonds	-	-	-
Commercial banks	471	465	458
Other private	11	7	3
Private nonguaranteed	422	408	376
Memo: Total commercial banks	778	760	727

External Debt (continued)

	1990	1991	31.5.1992
Millions of US Dollars, unless otherwise indicated			
INTEREST PAYMENTS (LINT)	143	148	54
Public and publicly guaranteed	112	109	41
Official creditors	73	69	26
Multilateral	43	42	18
Concessional	-	-	-
- IDA	-	-	-
Nonconcessional	43	42	18
- IBRD	10	10	5
Bilateral	30	27	8
Concessional	1	1	0
Private creditors	39	40	15
Bonds	-	-	-
Commercial banks	36	39	15
Other private	3	1	0
Private nonguaranteed	31	39	13
Memo: Total commercial banks	60	66	25
NET TRANSFERS	-17	-198	-70
Public and publicly guaranteed	-78	-134	-35
Official creditors	-39	-93	-19
Multilateral	5	-51	5
Concessional	-	-	-
- IDA	-	-	-
Nonconcessional	5	-51	5
- IBRD	-15	0	3
Bilateral	-44	-42	-24
Concessional	2	-3	0
Private creditors	-39	-41	-16
Bonds	-	-	-
Commercial banks	-36	-39	-15
Other private	-3	-2	-1
Private nonguaranteed	61	-64	-35
Memo: Total commercial banks	24	-94	-44
DEBT SERVICE (LTDS)	331	344	127
Public and publicly guaranteed	212	201	79
Official creditors	172	160	63
Multilateral	112	105	39
Concessional	-	-	-
- IDA	-	-	-
Nonconcessional	112	105	39
- IBRD	26	24	12
Bilateral	60	55	24
Concessional	2	4	0
Private creditors	40	41	16
Bonds	-	-	-
Commercial banks	36	39	15
Other private	4	2	1
Private nonguaranteed	119	143	48
Memo: Total commercial banks	135	135	54
5. AVERAGE TERMS OF NEW COMMITMENTS			
ALL CREDITORS			
Interest (%)	9.5	10.1	10.4
Maturity (years)	8.9	6.3	4.3
Grace period (years)	2.4	1.7	0.9
OFFICIAL CREDITORS			
Interest (%)	9.1	9.2	7.8
Maturity (years)	13.0	12.0	10.0
Grace period (years)	3.5	3.1	2.0
PRIVATE CREDITORS			
Interest (%)	10.2	10.7	11.0
Maturity (years)	3.0	2.8	3.0
Grace period (years)	0.9	0.8	0.6
MEMORANDUM ITEMS			
Concessional (LDOD)	4	2	1
Variable rate LDOD	1,275	1,235	1,182

External Debt (continued)

	1990	1991	31.5.1992
Millions of US Dollars, unless otherwise indicated			
UNDISBURSED DEBT	291	279	223
Public and publicly guaranteed	237	232	176
Official creditors	235	231	176
Multilateral	196	204	151
- IBRD	119	127	103
- IDA	-	-	-
Bilateral	39	27	25
Private creditors	2	1	-
Private nonguaranteed	54	47	47
COMMITMENTS	292	118	27
Public and publicly guaranteed	173	45	5
Official creditors	173	45	5
Multilateral	118	44	5
- IDA	-	-	-
- IBRD	84	35	5
Bilateral	55	1	-
Private creditors	-	-	-
Private nonguaranteed	119	73	22
DISBURSEMENTS	314	146	57
Public and publicly guaranteed	134	67	44
Official creditors	133	67	44
Multilateral	117	54	44
Concessional	-	-	-
- IDA	-	-	-
Nonconcessional	117	54	44
- IBRD	11	24	15
Bilateral	16	13	0
Concessional	4	1	0
Private creditors	1	0	0
Bonds	-	-	-
Commercial banks	-	-	-
Other private	1	0	0
Private nonguaranteed	180	79	13
Memo: Total commercial banks	159	41	10
PRINCIPAL REPAYMENTS ³	188	196	73
Public and publicly guaranteed	100	92	38
Official creditors	99	91	37
Multilateral	69	63	21
Concessional	-	-	-
- IDA	-	-	-
Nonconcessional	69	63	21
- IBRD	16	14	7
Bilateral	30	28	16
Concessional	1	3	0
Private creditors	1	1	1
Bonds	-	-	-
Commercial banks	-	-	-
Other private	1	1	1
Private nonguaranteed	88	104	35
Memo: Total commercial banks	75	69	29
NET FLOWS	126	-50	-16
Public and publicly guaranteed	34	-25	6
Official creditors	34	-24	7
Multilateral	48	-9	23
Concessional	-	-	-
- IDA	-	-	-
Nonconcessional	48	-9	23
- IBRD	-5	10	8
Bilateral	-14	-15	-16
Concessional	3	-2	0
Private creditors	0	-1	-1
Bonds	-	-	-
Commercial banks	-	-	-
Other private	0	-1	-1
Private nonguaranteed	92	-25	-22
Memo: Total commercial banks	84	-28	-19

External Debt (continued)

	1992	1993	1994	1995	1996	Subsequent years
	Millions of US Dollars, unless otherwise indicated					
	6. DEBT SERVICE PROJECTIONS ON EXISTING PIPELINE					
TOTAL LONG-TERM	350	322	319	296	248	1,220
Principal	271 ⁴	210	210	201	167	860
Interest	79	112	109	95	81	360

¹ Debt data apply only to loans used directly by Slovenian beneficiaries; the division of federal debt (approx. USD 3.1 billion) is to be subject of negotiations on the succession of former Yugoslavia. - ² Transactions with the IMF were in the past made exclusively by the National Bank of Yugoslavia and are thus not included. - ³ Not including debt conversions, amounting to USD 65 million in 1990, USD 3 million in 1991 and USD 22 million in 1992. - ⁴ Including principal arrears on Paris Club (USD 60 million) and EUROFIMA (USD 10 million) rescheduled debt; negotiations have commenced with the Paris Club on the settlement of arrears. - ⁵ Not including an additional USD 7 million liabilities from identified federal debt (to Italy).

Table: 11

TARIFF	average rate of customs duty in 1991		average rate of all import duties
	non-weight	* weighted	
01 live animals	6.4	10.1	15.4
02 meat	11.7	13.1	20.1
03 fish	3.2	1.1	12.2
04 dairy produce	9.9	9.3	18.6
05 products of animal origin	6.2	5.4	15.2
06 plants	7.8	5.6	16.8
07 edible vegetables	8.9	5.2	17.2
08 edible fruit	7.6	5.3	16.4
09 coffee, tea, spices	2.9	0.1	11.8
10 cereals	6.3	6.3	15.3
11 products of the milling ind.	9.6	11.0	18.6
12 oil seeds	5.0	5.4	13.7
13 lac, gums, resins	3.1	4.3	12.1
14 vegetable plaiting materials	3.7	3.3	12.7
15 fats and oils	5.8	6.6	14.8
16 preparations of meat, fish	13.7	14.4	22.7
17 sugar	13.6	16.4	19.6
18 cocoa	7.9	12.6	16.3
19 preparations of cereals	10.7	12.2	19.7
20 preparations of vegetables	13.8	14.0	21.3
21 miscellaneous edible prepa.	9.0	10.0	18.0
22 beverages, spirits, vinegar	20.9	23.0	29.8
23 waste from the food ind.	4.9	4.1	11.7
24 tobacco, substitutes	20.0	15.0	29.0
25 salt, sulphur, stone	5.3	4.1	14.3
26 ores, slag, ash	5.3	3.6	12.5
27 mineral fuels, oils	7.2	2.3	16.2
28 inorganic chemicals	8.4	8.4	17.4
29 organic chemicals	6.8	4.2	15.7
30 pharmaceutical products	9.3	8.6	18.3
31 fertilisers	5.1	3.1	13.8
32 tanning or dyeing extracts	8.7	7.8	17.6
33 essential oils, resinads	10.5	13.6	19.0
34 soap	11.9	11.5	20.1
35 albuminoidal substances	8.0	11.9	17.0
36 explosives	14.8	15.0	23.8
37 photographic goods	15.0	16.9	24.0
38 miscellaneous chemical pro.	9.3	9.9	18.3
39 plastics and art. thereof	14.7	14.0	23.7
40 rubber and art. thereof	9.9	6.9	18.9
41 raw hides, skins	5.0	5.3	14.0
42 articles of leather	18.1	19.4	27.0
43 furskins	9.4	11.8	18.4
44 wood	3.1	6.2	17.0
45 cork	5.7	6.4	14.7
46 manufactures of straw	12.0	12.0	21.0
47 pulp, paper	5.0	5.0	14.0

TARIFF	average rate of customs duty in 1991		average rate of all import duties
	non-weight	weight	non-weight
48 paper, paperboard	15.5	15.1	24.5
49 printed books, newspapers	9.2	6.2	18.2
50 silk	10.4	19.7	19.4
51 wool, animal hair	9.5	8.1	18.3
52 cotton	14.3	3.4	20.8
53 other vegetables fibres	9.4	5.9	18.4
54 filaments	15.6	15.6	24.2
55 staple fibres	16.7	15.2	25.1
56 wadding, felt, nonwovens	12.2	10.9	21.2
57 carpets	19.3	17.2	28.3
58 special woven fabrics	17.4	17.3	26.4
59 text. articles for ind. use	15.2	15.5	24.2
60 knitted or crocheted goods	18.0	18.0	27.0
61 apparel accessories	19.9	19.6	26.0
62 apparel accessories	21.8	21.8	27.8
63 other made up textile art.	19.2	19.9	26.8
64 footwear	19.7	19.4	25.3
65 headgear	17.3	17.8	26.3
66 umbrellas	16.4	15.2	25.4
67 feathers	15.0	18.0	24.0
68 articles of stone, plaster	9.8	9.5	18.8
69 ceramic products	13.2	14.2	21.9
70 glass	14.6	15.4	23.1
71 precious or semi-p. stones	11.9	11.4	20.9
72 iron and steel	12.5	10.5	19.8
73 articles of iron or steel	14.3	13.8	23.0
74 copper	10.2	10.8	19.2
75 nickel	5.4	4.0	11.9
76 aluminium	12.0	10.6	21.0
78 lead	9.2	9.6	18.2
79 zinc	10.3	7.9	19.3
80 tin	6.8	1.4	15.8
81 other base metals	5.3	5.4	14.3
82 tools, implements	15.6	15.8	24.6
83 articles of base metal	15.4	15.1	24.4
84 nuclear reactors	13.6	14.4	22.6
85 electrical machinery	15.0	14.4	23.3
86 railway, traffic signalling	12.4	11.6	20.4
87 vehicles	15.9	19.7	24.9
88 spacecraft	8.7	0.1	16.4
89 ships, floating structures	8.9	12.4	13.4
90 optical	13.6	13.4	22.4
91 clocks-parts thereof	16.6	14.7	25.6
92 musical instruments	15.4	15.3	24.4
93 arms, ammunition	20.9	25.0	29.9
94 furniture	17.5	17.8	26.0
95 toys, sports requisites	16.3	17.1	25.3
96 miscellaneous manufa. art.	16.5	15.0	25.3
97 works of art	6.4	9.0	15.4
Total:	12.0	11.1	20.5

TABLE: 12

L/7090
Page 53

TARIFF year	number of all items	number of items on quotas			import of goods on quotas (QQ,QV in %)	
		91	92	%92	91	92
01 live animals	63	15	7	11,1	60,7	31,2
02 meat	93	50	47	50,5	76,1	58,1
03 fish	94	5	1	1,0	0	0
04 dairy produce	39	7	27	69,2	3,5	99,3
05 products of animal origin	27	0	0	0	0	0
06 plants	18	4	0	0	0	0
07 edible vegetables	72	17	1	1,3	43,0	0,5
08 edible fruit	61	13	1	1,6	2,0	0,2
09 coffee, tea, spices	36	4	0	0	0	0
10 cereals	30	11	3	10	58,5	4,5
11 products of the milling ind.	36	8	2	5,5	58,9	6,5
12 oil seeds	54	12	3	5,5	66,0	41,0
13 lac, gums, resins	13	1	1	7,6	19,1	18,9
14 vegetable plaiting materials	12	0	0	0	0	0
15 fats and oils	70	10	1	1,4	51,2	0,2
16 preparations of meat, fish	29	9	3	10,3	49,2	28,3
17 sugar	25	7	2	8	36,0	35,8
18 cocoa	12	5	0	0	31,5	0
19 preparations of cereals	21	2	2	9,5	8,9	8,9
20 preparations of vegetables	71	16	2	2,8	13,7	6,3
21 miscellaneous edible prepa.	27	4	0	0	0,2	0
22 beverages, spirits, vinegar	42	26	5	11,9	34,6	28,3
23 waste from the food ind.	29	6	0	0	23,2	0
24 tobacco, substitutes	11	3	0	0	63,0	0
25 salt, sulphur, stone	98	9	0	0	3,3	0
26 ores, slag, ash	42	4	0	0	0	0
27 mineral fuels, oils	88	20	0	0	12,7	0
28 inorganic chemicals	263	0	0	0	0	0
29 organic chemicals	506	6	0	0	0,3	0
30 pharmaceutical products	47	0	0	0	0	0
31 fertilisers	31	11	0	0	54,5	0
32 tanning or dyeing extracts	60	0	0	0	0,5	0
33 essential oils, resinads	56	0	0	0	0	0
34 soap	29	0	0	0	0	0
35 albuminoidal substances	26	1	0	0	2,9	0
37 photographic goods	54	0	0	0	0	0
38 miscellaneous chemical pro.	8	4	0	0	9,0	0
39 plastics and art. thereof	168	1	0	0	7,0	0
40 rubber and art. thereof	85	3	0	0	7,4	0
41 raw hides, skins	47	0	0	0	0	0
42 articles of leather	23	0	0	0	0	0
43 furskins	19	0	0	0	0	0
44 wood	105	0	0	0	0	0
45 cork	7	0	0	0	0	0
46 manufactures of straw	6	0	0	0	0	0
47 pulp, paper	20	0	0	0	0	0

TARIFF year	number of all items	number of items on quotas			import of goods on quo: (QQ,QV in %)	
		91	92	%92	91	92
48 paper, paperboard	134	1	0	0	4,8	0
49 printed books,newspapers	28	0	0	0	0	0
50 silk	18	0	0	0	0	0
51 wool,animal hair	37	11	10	27	45	40,4
52 cotton	132	9	119	90,15	0	48
53 other vegetables fibres	31	0	0	0	0	0
54 filaments	73	33	0	0	27,9	0
55 staple fibres	126	56	62	49,21	20,1	37,4
56 wadding,felt,nonwovens	30	0	0	0	0	0
57 carpets	23	0	0	0	0	0
58 special woven fabrics	48	0	0	0	0	0
59 text.articles for ind.use	28	0	0	0	0	0
60 knitted or crocheted goods	18	1	0	0	0,1	0
61 apparel accessories	137	9	36	26,28	0	8,1
62 apparel accessories	178	8	18	10,11	0,1	24,9
63 other made up textile art.	85	0	2	2,35	0	23,6
64 footwear	30	0	0	0	0	0
65 headgear	12	0	0	0	0	0
66 umbrellas	7	0	0	0	0	0
67 feathers	10	0	0	0	0	0
68 articles of stone,plaster	59	0	0	0	0	0
69 ceramic products	60	0	0	0	0	0
70 glass	75	0	0	0	0	0
71 precious or semi-p.stones	56	0	0	0	0	0
72 iron and steel	396	192	0	0	77,9	0
73 articles of iron or steel	145	39	0	0	4,4	0
74 copper	66	30	0	0	0	0
75 nickel	18	1	0	0	0,7	0
76 aluminium	45	0	0	0	0	0
78 lead	12	0	0	0	0	0
79 zinc	11	0	0	0	0	0
80 tin	13	0	0	0	0	0
81 other base metals	45	0	0	0	0	0
82 tools,implements	135	33	0	0	15,7	0
83 articles of base metals	49	0	0	0	0	0
84 nuclear reactors	797	129	0	0	17,7	0
85 electrical machinery	339	46	0	0	9,4	0
86 railway,traffic signalling	12	0	0	0	0	0
87 vehicles	207	51	0	0	10,4	0
88 spacecraft	23	3	0	0	36,7	0
89 ships,floating structures	25	0	0	0	0	0
90 optical	201	1	0	0	0,2	0
91 clocks-parts thereof	59	0	0	0	0	0
92 musical instrumenst	23	0	0	0	0	0
94 furniture	48	0	0	0	0	0
95 toys,sports requisites	46	1	0	0	0,1	0
96 miscellaneous manufa.art.	64	0	0	0	0	0
total (quotas):	7220	960	355	4,95	12,3	2,0

TARIFF year	number of all items	number of items under licensing			import of goods under licensing (in %)	
		91	92	%92	91	92
29 organic chemicals (narcotics incl. drugs)	506	11	17	3,3	1	1,3
36 explosives	20	15	15	75	0	0
38 miscellaneous chemic.pro.	98	15	1	1	0,9	
71 precious or semi-p.stones	56	6	6	10,7	17,3	17,3
93 arms,ammunition	22	17	21	95,45	100,0	0
97 works of art	7	0	0	0	0	0
total (licensing):	7220	64	60	0,8	0,1	0,1
<u>TOTAL:(quotas and licen.)</u>	<u>7220</u>	<u>1024</u>	<u>415</u>	<u>5,75</u>	<u>12,9</u>	<u>2,1</u>

realized import under restrictions (quotas and licensing):

- in the year of 1991: 520,2 mio USD or 12,9 percent of the entire import of the Republic of Slovenia,
- in the year of 1992: 86,7 mio USD or 2,1 percent of the entire import of the Republic of Slovenia, according to the unchanged structure of import.

TABLE 13: FOREIGN INVESTMENT IN SLOVENIA

Type of entity/ contract	Number of registered entities / contracts			Value of contracted foreign capital to be invested* (million DEM)		
	1989	1990	1991	1989	1990	1991 est.
Equity joint ventures	135	443	227	50.6	178.8	205.6
Wholly foreign-owned	17	85	176	2.5	13.4	2.8
Contractual joint ventures	22	88	43	109.4	307.6	495.9
Total	174	616	446	162.5	499.8	704.4

STRUCTURE (in %)

Equity joint ventures	77.6	71.9	50.9	31.3	35.8	29.2
Wholly foreign-owned	9.8	13.8	39.5	1.5	2.7	0.4
Contractual joint ventures	12.6	14.3	9.6	67.2	61.5	70.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source : Centre for International Co-operation and Development, Ljubljana.

1991 - estimated by Institute of Macroeconomic Analysis and Development.